

ATTACHMENT A
RESOLUTIONS AND SUPPORTING STATEMENTS

Resolution 1 - Special resolution to amend our company's constitution:

Shareholders request that the following new clause 43A be inserted into our company's constitution:

Member resolutions at general meeting

The shareholders in general meeting may by ordinary resolution express an opinion, ask for information, or make a request, about the way in which a power of the company partially or exclusively vested in the directors has been or should be exercised. However, such a resolution must relate to an issue of material relevance to the company or the company's business as identified by the company, and cannot either advocate action which would violate any law or relate to any personal claim or grievance. Such a resolution is advisory only and does not bind the directors or the company.

Resolution 2 - Ordinary resolution on Paris Goals and Targets:

Shareholders request the Board disclose, in annual reporting from 2021:

1. Short, medium and long-term targets for reductions in our company's Scope 1, 2 and 3 emissions (**Targets**) that are aligned with articles 2.1(a) and 4.1 of the Paris Agreement¹ (**Paris Goals**);
2. Details of how our company's exploration and capital expenditure, including each material investment in the acquisition or development of oil and gas reserves, is aligned with the Paris Goals; and
3. Details of how the company's remuneration policy will incentivise progress against the Targets.

Nothing in this resolution should be read as limiting the Board's discretion to take decisions in the best interests of our company, or to limit the disclosure of commercial-in-confidence information.

¹ Article 2.1(a) of The Paris Agreement states the goal of "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 above pre-industrial levels, recognizing that this would significantly reduce the risks and impacts of climate change."

Article 4.1 of The Paris Agreement: In order to achieve the long-term temperature goal set out in Article 2, Parties aim to reach global peaking of greenhouse gas emissions as soon as possible, recognizing that peaking will take longer for developing country Parties, and to undertake rapid reductions thereafter in accordance with best available science, so as to achieve a balance between anthropogenic emissions by sources and removals by sinks of greenhouse gases in the second half of this century, on the basis of equity, and in the context of sustainable development and efforts to eradicate poverty.

Resolution 3 - Ordinary resolution on our company's climate-related lobbying

Shareholders request that our company conduct a review of its direct and indirect lobbying activities relating to climate, resources and/or energy policy (Review). A report summarising the completed Review be should disclosed on the company's website by 31 October 2020.

The Review should cover a period of at least two years and should address the consistency of our lobbying activities with the goals of the Paris Agreement to limit global warming to well below 2°C (**Paris Goals**).

Direct lobbying by our company or its agents: where the Review shows direct lobbying inconsistent with the Paris Goals, shareholders request that the Board disclose a strategy to prevent further lobbying inconsistent with those Goals.

Indirect lobbying by Industry Associations of which our company is a member: where the Review shows a record of lobbying inconsistent with the Paris Goals, shareholders request that Board disclose a remediation plan, agreed with the Industry Association. Shareholders recommend that our company suspend membership of an Industry Association where a remediation plan cannot be agreed (or the Board otherwise decides suspension is in our company's interests).

Nothing in this resolution should be read as limiting the Board's discretion to take decisions in the best interests of our company.

Resolution 4 – Ordinary resolution on ‘reputation advertising’ activities

Shareholders request that the Board review our company’s:

- ‘corporate reputation advertising’ activities, which are aimed primarily at increasing the standing of our company’s brand in the community; and
- support for ‘sector reputation advertising’ activities undertaken by Industry Associations, which are aimed at influencing public perceptions of the oil and gas sector;

against the standards set out in Chapters VI (Environment) and VIII (Consumer Interests) of the OECD Guidelines for Multinational Enterprises (**OECD Guidelines**).

Where ‘reputation advertising’ activities are found to be inconsistent with the OECD Guidelines, or where they are targeted at children, shareholders recommend that those activities (or, in the case of sector reputation advertising, our company’s support for them) be discontinued.

Supporting statement to resolution 1 (573 words including footnotes)

Shareholder resolutions are a healthy part of corporate democracy in many jurisdictions other than Australia. As a shareholder, the Australasian Centre for Corporate Responsibility (ACCR) favours policies and practices that protect and enhance the value of our investments.

