

Investor Call for Ambitious Methane Regulation for the Oil and Gas Industry

Climate change poses significant risks to the economy and the financial system. The oil and gas sector is a significant contributor of greenhouse gas emissions, including through the release of methane. While we recognize voluntary efforts from leading members of the oil and gas industry to curb methane emissions, government action is needed to address this systemic risk, reduce greenhouse gas emissions in a uniform manner, and support companies' net-zero transitions.^{1 2 3}

To help meet the goals of the Paris Climate Agreement, we the undersigned financial institutions, representing more than \$5.35 in assets under management, call on the Biden administration to rapidly advance methane regulations for the U.S. oil and gas sector.

Methane, the main component of natural gas, is a potent greenhouse gas 84 times more powerful than carbon dioxide in its first two decades after release. Researchers estimate that methane from human sources is responsible for at least a quarter of today's warming. In the oil and gas sector, methane emissions also represent lost product and can pose safety risks.⁴

If unaddressed, these emissions could limit American companies' access to global gas export markets and jeopardize the role of natural gas in a decarbonizing economy.^{5 6} Any credible pathway for the use of natural gas in a Paris-aligned future must address methane emissions.

As prudent fiduciaries, we believe virtually eliminating methane emissions as part of a low carbon transition can support the financial goals of both companies and investors. By taking action on methane emissions, government can achieve valuable greenhouse gas reductions while helping American industry become cleaner and more competitive.

We welcome the Biden administration's ambition to regulate methane emissions from the oil and gas sector and encourage the administration to develop and implement ambitious policies designed to:

- Address all potentially significant sources of oil and gas industry methane emissions, including inactive or abandoned wells;
- Ensure rapid detection and mitigation of natural gas leaks into the atmosphere; • Minimize gas venting and flaring;
- Support development and deployment of innovative technologies for methane mitigation; • Achieve ambitious emission reductions in a reasonably cost-effective manner.

¹ <https://www.linkedin.com/pulse/methane-rollback-puts-us-wrong-track-gretchen-watkins/> ²

<https://www.houstonchronicle.com/opinion/outlook/article/BP-America-chief-It-s-time-for-the-Trump-13721656.php> ³

<https://www.pxd.com/sites/default/files/reports/2020-sustainability-report-final.pdf>

⁴ <https://www.iea.org/reports/methane-tracker-2020/methane-abatement-options#abstract> ⁵

<https://www.spglobal.com/platts/en/market-insights/latest-news/natural-gas/110320-frances-engie-pulls-out-of-talks-for-us-lng-import-deal-with-nextdecade-company>

⁶ https://ec.europa.eu/commission/presscorner/detail/en/ip_20_1833

Signatories

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AkademikerPension
Allianz Global Investors
Allianz SE
Arjuna Capital
As You Sow
ATISA Personalvorsorgestiftung der Tschümperlin-Unternehmungen
Baldwin Brothers LLC
Bâtirente
BC Municipal Pension Plan
Bernische Lehrerversicherungskasse
Bernische Pensionskasse BPK
Bon Secours Mercy Health
Boston Common Asset Management
Boston Trust Walden
British Columbia Investment Management Corporation
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Caisse de pension du Comité international de la Croix-Rouge
Caisse de pension Hewlett-Packard Plus
Caisse de pensions de l'Etat de Vaud (CPEV)
Caisse de pensions du CERN
Caisse de pensions du personnel communal de Lausanne (CPCL)
Caisse de pensions ECA-RP
Caisse de prév. des Fonctionnaires de Police & des Etablissements Pénitentiaires
Caisse de Prévoyance de l'Etat de Genève CPEG
Caisse de Prévoyance des Interprètes de Conférence (CPIC)
Caisse de prévoyance du personnel communal de la ville de Fribourg
Caisse de prévoyance du personnel de l'Etat de Fribourg (CPPEF)
Caisse de prévoyance du personnel de l'Etat du Valais (CPVAL)
Caisse intercommunale de pensions (CIP)
Caisse paritaire de prévoyance de l'industrie et de la construction (CPPIC)
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CAP Prévoyance
Capricorn Investment Group
Change Finance
Chrysalix EVC
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ClearBridge Investments
Committee on Mission Responsibility Through Investment of the Presbyterian Church U.S.A.
Congregation of Sisters of St. Agnes
Congregation of St. Joseph
Corporate Responsibility office - Province of Saint Joseph of the Capuchin Order Dana
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Daughters of Charity, Province of St. Louise
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Earth Equity Advisors

Encourage Capital
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Ethos Foundation
Everence and the Praxis Mutual Funds
EverHope Capital
Figure 8 Investment Strategies
First Affirmative Financial Network
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Fondation Patrimonia
Fonds de Prévoyance de CA Indosuez (Suisse) SA
Fonds interprofessionnel de prévoyance (FIP)
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Gebäudeversicherung St. Gallen
Gestion FÉRIQUE
Hexavest Impact Investors
Impax Asset Management LLC
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Mercy Investment Services, Inc.
Miller/Howard Investments, Inc.
Missionary Oblates of Mary Immaculate JPIC Office
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NEI Investments
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New York State Common Retirement Fund
Northwest Coalition for Responsible Investment
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Pensionskasse Bank CIC (Schweiz)
Pensionskasse Basel-Stadt
Pensionskasse Bühler AG Uzwil
Pensionskasse Caritas
Pensionskasse der Basler Kantonalbank
Pensionskasse der Stadt Frauenfeld
Pensionskasse der Stadt Winterthur
Pensionskasse Pro Infirmis
Pensionskasse Schaffhausen
Pensionskasse SRG SSR

Pensionskasse Stadt Luzern
Pensionskasse Stadt St. Gallen
Pensionskasse Unia
Personalvorsorgekasse der Stadt Bern
Prévoyance Santé Valais (PRESV)
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Profelia Fondation de prévoyance
Prosperita Stiftung für die berufliche Vorsorge
Quantum Energy Partners
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Region VI Coalition for Responsible Investment
Rentes Genevoises
Reynders, McVeigh Capital Management
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RRSE (Regroupement pour la Responsabilité Sociale des Entreprises)
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Signet Strategic Wealth Management, Inc.
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Sisters of Bon Secours USA
Sisters of Saint Joseph of Chestnut Hill Philadelphia, PA Sisters of St Dominic Racine, WI
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