



Mike Sommers
President and CEO
API

March 10, 2021

API Board of Directors,

Enclosed please find background materials to facilitate your preparation for our upcoming virtual Board Meeting on Thursday, March 25 from 9:00 a.m. until 11:00 a.m. CT. While I wish we could meet in-person, our commitment to health and safety remains our priority, and we look forward to hopefully convening in-person this November. To allow for dialogue among the Board, this meeting will be limited to Board Members only.

As we have shared, over the last several weeks API policy committees have accelerated work to develop a five-point climate change proposal to serve as a framework

. API management will present an advocacy plan on these proposals for Board approval at the meeting.

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In the meantime, please let me know if you have any questions. Thank you for your continued support and engagement.

All the best,

A handwritten signature in black ink that reads 'Mike'.

Mike



American
Petroleum
Institute

Board of Directors Meetings

2021

March 25 (Thurs.) Board of Directors Virtual Meeting Zoom: 9:00 a.m. - 11:00 a.m. Central

November 7 - 8
(Sun. and Mon.) Chairman's Reception and Dinner
Annual Meeting
Governance Meetings*

Board of Directors Reception and Dinner
Board of Directors Meeting

Chairman's Reception and Dinner
Annual Meeting
Governance Meetings*

* Governance Meetings denotes meetings of the following API Committees: Executive Committee, Board of Directors, Climate, Communications, Downstream, General Membership, Labor Management, Midstream, Natural Gas Markets, PAC Board and Upstream.



API Board of Directors Meeting

Agenda

Thursday, March 25, 2021

9:00 a.m. - 11:00 a.m. CT

Via Zoom

1. Call to Order and Antitrust

Greg Garland, Chairman and CEO, Phillips 66 and Chairman, API

2.

Moderated by Mike Sommers, President and CEO, API

3. Governance and Board Business

Greg Garland, Chairman and CEO, Phillips 66 and Chairman, API

- Approval of the November 9, 2020 Executive Session and Annual Meeting Minutes (Attachment A)
- Election of New Members to the API Executive Committee and Board of Directors (Attachment B-1)
- Election of Board Level Committee Chairs (Attachment B-2)
- Report of the Executive Committee Meeting

4. Finance Committee Report (Attachment C)

Chairman, API Finance Committee

5. President and CEO Report

Mike Sommers, President and CEO, API

6. Climate Change Proposal and Advocacy Plan (Attachment D)

Megan Bloomgren, Senior Vice President, Communications, API

Frank Macchiarola, Senior Vice President, Policy, Economics and Regulatory Affairs, API

7. Policy Updates

Frank Macchiarola, Senior Vice President, Policy, Economics and Regulatory Affairs, API

- (Attachment E-2i)
- (Attachment E-2ii)

8. Wrap-up

Greg Garland, Chairman and CEO, Phillips 66 and Chairman, API

For Information

- (Attachment E)
- Onshore Safety Alliance (Attachment F)
- DE&I Pilot Program Update (Attachment G)

**GUEST SPEAKER BIOGRAPHIES
(INVITED)**

For Action

Attachment A
API Board of Directors
March 25, 2021

**MINUTES OF THE BOARD EXECUTIVE SESSION AND ANNUAL MEMBERSHIP MEETING
AMERICAN PETROLEUM INSTITUTE**

**Monday, November 9, 2020
1:00 p.m. – 2:30 p.m. ET
Conference Call**

The Board of Directors of the American Petroleum Institute (API) met via conference call with the following members:

- Greg Garland, Chairman and Chief Executive Officer of Phillips 66 & API Chairman of the Board

Guests:

Staff in attendance:

- Amanda Eversole, Executive Vice President and Chief Operating Officer
- Paul G. Afonso, Senior Vice President and Chief Legal Officer
- Megan Bloomgren, Senior Vice President, Communications
- Stephen Comstock, Vice President, Corporate Policy
- Shannon DiBari, Senior Advisor
- Bill Koetzle, Senior Vice President, Government Relations
- Frank Macchiarola, Senior Vice President, Policy, Economics, and Regulatory Affairs
- Debra Phillips, Senior Vice President, Global Industry Services
- Kristin Westmoreland, Vice President and Chief of Staff

The meeting opened with an executive session of the Board of Directors. Following the executive session, others present for all or part of the annual meeting were:
API staff and other API member company representatives.