The Constitution of our company is not conducive to the right of shareholders to place ordinary resolutions on the agenda of the annual general meeting (AGM). In our view, this is contrary to the long-term interests of our company, our company's Board, and all shareholders in our company.

Australian legislation and its interpretation in case law means that Australian shareholders are unable to directly propose ordinary resolutions for consideration at Australian companies' AGMs. In Australia, the *Corporations Act 2001* provides that 100 shareholders or those with at least 5% of the votes that may be cast at an AGM with the right to propose a resolution². However, section 198A specifically provides that management powers in a company reside with the Board³.

Case law in Australia has determined that these provisions, together with the common law, mean that shareholders cannot by resolution either direct that the company take a course of action, or express an opinion as to how a power vested by the company's constitution in the directors should be exercised⁴.

Australian shareholders wishing to have a resolution considered at an AGM have dealt with this limitation by proposing two part resolutions, with the first being a 'special resolution,' such as this one, that amends the company's constitution to allow ordinary resolutions to be placed on the agenda at a company's AGM. Such a resolution requires 75% support to be effective, and as no resolution of this kind has ever been supported by management, none have succeeded.

It is open to our company's Board to simply permit the filing of ordinary resolutions, without the need for a special resolution. We would welcome this, in this instance. Permitting the raising of advisory resolutions by ordinary resolution at a company's AGM is global best practice, and this right is enjoyed by shareholders in any listed company in the UK, US, Canada and New Zealand.

We note that the drafting of this resolution limits the scope of permissible advisory resolutions to those related to "an issue of material relevance to the company or the company's business as identified by the company" and that recruiting 100 individual shareholders in a company to support a resolution is by no means an easy or straightforward task. Both of these factors act as powerful barriers to the actualisation of any concern that such a mechanism could 'open the floodgates' to a large number of frivolous resolutions.

ACCR urges shareholders to vote for this proposal.

² sections 249D and 249N of the *Corporations Act 2001* (Cth).

³ S198A provides that "[t]he business of a company is to be managed by or under the direction of the directors", and that "[t]he directors may exercise all the powers of the company except any powers that this Act or the company's constitution (if any) requires the company to exercise in general meeting."

⁴ *National Roads & Motorists' Association v Parker* (1986) 6 NSWLR 517; *ACCR v CBA* [2015] FCA 785). *Parker* turned on whether the resolution would be legally effective, with *ACCR v CBA* [2016] FCAFC 80 following this precedent on the basis that expressing an opinion would be legally ineffective as it would usurp the power vested in the directors to manage the corporation.

Supporting statement to resolution 2 (940 words including footnotes)

Our company claims to “recognise scientific consensus on climate change”⁵ and “share the global aspiration of the Paris Agreement to contain global warming well below two degrees”⁶. However, our company’s growth strategy and emissions targets are not consistent with the goals of the Paris Agreement.

Capital expenditure and growth

The Intergovernmental Panel on Climate Change (IPCC) Special Report on Global Warming of 1.5°C⁷ projects that the share of primary energy provided by gas must decline by 20-25% by 2030, and by 53-74% by 2050 (relative to 2010)⁸. Contrary to those projections, our company is targeting production growth of more than 6% p.a. to 2028, and is planning to produce more than 150 million barrels of oil equivalent by 2028⁹.

Our company has disclosed planned capital expenditure of \$11.4 billion on the Burrub Hub project including the Pluto expansion, and Browse and Scarborough developments, \$4.2 billion on Sangomar Phase 1, and is currently assessing the commerciality of its Myanmar field¹⁰.

Our company claims to “regularly test the resilience of [its] portfolio against a range of scenarios”¹¹. Despite the lack of disclosure of such analyses, it perceivably relies on various scenarios provided by the International Energy Agency (IEA), all of which rely heavily on unproven technologies, such as carbon capture and storage (CCS). Our company should reassess its strategy on the basis of the Principles for Responsible Investment (PRI) “Inevitable Policy Response”, which forecasts policy intervention by 2025 that will be “forceful, abrupt, and disorderly”¹².

