Association Engagement

Many trade organizations we participate in have climate change positions aligned to ours. Where they do not, we have continued to offer our viewpoint and attempt to work with them to better align their position with ours. For example, we’ve worked to influence the American Petroleum Institute (API), the Business Roundtable (BRT) and other organizations to support the direct federal regulation of methane. In addition to actively participating in trade organization position updates, we have also voted against or abstained from supporting specific actions requested by a trade organization if their positions were not aligned with ours. We have also decided not to renew some memberships because of misalignment on a number of policy topics, one of which is climate change. For more information about our governance and major trade associations please see Political Support Policies and Procedures.

With our history of constructive engagement related to the issue of end-use emissions, we continue to devote significant time and effort engaging and advocating for a well-designed federal price on carbon, including within our trade associations. We believe a price on carbon is the most effective, equitable method to reduce greenhouse gas emissions, including methane, across the economy. To advance this position, ConocoPhillips joined the Climate Leadership Council (CLC) in 2019 as a Founding Member along with the CLC’s advocacy organization—Americans for Carbon Dividends (AFCD), which is focused on progressing the Baker-Shultz carbon dividends plan; since then, our Executive Leadership Team and Government Affairs staff have participated in well over 100 bipartisan meetings with Members of Congress and the Administration to express the company’s support for the Baker-Shultz plan—and we continue to do so.

Our consistent, strong engagement with our major trade associations, including the American Exploration and Production Council, the American Petroleum Institute, the Business Roundtable, the U.S. Chamber of Commerce, and the National Association of Manufacturers, has influenced their climate policy positions to include support for a market-based approach to GHG emissions. In 2021, ConocoPhillips was accepted as a Private Sector Partner within the Carbon Pricing Leadership Coalition (CPLC), a global voluntary partnership run by the World Bank to share and expand the evidence base for effective carbon pricing policies. Participation in the CPLC further demonstrates our commitment to carbon pricing and is complementary to our engagement with the Climate Leadership Council.
American Petroleum Institute (API) | Aligned | API's Climate Framework
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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. To achieve meaningful emissions reductions that meet the climate challenge, it will take a combination of policies, innovation, industry initiatives and a partnership of government and economic sectors. The objective is large enough that no single approach can achieve it.

Industry Action Plan:

1. **Accelerate Technology and Innovation to reduce emissions while meeting growing energy needs**
   - 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

2. **Further Mitigate Emissions from Operations to advance additional environmental progress**
   - 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

3. **Endorse a Carbon Price Policy by government to drive economywide, market-based solutions**
   - 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

4. **Advance Cleaner Fuels to provide lower-carbon choices for consumers**
   - Develop Markets for Differentiated U.S. Natural Gas
   - Support Policies to Advance Lower-Carbon Electricity
   - Reduce Lifecycle Emissions in the Transportation Sector

5. **Drive Climate Reporting to provide consistency and transparency**
   - Expand Use of ESG Reporting Guidance for the Natural Gas & 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

