

This document constitutes a proposal for an Announcement Package for the UN Climate Summit. The UN may select or prioritize some components for announcement at the Summit. Any components that are accepted by the UN would require further expansion and details. Many potential elements in this package are still under discussion, are subject to change, and will ultimately require final approval by OGCI. The content of this document will serve as the basis for communication & press release as well as talking points for the CEO event.

OGCI Announcement Package for September 2019 – Scaling Up Action

Energy companies have an important role to play in accelerating the energy system transition required to tackle the climate challenge urgently, alongside governments, civil society and other key stakeholders, while continuing to provide reliable, accessible and affordable energy for all.

Since OGCI's launch five years ago, member companies have aimed to take a lead in facilitating this transition in the energy industry and along our value chains, while encouraging other emitting sectors to take action. In 2019 and onwards, OGCI is working to increase the speed, scale and impact of our actions as the world aims for net zero emissions as early as possible. In the second half of the century.

Reinforcing our engagement and collaboration

We, as OGCI member companies, regard stakeholder engagement and collaboration on climate change as critical to delivering solutions to the challenge of climate change. We will enhance our efforts as constructive partners with governments, civil society, businesses and other stakeholders, working to transition to a low carbon economy. In support of that role, we embrace the following principles:

- **We support the Paris Agreement.** As a condition of membership to OGCI, all member companies explicitly support the Paris Agreement and its aims.
- **We are committed to openness, transparency and consistency.** All member companies report greenhouse gas emissions data collectively through OGCI. OGCI and its member companies make climate targets, aspirations and related performance publicly available.
- **We utilize third-party review of data.** From 2019, all data published by OGCI is collected using consistent methodologies, reviewed and anonymized by an independent third party, using internationally recognized practices for greenhouse gas accounting and reporting.
- **We engage responsibly.** Each member company values stakeholder engagement and is committed to take proactive steps to exercise influence constructively, consistently and transparently in support of publicly disclosed climate-related positions, and in line with explicit support of the Paris Agreement and its aims.

We recognize that OGCI can help to accelerate the achievement of net zero emissions by collaborating with other industries, civil society, governments and institutions. We are currently working on several global initiatives and engaging with stakeholders in the areas of reducing methane emissions and flaring, while facilitating carbon capture and storage, and nature-based solutions (see Appendix for a list of organizations with which OGCI is collaborating).

Aiming for net zero emissions

OGCI is developing a suite of practical actions intended to accelerate decarbonization, by reducing, mitigating and removing greenhouse gases and developing low carbon solutions. As member companies, we aim to implement these actions in our operations and collaborate with our partners and customers to help reduce the climate footprint of the energy, transport and industry sectors. We leverage the investments made by our US\$1 billion+ fund, OGCI Climate Investments, as appropriate. These aim to accelerate the emergence of new lower carbon energy solutions and technologies, delivering a measurable reduction in emissions from a range of industries.

Commented [A1]: EM Comment: this language has been in the prior versions of the Sept announcement package and has been used widely externally as an aspirational goal. This should remain in package as it is consistent with the Paris Agreement.

Commented [A2R1]: OGCI: Request from other members to remove because it is illogical to say as early as possible but then to state it should not be until the second half of the century.

Commented [A3]: Comment from CVX: change to individually

Commented [A4R3]: OGCI: Not all company individually publicly report GHG emissions

Commented [A5]: EM comment - Not all OGCI member companies have or make their targets and performance publicly available. Have updated for accuracy.

Commented [A6R5]: OGCI: OK

Commented [A7]: EM comment - "Climate targets" is ambiguous. Either delete "climate" or replace "climate" with "emissions".

Commented [A8R7]: OGCI: Not all target will be emissions target – Climate is more inclusive but less strong than "target" alone

Commented [A9]: CVX comment : change to emissions reduction

Commented [A10R9]: OGCI: Net zero emissions is the goal and our support to it is historical

As OGCI member companies, we aim to reduce our carbon footprints, by

- 1) Continuing to make progress in reducing methane emissions in OGCI member companies' operations to near zero, consistent with 0.25% OGCI Upstream-operated methane intensity target, and to support reductions across the gas value chain. Our target is to reduce by 2025 the collective average methane intensity of member companies' aggregated upstream oil and gas operations to below 0.25%, with the ambition to achieve 0.20%. In 2018, we already reduced the collective methane intensity of the 13 OGCI member companies to 0.29% from a 2017 baseline of 0.32%.
- 2) Working on a target to reduce by 2025 the collective average carbon intensity of our aggregated upstream oil and gas operations, scope 1 and 2. Data is currently being collected and evaluated internally so as to provide a collective target contributing to the global attainment of the Paris Agreement goals. To set such a target OGCI companies have developed transparent reporting rules, a methodology and assumptions, with data aggregated by an independent third party.¹ Our baseline in 2017 is 24kg CO₂e/boe, taking into account our total upstream carbon dioxide and methane emissions from all operated oil and gas assets. Emissions intensity is calculated as a share of marketed oil and gas production. This level is around half of the industry average.^{2, 4}
- 3) Considering expanding progressively from 2020 the scope of our collective efforts to operational carbon intensity metric beyond upstream operation to downstream operations.³

We aim to accelerate decarbonization in key emitting sectors, by

- 1) Launching CCUS Kickstarter in 2019, a major new initiative designed to unlock large-scale commercial investment in CCUS, by enabling multiple low-carbon industrial hubs. These hubs capture carbon dioxide from several industrial companies and bring economies of scale by sharing transport and storage infrastructure. We aim to work with governments and other industries to facilitate the necessary market conditions for investment in hubs and projects by OGCI member companies, OGCI Climate Investments, governments and other investors.
We want to play our part in the emergence of a commercially viable, safe and environmentally responsible CCUS industry that can contribute at the scale needed to help meet the aims of the Paris Agreement, while supporting economic growth.
To achieve this aspiration, OGCI will build on the work of many others to jointly kickstart high-potential CCUS hubs in both developed and developing regions. We will start by helping to get five emerging hubs into operation, doubling the amount of carbon dioxide that is currently stored globally. At the same time, we are building a pipeline of potential additional hubs that, if successful, could multiply our impact by 2030.