1. Welcoming Remarks

Greg Garland, API Chairman of the Board, called the meeting to order.

2. Board of Directors Executive Session Report

Mr. Garland reported the Board of Directors approved the following motions during the Executive Session:

- a. Resolutions conveying Board's condolences and sympathies to the families of the following industry leaders who passed in 2020:
 - b. The minutes from the March 26, 2020 and September 22, 2020 meetings.
 - c. The nomination of the slate of nominees for the 2021 API Officers, Executive Committee and Board of Directors.

- d.
- e. API Energy Excellence (API's Performance Management Framework)
- f. Renaming of the Market Development Committee to the Natural Gas Markets Committee.

In addition, Amanda Eversole, Executive Vice President and Chief Operating Officer provided an update on API's ESG work and Stephen Comstock, Vice President of Corporate Policy provided an update on the Climate Committee's work to date.

3. Budget Report

API Finance Committee Chair, provided an API Membership Report an update on the 2020 budget and reviewed the 2021 budget which was approved by the Board during the Executive Session.

4. Political Update and President and CEO Report

Mike Sommers, President and Chief Executive Officer, moderated a discussion

Mr. Sommers reviewed

Senior Vice President, Government Relations,
Bloomgren, Senior Vice President, Communications

Bill Koetzle,
Megan

5. Diversity, Equity & Inclusion (DE&I) Update

Ms. Eversole provided a briefing on API's Diversity, Equity and Inclusion (DE&I) initiative.

6. Wrap-Up

Mr. Garland concluded the meeting.

7. Adjourn

There being no further business, the meeting adjourned at 2:30 p.m.

Respectfully submitted,

Paul G. Afonso
Senior Vice President, Chief Legal Officer &
Corporate Secretary

**ELECTION OF NEW MEMBERS TO THE API EXECUTIVE COMMITTEE
AND BOARD OF DIRECTORS**

Issue: The API Board of Directors to elect _____ to the API Executive Committee (EC), effective March 25, 2021; and the following executives to the API Board effective March 25, 2021:

Discussion: _____ has served on API’s Board of Directors since 2017. _____ also actively participates in civic and industry groups including sitting on the boards of _____. API management recommends that _____ be elected to the EC, effective March 25, 2021.

API management recommends that _____ be elected to the API Board to serve the balance of _____ unexpired term, effective March 25, 2021.

API management recommends that _____ be elected to the API Board, effective March 25, 2021. API

API recommends that _____ be elected to the API Board, effective March 25, 2021.

The EC, acting as the nominating committee, endorsed the elections of _____ at the March 1 EC meeting. The EC will consider the endorsement of _____ to the EC at the March 24 meeting.

Action: The API Board to elect:

- _____ to the API Executive Committee, effective March 25, 2021;
- _____ to the API Board for the remainder of 2021, effective March 25, 2021; and
- _____ and _____ to the API Board for a two-year term (2021-2022), effective March 25, 2021.

NOMINATION OF BOARD LEVEL COMMITTEE CHAIRS

Objective: Nomination of _____ as the
Midstream Policy Committee Chair effective April 1, 2021 and
_____ as the Climate Committee Chair effective after June 1, 2021.

Discussion: API management recommends _____ to be nominated as the Midstream Policy
Committee Chair. The current chair,
_____ is retiring, and _____ will assume _____ position within _____. API also recommends
_____ to be nominated as the Climate Committee Chair to take over upon transition of the
current chair, _____ has been an active member of the Committee
since its inception in March 2020.

Action: Approve the nomination of _____ as
the Midstream Policy Committee Chair effective April 1, 2021 and
_____ as the Climate Committee Chair effective after June 1, 2021.

API FINANCE COMMITTEE REPORT

API Finance Committee

Objective: Provide an update on the 2020 unaudited financial statements and the annual audit.

