

Date: August 20, 2019

To: D. W. Woods

Re: OGCI CEOSC
Meeting on August
21-22, 2019

From: P. W. Trelenberg

c: R. M. Ebner A. L. Feick
S. M. McCarron G. T. Allman
T. J. Wojnar G. A. Powell
C. S. Morford L. R. Rzakulieva
V. Swarup R. A. Schober
G. H. Walton L. K. Tran

Darren,

On Thursday, August 22, 2019, the next OGCI CEO Steering Committee (CEOSC) meeting will be held in Geneva.

Key Engagements

- August 21 7:00-10:00pm - Joint OGCI CEOs and WEF dinner
- August 22 7:30-9:30am - OGCI Steering Committee

Agenda

1. Welcome and Competition Law briefing; Minutes of 9th of July call – comments; Objective of call
2. Climate Investments Update
3. September CEO Event & Narrative
4. September Announcement package and Statement on responding to the climate challenge
5. CCUS Kickstarter & CCUS CEM OGCI Joint Declaration

ExxonMobil Objectives for CEO SC Meeting

1. Align on objectives and scope of OGCI engagements and CEO events during Climate Week.
2. Incorporate remaining critical edits (summarized below) into September announcements, statements, and annual report. Chevron has expressed that they are generally aligned with these edits. Remind CEOSC and OGCI staff that major publications, must be formally approved by CEOSC consensus per Charter Article 2.2.1f.
3. Convey view that discussion of the governance proposal at the CEOSC is premature. The proposal for governance enhancements has not been worked with the Legal TF nor reviewed with the ExCom. The Legal TF and ExCom need to ensure that the options being proposed identify and address the root causes of observed governance issues. We suggest the following next steps:
 - Align at ExCom on fundamental governance issues.
 - Excom with support of Legal TF to develop options to address governance issues that include potential structural, process, and personnel changes.

Examples of Ongoing Governance Issues

OGCI staff continues to feel empowered to act beyond ExCom and CEOSC guidance. Recent examples are:

- The Responsible Engagement Statement was initiated without ExCom endorsement or CEOSC direction. Subsequent to the July 9th CEOSC call, OGCI staff expanded the draft Responsible Engagement statement (now renamed to ‘Statement on Responding to the Climate Challenge and Stakeholder Engagement’) beyond the Vatican statements, contrary to CEOSC guidance.
- On multiple occasions, OGCI staff has misrepresented the extent of ExCom endorsements. For example, on the draft narratives and statements, OGCI staff unilaterally declared ExCom approval without casting a formal vote by ExCom, to address changes provided since the June ExCom meeting. Further, September announcements and narrative were worked by OGCI staff, independent of the Communications TF (CTF). Only recently has the CTF been engaged on the details of the announcement and engagement planning.
- OGCI staff initiated negotiations with the Climate Energy Ministerial (CEM) without prior endorsement of ExCom or CCUS WS. They then drafted a joint CEM/OGCI declaration on accelerating the CCUS industry. Member companies have expended significant effort to restructure the initial agreement/declaration to be acceptable to member companies. Further, the initial agreement was drafted without any involvement from the CCUS WS or Legal TF.

