

Leading energy companies announce transition principles

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- Eight leading energy companies have jointly developed and agreed Principles as a collaborative platform for energy transition.
- Joint collaborative approach welcomed by investors leading engagement with companies across sector through Climate Action 100+.
- Principles support collective industry acceleration to contribute to the Paris Agreement objectives by delivering progress on reducing GHG emissions, the role of carbon sinks, and the importance of transparency and alignment on climate change with trade associations.
- Companies are building further on this collaboration to drive more consistency and transparency in Greenhouse Gas reporting, and in measurement of the emissions which may occur at different points in the value chain.

Leading energy companies, bp, Eni, Equinor, Galp, Occidental, Repsol, Royal Dutch Shell and Total today announced they have agreed to apply six Energy Transition Principles as they play their part in the energy transition.

The six Principles, agreed and embraced by the companies, are to:

- 1. PUBLIC SUPPORT FOR THE GOALS OF THE PARIS AGREEMENT:** publicly support the goals of the Paris Agreement, including international cooperation as a vehicle to ensure these goals can be achieved at the lowest overall cost to the economy.
- 2. INDUSTRY DECARBONISATION:** In line with each company's individual strategy, ambitions and aims, work to reduce emissions from their own operations and strive to reduce emissions from use of energy, together with customers and society. Companies may measure their contributions using carbon intensity and/or absolute metrics at different points in the value chain as determined by their approach.
- 3. ENERGY SYSTEM COLLABORATION:** collaborate with interested stakeholders, including energy users, investors and governments, to develop and promote approaches to reduce emissions from use of energy, in support of countries delivering their Nationally Determined Contributions (NDCs) towards achieving the goals of the Paris Agreement.
- 4. DEVELOPMENT OF CARBON SINKS:** continue to support and promote development of emissions sinks such as carbon capture, utilisation and storage technology (CCUS) and natural sinks.
- 5. TRANSPARENCY:** provide disclosure related to climate change risks and opportunities consistent with the aims of the recommendations of the Taskforce on Climate-related Financial Disclosures (TCFD).
- 6. INDUSTRY AND TRADE ASSOCIATIONS:** report information about their memberships of main industry and trade associations and their alignment with the companies' key climate advocacy and policy positions.

Stakeholders are asking for more consistency and transparency in the metrics used by industry to report on climate-related performance. Recognising that each company has its own strategy, aims and ambitions regarding the energy transition, many of the companies are collaborating on two further strands of technical work.

The first is on increasing transparency and consistency of the definitions and scopes used for data reporting, and acknowledge where differences remain due to the diversity of the companies' businesses and approaches. The second is to work to develop a consistent methodological framework to measure and report the net carbon intensity of their energy products and emissions reduction activities.

"Meeting the challenge of tackling climate change requires unprecedented collaboration between energy companies, governments, investors and other stakeholders. The principles will act as a framework for actions leading energy companies are taking together, as well as a platform for collaborating with wider stakeholders." said the CEOs of the participating companies.

Adam Matthews, Chair of the Climate Action 100+ European Investor Working Group on a Net Zero Standard said: "This is an important foundational commitment. It represents a significant consolidation of the progress that has been made in Europe whilst also seeing the first US oil and gas company joining with their European peers. As CA100+ investors we are in extensive and detailed dialogue with the oil and gas sector and it is extremely helpful to have a position from these companies that unifies around core principles including on scope 3 emissions and corporate lobbying amongst others."

Anne Simpson, Climate Action 100+ Board Member from CalPERS said: "We welcome the Energy Transition Principles which focus industry attention not just on what each company needs to do alone, but what all must do together. This cross-sector work will be vital to achieving the goal of Net Zero emissions in the real economy by 2050 or sooner."

Notes for Editors:Climate Action 100+ is an investor initiative launched in 2017 to ensure the world's largest corporate greenhouse gas emitters take necessary action on climate change. To date, more than 500 investors with more than USD \$51 trillion in assets under management have signed on to the initiative.