Discussion:

2020 Year-End Results

The unaudited financial statements for the year ending December 31, 2020 shows that API's from 2020 general operations is This is higher than the forecasted presented to the Finance Committee in September 2020. The forecast is primarily the result of an

Including the impact of the retirement plans and other non-cash activities (i.e. depreciation expense and lease standard adjustments) the total

Annual Audit

At the December 29, 2020 meeting, the Finance Committee unanimously approved API's recommendation to replace RSM USA LLP and engage CliftonLarsonAllen (CLA) for API's 2020 fiscal audits.

CLA will meet with the Finance Committee on March 23, 2021 to finalize the audit process. The completed audit report will be presented to the Finance Committee in June and the results will be reported to the Executive Committee in June and the Board of Directors in November.

API Membership

API management continues to monitor the impact of the economic environment, industry developments and a changed political landscape on API's membership retention and recruitment efforts. Despite ongoing challenges to the industry, we feel the overall health of the membership remains strong.

API membership currently stands at members. This is consistent with 2020 year-end numbers and includes a balance of additions and resignations, with fluctuations primarily in the General Membership.

Action: None. For information only.

CLIMATE CHANGE PROPOSAL

Objective: Obtain approval of API's climate change proposal and advocacy plan for next steps on public engagement including with the Biden administration, Congress and the broader public.

Background: During the month of February, the API policy committees met at the direction of the API Executive Committee to enhance the industry's policies and initiatives on climate change. The purpose of this effort was two-fold. First to enhance our climate change advocacy with the Biden administration and Congress as the U.S. seeks to establish a nationally determined contribution consistent with the Paris Agreement.

The proposal includes the following five points:

1. **Endorse Carbon Pricing** to drive economy-wide, market-based solutions.
2. **Accelerate Technology & Innovation** to reduce emissions while meeting growing energy needs.
3. **Further Mitigate Emissions from Operations** to deliver environmental progress.
4. **Advance Cleaner Fuels** to provide lower-carbon choices for consumers.
5. **Drive Climate Reporting** to support consistency and transparency.

1. Endorse Carbon Pricing

API proposes the following position on carbon pricing:

API supports well-designed, market-based, economy-wide carbon pricing as the most impactful government climate policy instrument to reduce CO₂ emissions while helping keep energy affordable, instead of mandates or prescriptive regulatory action.

As policymakers consider various policies and approaches to address the risks of climate change, API will continue to engage based upon its [climate principles](#) and issue specific framework on carbon pricing (**Attachment D-1**) and work to integrate legislation that prices carbon across sectors and political jurisdictions while avoiding duplication.

2. Accelerate Technology & Innovation

API currently supports government funding of basic research toward the objective of reducing emissions, with a focus on technologies evaluated based on the potential for the largest scale and most economic GHG emissions abatement opportunity across the economy.

Based upon our industry's history and expertise we can help to further develop and promote the commercial promise of carbon capture, utilization and storage, and hydrogen technologies. **API proposes** to work with policymakers and other trade associations to:

- Fully appropriate funding for low carbon RD&D programs authorized in the Energy Act of 2020.
- Increase substantially Congress-appropriated funding for government research on a range of low or no carbon technologies, including capturing and storing carbon and production and supply of hydrogen, with formal assessment of funded technologies on the basis of potential for GHG abatement at the lowest cost.

- Implement federal policies consistent with the NPC study to substantially increase support for CCUS to achieve “at-scale phase” deployment.
- Implement policies to expand the infrastructure needed to secure a place for these low carbon technologies in the economy.

3. Further Mitigate Emissions from Operations

Flaring:

API proposes to advance to the second phase of its two-phase Flare Management Program under The Environmental Partnership to address associated gas flaring. This includes API analysis of existing/planned infrastructure and projected oil and natural gas production to better understand and ultimately inform the consideration of an associated gas flaring reduction target or goal.

API maintains that the regulation of flaring is best managed at the state level, and we will continue to work with both state and federal agencies to address routine gas flaring and proceed with the development of an operational guidance document on flaring, based on the best practices identified by The Environmental Partnership.

