

Say on Climate proposal at Woodside Energy Group

May 2024

Company: Woodside Energy Group Ltd (Woodside)

Meeting date: April 24, 2024

Proposal(s): Item 6: Approve Climate Transition Action Plan and 2023 Progress Report

How the funds voted

At the 2024 annual meeting of Woodside Energy Group Ltd (Woodside), an Australian-listed global energy company, the Vanguard-advised funds supported an advisory management proposal requesting that shareholders approve the company's Climate Transition Action Plan (CTAP) and 2023 Progress Report, commonly referred to as a "Say on Climate" proposal.¹

The funds' proxy voting policies

As is articulated in the funds' proxy voting policies, the funds vote case by case on Say on Climate proposals. When a company's board chooses to put forward a Say on Climate resolution for shareholder consideration, the funds look for the board to provide clear disclosure of the rationale for the vote, to

articulate the oversight mechanisms and governance implications of the vote, and to produce robust reporting in line with frameworks that support consistent, comparable, and decision-useful disclosure, such as those promulgated by the International Sustainability Standards Board (ISSB). The funds view Say on Climate votes as a signal on the coherence and comprehensiveness of the reporting and disclosures a company provides to explain its climate plan to the market, rather than as an approval of, or an expression of lack of confidence in, a company's climate-related strategy itself.

Vanguard-advised funds do not seek to direct companies' climate-related strategies. We believe that company management teams, overseen by an independent and effective board, are best positioned to determine the particular strategy and tactics for maximizing shareholder returns.

Analysis and voting rationale

Since 2022, we have had regular discussions with members of the Woodside board and executive team regarding the company's CTAP and climate-related disclosures. The company first put forward a Say on Climate proposal for a shareholder vote at its 2022 annual meeting. The funds voted against the proposal at that meeting

¹ Vanguard's Investment Stewardship program is responsible for proxy voting and engagement on behalf of the quantitative and index equity portfolios advised by Vanguard (together, "Vanguard-advised funds"). Vanguard's externally managed portfolios are managed by unaffiliated third-party investment advisors, and proxy voting and engagement for those portfolios are conducted by their respective advisors. As such, throughout this document, "we" and "the funds" are used to refer to Vanguard's Investment Stewardship program and Vanguard-advised funds, respectively.

after review of the proposal and the company's climate-related disclosures left us with questions about the adequacy and completeness of the company's disclosure of its CTAP.

We subsequently engaged with company leaders in 2023 and provided feedback regarding our perspective on the importance of clear, decision-useful climate-related disclosures and the difficulties we had identifying and understanding the changes that had been made to the company's climate report. Following these discussions, we observed that the company provided additional disclosures to the market, including, specifically, a summary of the changes made to its 2023 climate report compared to its 2022 climate report.

In 2024, we had three engagements with Woodside leaders. Engagements with Woodside executives focused on steps the company had taken to execute against its CTAP, how the company's disclosures were evolving, and steps the company was taking to address concerns that had been raised by shareholders. In our engagement with the chair of the board, he shared insights about three new directors who had recently been appointed to the board; these new directors brought industry and global expertise and experience working on the energy transition, particularly on business transformation and on reducing Scope 1 and

Scope 2 emissions. The new board members also brought valuable knowledge of new energy technologies and how to bring these to scale. In the Woodside board's view, the collective experiences of these new directors would assist the board in guiding and overseeing Woodside's climate transition.

When reviewing the Say on Climate proposal at the company's 2024 annual meeting, and related disclosures, we observed improvement in the clarity and transparency of Woodside's CTAP disclosures. We appreciated the additional context provided around activities undertaken and work that was in progress. The increased level of disclosure, in our view, made the report more comprehensive and easier for shareholders to understand the company's execution against the plan and the enhancements made to Woodside's CTAP and 2023 Progress Report.

Ultimately, the funds supported Woodside's Say on Climate proposal due to enhancements made to strengthen the board's oversight of climate-related risks, the increased levels of disclosure of the company's CTAP, and the board's demonstrated responsiveness to shareholder feedback regarding its climate-related disclosures. We plan to continue engaging with Woodside leaders to better understand the company's governance and disclosure of climate-related risks.

Vanguard publishes Investment Stewardship Policy and Voting Insights to promote good corporate governance practices and to provide public companies and investors with our perspectives on important governance topics and key votes. This is part of our effort to provide useful disclosure of Vanguard's investment stewardship voting and engagement activities. We aim to provide clarity on Vanguard's stance on governance matters beyond what a policy document or a single vote can provide. Insights should be viewed in conjunction with the most recent region- and country-specific voting policies.

The funds for which Vanguard acts as investment advisor (Vanguard-advised funds) retain the authority to vote proxies that the funds receive. To facilitate the funds' proxy voting, the boards of the Vanguard-advised funds have adopted Proxy Voting Procedures and Policies that reflect the fund boards' instructions governing proxy voting. The boards of the funds that are advised by managers not affiliated with Vanguard (external managers) have delegated the authority to vote proxies related to the funds' portfolio securities to their respective investment advisor(s). Each external manager votes such proxies in accordance with its own proxy voting policies and procedures, which are reviewed and approved by the fund board annually.



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