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<th>Association</th>
<th>Aligned</th>
<th>Position</th>
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| Business Roundtable (BRT) | Aligned | Business Roundtable believes that to avoid the worst impacts of climate change, the world must work together to limit global temperature rise this century to well below 2 degrees Celsius above preindustrial levels, consistent with the Paris Agreement. The United States and the international community must aggressively reduce GHG emissions and create incentives for developing new technologies to achieve this goal. Business Roundtable supports a goal of reducing net U.S. GHG emissions by at least 80 percent from 2005 levels by 2050, which should be achieved in a manner consistent with the following key principles:  
  - Align policy goals and GHG emissions reduction targets with scientific evidence.  
  - Increase global engagement, cooperation and accountability.  
  - Leverage market-based solutions wherever possible.  
  - Provide for adequate transition time and long-term regulatory certainty.  
  - Preserve the competitiveness of U.S. businesses, including avoiding economic and emissions “leakage.”  
  - Minimize social and economic costs for those least able to bear them.  
  - Support both public and private investment in low-carbon and GHG emissions reduction technologies along the full innovation pipeline.  
  - Minimize administrative burdens and duplicative policies while maximizing compliance flexibility.  
  - Ensure that U.S. policies account for international emissions reduction programs.  
  - Advance climate resilience and adaptation.  
  - Eliminate barriers to the deployment of emissions reduction technologies and low-carbon energy sources. |
<p>| International Oil &amp; Gas Producers Association (IOGP) | Aligned | IOGP recognizes the risks of climate change due to rising greenhouse gas emissions and has welcomed the Paris Agreement. The association supports the international community’s commitment to address the global challenge of climate change and also believes that the oil and gas industry is very much a part of the solution to this challenge, which can be addressed while meeting society’s future energy needs. The long-term objective of climate change policy should be to reduce the risk of serious impacts on society and ecosystems, while recognizing the importance of reliable and affordable energy to society. |</p>
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<th>National Association of Manufacturers (NAM)</th>
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<tbody>
<tr>
<td>Climate change is happening. Human activities are contributing. The NAM supports the objectives of the Paris Climate Agreement to significantly reduce the risks and impacts of global climate change. Manufacturers are committed to helping address climate change while increasing the global competitiveness of U.S. industries.</td>
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<td>U.S. manufacturers are leading and the results have been unprecedented: we are significantly more carbon efficient than most of our global competitors, and the U.S. has reduced its total GHG emissions more than any other nation. We are committed to being part of the solution and encourage all other sectors of the American economy to join us. Manufacturers are advocating for policies that encourage domestic emissions reductions so that the U.S. continues to lead on the global stage, driving our international counterparts to do the same.</td>
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<td>All sectors of the global economy will have to do their part to limit global GHG emissions. U.S. manufacturers are both creators and users of the technologies that will be vital to reducing global emissions. Accordingly, sound policy for U.S. manufacturers is one that reduces emissions while maintaining their global competitiveness. Policymakers should pursue policies that achieve meaningful, cost-effective GHG reductions while empowering U.S. manufacturers to thrive in the global marketplace and ensuring the affordable, reliable energy supplies needed to keep our economy strong.</td>
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<td>Natural Gas Supply Association (NGSA)</td>
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<td><strong>The NGSA's mission is to ensure a competitive natural gas market that is supported by appropriate regulations. Through various legislative and regulatory policy initiatives, NGSA seeks to maintain competitive markets, improve downstream efficiencies and to foster increased supply to U.S. markets. NGSA also supports a balanced energy future, one which ensures a level playing field for all market participants and eliminates inappropriate regulatory barriers to supply.</strong></td>
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The NGSA supports a price on carbon as a critical solution to reducing carbon emissions in power markets now and drastically cutting or eliminating them in the future by spurring the development of innovative technologies.

The most effective approach to carbon-pricing is a uniform, broad-based one that is national or global and includes all emitting sectors. However, with many individual states currently designing plans to reduce emissions, NGSA urges state policymakers to adopt a price on carbon, ideally as part of a coordinated regional approach to power markets in order to make the biggest impact and reduce complexity in implementation. The proceeds from carbon-pricing should be directed to affected communities, households and businesses.

While aggressively reducing total emissions, well-structured, even-handed carbon pricing in power markets can also maintain grid reliability by limiting the regulatory uncertainty that can adversely impact continued energy investment.

As leaders in the natural gas industry, NGSA and its members want to reduce carbon emissions and protect our environment while ensuring energy remains affordable for hardworking families. We support innovative market solutions and technologies to reduce emissions and are dedicated to achieving a cleaner planet through strong partnerships with renewables.

Carbon pricing can maintain grid reliability, complement renewables, reduce total emissions, and keep costs lower for consumers.

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<td><strong>The climate is changing and humans are contributing to these changes. We believe that there is much common ground on which all sides of this discussion could come together to address climate change with policies that are practical, flexible, predictable, and durable. We believe in a policy approach that acknowledges the costs of action and inaction and the competitiveness of the U.S. economy.</strong></td>
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The Chamber believes that an effective climate policy should:

- **Support a Market-Based Approach to Accelerate GHG Emissions Reductions Across the U.S. Economy**
- **Leverage the power of business**
- **Maintain U.S. leadership in climate science**
- **Embrace technology and innovation**
- **Aggressively pursue greater energy efficiency**
- **Promote climate resilient infrastructure**
- **Support trade in U.S. technologies and products**
- **Encourage international cooperation**
| Western States Petroleum Association (WSPA) | Mostly Aligned | WSPA believes that if a state is going to pursue climate policy, a well-designed market mechanism should be the central and primary focus of that effort. A well-designed market mechanism can harness the power of the market to find the least cost greenhouse gas emission reductions. And it is well understood by economists that market mechanisms are most effective in reducing emissions when they operate without overlaying direct regulations that force emission reductions to occur from a specific sector. Therefore market-based approaches can help balance the need to achieve greenhouse gas emission targets while reducing the economic impact on the economy, jobs, families, consumers and businesses. |