Background Summary by Agenda Topic

Agenda Item	Materials	EM Position and Actions	Recommendation for CEO-SC Discussion
<p>Agenda Item 1: 1a. Welcome and Competition Law Briefing/Agenda</p>	AttA, P2	EM supports this best practice to provide this reminder at the beginning of the meeting.	NA
1b. July 9 th Meeting Minutes	AttB	Minutes appear consistent with DWW's summary of key decisions.	Approval of minutes per DWW's review.
<p>Agenda Item 2: Climate Investments Update</p>	AttA, P3-12	Progress being made toward 1 GT/yr target.	Expect update only, no decision being asked.
<p>Agenda Item 3: September CEO Event & Narrative</p> <p>Proposal to highlight 2019 deliverables and activities through multiple announcements throughout September and put more emphasis on engagements with other organizations and stakeholders during UN Climate Week.</p> <p>We have limited our comments to those areas we feel strongly need to be modified, because they are either factually incorrect, they don't accurately represent previous decisions made either by the ExCom or CEO-SC, or because they are premature and have not yet been vetted and agreed. A number of these comments have been previously communicated but not yet included in the current drafts.</p>	<p>AttC, CEO Event Summary</p> <p>AttA, P14, Highlights</p> <p>Att6 GMA</p> <p>Att7 NCS Alliance</p>	<p>EM is supportive of the overall event agenda but awaits additional details on format, topics and expectations for CEO engagement. Other companies are supportive of the overall approach and similar to EM, awaiting details.</p> <p>The current list of announcement topics includes CCUS KickStarter, CI Investments, methane progress, ADNOC joining OGCI, CCS OGCI - Clean Energy Ministerial declaration, alignment on carbon intensity metrics and statement on responding to climate challenge.</p> <p>Methane – Focus on methane reduction progress and support for engagement on the Global Methane Alliance (GMA). EM supports this engagement.</p> <p>Carbon Intensity metric – This table on P14 mentions the fact that 11 members have submitted 2025 target. EM is also working with Chevron on reviewing industry analysis and comparison vs. 2017 baseline carbon intensity.</p> <p>CCUS Kickstarter & CEM Declaration – Narrative and Declaration need further refinement by WS and review with ExCom.</p> <p>Transportation – Need ExCom/CEO-SC alignment. Premature to share 2020 GHG reduction plan at Climate Week.</p> <p>Natural Climate Solutions – Need to understand what about the NCS Alliance will be announced or shared, awaiting details</p>	<p>Emphasize need for CTF to develop details with support of OGCI Staff and align with ExCom.</p> <p>There is lack of clarity and specificity on the planned engagements around these topics and narratives. Request that the details be worked and finalized with CTF and ExCom with support from OGCI Staff, WS, and TF as appropriate.</p> <p>Continue to reinforce that any announcement of a specific target be removed from all narratives and announcements, consistent with prior CEO-SC guidance.</p> <p>Support further refinement at the WS level.</p> <p>Express concern that reduction activities have not been identified by the Transportation WS nor vetted with ExCom.</p> <p>Express need to align on the plan for the announcement and plan for engagement</p>

Background Summary by Agenda Topic Continued

Agenda Item	Materials	EM Position and Actions	Recommendation for CEOSC Discussion
<p>Agenda Item 4: 4a. September Announcement package</p> <p>Comments reflected here are critical areas. The attachment includes additional EM input on other important areas</p>	<p>Att1 with remaining EM input</p>	<ul style="list-style-type: none"> Continuing debate regarding the meaning of 'near zero emissions'. OGCI staff's desire is to maintain reference to this term consistent with previous years' announcements. Term is being applied to methane emission reductions with lack of definition and alignment on its meaning. OGCI is now suggesting that the RoG work this definition as needed but timing may not be feasible for September announcement. Providing a definition will provide clarity on what standard will be expected of OGCI. For methane, we had proposed the following definition: 'consistent with 0.25% OGCI Upstream operated methane intensity target'. The carbon intensity narrative also mentions expanding scope to include the downstream which could imply that we will commit to a target for downstream. Members are not yet aligned on including downstream in the intensity targets. OGCI staff advocating for this language and believes it is consistent with CEOSC's ask. CCUS Kickstarter narrative needs refinement by CCUS WS. The concept of 'getting five emerging hubs into operation and capturing a specified volume' needs further discussion at WS and review by ExCom. Includes a statement on plans to deliver GHG reductions through transport-related initiatives which has yet to be defined. OGCI staff believes that this commitment was approved by CEOSC per Aramco's ask during December 2018 CEOSC meeting, contrary to meeting minutes. 	<p>Direct OGCI Staff to work with ExCom and CTF to further enhance and appropriately align on content.</p>

