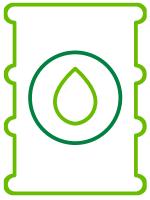






Oil and Gas: Contributing to Paris



The Oil and Gas sector is responsible for 15% of global energy-related CO₂ emissions through its operations.¹ If the combustion of their end-products by customers are included, this figure increases dramatically to almost 90%.² This is due to 82% of the world's energy needs being met by fossil fuels in 2023, with demand remaining strong despite growing investments in low-carbon alternatives.³ Oil and gas companies can contribute to the goals of the Paris Agreement by supporting their customers in transitioning to low-carbon energy sources.

Key climate-related requests

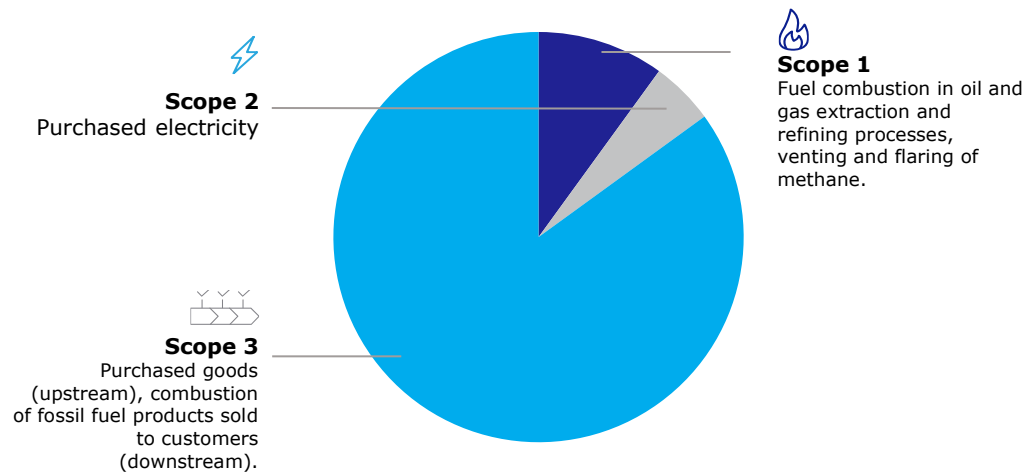
Category	Requests
Targets 	<ul style="list-style-type: none"> A near-term target for the energy mix of production in line with the goals of the Paris Agreement (e.g., 30% low-carbon energy production by 2030, following the IEA Net Zero Emissions scenario). Near-term (2030-2035) and long-term (2050) emission reduction targets covering all material scopes 1, 2, and 3 emissions, in line with the goal of the Paris Agreement. External certification, if possible. If relevant to the sub-industry, Paris-aligned targets for: <ul style="list-style-type: none"> The average breakeven price for oil and gas fields The average GHG intensity of oil and gas fields Methane intensity Zero routine flaring
Strategy 	<ul style="list-style-type: none"> Disclose the levers and assumptions for reaching emission reduction targets, including an estimated contribution of each lever. Disclose a capital and operating expenses plan that supports decarbonisation targets. Disclose the reliance on offsets to meet emission reduction targets and provide a report on the quality assessment of such offsets. Disclose how the company manages potential impacts and dependencies on nature. Disclose how its transition plan addresses the key elements of a Just Transition.
Risk analysis 	<ul style="list-style-type: none"> Disclose an assessment of how the company is preparing for transition and physical climate risks, which includes scenario analyses. Provide information on how this risk assessment is incorporated in the company's targets and strategy.
Engagement 	<ul style="list-style-type: none"> Align climate policy engagement with the decarbonisation goals of the company. Disclose a recurring review of direct and indirect climate policy engagement against the Paris goal. Demonstrate that the company is helping its customers and suppliers decarbonise.

¹ IEA (2023). Emissions from Oil and Gas Operations in Net Zero Transitions. Available at: <https://www.iea.org/reports/emissions-from-oil-and-gas-operations-in-net-zero-transitions>.

² Earth Observatory (2024). Available at: <https://earthobservatory.nasa.gov/images/152519/emissions-from-fossil-fuels-continue-to-rise>.

³ Energy Institute (2024). Statistical Review. Available at: <https://www.energyinst.org/statistical-review/about>.

Emissions sources



Levers to decarbonise

- Powering operations with renewable energy
- Reducing and commercialising methane emissions
- Installing EV charging points in gas stations
- Collaborating with customers to transition to low carbon fuels
- High-grading upstream assets and using the proceeds to fund transition businesses



Threats

- Long-lived and high-value fossil fuel assets
- Uncertainty around demand for and profitability of low-carbon solutions
- Price volatility

Opportunities

- Portfolio diversification
- Less reliance on the commodity cycle
- Shorter and more resilient value chains
- Improved corporate image and maintaining a social license to operate

Supporting factors

- Regulatory measures, such as carbon pricing
- Customer decarbonisation efforts
- Universal decarbonisation standards for oil and gas companies



Companies under engagement

Companies can be selected for several reasons (e.g., size, emissions, geography, etc.). Therefore, selected companies should not necessarily be seen as laggards compared to peers.

- **Galp Energia**
- **OMV AG**
- **Neste Oyj**