

INVESTOR STATEMENT ON THE NEED FOR CONTINUED REGULATION OF METHANE IN THE OIL & GAS INDUSTRY

The undersigned investors, representing \$5.51 trillion in assets under management, write with new and serious concerns regarding the Environmental Protection Agency's (EPA) proposed rollback of the New Source Performance Standards (NSPS) regulating oil and gas methane emissions. We believe that continued federal methane regulation is critical to the future of natural gas in the clean energy transition. We would like to hear the companies in our portfolios publicly support continued federal regulation of methane and oppose EPA's proposed rollback.

The EPA's proposed rollback of methane regulations comes at a landmark time for the U.S. oil and gas industry, presenting a risk to recent economic gains. As U.S. production reaches record highs and the U.S. oil and gas industry experiences strong export growth, methane standards support global competitiveness in a world with shrinking carbon budgets and growing international climate policy action. Furthermore, methane mitigation technologies have proven themselves cost-effective when implemented, driving additional revenue through the capture of lost product.

The rollback of existing, strong, yet cost effective, regulatory standards will lead to policy uncertainty for industry for years to come. Further, a decision by the EPA to stop considering the oil and gas industry a significant source of harmful methane emissions could increase legal uncertainty over the status of the rollback itself. Finally, if the proposed rollback is enacted without opposition from those in industry, the deregulation of methane and the acquiescence of the industry will shape the public narrative on natural gas, overshadowing proactive measures of industry leaders.

Some companies are demonstrating leadership on managing methane emissions—both by reducing their own emissions and by advocating for continued federal regulation of methane.^{1, 2, 3, 4} Yet industry performance is not uniform, and others remain largely inactive. The result is a fragmented market with mixed performance on emissions reductions. Ultimately, the removal of methane regulations deepens the threat from climate change, increasing economy-wide risks. Methane rules are the most effective tool to ensure a level playing field and to protect the industry as a whole from these material risks.

Therefore, we ask you to engage proactively during the ongoing rulemaking process by:

- Submitting comments to the EPA expressing:
 - support of the direct regulation of methane and its significance for the oil and gas industry
 - the importance of upholding the scientific consensus and maintaining the EPA's finding that methane from oil and gas sector sources contributes to GHG pollution and climate change
- Urging your trade associations and industry groups to support direct regulation of methane and affirm the scientific consensus on methane emissions from the oil and gas industry

¹ Shell: <https://www.linkedin.com/pulse/shell-supports-direct-regulation-methane-heres-why-gretchen-watkins/>

² BP: <https://www.houstonchronicle.com/opinion/editorials/article/BP-America-chief-It-s-time-for-the-Trump-13721656.php>

³ Exxon: <https://www.forbes.com/sites/edfenergyexchange/2019/03/12/edf-and-exxonmobil-discuss-technology-and-regulation-to-reduce-methane-emissions/#50f8a5614d9e>

⁴ Equinor: <https://www.equinor.com/en/how-and-why/climate-change/methane.html>

Elimination of the direct regulation of methane emissions will drive volatility and uncertainty. The rollback of federal regulation will lead to excessive methane emissions, threatening the role of natural gas in the low carbon future and challenging oil and gas companies' social license to operate. The need for comprehensive national standards to mitigate sector-wide risk is clear. Industry silence will be interpreted as implicit support for no regulation at all.

In order to protect the natural gas industry's future global competitiveness, we urge you to publicly support continued EPA regulation of methane emissions.

Investor Signatories:

Aargauische Pensionskasse (APK), Switzerland
Adrian Dominican Sisters, Portfolio Advisory Board
Aegon Asset Management
Allianz Global Investors
As You Sow
Bernische Lehrerversicherungskasse, Switzerland
Bernische Pensionskasse BPK, Switzerland
Bon Secours Mercy Health
Boston Common Asset Management, LLC
Caisse de pension des sociétés Hewlett-Packard en Suisse, Switzerland
Caisse de pensions de l'Etat de Vaud (CPEV), Switzerland
Caisse de pensions ECA-RP, Switzerland
Caisse de prév. des Fonctionnaires de Police & des Etablissements Pénitentiaires, Switzerland
Caisse de Prévoyance de l'Etat de Genève (CPEG), Switzerland
Caisse de Prévoyance des Interprètes de Conférence (CPIC), Switzerland
Caisse de prévoyance du personnel de l'Etat du Valais (CPVAL), Switzerland
Caisse intercommunale de pensions (CIP), Switzerland
Caisse paritaire de prévoyance de l'industrie et de la construction (CPPIC), Switzerland
California State Teachers' Retirement System (CalSTRS)
CANDRIAM
CAP Prévoyance, Switzerland
Catholic Health Initiatives
CCAP Caisse Cantonale d'Assurance Populaire, Switzerland
CCLA
Christian Brothers Investment Services (CBIS)
Church Commissioners for England
Church Investment Group
Church of England Pensions Board
CIEPP - Caisse Inter-Entreprises de Prévoyance Professionnelle, Switzerland
Clean Energy Ventures
Committee on Mission Responsibility Through Investment of the Presbyterian Church U.S.A.
Conference for Corporate Responsibility Indiana and Michigan