Background Summary by Agenda Topic Continued

Agenda Item	Materials	EM Position and Actions	Recommendation for CEOSC Discussion
<p>4b.Statement on responding to the climate challenge</p> <p>Comments reflected here are critical areas. The attachment includes additional EM input on other important areas</p>	<p>Att2 with remaining EM input</p>	<ul style="list-style-type: none"> Need to remove reference to Paris Agreement as support for the Paris Agreement goals and member company advocacy are separate concepts and are not directly related. Creating a tie between our advocacy/engagements and the Paris Agreement could create a potential commitment to advocate on the Paris Agreement goals. Support for Paris Agreement is already mentioned in Announcement Package. Need to remove language that potentially commits members to enhanced climate-related governance, strategy, risk management, and performance metrics and targets; language is not consistent with the Vatican statements. 	<p>Direct OGCI Staff to work with ExCom, LTF and CTF to further enhance and appropriately align on content.</p>
<p>Agenda Item 5: CCUS Kickstarter & CCUS CEM OGCI Joint Declaration</p>	<p>Att3</p>	<p>CCS OGCI and Clean Energy Ministerial Declaration - Draft Declaration needs further refinement to emphasize the need for supportive policy and economic incentives versus creation of hubs. Will be further refined by CCUS WS.</p>	<p>Direct OGCI Staff to work with ExCom, CCUS WS, and CTF to further enhance and appropriately align on content.</p>
<p>Other Materials</p>			
<p>Governance Proposal</p>	<p>Att4</p>	<p>This proposal has not been vetted with ExCom nor Legal TF. Proposed Governance changes appears to be more on organization changes as a means of addressing governance deficiencies. Before proposing a new org structure, there should be appropriate consideration of existing governance and process/personnel gaps. For CI the SIP should be revisited.</p>	<p>Current challenges with governance will not be solved by organization design, but by looking at strategic plan and process to approve decisions.</p> <p>Proposal for enhancements need to be worked with Legal TF and ExCom.</p>
<p>Draft Annual Report</p>	<p>Att5 Draft3 with EM comments</p>	<p>Draft4 under review. EM feedback on Draft3 not accepted.</p> <p>Key areas of concern are similar to critical comments listed above on the September package. In addition, the report includes explicit commitment for OGCI companies to align their advocacy with their climate related positions. We have raised concerns with this linkage through our previous comments.</p>	<p>Insist on alignment between annual report and all approved narratives, statements and declarations.</p> <p>Remind CEOSC and OGCI staff that major publications, including the annual report must be formally approved by CEOSC consensus per Charter Article 2.2.1f.</p>

Memorandum

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ExxonMobil Objectives for CEO SC Meeting

1. Align on objectives and scope of OGCI engagements and CEO events during Climate Week.
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OGCI staff continues to feel empowered to act beyond ExCom and CEOSC guidance. Recent examples are:

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- On multiple occasions, OGCI staff has misrepresented the extent of ExCom endorsements. For example, on the draft narratives and statements, OGCI staff unilaterally declared ExCom approval without casting a formal vote by ExCom, to address changes provided since the June ExCom meeting. Further, September announcements and narrative were worked by OGCI staff, independent of the Communications TF (CTF). Only recently has the CTF been engaged on the details of the announcement and engagement planning.
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Agenda Item 2: Climate Investments Update	AttA, P3-12	Progress being made toward 1 GT/yr target.	Expect update only, no decision being asked.
Agenda Item 3: September CEO Event & Narrative Proposal to highlight 2019 deliverables and	AttC, CEO Event Summary	EM is supportive of the overall event agenda but awaits additional details on format, topics and expectations for CEO engagement. Other companies are supportive of	Emphasize need for CTF to develop details with support of OGCI Staff and align with ExCom.

<p>activities through multiple announcements throughout September and put more emphasis on engagements with other organizations and stakeholders during UN Climate Week.</p>	<p>AttA, P14, Highlights Att6 GMA</p>	<p>the overall approach and similar to EM, awaiting details.</p> <p>The current list of announcement topics includes CCUS KickStarter, CI Investments, methane progress, ADNOC joining OGCI, CCS OGCI - Clean Energy Ministerial declaration, alignment on carbon intensity metrics and statement on responding to climate challenge.</p>	<p>There is lack of clarity and specificity on the planned engagements around these topics and narratives. Request that the details be worked and finalized with CTF and ExCom with support from OGCI Staff, WS, and TF as appropriate.</p>
<p>We have limited our comments to those areas we feel strongly need to be modified, because they are either factually incorrect, they don't accurately represent previous decisions made either by the ExCom or CEOSC, or because they are premature and have not yet been vetted and agreed. A number of these comments have been previously communicated but not yet included in the current drafts.</p>	<p>Att7 NCS Alliance</p>	<p>Methane – Focus on methane reduction progress and support for engagement on the Global Methane Alliance (GMA). EM supports this engagement.</p> <p>Carbon Intensity metric –This table on P14 mentions the fact that 11 members have submitted 2025 target. EM is also working with Chevron on reviewing industry analysis and comparison vs. 2017 baseline carbon intensity.</p> <p>CCUS Kickstarter & CEM Declaration –Narrative and Declaration need further refinement by WS and review with ExCom.</p> <p>Transportation – Need ExCom/CEOSC alignment. Premature to share 2020 GHG reduction plan at Climate Week.</p>	<p>Continue to reinforce that any announcement of a specific target be removed from all narratives and announcements, consistent with prior CEO-SC guidance.</p> <p>Support further refinement at the WS level.</p> <p>Express concern that reduction activities have not been identified by the Transportation WS nor vetted with ExCom.</p> <p>Express need to align on the plan for the announcement and plan for engagement</p> <p>.</p>