API proposes to encourage members to individually commit to no routine flaring by a certain date (e.g., World Bank’s Zero Routine Flaring Initiative by 2030), and promote the development of a common definition of routine flaring.

Methane: API currently supports cost-effective policies and direct regulation that achieve methane emission reductions from new and existing sources across the supply chain. Additionally, the oil and natural gas industry remains committed to the development and deployment of new technologies and practices through industry initiatives, like The Environmental Partnership, to better understand, detect, and mitigate emissions.

API proposes to engage in a two-year aerial survey project, managed by The Environmental Partnership, supported by supplemental funding from interested member companies. To collect meaningful data as quickly as possible, the project is purposefully designed to be iterative. Each phase of the project, starting in the second quarter of 2021, will inform subsequent project design and data collection to advance EPA approval of the aerial survey technology to satisfy regulatory requirements. As part of this effort, API will also support investigation, testing, and advancement of additional detection technologies. These projects can help inform API’s advocacy with the Biden administration as the EPA considers regulatory requirements to address emissions from existing sources and to continue to reduce methane emissions through voluntary collaborative industry efforts.

API proposes to engage proactively in the national debate regarding abandoned wells as a potential contributing factor to methane, by actively working with the Interstate Oil and Gas Compact Commission (IOGCC) to determine where opportunities exist for collaboration on state priorities associated with abandoned wells; to develop a stand-alone federal initiative that will provide federal grant money to meet the needs of the states while reducing potential environmental impacts from abandoned wells; and to participate as a thought partner with authors of federal initiatives focused on abandoned wells.

Refining: **API proposes** to establish a voluntary program for carbon emissions reductions available to all refineries to reduce GHG emissions. Further discussions are necessary to develop a meaningful program to incentivize and measure significant carbon emissions reductions. Such a program would identify a recommended target that is achievable and would result in meaningful GHG emissions reductions, along with a third-party reporting mechanism (i.e., Solomon or OGCI).

Additionally, **API proposes** to conduct forums to share information on topics such as refinery carbon emissions reduction efforts, and energy efficiency that protect company intellectual property and conform to API antitrust guidelines.

4. Advance Cleaner Fuels

Differentiated Natural Gas and LNG: API currently supports policies that expand the use of U.S. natural gas in both domestic and global markets. As investors and large natural gas customers increasingly look to understand the emissions impact of their suppliers, there has been a rising interest in a standardized and transparent market for natural gas differentiated by its emissions intensity.

Differentiated, or “responsible” natural gas is becoming increasingly important to buyers in both domestic and international gas markets. **API proposes** supporting the ongoing development of markets for differentiated natural gas, recognizing the significance of these efforts in ensuring natural gas continues to be viewed as a major component of a lower carbon energy future. API will continue to seek opportunities to engage with entities in the process of developing these initiatives and will explore the possibility of leveraging the work of API Global Industry Services in establishing criteria and methodologies for certifying differentiated natural gas.

Electricity: In promoting the sustained role for natural gas in an increasingly carbon constrained electricity sector, API has current principles for evaluating—and potentially supporting—Clean Energy Standard (CES) proposals that are inclusive of natural gas. In recognition of API’s newly proposed position in support of an economy-wide carbon pricing (outlined above), **API proposes** that its framework position on CES should be retained. API will make it clear that carbon pricing is the most impactful government policy instrument to reduce emissions. However, we will be prepared to engage on CES proposals consistent with our framework position.

Transportation Fuels: **API proposes** supporting technology neutral policies at the federal level that drive GHG emission reductions in the transportation sector using a holistic approach for fuels, vehicles and infrastructure systems.

More specifically, **this proposal** includes: 1) fuel standards, 2) vehicle standards based on a technology neutral, lifecycle approach for lower GHG emissions, 3) fuel/vehicle system optimization to improve efficiency and 4) supportive infrastructure measures.

Regarding fuel standards, **API proposes** supporting well-designed (technology neutral, lifecycle-based, and feasible) federal standard to reduce the carbon intensity of fuels.

API proposes engagement with EPA and renewable fuel stakeholders to develop strategies that eliminate the annual deadlock over RFS volume mandates, and result in a well-designed fuel standard for 2023 and beyond, either through regulation or legislation.

