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OIL & GAS DECARBONIZATION CHARTER





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Oil & Gas Decarbonization Charter

Climate change is a serious threat to people and planet. The Oil & Gas Industry supports the aims of the Paris Agreement, to strengthen the global response to the threat of climate change, in the context of sustainable development and efforts to eradicate poverty, by holding the increase in the global average temperature rise well below 2°C above pre-industrial levels and to pursue efforts to limit the temperature increase to 1.5°C. The Oil & Gas sector recognizes that it is essential to increase actions in support of the world's move to a net-zero greenhouse gas emission future.

Climate change is a collective challenge that requires strong and focused action from producers and consumers of energy, fundamental changes across society and the energy sector, as well as international collaboration, to advance the energy transition and reduce greenhouse gas emissions from oil and gas.

To support meeting this goal, the Oil & Gas sector will stay action-oriented and aims to reduce greenhouse gas emissions across its operations and engage with customers – both public and private – to provide them with the energy necessary to meet their demand, including solutions to reduce or remove emissions.

We recognize we have an important role to play to help accelerate the energy transition and will invest in the energy system of the future, such as renewables, low carbon fuels, carbon capture and sequestration (CCS), low-emission hydrogen, energy storage, and/or other technologies under development, including negative emissions technologies such as direct air capture, to contribute to achieving a net-zero economy.

The Oil & Gas sector recognizes that a differentiated approach to the energy transition is required to take advantage of the diversity of the capabilities across this sector as our ambitions are implemented. Companies have different starting points and stakeholders, and in some cases national circumstances. These factors may impact the form and speed of their climate strategies, and the ambitions below may need to be adjusted on a case-by-case basis to conform to a particular company's national circumstances.

We further recognize that certain companies have previously committed to the aspirations outlined herein. We believe their efforts and pace of development are of high practical value for the entire sector, as all participating companies can benefit from diverse and far-reaching experiences. Ultimately, these aspirations are aimed to support efforts across sectors to reduce total GHG emissions, which are estimated to be between 54 and 58 Gt CO₂eq per year, out of which emissions from Oil & Gas operations are estimated to be 5 Gt CO₂eq per year.^[1]

In light of the foregoing, the following Charter lays out the aims of the Oil & Gas Decarbonization Charter:

I. Mission: This initiative aims to continue motivating oil and gas companies to join the decarbonization effort, achieving broad geographical coverage and high scale of impact, and to help speed up actions and to encourage learning.

[1] As per International Energy Agency and European Commission EDGAR (Emissions Database for Global Atmospheric Research)



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We recognize that action is essential and collaboration is needed, and no company or country should be left behind. We recognize that companies have different starting points, stakeholders and roles, making it imperative that individual companies set their own ambitions so that they can be realistically achieved within the context of the individual company's operating environments.

This Charter reflects the principles that the Oil & Gas sector believes will contribute to supporting the aims of the Paris Agreement.

II. Scope 1 and 2 CO₂eq Ambitions. The following reflect the ambitions that the Oil & Gas sector believes will have positive impacts in support of the aims of the Paris Agreement and deliver substantive reductions in greenhouse gases, and which we aim to work together as an industry to achieve:

1. **Net Zero Operations by or before 2050:** We aim to reach net-zero CO₂eq emissions (Scope 1 and 2) for operations under our control and, as applicable, engage with joint operating partners towards net-zero CO₂eq emissions (Scope 1 and 2), by or before 2050. The priority for greenhouse gas emissions mitigation is the avoidance and reduction of operational GHG emissions.
2. **Aiming for Near-Zero Upstream Methane Emissions by 2030:** We believe that virtually all methane emissions can be avoided. We aim to implement the actions and practices needed to achieve near-zero methane emissions by 2030 on upstream operations under our control and, as applicable, engage with joint operating partners to achieve near-zero methane emissions. **[2]**
3. **Zero Routine Flaring by 2030:** We aim to implement the actions and practices needed to eliminate routine flaring by 2030 on all operations under our control and will leverage our influence to achieve the same in our non-operated portfolio. **[3]**

III. Continuous improvement and interim ambitions: If not already shared publicly, by 2025, we shall set and share publicly, the aspiration for 2030 of Scope 1 and 2 CO₂eq emissions (absolute and/or intensity) in support of the ambitions set out herein. We will share publicly an update of this aspiration again by 2028 (with potential increase in ambition).