¹ The data and methodology is available at: www.oilandgasclimateinitiative.com

² The average industry carbon intensity has been estimated for a similar parameter as the one used by OGCI, based on global energy-related carbon dioxide emissions and total primary energy demand, using data from the International Energy Agency's World Energy Outlook 2018, tables 7.2, 1.5, page 486 and page 489), as well as the Representative Concentration Pathway Database RCP2.6 from the Intergovernmental Panel on Climate Change (IPCC). It considers a Global Warming Potential of methane over a 100-year time horizon. This estimation, based on top-down assessments, is comparable with other scientific papers, such as "Global carbon intensity of crude oil production", published by Stanford in August 2018 (<https://science.sciencemag.org/content/361/6413/851>)

Commented [A11]: CVX Comment: delete

Commented [A12R11]: OGCI: This is an on-going language since 2017

Commented [A13]: EM comment – the meaning/understanding of what is meant by “near zero” can vary. Suggest adding a footnote to clarify the meaning of “near zero”

Commented [A14R13]: OGCI: The 2019 methane target did not propose a definition to this, by intent, in order to leave it to stakeholders appreciation as to 0,25% or 0,20% was not already near zero... This language was proposed by CEOs back in 2017, and part of our 2017 and 2018 annual report. I would not recommend to add at this stage a definition. If you want to discuss it at the RoG workstream thanks to bring it to the agenda there (or to the end august excom)

Commented [A15]: CVX Comment: change in “toward”

Commented [A16R15]: OGCI: Recommend not to – we actually work on a target and are expected to deliver it by the CEOs as per their request expressed in August 2018 and repeatedly confirmed at the following CEO-SCs

Commented [A17]: EM comment - EM and CVX are currently vetting calculation methodology to see if this calculation methodology supports the proposed statement on comparison with industry average.

Commented [A18R17]: OGCI: CVX have accepted the statement and is reviewing the footnote. All other companies support it too. The alternative is to say “well below”? We are in touch with EM teams to finalize their review

Commented [A19]: EM comment - Expansion of carbon intensity metric beyond upstream has not been endorsed by Excom or CEO SC.

Commented [A20R19]: OGCI: Actually this is a request from multiple last CEO-SC to explore it. CEOs requested the TF not ignore downstream. The language does not address targets – just efforts to focus on downstream. This work is ongoing.
The alternative text proposed was in fact stronger than what was intended and not ok for other companies. We came back to the original version

Commented [A21]: CVX comment: is this realistic?

Commented [A22R21]: OGCI: Please bring this to the CCUS WS – this wording has been discussed multiple times and approved by this WS

- 2) **Developing collaborative opportunities**, including co-operation between OGCI member companies and Clean Energy Ministerial countries.
- 3) Sharing good practice and learnings about policy and regulatory frameworks for CCUS, assessment and monitoring of storage and other essential practices. OGCI will work closely with other organizations, such as the International Energy Agency and the Global Carbon Capture and Storage Institute.
- 4) **Launching in 2020 a set of initiatives to deliver greenhouse gas emissions reductions in the transport sector by 2025**, as part of an action plan to facilitate climate-responsible transport.

We aim to support removal of carbon dioxide from the atmosphere, by

- 1) **Actively exploring measures to catalyse natural climate solutions at scale**, noting their significance to many developing regions and their contribution to the achievement of several Sustainable Development Goals. [We are supporting the Natural Climate Solutions Alliance and Call to Action, led by the World Economic Forum and the World Business Council for Sustainable Development].
- 2) Considering exploring together whether OGCI can play a role in the potential of emerging carbon removal technologies to accelerate progress towards **achieving net zero emissions**, potentially building on synergies with our CCUS initiatives.

Commented [A23]: EM comment - this statement is premature. While we recognize that this item is being worked, the workstream has not yet defined and reviewed with Excom/CEO SC a set of initiatives and we feel it's premature to announce either a commitment or a timeline until these are vetted through the normal governance process.

Commented [A24R23]: OGCI: December 2018 CEOs steering committee approved, at the request and proposal of Aramco, that 2020 would be the year of transportation for OGCI.

Every year OGCI writes a short teaser to prepare for its next year priority. Last year there was a teaser as such on CCUS. The principle of this one has been approved at the China June Excom, as the entire document subject to hard stop legal reviews by companies.

If Exxon believes this should be reconsidered a consensus decision should be taken at the Excom end august to this effect. I leave it to you to propose it.

Commented [A25]: EM suggestion - to add "the aim of"

Commented [A26R25]: OGCI: We suggest not to add as inconsistent with the title and the rest of the text/report/language of OGCI

Commented [A27]: OGCI: Ok to add this constructive language to this new direct capture item proposed by Exxon in June and approved at the same June China Excom.