Regarding vehicle standards, **API proposes** support for the use of technology neutral fuel economy and GHG standards as an effective method to reduce the carbon impact of all transportation modes.

API proposes support for transitioning the standards from a tailpipe basis to a full lifecycle approach that encompasses both vehicles and fuels.

Finally, **API proposes** considering support for the adoption of a 95 RON octane standard for new vehicles to facilitate cost effective fuel economy improvements, as part of a holistic policy framework to reduce CO₂ emissions from transportation in conjunction with the fuel and vehicle standards mentioned above. API would not support a 95 RON standard on a stand-alone basis.

5. Drive Climate Reporting

API recognizes that policy makers, financial stakeholders and others seek to understand GHG emissions across the entire oil and natural gas value chain.

API proposes supporting industry sustainability reporting consistent with the *IPIECA-API-IOGP Sustainability Reporting Guidance* and promoting member efforts in this space.

API proposes supporting consistent climate-related financial risk and opportunity disclosures amongst the industry, including reporting consistent with or leveraging Task Force on Climate-related Financial Disclosures (TCFD) and the Sustainability Accounting Standards Board (SASB) frameworks. API will continue to monitor and seek to influence the further evolution of external reporting frameworks.

Next Steps: API will release a climate action framework outlining the above policy recommendations and new industry initiatives, following approval by the API Board of Directors. API will highlight the industry's climate framework as building on the industry's climate progress to date and supporting the U.S. government's new contribution to the Paris Agreement.

Following API Board approval, API will release the framework

Action: To approve the five-point climate change proposal and supporting advocacy plan.

Status:

Approved by Executive Committee in
October 2019 and Board in
November 2019**CARBON PRICING**

Government policies to price the carbon intensity of economic activities to correspond with the externality associated with their GHG emissions; includes policies to calculate the social cost of carbon.

*This document does not represent an endorsed API advocacy position;
API will use the following principles to evaluate government policy proposals.*

Issue-Specific Framework of API Policy Principles on Carbon Pricing

API expects continued efforts by policy makers to price carbon as a way to reduce GHG emissions. Any government policies to price carbon should include complementary policies that support significant investments in innovation to develop technologies that lower the cost of GHG emissions abatement across the economy. API will engage policy makers so that the design of a potential approach would price carbon at the outset for all relevant GHG emissions from all relevant sectors and account accurately for the benefits, costs and amounts of GHG emissions, according to the following principles:

- **Goal** – The goal of policies to put a price on carbon should be to achieve GHG emissions reductions at the least cost to society, in order to meet the dual challenge of continued economic growth while addressing the risks of climate change.
- **Scope of Coverage** – Policies to put a price on carbon should be based on carbon-equivalent emissions only on a GWP100 basis and should cover the widest scope of GHG emissions US economy-wide as practically and economically achievable, including all emitters.
- **Policy Duplication and Interoperability** – If a price on carbon is introduced, it should minimize the burden of duplicative regulations: by *-either-* preempting other duplicative programs to reduce GHG emissions *-or-* being interoperable with these other policies, such that there is minimal duplication of the price on carbon that consumers or emitters pay.
- **Setting the Ambition and Trajectory** – API advocates that policy construct should be phased in over time and that, ultimately, the carbon price should not exceed the marginal cost of carbon emissions or the cost caused by an additional ton of carbon emitted into the atmosphere.¹

¹ If a carbon pricing government policy uses the Social Cost of Carbon (SCC) to set a boundary on either a carbon price or a cap on emissions, it should adhere to the following criteria:

- Determined through a Notice and Comment Process.
- Based on transparent analyses (models, assumptions and inputs) that are subject to peer review.
- Calculated with discount rates of 3% and 7%, consistent with OMB Circular A-4.
- Based on a time horizon consistent with those most widely-used in integrated assessment models
- Account for US benefits as a share of global benefits.

