

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

To insert into our company's constitution the following new clause 42C:

Member resolutions at general meeting

The Members in general meeting may by ordinary resolution express an opinion or request information 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 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.

Supporting statement to Resolution 1 (557 words including footnotes)

Shareholder resolutions are a healthy part of corporate democracy in many jurisdictions. 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 resolution.¹ However, section 198A specifically provides that management powers in a company reside with the Board.²

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 exercised.

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 or any institutional investors, none have succeeded.

¹ Sections 249D and 249N of the *Corporations Act 2001* (Cth).

² 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."

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. 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 or 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 safeguards against 'opening the floodgates' to a large number of frivolous resolutions.

ACCR urges shareholders to vote for this proposal.

Resolution 2 - Ordinary resolution on climate-related lobbying

Shareholders request that our company cease all private and public advocacy, both direct and indirect, that contradicts the conclusions of the International Energy Agency (IEA) and the Intergovernmental Panel on Climate Change (IPCC) on 1.5°C alignment, including advocacy relating to the development of new oil and gas fields.

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

Supporting statement to Resolution 2 (951 words including footnotes)

ACCR acknowledges our company's support for the Paris Agreement and its aspiration to reach net-zero operational emissions by 2050.³

The International Energy Agency's (IEA) 'Net zero by 2050' scenario⁴ concluded that no new coal, gas or oil developments can proceed beyond 2021, in order to limit global warming to 1.5°C. The IPCC's Special Report on Global Warming of 1.5°C concluded that in the absence of, or with only a limited use of carbon capture and storage (CCS), the share of primary energy provided by gas must decline by 20-25% by 2030, and by 53-74% by 2050 (relative to 2010).⁵

Yet our company and its industry associations continue to advocate for the development of new and expanded oil and gas projects.

For the purposes of this resolution, 'direct advocacy' refers to activities conducted by company employees or board members. 'Indirect advocacy' refers to activities conducted by agents of the board or company, including but not limited to industry associations, registered lobbyists,⁶ consultants and advertising/marketing agencies.

Direct advocacy

In 2021, InfluenceMap found that our company was the third most active company in Australia on climate and energy policy between 2018-21, scoring it D- (scale A-F) for its opposition to Paris-aligned climate policy.⁷

While our company discloses its submissions on climate and energy policies,⁸ it does not disclose meetings with state and federal politicians.

³ <https://www.woodside.com.au/sustainability/climate-change>

⁴ <https://www.iea.org/reports/net-zero-by-2050>

⁵ <https://www.ipcc.ch/sr15/>

⁶ For example, see the Australian Government's Register of Lobbyists

⁷ <https://australia.influencemap.org/>

⁸ <https://www.woodside.com.au/sustainability/working-openly/government-submissions>

In 2020-21, our company was the single largest corporate donor to the Labor, Liberal and National parties, donating a total of \$232,000.⁹ Our company has confirmed that these donations provide access to political parties.¹⁰

In late 2021, our company's CEO Meg O'Neill and Senior Vice President-Climate, Tom Ridsill-Smith attended virtual events at COP26 to promote the use of fossil gas as a climate solution,¹¹ and the reliance on offsets rather than actual emissions reductions, through the Indo-Pacific Offsets Scheme.¹²

Our company's former CEO Peter Coleman had a significant media presence.¹³ New CEO Meg O'Neill has continued this advocacy, by claiming that fossil gas will displace coal in Asia,¹⁴ and that our company only has two options to reduce emissions: offsets and carbon capture and storage.¹⁵

In a demonstration of our company's influence over the Western Australia Government, Premier Mark McGowan said his government "could intervene" if legal challenges were successful in delaying or stopping the Scarborough project.¹⁶

Indirect advocacy

Our company published its first and only industry association review in October 2020.¹⁷ Industry associations were determined to be "aligned" if they:¹⁸

- Support the Paris Agreement and global net zero emissions by 2050;
- Support appropriate protection to manage the costs of the transition;
- Support for lower-emissions technologies and other pathways to reduce/offset emissions.

The review identified "some misalignment" with just one organisation: the Canadian Association of Petroleum Producers (CAPP).¹⁹ Its membership was discontinued based on "current business priorities", rather than policy misalignment.²⁰

The review failed to assess industry associations' advocacy for new oil and gas developments, subsidies for new oil and gas infrastructure, or advocacy on emissions reduction policies.

