



INTERFAITH CENTER ON CORPORATE RESPONSIBILITY

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FOR IMMEDIATE RELEASE

IN THE FACE OF LOOMING REGULATORY ROLLBACKS, INVESTORS ISSUE NEW ENGAGEMENT GUIDANCE TO CURB DANGEROUS METHANE EMISSIONS

NEW YORK, NY, TUESDAY, AUGUST 11TH, 2020 – As the EPA prepares this week to rollback climate-forward methane regulations put in place by the Obama administration, the Interfaith Center on Corporate Responsibility (ICCR) is issuing new guidance that will enable investors to engage oil and gas companies on methane emissions reduction in a more systematic and effective manner.

Investor Engagement Guidance on Methane lends rigor and clarity to the engagement process for both parties by providing a framework that tracks cumulative goalposts towards better methane management.

Due to their climate and health impacts, methane emissions during oil & gas production have drawn increased scrutiny from the public, environmental and health groups as well as global policymakers. For this reason, strong, yet cost effective regulations in the form of the New Source Performance Standards were enacted by the EPA in 2016, tightening controls around leak detection and repair of new and modified infrastructure, thereby safeguarding the environment and public health. These regulations would also, under the Clean Air Act, have triggered further rules on existing oil & gas infrastructure, where the majority of leaks are to be found.

Under the current administration, the EPA has proposed removing the Obama-era regulations on methane, an action that would prevent further regulation. A decision is scheduled to be released as early as this Thursday.

While some companies have demonstrated leadership on managing methane emissions—both by reducing their own emissions and by advocating for continued federal regulation of methane—industry performance is not uniform, and the result is a fragmented market with mixed performance which will only be exacerbated by the removal of federal regulations.

“Regulation is by far the most effective tool to ensure a level playing field and to protect the industry and its investors from this significant and material risk,” said Christina Herman, ICCR’s Program Director for Climate Change. ***“Unfortunately, a dearth of accurate emissions disclosure, conflicting***

policy stances and variable operational quality of methane management by the industry may interfere with investors' efforts to gain clarity on climate risks within their portfolios. This guidance attempts to address these gaps and inconsistencies, and to clarify expectations."

"For natural gas to play a tenable part in the transition to a zero-carbon world, the associated methane emissions from the value chain must be urgently addressed," said Andrew Baxter, Director, Energy Strategy at the Environmental Defense Fund. ***"This guidance is valuable for investors seeking to set the agenda and engage with oil and gas companies on reporting, policy, operations, and technology."***

The guidance addresses three areas for investor engagement: **targets and emissions data; policy advocacy; and operations, technology and innovation.** Beneath each area lies a series of cumulative goals that builds towards better practices, along with specific examples of relevant criteria and questions for companies.

"Without better reporting, investors are unable to discern which operators are prepared for a shifting energy future and which are not, creating an uncertain investment landscape and unmeasured risk," said Patricia Karr Seabrook, Shareholder Advocacy Coordinator at Miller/Howard Investments, Inc. ***"This guidance provides investors with a clear roadmap towards better methane management, starting with concrete goals, criteria, and a set of questions investors can bring to their engagements with oil & gas companies."***

About the Interfaith Center on Corporate Responsibility (ICCR)

Celebrating its 49th year, ICCR is the pioneer coalition of shareholder advocates who view the management of their investments as a catalyst for social change. Its 300-member organizations comprise faith communities, socially responsible asset managers, unions, pensions, NGOs and other socially responsible investors with combined assets of over \$500 billion. ICCR members engage hundreds of corporations annually in an effort to foster greater corporate accountability. Visit our website www.iccr.org and follow us on [Twitter](#), [LinkedIn](#) and [Facebook](#).

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