IV. Accelerated decarbonization: Implementation of the above ambitions will need increasing alignment with industry best practices to accelerate the decarbonization of the industry's operations. Reducing methane emissions and stopping routine flaring will provide the largest reductions in emissions from oil and gas operations by 2030. Increasing alignment with broader industry best practices would mean, for example, additional reductions from electrification of upstream operations, deployment of CCUS, and use of low-carbon hydrogen.

[2] "Near-zero methane" is defined as below 0.2% methane intensity as per the formulation identified by OGCI

[3] As defined by World Bank



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We aim to bring the whole sector together to join this effort. The success of this overall effort will depend on the implementation from almost all, if not all, private Oil & Gas companies and national Oil & Gas companies along with the policy support of governments to join the challenge and create an effective enabling environment.

Recognizing that Oil & Gas producers currently have varied emission intensities within their operations, we will aspire to implement current best practices by 2030 to collectively reduce the global average emission intensity for the Oil & Gas industry.

V. An Inclusive and Dynamic Approach to Achieving our Ambitions:

1. National Policies to Accelerate Net Zero Delivery. Our commitment to help industry decarbonization towards the aspiration outlined above will require government policies that support the commercialization of new decarbonization and low and zero-carbon investments, create a stable and balanced framework to achieve the energy transition, and expedite permitting to streamline project implementation and infrastructure. We are ready to accelerate the ambition of our decarbonization efforts and will seek to cooperate with governments to identify the means to facilitate such acceleration.
2. Partnering with Other Sectors. This Charter is intended to mobilize and drive holistic decarbonization and energy transition outcomes, and we will seek to achieve this through a concerted partnership with key enabling sectors including technology and service providers, as well as the financial services sector.
3. Engaging to Reduce GHG Emissions. We are ready to engage with our customers, policy makers, partners, and other energy-intensive industries to reduce greenhouse gas emissions and help accelerate the transition to a net-zero society.
4. Energy Security and Affordability. To support the UN's Sustainable Development Goals, the industry remains committed to the reduction of energy poverty and providing secure and affordable energy to all our customers. We recognize the nexus between energy access and poverty and are focused on providing accessible energy to support the development of all economies.

VI. Transparency and Collaboration. The following activities reflect the Oil & Gas sector's desire to transparently collaborate towards the achievement of the specific ambitions identified in (II) above, in each case in accordance with applicable laws and practices. We recognize that the ambitions set out herein are voluntary in nature, and that each of us is subject to the applicable laws of our respective operations and jurisdictions.

1. Organizational Setup. In furtherance of our Mission, the Oil & Gas sector will develop an organizational setup with required mechanisms to facilitate cooperation and transparency amongst the sector in accordance with the objectives and tasks identified in this Charter. Through such organization, we will remain action-oriented and commit to annually publish emissions performance designed to achieve the decarbonization goals outlined herein.



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2. Measure and Report Progress. We aim to measure, monitor, publicly report and independently verify (MMRV) GHG emissions and our performance and progress in reducing our emissions, and to support continuous improvement in data quality, all aligned in accordance with internationally recognized frameworks, and to publish the same within our respective sustainability reports.
3. Evolving Best Practices. We will work with Oil & Gas sector entities and other credible industry bodies and partners to evolve further best practices and transition pathways.
4. Sector Collaboration and Best Practices. We will advocate, influence and share Oil & Gas decarbonization best practices and insights related to ambition setting and transition planning.