		Natural Climate Solutions – Need to understand what about the NCS Alliance will be announced or shared, awaiting details	
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		<ul style="list-style-type: none"> • CCUS Kickstarter narrative needs refinement by CCUS WS. The concept of 'getting five emerging hubs into operation and capturing a specified volume' needs further discussion at WS and review by ExCom. • Includes a statement on plans to deliver GHG reductions through transport-related initiatives which has yet to be defined. OGCI staff believes that this commitment was approved by CEOSC per Aramco's ask during December 2018 CEOSC meeting, contrary to meeting minutes. 	
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4b. Statement on responding to the climate challenge Comments reflected here are critical areas. The attachment includes additional EM	Att2 with remaining EM input	<ul style="list-style-type: none"> • Need to remove reference to Paris Agreement as support for the Paris Agreement goals and member company advocacy are separate concepts and are not directly related. Creating a tie between our advocacy/engagements and the Paris Agreement could 	Direct OGCI Staff to work with ExCom, LTF and CTF to further enhance and appropriately align on content.

input on other important areas		<p>create a potential commitment to advocate on the Paris Agreement goals. Support for Paris Agreement is already mentioned in Announcement Package.</p> <ul style="list-style-type: none"> Need to remove language that potentially commits members to enhanced climate-related governance, strategy, risk management, and performance metrics and targets; language is not consistent with the Vatican statements. 	
Agenda Item 5: CCUS Kickstarter & CCUS CEM OGCI Joint Declaration	Att3	CCS OGCI and Clean Energy Ministerial Declaration - Draft Declaration needs further refinement to emphasize the need for supportive policy and economic incentives versus creation of hubs. Will be further refined by CCUS WS.	Direct OGCI Staff to work with ExCom, CCUS WS, and CTF to further enhance and appropriately align on content.
Other Materials			
Governance Proposal	Att4	<p>This proposal has not been vetted with ExCom nor Legal TF. Proposed Governance changes appears to be more on organization changes as a means of addressing governance deficiencies. Before proposing a new org structure, there should be appropriate consideration of existing governance and process/personnel gaps. For CI the SIP should be revisited.</p>	<p>Current challenges with governance will not be solved by organization design, but by looking at strategic plan and process to approve decisions.</p> <p>Proposal for enhancements need to be worked with Legal TF and ExCom.</p>
Draft Annual Report	Att5 Draft3 with EM comments	Draft4 under review. EM feedback on Draft3 not accepted.	Insist on alignment between annual report and all approved narratives, statements and declarations.

	<p>Key areas of concern are similar to critical comments listed above on the September package. In addition, the report includes explicit commitment for OGCI companies to align their advocacy with their climate related positions. We have raised concerns with this linkage through our previous comments.</p>	<p>Remind CEOSC and OGCI staff that major publications, including the annual report must be formally approved by CEOSC consensus per Charter Article 2.2.1f.</p>
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HCOR

Memorandum

DRAFT FOR DWW PREVIEW dated 8/16/2019

Date: August 20, 2019**To:** D. W. Woods**Re:** OGCI CEOSC
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22, 2019**From:** P. W. Trelenberg**c:** R. M. Ebner
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Darren,

On Thursday, August 22, 2019, the next OGCI CEO Steering Committee (CEOSC) meeting will be held in Geneva. Two hours have been scheduled for the meeting, with the following key engagements and agenda:

Key Engagements

- August 21 7:00-10:00pm - Joint OGCI CEOs and WEF dinner
- August 22 7:30-9:30am - OGCI Steering Committee