There is a clear gulf between our company’s plans and the recommendations of the IPCC, given the absence of commercially viable carbon capture and storage (CCS). It is incumbent upon our company to demonstrate to shareholders how its capital expenditure, including each material investment in exploration, acquisition or development of oil and gas reserves, is aligned with the Paris Agreement’s goal of limiting global warming to well below 2°C.

Emissions targets and performance

Our company’s direct carbon emissions (Scope 1+2, operated) were 8.8 million tonnes CO₂-equivalent in 2019, down from 9.8 million tonnes CO₂-e in 2018 due primarily to operational outages¹³. The carbon emissions from the use of our company’s products (Scope 3) were 27.9 million tonnes CO₂-equivalent in 2019¹⁴. Our company’s Scope 3 emissions, from the use of products sold, comprise the vast majority of its carbon footprint, yet management plans to increase these emissions in the medium term.

Our company has committed to improving energy efficiency by 5% between 2021-25, and to “offset equity reservoir CO₂ emissions” across its portfolio by 2021¹⁵. These are not credible targets, nor are they aligned with

⁵ Woodside Petroleum, Climate Change Policy, December 2019

⁶ <https://www.woodside.com.au/sustainability/climate-change>

⁷ IPCC, Special Report on Global Warming of 1.5°C, October 2018

⁸ In the absence of, or with only a limited use of fossil fuels with carbon capture and storage (CCS)

⁹ Woodside Petroleum, ASX Announcement, 19 November 2019

¹⁰ *ibid.*

¹¹ Woodside Petroleum, Sustainable Development Report 2019

¹² <https://www.unpri.org/inevitable-policy-response/what-is-the-inevitable-policy-response/4787.article>

¹³ Woodside Petroleum, Sustainable Development Report 2019

¹⁴ Woodside Petroleum, Annual Report 2019

¹⁵ <https://www.woodside.com.au/sustainability/climate-change>

the Paris Agreement. Our company intends to substantially increase production for the foreseeable future, even though its global peers including BHP Group, BP, Repsol and Royal Dutch Shell have committed to set targets to reduce carbon pollution from the use of their products (Scope 3 emissions).

Our company has also entered into a partnership with Greening Australia to plant 7.5 million native trees in 2020¹⁶ that it claims will sequester approximately 1 million tonnes CO₂-equivalent over 25 years¹⁷. While support for reforestation is welcome, this initiative represents a fraction of our company's overall carbon footprint.

Our company opposes regulators taking into account the emissions from Australia's LNG exports. Our company lobbied vigorously against guidelines proposed by the Western Australian Environmental Protection Agency (EPA), that would have required the EPA to consider Scope 3 emissions in project approvals¹⁸.

In November 2018, the Carbon Disclosure Project (CDP) ranked our company 18th out of 24 major oil and gas companies on its approach to "transition opportunities"¹⁹. CDP found that our company has failed to adequately invest in low carbon assets, research and development, and new technologies.

Our company faces significant risks from climate change: to physical assets from weather events, to operations from a changing regulatory environment, and to revenue models from the energy transition. To date, our company has failed to adequately respond to these risks, and simply continued with business-as-usual.

The IPCC 1.5°C report recommends that in order to reach net zero carbon emissions by 2050, gas must play a diminishing role in primary energy. Failing to limit global warming to 1.5°C will seriously impact the functioning of our financial systems and society more broadly. The Australian summer of 2019/20 is evidence that climate change is already impacting the economy, yet our company has no plans to reduce its carbon footprint.

Remuneration

Our company's CEO and senior executives are awarded short term incentives (STI) based on the assessment of various Corporate Scorecard measures and outcomes²⁰. While the "Material Sustainability Issues" component of the STI comprises 25% of the overall scorecard and includes reference to emissions reductions, it is unclear how significant a part of the STI is determined by emissions reductions²¹.

