

OGCI MEMBER COMPANIES' STATEMENT ON RESPONDING TO THE CLIMATE CHALLENGE AND STAKEHOLDER ENGAGEMENT

The climate challenge demands urgent action.

As leaders in the energy sector, we recognize that a significant acceleration of transitions to a low-carbon future beyond current projections requires sustainable large-scale actions, different pathways and innovative technological solutions to keep global warming well below 2°C. We believe this is best pursued by balancing a range of mitigation actions while providing cleaner, reliable and affordable energy for human and economic prosperity. To play a positive role in achieving a low-carbon future, we recognize the importance of responsible and transparent stakeholder engagement.

OGCI member companies:

- Engage in frank, transparent and constructive dialogue with stakeholders including our shareholders, employees, business partners, civil society, NGOs, investors and interested multilateral institutions. We welcome their constructive engagement and offered expertise and perspectives, and encourage challenge on a broad range of issues so as to enhance the development and implementation of our related individual and collective actions..
- Clarify for stakeholders our plans and investments for lower-carbon transitions, following different pathways in accordance to circumstances. This includes issuing disclosures that provide meaningful and relevant information, transparently and consistent with the reporting obligations in our particular jurisdictions.
- Enhance climate-related governance, strategy, risk management, and performance metrics and targets. We support the use of scenario analysis as an important and useful tool for assessing how resilient company strategies are to climate-related risks and opportunities pertaining to the 2°C or lower scenarios.
- Assess climate-related issues as part of risk oversight functions. These include sector and company-specific transitional risks incorporating financial, policy and legal, technology, market, reputation and physical risks, both acute and chronic. Opportunities such as those leading to greenhouse gas avoidance and reduction, resource efficiencies, new energy sources, new products and services are also important.

The global climate challenge requires a new level of cooperative leadership, trust-building, and commitment. We embrace this challenge and, as leaders in our industry, we aim to continually improve, building on good international corporate practices including by leveraging the strengths of OGCI and OGCI member companies.

We aim to engage stakeholders and constructively influence multiple issues, especially those that consider an explicit or implicit value for carbon. Attributing a value to carbon is recognized as one of the most cost-efficient ways to achieve low carbon transitions as early as possible.

As such, OGCI member companies support the consideration and introduction by governments of appropriate policies or carbon valuation mechanisms, such as through tax, trading systems, incentives or other market-based instruments appropriate to the profile of emissions, to the carbon mitigation opportunities and to the socio-economic situation of each jurisdiction. These should allow a fair, transparent and stable business environment for all to enhance investment and promote innovation in the aspiration towards lower and zero carbon solutions, without hindering social and economic development.