Agenda

1. Welcome and Competition Law briefing; Minutes of 9th of July call – comments; Objective of call
2. Climate Investments Update
3. September CEO Event & Narrative
4. September Announcement package and Statement on responding to the climate challenge
5. CCUS Kickstarter & CCUS CEM OGCI Joint Declaration

ExxonMobil Objectives for CEO SC Meeting

1. Emphasize that lack of effective governance continues to pose significant challenges for effective decision-making and causes inefficiencies. Ensure that proposals developed by OGCI Staff, including recommendations for governance enhancements, be reviewed by the Excom and worked with the appropriate work streams (WS) and task forces (TF), including Communications and Legal TFs.
2. Align on objectives and scope of OGCI engagements and CEO events during Climate Week. Communications Task Force (CTF) should be leading this activity with support from appropriate WSs and OGCI Staff.
3. Incorporate remaining critical edits (summarized below) into September announcements, statements, and annual report. Chevron is aligned with these edits. CTF should be leading this activity with support from appropriate WSs and OGCI Staff.

Ongoing Governance Issues

OGCI staff continues to feel empowered to act beyond ExCom and CEOSC guidance. Recent examples are:

- We understand that a proposal on Governance enhancements will be discussed during the CEOSC meeting. This proposal has not been reviewed by or aligned with ExCom nor Legal TF.
- On the draft Responsible Engagement Statement (which is now the “Statement on Responding to the Climate Challenge and Stakeholder Engagement”), OGCI staff expanded the language beyond the Vatican statements, contrary to CEOSC guidance from the July 9th call.
- OGCI and Climate Energy Ministerial (CEM) joint declaration on accelerating the CCUS industry has been worked outside of CCUS WS. Other members experience similar, ‘no action’ response on multiple iterations of feedback.
- On the evolving content of the draft narratives and statements, OGCI staff declared Excom approval without casting a formal vote by Excom to consider changes provided since the June Excom meeting.
- Much of the September announcements and narrative were being worked by OGCI staff, independent of the CTF. CTF is starting to engage on the details and planning.

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<p>Agenda Item 1: 1a. Welcome and Competition Law Briefing/Agenda</p>	<p>AttA, P2</p>	<p>EM supports this best practice to provide this reminder at the beginning of the meeting.</p>	<p>NA</p>
<p>1b. July 9th Meeting Minutes</p>	<p>AttB</p>	<p>Minutes appear consistent with DWW's summary of key decisions.</p>	<p>Approval of minutes per DWW's review.</p>
<p>Agenda Item 2: Climate Investments Update</p>	<p>AttA, P3-12</p>	<p>Progress being made toward 1 GT/yr target.</p>	<p>Expect update only, no decision being asked.</p>
<p>Agenda Item 3: September CEO Event & Narrative</p> <p>Proposal to highlight 2019 deliverables and activities through multiple announcements throughout September and put more emphasis on engagements with other organizations and stakeholders during UN Climate Week.</p> <p>We have limited our comments to those areas we feel strongly need to be modified, because they are either factually incorrect, they don't accurately represent previous decisions made either by the ExCom or CEO-SC, or because they are premature and have not yet been vetted and agreed. A number of these comments have been previously communicated but not yet included in the current drafts.</p>	<p>AttC, CEO Event Summary</p> <p>AttA, P14, Highlights</p>	<p>EM is supportive of the overall event agenda but awaits additional details on format, topics and expectations for CEO engagement. Other companies are supportive of the overall approach and similar to EM, awaiting details.</p> <p>The current list of announcement topics includes CCUS KickStarter, CI Investments, methane progress, ADIPEC joining OGCI, CCS OGCI - Clean Energy Ministerial declaration, alignment on carbon intensity metrics and statement on responding to climate challenge.</p> <p>Methane – Focus on methane reduction progress and support for engagement on the Global Methane Alliance. EM supports this engagement.</p> <p>Carbon Intensity metric – This table on P14 mentions the fact that 11 members have submitted 2025 target. EM reviewing industry analysis.</p> <p>CCUS Kickstarter & CEM Declaration – Narrative and Declaration need further refinement by WS and review with ExCom.</p> <p>Transportation – Need Excom/CEO-SC alignment. Premature to share reduction plan at Climate Week.</p> <p>Natural Climate Solutions – Need to understand what about the NCS Alliance will be announced or shared, awaiting details</p>	<p>Emphasize need for CTF to develop details with support of OGCI Staff and align with Excom.</p> <p>There is lack of clarity and specificity on the planned engagements around these topics and narratives. Request details to be worked and finalized with CTF and ExCom with support from OGCI Staff, WS, and TFs as appropriate.</p> <p>Continue to reinforce that any reference to the 2025 specific target be removed from all narratives and announcements, consistent with prior CEO-SC.</p> <p>Support further refine at the WS level.</p> <p>Express concern that reduction activities have not been identified by the Transportation WS.</p> <p>Express need to align on the plan for the announcement and plan for engagement</p>

