

CLIMATE ACTION FRAMEWORK

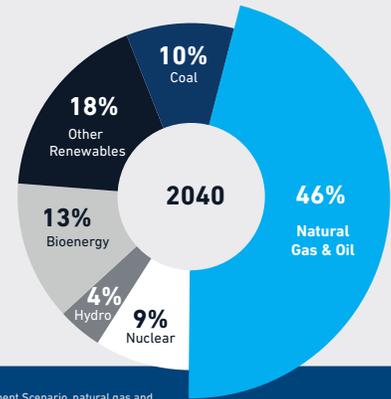
Executive Summary



American Petroleum Institute

The challenge of meeting the world's growing need for energy while simultaneously ushering in a lower-carbon future is massive, intertwined and fundamental. We share with global leaders the goal of reduced emissions across the broader economy and, specifically, those from energy production, transportation and use by society. It will take a combination of policies, innovation, industry initiatives and a partnership of government and economic sectors.

World Energy in 2040:
Natural Gas and Oil Will Continue to Lead



Note: Under the IEA's Sustainable Development Scenario, natural gas and oil will furnish nearly half the world's energy in 2040, even if every nation meets the goals of the Paris Climate Agreement.

API's ACTION PLAN

ACCELERATE TECHNOLOGY AND INNOVATION to reduce emissions while meeting growing energy needs

1

- » Advocate for Federal Funding for Low-Carbon RD&D
- » Fast-track the Commercial Deployment of Carbon Capture, Utilization and Storage (CCUS)
- » Advance Hydrogen Technology, Innovation and Infrastructure

FURTHER MITIGATE EMISSIONS FROM OPERATIONS to advance additional environmental progress

2

- » Advance Direct Regulation of Methane from New and Existing Sources
- » Develop Methane Detection Technologies
- » Promote Reductions in Refinery GHG Emissions and Mitigate Upstream Flaring Emissions

ENDORSE A CARBON PRICE POLICY by government to drive economywide, market-based solutions

3

- » Potential Approach Would Price Carbon Dioxide Emissions Across the Economy
- » Support Policies that Provide Transparency for Consumers
- » Minimize Duplicative Regulations and Help Maintain U.S. Competitiveness
- » Avoid Carbon Leakage and Integrate with Global Carbon Markets, while Focusing on Net Emissions

ADVANCE CLEANER FUELS to provide lower-carbon choices for consumers

4

- » Develop Markets for Differentiated U.S. Natural Gas
- » Support Policies to Advance Lower-Carbon Electricity
- » Reduce Lifecycle Emissions in the Transportation Sector

DRIVE CLIMATE REPORTING to provide consistency and transparency

5

- » Expand Use of ESG Reporting Guidance for the Natural Gas and Oil Industry
- » Report Comparable Climate-Related Indicators in New Template
- » Build on the API Compendium of Greenhouse Gas Emissions Methodologies for the Natural Gas and Oil Industry