- Rate or Cap Adjustments – The price on carbon or emissions cap should be adjusted periodically through a defined, rational, and transparent process to meet GHG emissions targets. Periodic rate adjustment should provide certainty for the economy and maintain the integrity of the carbon pricing policy.
- Uniform Treatment – A policy to put a price on carbon should ensure uniform cost of GHG emissions on a CO₂ equivalent basis throughout the economy.
- Transparency for Consumers – The carbon pricing system should be designed so that consumers have transparent incentives, based on actual GHG emissions if possible, to reduce GHG emissions efficiently. With respect to transportation fuels, a government policy-imposed carbon price should be disclosed at the point of retail sale.
- Baseline – As applicable, the point in time reference or baseline against which future targets for reducing GHG emissions are determined in the design of a policy to put a price on carbon should be 2005. This is already the baseline for which US economy-wide policy action has been determined in global climate negotiations.
- Credits –
 - a. Accounting for net emissions. Credit should be provided for substances priced where GHG emissions are captured or sequestered downstream of the point where the price on carbon is assessed, such as for fossil fuels used as feedstocks in manufacturing activities where the carbon is permanently stored.
 - b. Participation of parties. Allow any parties to generate emission reduction credits and participate in the carbon pricing program to incentivize broad participation.
 - c. Credits. Allow for the trading of credits and their use in compliance.
 - d. Early action. Provide credit for early and/or voluntary actions.
 - e. Credit for other regulatory compliance. As applicable, credit should be granted for compliance with other non-climate related regulations that produce a corollary benefit of reducing GHG emissions.
- Global Carbon Markets – As applicable, allow for international trading in carbon mitigation through interoperability with other carbon pricing regimes outside the US.
- Avoidance of Carbon Leakage – A policy regime to put a price on carbon should include a WTO-compliant mechanism to prevent the movement, or “leakage,” of industry or trade from the US that may create economic competitive disadvantages – and to prevent the offshoring or outsourcing of GHG emissions that would negate overall global GHG emissions reductions. A policy to put a price on carbon should be globally integrated so that US entities have the incentive to reduce their carbon footprint on a worldwide basis without being competitively disadvantaged.

For Information

**Attachment E
API Board of Directors
March 25, 2021**

For Information

**Attachment E-1i
API Board of Directors
March 25, 2021**

For Information

**Attachment E-1i
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For Information

**Attachment E-1ii
API Board of Directors
March 25, 2021**

For Information

**Attachment E-1ii
API Board of Directors
March 25, 2021**

GLOBAL INDUSTRY SERVICES

Objective: To report on API's efforts to fully utilize and leverage its Global Industry Services (GIS) Division, which offers standards-setting, field assessments, certifications, licensing and training programs across industry segments.

Background: The mission of API's GIS Division is to provide world-class standards, training, assessment and certification services that enable the oil and natural gas industry to operate efficiently, safely, reliably, profitably and sustainably. Comprised of approximately 115 staff, the GIS Division

Each year, API publishes approximately 80 new and revised standards as part of its library of more than 700 ANSI-accredited standards and other statistical products

In addition to its standards-setting activities, GIS operates business including the Monogram®/APIQR Program; Engine Oil Licensing and Certification Program, Individual Certification Program for inspectors; and training programs for industry employees and contractors,

GIS also administers programs to drive safety and environmental protection across the industry, including the API Energy Excellence initiative, the Upstream's Center for Offshore Safety (COS), Midstream's Pipeline Safety Management System Assessment Program and Downstream's Process Safety Site Assessment Program (PSSAP®). The activities of the GIS Division are overseen by the Global Industry Services Committee (GISC).

Discussion:

Supporting Operational Excellence and Contributing to Segment Priorities

Another key role played by GIS is setting industry standards and providing supporting services that help companies advance performance, share good practices and benchmark against peers. API took a significant step forward in bringing together segment standards and programs under a common framework and commitment to accelerating safety and environmental progress through its new API Energy Excellence platform. Launched publicly during API's State of American Energy Event in January 2021, API Energy Excellence is a systems-based framework that contains 13 elements that are broadly applicable across industry segments. The elements serve as a roadmap for accelerating operational integrity, drawing upon existing segment standards and programs.