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<p>Governance Proposal</p>	<p>Att4</p>	<p>This proposal has not been vetted with ExCom nor Legal TF. Proposed Governance changes appears to be more on organization changes as a means of addressing governance deficiencies. Before proposing a new org structure, there should be appropriate consideration of existing governance and process gaps. For CI the SIP should be revisited.</p>	<p>Current challenges with governance will not be solved by organization design, but by looking at strategic plan and process to approve decisions.</p> <p>Proposal for enhancements need to be worked with Legal TF and Excom.</p>
<p>Draft Annual Report</p>	<p>Att5 Draft3 with EM comments</p>	<p>Draft4 under review. EM feedback on Draft3 not accepted.</p> <p>Key areas of concern are similar to critical comments above on the September package. In addition, the report includes explicit commitment for OGCI companies to align their advocacy with their climate related positions. We have raised concerns with this linkage through our previous comments.</p>	<p>Encourage alignment between annual report and all approved narratives, statements and declarations.</p>

This document constitutes a proposal for an Announcement Package for the UN Climate Summit. The UN may select or prioritize some components for announcement at the Summit. Any components that are accepted by the UN would require further expansion and details. Many potential elements in this package are still under discussion, are subject to change, and will ultimately require final approval by OGCI. The content of this document will serve as the basis for communication & press release as well as talking points for the CEO event.

OGCI Announcement Package for September 2019 – Scaling Up Action

Energy companies have an important role to play in accelerating the energy system transition required to tackle the climate challenge urgently, alongside governments, civil society and other key stakeholders, while continuing to provide reliable, accessible and affordable energy for all.

Since OGCI's launch five years ago, member companies have aimed to take a lead in facilitating this transition in the energy industry and along our value chains, while encouraging other emitting sectors to take action. In 2019 and onwards, **OGCI is working to increase the speed, scale and impact of our actions as the world aims for net zero emissions as early as possible - in the second half of the century.**

Reinforcing our engagement and collaboration

We, as OGCI member companies, regard stakeholder engagement and collaboration on climate change as critical to delivering solutions to the challenge of climate change. We will enhance our efforts as constructive partners with governments, civil society, businesses and other stakeholders, working to transition to a low carbon economy. In support of that role, we embrace the following principles:

- **We support the Paris Agreement.** As a condition of membership to OGCI, all member companies explicitly support the Paris Agreement and its aims.
- **We are committed to openness, transparency and consistency.** All member companies report greenhouse gas emissions data collectively through OGCI. OGCI and its member companies make its climate targets, aspirations and related performance publicly available.
- **We utilize third-party review of data.** From 2019, all data published by OGCI is collected using consistent methodologies, reviewed and anonymized by an independent third party, using internationally recognized practices for greenhouse gas accounting and reporting.
- **We engage responsibly.** Each member company values stakeholder engagement and is committed to take proactive steps to exercise influence constructively, consistently and transparently in support of publicly disclosed climate-related positions, and in line with explicit support of the Paris Agreement and its aims.

We recognize that **OGCI can help to accelerate the achievement of net zero emissions by collaborating with other industries, civil society, governments and institutions.** We are currently working on several global initiatives and engaging with stakeholders in the areas of reducing methane emissions and flaring, while facilitating carbon capture and storage, and nature-based solutions (see Appendix for a list of organizations with which OGCI is collaborating).