Congregation of Sisters of St. Agnes
Congregation of St. Joseph
Dana Investment Advisors
Daughters of Charity, Province of St. Louise
Dignity Health
Domini Impact Investments LLC
Dominican Sisters of San Rafael
Dominican Sisters of Sparkill
ERAFP
Etablissement Cantonal d'Assurance (ECA VAUD), Switzerland
Ethos Foundation, Switzerland
Figure 8 Investment Strategies
First Affirmative Financial Network
Fondation de la métallurgie vaudoise du bâtiment (FMVB), Switzerland
Fondation de prévoyance Artes & Comoedia, Switzerland
Fondation de prévoyance du Groupe BNP PARIBAS en Suisse, Switzerland
Fondation Leenaards, Switzerland
Fonds de Prévoyance de CA Indosuez (Suisse) SA, Switzerland
Friends Fiduciary Corporation
FSPA
Harvard University Endowment
Hermes EOS
Hermes Investment Management
Impacts Investors
Impax Asset Management
ICCR (Interfaith Center on Corporate Responsibility)
Ircantec
Jantz Management LLC
Jesuits of the US Central and Southern Province
JLens Investor Network
Jupiter Asset Management
LAPFF (the Local Authority Pension Fund Forum)
Leadership Team - Felician Sisters of North America
Legal & General Investment Management
Macroclimate LLC
Manulife Investment Management
Maryknoll Sisters
Maryland Province of the Society of Jesus
Mercy Investment Services, Inc.
Miller/Howard Investments, Inc.
MN
Natural Investments

NEI Investments
Nest Sammelstiftung, Switzerland
New York City Comptroller's Office
Newground Social Investment
NorthStar Asset Management, Inc.
Northwest Coalition for Responsible Investment
Ostrum
Pax World Funds
Pensionskasse Basel-Stadt, Switzerland
Pensionskasse Bühler AG Uzwil, Switzerland
Pensionskasse Caritas, Switzerland
Pensionskasse der Stadt Winterthur, Switzerland
Pensionskasse Pro Infirmis, Switzerland
Pensionskasse Römisch-katholische Landeskirche des Kantons Luzern, Switzerland
Pensionskasse SRG SSR, Switzerland
Pensionskasse Stadt Luzern, Switzerland
Pensionskasse Unia, Switzerland
Prévoyance Santé Valais (PRESV), Switzerland
prévoyance.ne, Switzerland
Profelia Fondation de prévoyance, Switzerland
Prosperita Stiftung für die berufliche Vorsorge, Switzerland
Providence St. Joseph Health
Rathbone Brothers Plc
Region VI Coalition for Responsible Investment
Religious of the Sacred Heart of Mary WAP
Retraites Populaires, Switzerland
Riverwater Partners
RLAM
Robeco
Sarasin & Partners LLP
School Sisters of Notre Dame Cooperative Investment Fund
Secunda Sammelstiftung, Switzerland
Seventh Generation Interfaith Inc.
SHARE (Shareholder Association for Research & Education)
SharePower Responsible Investing
Sisters for Notre Dame de Namur Base Communities
Sisters of Charity of Nazareth
Sisters of Mary Reparatrix
Sisters of Saint Joseph of Chestnut Hill, Philadelphia, PA
Sisters of St. Dominic of Caldwell, NJ
Sisters of St. Dominic/Racine Dominicans
Sisters of St. Francis of Philadelphia

Sisters of St. Joseph of Orange
Sisters of the Holy Cross
Sisters of the Humility of Mary
Sisters of the Presentation of the BVM of Aberdeen SD
Skye Advisors LLC
Socially Responsible Investment Coalition
St. Galler Pensionskasse, Switzerland
Stiftung Abendrot, Switzerland
Storebrand Asset Management
Terre des hommes, Switzerland
The Episcopal Church (DFMS)
The Province of Saint Joseph of the Capuchin Order
The Sustainability Group of Loring, Wolcott & Coolidge
Tri-State Coalition for Responsible Investment
Trillium Asset Management
Trinity Health
Unitarian Universalist Association
Université de Genève (UNIGE), Switzerland
USA Midwest Province Jesuits
USA Northeast Province of the Society of Jesus
USA West Province of the Society of Jesus
Walden Asset Management/ Boston Trust
Wespath Benefits and Investments
Wetherby Asset Management