We will also elevate the initiative in agency meetings as appropriate. In support of member progress reporting beginning in early 2022, API has formed an Energy Excellence Resource Network, with more than 100 companies already nominating designees. This Network will be engaged in webinars and good practice sharing forums throughout the year, and nominations can be sent to [REDACTED]



In support of segment priorities and contributing to API Energy Excellence, API plans to publish 75 standards this year, and industry participation in their development thus far in 2021 has been strong. API has prioritized partnerships with other standards-setting organizations globally, including the International Association of Oil and Gas Producers (IOGP) and others in Brazil, Russia, Saudi Arabia and the UAE, to harmonize approaches, drive operational efficiencies and create a level playing field where possible around the world. To continue to progress these objectives, in the initial months of the year, GIS has signed Memorandums of Understanding with the State Oil Company of Azerbaijan Republic (SOCAR), the Center for Local Business Development in Guyana and the African Energy Chamber (AEC). We are already seeing positive results in standards adoption and business development from the cultivation of these new relationships.

Enabling Future Industry Trends and Technologies, Ensuring Business Resilience

As GIS considers the evolving needs of API members as well as the trajectory of our existing revenue-generating businesses amid market trends shaping the future energy landscape, potential new areas for GIS contributions have emerged. These range from standards setting in the electric vehicle (EV) fluids space to measurement and infrastructure standards related to carbon capture, use and storage (CCUS), hydrogen or other types of "new energy" infrastructure to use of API work in differentiated natural gas definitions. In some cases, such as differentiated hydrocarbons, GIS supporting efforts could enhance API advocacy to expand markets for U.S. natural gas. In other areas, this work mitigates risks to and creates new opportunities within existing API businesses.

GIS is working closely with its policy counterparts and the GISC to explore and prioritize these opportunities.

Action: None. For information only.

For Information

**Attachment E-2i
API Board of Directors
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For Information

**Attachment E-2i
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For Information

**Attachment E-2ii
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For Information

**Attachment E-2ii
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For Information

**Attachment E-2iii
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For Information

**Attachment E-2iii
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**Attachment E-2iv
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For Information

**Attachment E-2v
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For Information

**Attachment E-2vi
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For Information

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THE ONSHORE SAFETY ALLIANCE

Objective: At the request of the API Executive Committee (EC), API is establishing a joint-industry onshore safety program to promote the highest level of safety in operations for the U.S. onshore oil and natural gas industry and to continuously work to achieve zero incidents within its operations.

Background: The Onshore Safety Alliance (OSA) is a voluntary industry program seeking to drive step-change to significantly reduce serious injury and fatality (SIF) events in U.S. onshore E&P operations. A cornerstone of the program is worker safety and promotion of life saving actions that educate workers on the most critical safety hazards and emphasize key actions that workers can take to protect themselves and their colleagues from the hazards. The OSA program will be available to any industry company or organization involved in Upstream E&P activities including operators, contractors and service providers. A company would not need to be an API member to join the program and there will not be any fees required to join. Through joining the program, a company commits to carry out defined safety actions within their organization and to support the following OSA Guiding Principles:

- We are an industry committed to the elimination of fatalities and life altering events.
- We will use and make recommendations for the development of best practices that drive consistency for safe planning and execution of work.
- We will partner together as operators, contractors and suppliers to learn and share best practices to drive collective industry improvement in both personal and process safety.
- We will create a work environment where everyone feels accountable for their safety and the safety of others.

OSA participating companies will carry out the following safety actions within their organization:

- Participate in and support the Onshore Safety Alliance;
- Implement a Life Saving Actions Program;
- Ensure worker awareness and knowledge of Life Saving Actions;
- Implement an incident investigation and learning program;
- Perform risk assessments for common process safety hazards; and
- Improve effectiveness in preventing and mitigating high consequence well control incidents

The OSA will provide resources, guidance, tools and peer-to-peer support to help companies implement these safety actions.

To support benchmarking and industry trends, the OSA will collect industry data from OSA participating companies for SIF events and well control incidents. The focus for this information collection is on industry learning. Individual company information will not be shared publicly or with other OSA participants. Only aggregated data will be shared publicly (or with attribution removed and company permission).