Aiming for net zero emissions

OGCI is developing a suite of practical actions intended to accelerate decarbonization, by reducing, mitigating and removing greenhouse gases and developing low carbon solutions. As member companies, we aim to implement these actions in our operations and collaborate with our partners and customers to help reduce the climate footprint of the energy, transport and industry sectors. We leverage the investments made by our US\$1 billion+ fund, OGCI Climate Investments, as appropriate. These aim to accelerate the emergence of new lower carbon energy solutions and technologies, delivering a measurable reduction in emissions from a range of industries.

Commented [A1]: EM Comment: this language has been in the prior versions of the Sept announcement package and has been used widely externally as an aspirational goal. This should remain in package as it is consistent with the Paris Agreement.

Commented [A2R1]: OGCI: Request from other members to remove because it is illogical to say as early as possible but then to state it should not be until the second half of the century.

Commented [A3]: Comment from CVX: change to individually

Commented [A4R3]: OGCI: Not all company individually publicly report GHG emissions

Commented [A5]: EM comment - Not all OGCI member companies have or make their targets and performance publicly available. Have updated for accuracy.

Commented [A6R5]: OGCI: OK

Commented [A7]: EM comment - "Climate targets" is ambiguous. Either delete "climate" or replace "climate" with "emissions".

Commented [A8R7]: OGCI: Not all target will be emissions target - Climate is more inclusive but less strong than "target" alone

Commented [A9]: CVX comment: change to emissions reduction

Commented [A10R9]: OGCI: Net zero emissions is the goal and our support to it is historical

As OGCI member companies, we aim to reduce our carbon footprints, by

- 1) Continuing to make progress in reducing methane emissions in OGCI member companies' operations to near zero (i.e., consistent with 0.25% OGCI Upstream-operated methane intensity target), and to support reductions across the gas value chain. Our target is to reduce by 2025 the collective average methane intensity of member companies' aggregated upstream oil and gas operations to below 0.25%, with the ambition to achieve 0.20%. In 2018, we already reduced the collective methane intensity of the 13 OGCI member companies to 0.29% from a 2017 baseline of 0.32%.
- 2) Working on a target to reduce by 2025 the collective average carbon intensity of our aggregated upstream oil and gas operations, scope 1 and 2. Data is currently being collected and evaluated internally so as to provide a collective target contributing to the global attainment of the Paris Agreement goals. To set such a target OGCI companies have developed transparent reporting rules, a methodology and assumptions, with data aggregated by an independent third party.¹ Our baseline in 2017 is 24kg CO₂e/boe, taking into account our total upstream carbon dioxide and methane emissions from all operated oil and gas assets. Emissions intensity is calculated as a share of marketed oil and gas production. This level is around half of the industry average.^{2, 3} This level is around half of the industry average.^{2, 3}
- 3) Considering to expand progressively from 2020 the scope of our collective efforts to encompass our intensity metric beyond upstream operations (e.g., downstream operations).⁴

We aim to accelerate decarbonization in key emitting sectors, by

- 1) Launching CCUS Kickstarter in 2019, a major new initiative designed to unlock large-scale commercial investment in CCUS, by enabling multiple low-carbon industrial hubs. These hubs capture carbon dioxide from several industrial companies and bring economies of scale by sharing transport and storage infrastructure. We aim to work with governments and other industries to facilitate the necessary market conditions for investment in hubs and projects by OGCI member companies, OGCI Climate Investments, governments and other investors.
We want to play our part in the emergence of a commercially viable, safe and environmentally responsible CCUS industry that can contribute at the scale needed to help meet the aims of the Paris Agreement, while supporting economic growth.
To achieve this aspiration, OGCI will build on the work of many others to jointly kickstart high-potential CCUS hubs in both developed and developing regions. We will start by helping to get five emerging hubs into operation, doubling the amount of carbon dioxide that is currently stored globally. At the same time, we are building a pipeline of potential additional hubs that, if successful, could multiply our impact by 2030.

