

OGCI STRATEGY

September 2021

OUR BELIEF

The Oil and Gas Climate Initiative (OGCI) supports the goals of the Paris Agreement, limiting global warming to well below 2°C and pursuing efforts to limit it to 1.5°C, and recognizes that there is a real urgency to act.

We support the need for the world to move to a net zero carbon emission future, also called carbon neutrality. This will require international collaboration and an energy transition and a reduction in greenhouse gas emissions from oil and gas.

OGCI and its members companies, by taking individual and collective actions, will help accelerate the energy transition through deep reductions in greenhouse gases.

OGCI Climate Investments supports these efforts to drive substantial reduction in carbon emissions by investing in technologies and projects that lower methane or carbon dioxide emissions, or capture and store carbon dioxide. It seeks to accelerate global implementation of low carbon solutions across the energy, industrial and commercial transport sectors by collaborating with OGCI members, governments and other investors.

The energy transition is one of the world's most important challenges. But there is no one single solution. It will require changes among consumers, governments and businesses. We aim to act, innovate, invest in and implement solutions at scale, working in partnership and creating new business opportunities.

TOWARDS NET ZERO OPERATIONS

All OGCI member companies aim to reach net zero emissions from operations under their control¹, and also leverage their influence to achieve the same in non-operated assets, within the timeframe set by the Paris agreement, recognizing that we have many, but still not all, the answers needed to get there.

We will continue to stay action-oriented, continue to report transparently, and update our ambitions as we progress towards net zero. Our updated set of ambitions include reducing upstream methane emissions to well below 0.20% by 2025, bringing carbon intensity from our upstream operations down to 17.0 kg CO₂e per barrel of oil equivalent and bringing routine flaring to zero² by 2030. These are important near-term steps on this journey. By 2025, this could bring an additional reduction of around 50 million tonnes of CO₂ equivalent per year.

Our success will rely on acceleration of innovative and large-scale solutions such as applications of efficiency measures, sharing of best practices, electrification, hydrogen solutions, and carbon capture utilization and storage (CCUS), methane leak detection and elimination, bioenergy as well as responsible investments in natural climate solutions (NCS)³.

1 Defined as Scope 1 and Scope 2 emissions

2 Per the World Bank "Zero Routine Flaring by 2030" Initiative.

3 Carbon credits should be used in conjunction with the greenhouse gas emissions mitigation hierarchy. Avoiding, minimizing, and reducing emissions should be prioritized and continue in addition to the use of NCS credits.



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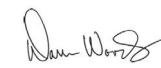

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In addition to collaborating and investing together with industry, it is essential for governments to develop enabling policies and regulations to provide certainty for long-term, large-scale profitable investments needed to reduce emissions. We encourage the implementation of explicit mechanisms giving a value to carbon, such as explicit or implicit carbon prices or incentives.

LEADING THE OIL AND GAS INDUSTRY

As a leadership group, but still only representing around 30% of the world's total oil and gas production, we will work proactively with and encourage the entire oil and gas industry, also the national oil and gas companies, towards net zero operations, including the ambition of near zero methane emissions. Total direct emissions from the global oil and gas industry are estimated to be around 4 gigatonnes of CO₂ equivalent per year⁴.

ACTING TO HELP DECARBONIZE SOCIETY

OGCI members, with their innovation and problem-solving capabilities, stakeholder engagement and technological and execution competencies, are uniquely positioned to support the development and the implementation of new solutions at scale, enabling society to reach net zero and a circular carbon economy faster.

Our member companies are already active in areas such as sustainable mobility and product stewardship, low carbon hydrogen, energy storage, bioenergy and biofuels, synthetic fuels, CCUS, energy efficiency and digitalization and many other key parts of the future energy system including large investments in renewables, such as solar and wind.

OGCI member companies have a key role in working with their customers, partners, other industries and policymakers to reduce greenhouse gas emissions and help accelerate the transition to a net zero society.

OGCI Climate Investments, as a specialist investor, commits capital exclusively to drive substantial realized emissions reduction across multiple sectors. Our industry backgrounds, deep technical knowledge, operating experience, expansive networks and collaborations, track record of commercializing complex and nascent technologies enable us to open customer markets, scale and expedite our portfolio companies' deployment, accelerating progress towards a net zero carbon future.

LEADERSHIP TO ACCELERATE THE ENERGY TRANSITION

OGCI will continue to be a CEO-led platform for its members to act, share, reflect upon and evolve climate ambitions, and accelerate individual and collective actions towards a net zero emissions future consistent with the Paris Agreement. We believe in pro-competitive collaboration between companies, across value chains and across regions.

OGCI recognizes that companies have different starting points and stakeholders, and in some cases national obligations. These factors may impact the form of their climate strategies.

Oil and gas are an important part of the world's energy supply and demand and OGCI and its members have a role continuing to provide access to energy in an affordable, reliable, and sustainable manner and to collaborate to be key architects of the energy system of the future.