The OSA will publish an annual performance report, safety alerts and periodic newsletters to raise awareness of and promote good safety practices. It will also conduct conferences, forums, workshops and webinars to support OSA participating companies and the industry at large.

The OSA Program Executive Steering Committee (PESC) will provide leadership and oversight of the program. It will be made up of a maximum of nine producer/operator seats (to include a Chair and Rising Chair), a maximum of four drilling contractor seats, and a maximum of four well service/supply company seats. OSA-affiliated trade associations (API, IADC, Energy Workforce & Technology Council, AXPC and IPAA) will also sit on the PESC in a non-voting, advisory capacity. API's Vice President of Upstream Policy, in coordination with API management, shall ensure that appropriate staff and resources are provided to accomplish the goals and objectives of the OSA Program.

Next Steps: PESC is finalizing the program and plans to launch it in May 2021 (pending Upstream Committee approval). Prior to launch, we will finalize substantive programmatic materials to support OSA participants and develop a messaging and marketing strategy, including the design of an OSA website, that fosters strong recruitment and participation in the program.

The API Upstream Committee will consider approval of the Program by its May 13 meeting, the EC will receive an update at its June 9 meeting and the API Board will receive an update at its November meeting.

After the May launch, the PESC will conduct virtual topic-targeted workshops and webinars throughout 2021 as both a recruitment tool as well as to support and promote good safety practices across the industry. The PESC will also consider program growth opportunities for 2022 and 2023, including phasing in additional participant actions and an OSA assessment component.

Action: None. For information only.

DIVERSITY EQUITY & INCLUSION PILOT PROGRAM UPDATE

Objective: Provide an update on the progress of API's workforce and supplier diversity pilot programs which are being led by two task forces comprised of Executive Committee (EC) member companies.

Background: In response to the national debate on racial inequality, the EC directed API to establish a Diversity, Equity & Inclusion (DE&I) Initiative. The Initiative's primary focus was improving workforce and supplier diversity and two pilot programs were launched last summer with the support of EC member representatives. These pilots are meant to test the industry's ability to drive greater progress at a faster rate by learning from limited scope projects and eventually scaling the successful outcomes.

Supplier Diversity: The supplier diversity pilot program is focused on educating API members on the business case for supplier diversity and expanding the pipeline and capacity of diverse suppliers who can support the oil and natural gas industry. The pilot work plan is comprised of demand side and supply side programming:

1. **Establish a Baseline:** Efforts began with the first all-member survey on supplier diversity to establish a baseline and better understand the industry's current supplier diversity activities. The key takeaways verified task force assumptions that expertise is concentrated within a small subset of companies.
2. **Demand Side Programming:** API launched Diversity Matters, a series of in-depth discussions on DE&I topics. The first sessions in the Diversity Matters series are designed to increase awareness for API members on the business case for supplier diversity and share best practices. To learn more, contact API COO Amanda Eversole [REDACTED]
3. **Supply Side Programming:** The task force is scoping out opportunities to develop the capacity of diverse suppliers over the long-term. Initial program research includes capabilities assessments, industry-specific curricula that addresses education gaps and leveraging existing programs to make connections for growth capital.

Workforce: The task force is focused on joint training programs by leveraging existing partnerships and expanding allies to better recruit and serve minority skill seekers. The goal of these programs is to expand the industry's ability to hire from a diverse pipeline. The target audiences for these programs are high school and community college students and mid-career transitioners for positions in operations, maintenance and technical functions in the downstream.

The task force has identified two downstream-focused locations for initial implementation – San Francisco (spring cohort is underway) and Houston. After the pilot demonstrates scalability, the task force will consider expanding beyond the downstream and into other areas of our industry. In addition, the task force is establishing a broad framework of opportunities open to all API members. This includes engaging community partners and joint trade associations to provide opportunities for API members to: 1) learn industry best practices on workforce recruitment; 2) development, utilize communications toolkits; and 3) network with diverse stakeholders. Finally, the task force is scoping a 6-month API certification conducted in partnership with professional/technical schools, as part of their 2-year curriculum, which would provide basic skills and understanding of career pathways within the industry.

Action: None. For information only.