Our company's executives are rewarded for maximising production (25%) and delivering on a business priorities (25%) that aim to significantly increase production in the medium term, and implicitly includes successful exploration for new oil and gas reserves.

Our company's remuneration report rewards a business plan that is inconsistent with the Paris Agreement. It must be updated to significantly incentivise emissions reduction and business transformation.

ACCR urges shareholders to vote for this proposal.

¹⁶ <https://www.woodside.com.au/sustainability/climate-change>

¹⁷ <https://www.greeningaustralia.org.au/woodside-and-greening-australia/>

¹⁸ <https://thewest.com.au/opinion/premier-must-fix-the-epas-carbon-emissions-mess-ng-b881129705z>

¹⁹ CDP, Beyond the Cycle, November 2018

²⁰ Woodside Petroleum, Annual Report 2019 (p61)

²¹ *ibid.*

Supporting statement to resolution 3 (706 words including footnotes)

ACCR expects alignment of company lobbying with the goals of the Paris Agreement to limit global warming to well below 2°C (**Paris Goals**). We are concerned that our company's recent direct²² and indirect²³ lobbying activities have not promoted the achievement of the Paris Goals.

Independent, UK-based research group InfluenceMap has described Australia as “a test-tube case for what happens when highly powerful and climate-obstructive fossil fuels lobbyists can operate with impunity.”²⁴

This resolution seeks further disclosure on our company's direct and indirect lobbying on climate and energy policy, in light of the failure of successive Australian governments to implement policy designed to achieve the Paris Goals.

Direct lobbying

In March 2019, our company publicly campaigned against Western Australian Environment Protection Authority (WA EPA) guidelines that would have required new emissions intensive projects to offset their emissions, through newspaper advertising, radio interviews and an opinion piece by our company's CEO in the West Australian²⁵. On 14 March 2019, our CEO Peter Coleman met with WA Premier Mark McGowan to demand that the WA EPA guidelines were withdrawn²⁶. Currently, shareholders have only learned about this campaign through media reporting, and remain unaware of the full extent of our company's direct lobbying of state and federal governments.

While some Australian states require the disclosure of limited relevant records (e.g. Ministerial diaries are disclosed in New South Wales), regulation in this area is incomplete. Federal law does not compel disclosure of the information requested in this resolution.

Indirect lobbying

Since 2017, at least eight ASX50 companies (and many more global companies) have conducted a formal review of the activities of their industry associations. To date, our company has not committed to doing the same.

Our company is a full member of the Australian Industry Greenhouse Network (AIGN), the Business Council of Australia (BCA), the Australian Petroleum Production and Exploration Association (APPEA) and the Chamber of Minerals and Energy of Western Australia (CMEWA).

- **AIGN** represents the interests of EITE (emissions-intensive, trade exposed) industries. It lobbied against effective policy on climate change throughout the early 2000s, and its own members once described the organisation as the “greenhouse mafia”²⁷. Very little information about AIGN's recent activities is

²² **Direct lobbying** includes lobbying of state and federal parliamentarians undertaken by senior executives and Board members or lobbying firms engaged by our company as its agents.

²³ **Indirect lobbying** includes lobbying, advertising and advocacy activities undertaken by Industry Associations of which our company is a member.

²⁴ Influence Map, Trade Groups and their Carbon Footprints, September 2019

²⁵ <https://thewest.com.au/opinion/premier-must-fix-the-epas-carbon-emissions-mess-ng-b881129705z>

²⁶

<https://thewest.com.au/news/environment/epa-emissions-guidelines-premier-mark-mcgowan-calls-industry-meeting-to-discuss-carbon-plan-fallout-ng-b881135317z>

²⁷ Guy Pearse, High and Dry, 2007

publicly available, however AIGN remains active and continues to send a delegation to international climate talks, including COP25 in Madrid²⁸.