⁹ <https://transparency.aec.gov.au/AnnualDonor>

¹⁰ <https://www.woodside.com.au/sustainability/working-openly/political-contributions>

¹¹ <https://www.afr.com/policy/energy-and-climate/ceos-up-the-climate-ambition-at-glasgow-20211028-p5944e>

¹² <https://www.climatechangeauthority.gov.au/news/establishing-regional-carbon-bubble-indo-pacific>

¹³ <https://mumbrella.com.au/australias-top-10-most-prolific-ceos-on-sustainability-697382>

¹⁴ <https://thewest.com.au/opinion/how-woodside-will-push-for-lower-carbon-future--c-4680589>

¹⁵ <https://www.smh.com.au/business/companies/o-neill-points-woodside-towards-lower-returns-with-green-bets-20211208-p59ftn.html>

¹⁶ <https://www.abc.net.au/news/2021-11-24/markmcgowan-woodside-scarborough-ccwa-supreme-court-action/100646078>

¹⁷ <https://www.woodside.com.au/docs/default-source/sustainability-documents/transparency-documents/industry-association-review-report.pdf>

¹⁸ *ibid.*

¹⁹ *ibid.*

²⁰ *ibid.*

Our company remains a member of at least four industry associations with climate lobbying practices that are misaligned with the Paris Agreement (ranked D+ or below):²¹

Industry association	InfluenceMap rating
Australian Industry Greenhouse Network (AIGN)	D
Australian Petroleum Production and Exploration Association (APPEA)	E+
Chamber of Mines and Energy Western Australia (CMEWA)	E
International Association of Oil and Gas Producers (IOGP)	D+

Each of these industry associations supports and advocates for the continued development of new or expanded oil and gas projects.

Australia's lack of climate policy

In February 2021, Bloomberg ranked Australia's climate policies as the weakest of the largest developed economies.²² In June 2021, Australia received the lowest score awarded to any of the 193 UN member states for climate action.²³ In November 2021, Australia was ranked last out of more than 60 countries on climate policy by German think tank Climate Change Performance Index.²⁴

Since September 2020,²⁵ the Australian Government has implemented a suite of policies designed to accelerate the development of multiple new gas basins, known as the "gas-fired recovery". It includes substantial subsidies for gas exploration and new infrastructure and pipelines.²⁶

Throughout 2020-21, APPEA actively lobbied for the "gas-fired recovery", through a series of reports²⁷ and media engagements that advocated for the development of multiple new gas basins. APPEA has supported public subsidies for infrastructure and pipelines to connect new gas basins.²⁸

In recent years, APPEA has increased its expenditure on social licence advertising six-fold²⁹ and significantly escalated its engagement on climate and energy policy.³⁰

Potential future misalignment

²¹ <https://australia.influencemap.org/Industry-Associations>

²² <https://www.bloomberg.com/professional/blog/webinar/bnef-g20-zero-carbon-policy-scoreboard-whos-doing-it-best/>

²³ <https://www.sdindex.org/reports/sustainable-development-report-2021/>

²⁴ <https://www.abc.net.au/news/2021-11-10/australia-scores-zero-on-climate-policy-in-latest-report/100608026>

²⁵ <https://www.pm.gov.au/media/gas-fired-recovery>

²⁶ <https://www.energy.gov.au/publications/2021-national-gas-infrastructure-plan>

²⁷ <https://www.appea.com.au/media/media-publications/reports-and-speeches/>

²⁸ <https://www.smh.com.au/environment/climate-change/corporate-welfare-commonwealth-to-support-private-sector-in-gas-push-20211126-p59cir.html>

²⁹ APPEA Ltd, Annual Reports 2018-20

³⁰ <https://australia.influencemap.org/Industry-Associations>

Assuming the merger with BHP Petroleum is approved, our company will likely absorb BHP's membership of the American Petroleum Institute (API), one of the most obstructive industry associations on climate policy in the United States.⁵¹ API has consistently advocated for the expansion of the oil and gas industry. It seems unlikely that our company would object to this advocacy, or fail to renew BHP's membership of the API.

Despite several years of shareholder concern around the advocacy of our company and its industry associations on climate and energy policy, there is little evidence to suggest that our company has attempted to affect change. Our company and its industry associations continue to advocate for the development of new and expanded oil and gas projects that are inconsistent with a 1.5°C pathway.

ACCR urges shareholders to vote for this proposal.

⁵¹ <https://lobbymax.org/influencer/American-Petroleum-Institute-API>