¹ The data and methodology is available at: www.oilandgasclimateinitiative.com

² The average industry carbon intensity has been estimated for a similar denominator as the one used by OGCI, based on global energy-related carbon dioxide emissions and total primary energy demand, using data from the International Energy Agency's World Energy Outlook 2017, table 2.15, page 426 and page 489, as well as the Representative Concentration Pathway Database (RCP2.6 from the Intergovernmental Panel on Climate Change (IPCC). It considers a Global Warming Potential of methane over a 100-year time horizon. This estimation, based on top-down assessments, is comparable with other scientific papers, such as "Global carbon intensity of crude oil production", published by Stanford in August 2016 (<https://science.sciencemag.org/content/351/6287/651>)

Commented [A11]: CVX Comment: delete

Commented [A12R11]: OGCI: This is an on-going language since 2017

Commented [A13]: EM comment – the meaning/understanding of what is meant by "near zero" can vary. Suggest adding a footnote to clarify the meaning of "near zero"

Commented [A14R13]: OGCI: The 2019 methane target did not propose a definition to this, by intent, in order to leave it to stakeholders appreciation as to 0,25% or 0,20% was not already near zero... This language was proposed by CEOs back in 2017, and part of our 2017 and 2018 annual report. I would not recommend to add at this stage a definition. If you want to discuss it at the RoG workstream thanks to bring it to the agenda there (or to the end august excom)

Commented [A15]: CVX Comment: change in "toward"

Commented [A16R15]: OGCI: Recommend not to – we actually work on a target and are expected to deliver it by the CEOs as per their request expressed in August 2018 and repeatedly confirmed at the following CEO-SCS

Commented [A17]: EM comment - EM and CVX are currently vetting calculation methodology to see if this calculation methodology supports the proposed statement on comparison with industry average.

Commented [A18R17]: OGCI: CVX have accepted the statement and is reviewing the footnote. All other companies support it too. The alternative is to say "well below"? We are in touch with EM teams to finalize their review

Commented [A19]: EM comment - Expansion of carbon intensity metric beyond upstream has not been endorsed by Excom or CEO SC.

Commented [A20R19]: OGCI: Actually this is a request from multiple last CEO-SC to explore it. CEOs requested the TF not ignore downstream. The language does not address targets – just efforts to focus on downstream. This work is ongoing. The alternative text proposed was in fact stronger than what was intended and not ok for other companies. We came back to the original version

Commented [A21]: CVX comment: is this realistic?

Commented [A22R21]: OGCI: Please bring this to the CCUS WS – this working has been discussed multiple times and approved by this WS

- 2) Developing collaborative opportunities, including co-operation between OGCI member companies and Clean Energy Ministerial countries.
- 3) Sharing good practice and learnings about policy and regulatory frameworks for CCUS, assessment and monitoring of storage and other essential practices. OGCI will work closely with other organizations, such as the International Energy Agency and the Global Carbon Capture and Storage Institute.
- 4) Launching in 2020 a set of initiatives to deliver greenhouse gas emissions reductions in the transport sector by 2025, as part of an action plan to facilitate climate-responsible transport.

We aim to support removal of carbon dioxide from the atmosphere, by

- 1) Actively exploring measures to catalyse natural climate solutions at scale, noting their significance to many developing regions and their contribution to the achievement of several Sustainable Development Goals. [We are supporting the Natural Climate Solutions Alliance and Call to Action, led by the World Economic Forum and the World Business Council for Sustainable Development].
- 2) Considering exploring together whether OGCI can play a role in the potential of emerging carbon removal technologies to accelerate progress towards the goal of net zero emissions, potentially building on synergies with our CCUS initiatives.

Commented [A23]: EM comment - this statement is premature. While we recognize that this item is being worked, the workstream has not yet defined and reviewed with Excom/CEO SC a set of initiatives and we feel it's premature to announce either a commitment or a timeline until these are vetted through the normal governance process.

Commented [A24R23]: OGCI: December 2018 CEOs steering committee approved, at the request and proposal of Aramco, that 2020 would be the year of transportation for OGCI.

Every year OGCI writes a short teaser to prepare for its next year priority. Last year there was a teaser as such on CCUS. The principle of this one has been approved at the China June Excom, as the entire document subject to hard stop legal reviews by companies.

If Exxon believes this should be reconsidered a consensus decision should be taken at the Excom end august to this effect. I leave it to you to propose it.

Commented [A25]: EM suggestion -- to add "the aim of"

Commented [A26R25]: OGCI: We suggest not to add as inconsistent with the title and the rest of the text/report/language of OGCI

Commented [A27]: OGCI: Ok to add this constructive language to this new direct capture item proposed by Exxon in June and approved at the same June China Excom.