- **APPEA**, of which our company's Chief Operating Officer is a board member, supports the use of "Kyoto carryover credits"²⁹ which would effectively halve Australian government targets to reduce carbon pollution. The Australian government argued for these "Kyoto carryover credits" at climate talks in Madrid in 2019, delaying global agreement³⁰. In addition, APPEA has called for LNG plants to be exempt from public disclosure of their emissions³¹; it has opposed state-based renewable energy targets³²; and it has said that there is no "need in any way, shape or form" for governments to regulate emissions from LNG exports³³.
- The **Business Council of Australia (BCA)**, of which our company's CEO is a board member, supports the use of "Kyoto carryover credits"³⁴; has called for new investment in existing coal-fired power stations³⁵; and campaigned against a 45% reduction in emissions by 2030, which it said would be "economy wrecking"³⁶ and lead to "deindustrialisation"³⁷.
- **APPEA**³⁸, the **BCA**³⁹ and the **CMEWA**⁴⁰ successfully campaigned against WA EPA guidelines that would have required new carbon pollution-intensive projects to offset their emissions.

Australia urgently requires the implementation of public policy designed to bring the country's emissions trajectory into line with the Paris Goals. Our company's record of lobbying on climate and energy policy runs directly counter to the achievement of the Paris Goals. This resolution promotes a strategic reset of our company's approach to policy engagement.

ACCR urges shareholders to vote for this proposal.

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<https://unfccc.int/process-and-meetings/parties-non-party-stakeholders/non-party-stakeholders/overview/how-to-obtain-observer-status>

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https://www.appea.com.au/media_release/appea-welcomes-commitment-to-further-consultation-on-labors-climate-change-action-plan/

³⁰ <https://www.theguardian.com/environment/2019/dec/16/un-climate-talks-australia-accused-of-cheating-and-thwarting-global-deal>

³¹ <https://www.theguardian.com/environment/2018/nov/16/nothing-to-hide-oil-and-gas-lobby-pushes-to-limit-data-on-its-emissions>

³² APPEA Submission, Energy Security Board National Energy Guarantee Draft Detailed Design Consultation Paper, June 2018

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<https://www.theaustralian.com.au/business/mining-energy/rivals-baulk-at-bhp-carbon-plan/news-story/83afe8670070a450b1a4732ebc6703ab>

³⁴ <https://www.afr.com/policy/energy-and-climate/bhp-backs-government-on-kyoto-carryover-loophole-20190923-p52u1u>

³⁵ https://www.bca.com.au/interview_with_david_speers_speers_sky_news2

³⁶ <https://twitter.com/BCAcomau/status/1011414577702031361>

³⁷ https://www.bca.com.au/jennifer_westacott_interview_with_kieran_gilbert_sky_s_speers_on_sunday

³⁸ https://www.appea.com.au/media_release/wa-epa-guidelines-put-investment-at-risk/

³⁹ https://www.bca.com.au/guidelines_risk_stalling_the_economy

⁴⁰ <https://cmewa.com.au/media-release/cme-response-to-epa-environmental-factor-guideline-for-greenhouse-gas-emissions/>

Supporting statement to resolution 4 (697 words excluding footnotes)

'Reputation advertising' can be defined as advertising aimed primarily at increasing the standing of a company or sector in the community, bolstering social licence and increasing brand or industry recognition. It is distinct from product or service advertising intended to reach consumers of those products or services. 'Reputation advertising', especially by fossil fuels companies, is coming under increasing scrutiny by stakeholder groups worldwide. Investment analysts have commented that it has "only added to the distrust the wider public has with the [oil and gas] industry"⁴¹.

In early February 2020, BP plc committed to "stopping corporate reputation advertising and redirecting resources to promote net zero policies, ideas, actions, collaborations and its own net zero ambition"⁴². This commitment followed a complaint to the UK National Contact Point of the OECD Guidelines for Multinational Enterprises (**OECD Guidelines**) about BP's advertising practices⁴³.

The OECD Guidelines, which apply to our company, require advertising and marketing activities to be based on accurate, measurable, verifiable and clear information, including about a company's environmental impacts⁴⁴.

Our company directly engages in various 'reputation advertising' activities.

