

## IOGP's view on a lower carbon future

The International Association of Oil & Gas Producers (IOGP) welcomes the Paris Agreement and supports the international community's commitment to address the global challenge of climate change. We believe that the oil & gas industry is part of the solution to this challenge, which should be addressed while meeting society's future energy needs. The long-term objective of any climate change policy should be to reduce the risk of serious impacts on society and ecosystems, while recognising the importance of availability, reliability and affordability of energy to society, which is essential to human prosperity and well-being. As per the International Energy Agency's (IEA) 2019 *Sustainable Development Scenario*, oil and gas demand will remain strong across the globe for decades to come. It is forecast to supply 47% of the world's energy demand in 2040. This requires investment in existing and future fields.

Our industry is highly committed to meet the global oil and gas demand while helping to tackle the risks of climate change.

The oil & gas industry can contribute to this global effort by reducing the carbon footprint of its upstream operations - through a combination of measures ranging from methane emissions mitigation, electrification of platforms, forest conservation activities, and the integration of renewable energy into processes. IOGP actively supports the enhancement of the industry's performance on minimising methane emissions from upstream oil and gas production, including flaring and venting. Since May 2018, IOGP has been a Supporting Organisation to the Methane Guiding Principles. Our Environmental Performance Indicators Report, which presents methane emissions per region, contributes to the improvement of accuracy and transparency. We actively contributed to the development of the EU Hydrocarbon Best Available Techniques (BAT) Guidance Document, which contains information on BATs for the reduction of methane emissions and flaring. We are preparing to update the tri-partite industry guidance on flare management together with IPIECA and the Global Gas Flaring Reduction Partnership (GGFR). IOGP has also committed to support other Methane Guiding Principles activities including the development of a Methane Policy Framework to support regulators as well as a Methane Emissions Information Portal to be led by the IEA.

In addition, we strongly advocate for switching from coal to natural gas which produces about half of the emissions produced by coal and is the ideal partner for renewable energy. IOGP supports the use of well-designed and well-functioning market-based economy-wide mechanisms that achieve emissions reductions in the most cost-effective way. Mechanisms such as emissions trading systems, or CO<sub>2</sub> or greenhouse gas (GHG) taxes, provide market signals to encourage the reduction of GHG emissions. Yet IOGP recognises that GHG policy must be appropriate to national priorities and circumstances and that approaches may differ.

We strongly believe that a “well-below 2 degrees scenario” is impossible to pursue without adopting new technologies such as Carbon Capture, Usage & Storage (CCUS) and blue hydrogen. By reforming large amounts of natural gas to hydrogen and capturing CO<sub>2</sub> with CCS, the oil & gas industry could provide carbon-free, storable energy at scale.

IOGP has expressed its firm intention to be part of the climate change debate and to help deliver solutions to the challenges faced. The Association has observer status at the United Nations Framework Convention on Climate Change (UNFCCC) and is supporting the IPCC process. At COP24, in Poland, we organised debates on the role of oil & gas in helping to meet the Paris agreements’ objective and, in 2019, we attended COP25, in Madrid.