Much of our company's corporate 'reputation advertising' is aimed at children and young people. These campaigns include, but are not limited to the following sponsorships/partnerships⁴⁵:

- Surf Life Saving WA Nippers program (Nippers is a program for children between the ages of five and fourteen);
- Fringe World Festival;
- Fremantle Dockers Australian Rules Football Club;
- West Australian Ballet;
- Western Australian Youth Orchestras;
- Woodside Australian Science Project⁴⁶;
- Primary school visits to promote oil drilling⁴⁷.

The objectives and costs of these activities are not disclosed to shareholders. It is of concern to shareholders that our company promotes its brand and the role of oil and gas to young children who do not have the mental capacity to differentiate between competing sources of information. Unilever plc has committed to "stop marketing and advertising foods and beverages to children under the age of 12 in traditional media, and below 13 via social media channels" by the end of 2020⁴⁸.

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<https://www.energyvoice.com/oilandgas/north-sea/224428/bp-ditching-reputation-advertising-should-be-welcomed-by-all-analysts-say/>

42 <https://www.bp.com/en/global/corporate/news-and-insights/press-releases/bernard-looney-announces-new-ambition-for-bp.html>

43 <https://www.documents.clientearth.org/library/download-info/complaint-against-bp-in-respect-of-violations-of-the-oecd-guidelines/>

44 paragraphs 2(a) and 6(c) of Chapter VI of the OECD Guidelines and paragraphs 2, 4 and 5 of Chapter VIII

45 <https://www.woodside.com.au/sustainability/part-of-the-community/stronger-communities/arts-culture-community>

46 <https://www.wasp.edu.au/>

47 https://twitter.com/SorrentoPS_5_6/status/1123835169893437442

48

<https://www.unilever.com/news/news-and-features/Feature-article/2020/why-we-are-changing-the-way-we-market-products-to-children.html>

Our company also engages in sector ‘reputation advertising’ activities – which are aimed at influencing public perceptions of the oil and gas sector – as a full member of the Australian Petroleum Production and Exploration Association (APPEA). In recent years, APPEA has developed a growing online and social media presence, often under the auspices of several, ostensibly independent or separate, entities. These entities are all owned and managed by APPEA, and promote its messaging online using different branding and messaging styles. These entities include: Bright-r with Gas, Energy Information Australia, Gas4NT, Natural CSG (no longer in use), Our Natural Advantage, Seismic Survey and Shale Gas.

Communications activities undertaken by APPEA and its ‘reputation advertising’ brands routinely overstate the relative environmental benefits of gas by failing to reflect its lifecycle emissions. Such activities do not warn about the contribution of oil and gas combustion to climate change.

In Europe and the United States, oil majors’ advertising is coming under increasing scrutiny by both the media and the general public. It is becoming clear that ‘reputation advertising’ is often inaccurate and misleading. In March 2019, UK-based think tank InfluenceMap estimated that in the three years between 2015 and 2018, the five largest publicly-traded oil and gas majors (BP, Chevron, ExxonMobil, Royal Dutch Shell and Total) spent over US\$1 billion on “misleading climate-related branding and lobbying”⁴⁹. Institutional investors now view such expenditure of shareholder funds as a major obstruction to effective climate policy.

Our company considers itself a global company, and regularly espouses the role it plays in providing energy to communities around the world. With this in mind, our company must hold itself to the relevant global standards contained in the OECD Guidelines. Shareholders recommend that our company commit to suspending ‘reputation advertising’ until it has undertaken the review requested in the resolution. Inconsistency with relevant standards poses material legal and reputational risk for our company.

This resolution is not intended to preclude non-branded philanthropic contributions, or advertising that promotes our company’s products to corporate customers.

ACCR urges shareholders to vote for this proposal.

⁴⁹ <https://influencemap.org/report/How-Big-Oil-Continues-to-Oppose-the-Paris-Agreement-38212275958aa21196dae3b76220bddc>

ATTACHMENT B
AGENCY AGREEMENTS