

## **METHANE UPDATE**

*Exploring New Proposed Regulations and EIG's Outlook*

JANUARY 2022

The Glasgow Climate Pact was the primary political outcome of the UN COP26 with the objective to strengthen countries' NDC targets and ambitions, phase-down coal and end fossil fuel subsidies

### Glasgow Climate Pact<sup>1</sup>:



- Focus on Mitigation, Adaptation, Finance and Collaboration
- Nearly 200 nations agreed (non-binding) to put the world on a path to limit global temperature rise to 1.5 degrees C compared to industrial times
- **Reduce use of coal** – more than 40 countries pledged to end all investment in new coal power generation domestically and internationally – advanced economies to phase out in 2030s and developing economies in the 2040s
- **Ending deforestation** – more than 130 world leaders pledged to end and reverse forest loss and land degradation by 2030
- **Phase-out “inefficient” fossil-fuel subsidies** and boost climate targets
- **Nationally Determined Contributions (NDCs)** - requests countries “to revisit and strengthen the 2030 targets in their NDCs as necessary to align with the Paris Agreement temperature goal by the end of 2022,” rather than within five years as originally called for
- Framework for trading carbon credits and emissions reporting guidelines to increase scrutiny of climate pledges
- Scaling up technology transfer and capacity building and calling on the private sector to enhance finance mobilization to deliver resources necessary to achieve climate plans
- Need for developed countries to urgently deliver on COP15 pledge to provide \$100 billion annually of climate finance to developing countries until 2025, and to at least double collective provision of climate finance for adaptation to developing countries by 2025
- Ending public financing of overseas fossil fuel projects by end of 2022 and to steer public spending toward clean energy instead

### Other Notable Achievements

#### GLOBAL METHANE PLEDGE

US and EU launched a global partnership to **reduce methane emissions 30% compared to 2020 levels by 2030**; this pledge has been joined by more than 100 countries<sup>2</sup>

#### US-CHINA JOINT DECLARATION

US and China issued a joint declaration on “enhanced climate actions that raise ambition in the 2020s in the context of the Paris Agreement” including development of regulatory frameworks to reduce GHG emissions, policies to encourage decarbonization and associated technologies, **and methane measurement and mitigation efforts**<sup>3</sup>

#### GLASGOW FINANCIAL ALLIANCE FOR NET ZERO (GFANZ)

450 financial institutions in 45 countries controlling **\$130 trillion of assets** have collaborated on a goal to decarbonize the economy and report on progress and financed emissions annually<sup>4</sup>

1. <https://ukcop26.org/wp-content/uploads/2021/11/COP26-Presidency-Outcomes-The-Climate-Pact.pdf> (01/03/2022)  
 2. <https://www.globalmethanepledge.org/> (01/03/2022)  
 3. <https://www.state.gov/u-s-china-joint-glasgow-declaration-on-enhancing-climate-action-in-the-2020s/> (01/03/2022)  
 4. <https://www.gfanzero.com/> (01/03/2022)

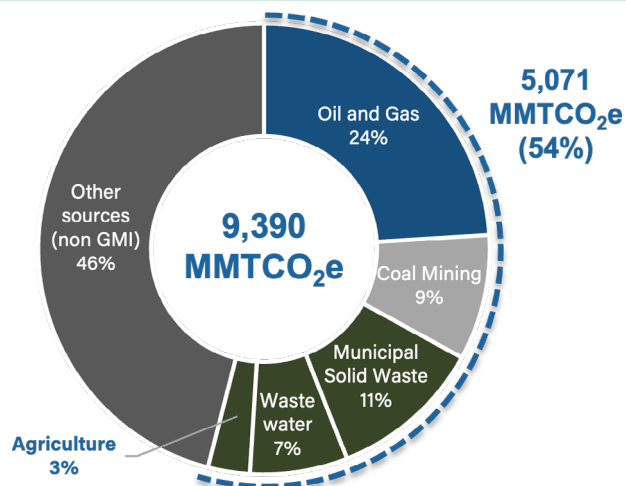
## WHAT IS METHANE?

- After carbon dioxide (CO<sub>2</sub>), methane (CH<sub>4</sub>) is the second most abundant greenhouse gas in the atmosphere making up around **15% of total greenhouse gas emissions**
- Methane's lifetime in the atmosphere (approx. 12 years) is much shorter than CO<sub>2</sub>, however as a greenhouse gas it is much more efficient than CO<sub>2</sub> in trapping radiation and hence **critical in short- and long-term reductions to global warming**
- CO<sub>2</sub>e or carbon dioxide equivalent is the term to describe different greenhouse gases in a common unit that accounts for the same amount of global warming in a given time-frame; each non-CO<sub>2</sub> greenhouse gas is multiplied by its Global Warming Potential (GWP) to convert it to CO<sub>2</sub>e
- The **Global Warming Potential (GWP)** of Methane is **28x greater than CO<sub>2</sub> over a 100-year period and more than 80x over a 20-year period**

### Global Warming Potential<sup>1</sup>

Type of Gas	Chemical Formula	GWP Values for 100-year Time Horizon
Carbon Dioxide	CO <sub>2</sub>	1
Methane	CH <sub>4</sub>	28
Nitrous Oxide	N <sub>2</sub> O	265
Hydrofluorocarbons	HFCs	150-11,700
Perfluorocarbons	PFCs	6,500-9,200
Sulfur Hexafluoride	SF <sub>6</sub>	23,900

### Est. 2020 Global Methane Emissions by Source<sup>2</sup>



## WHERE DOES METHANE COME FROM?

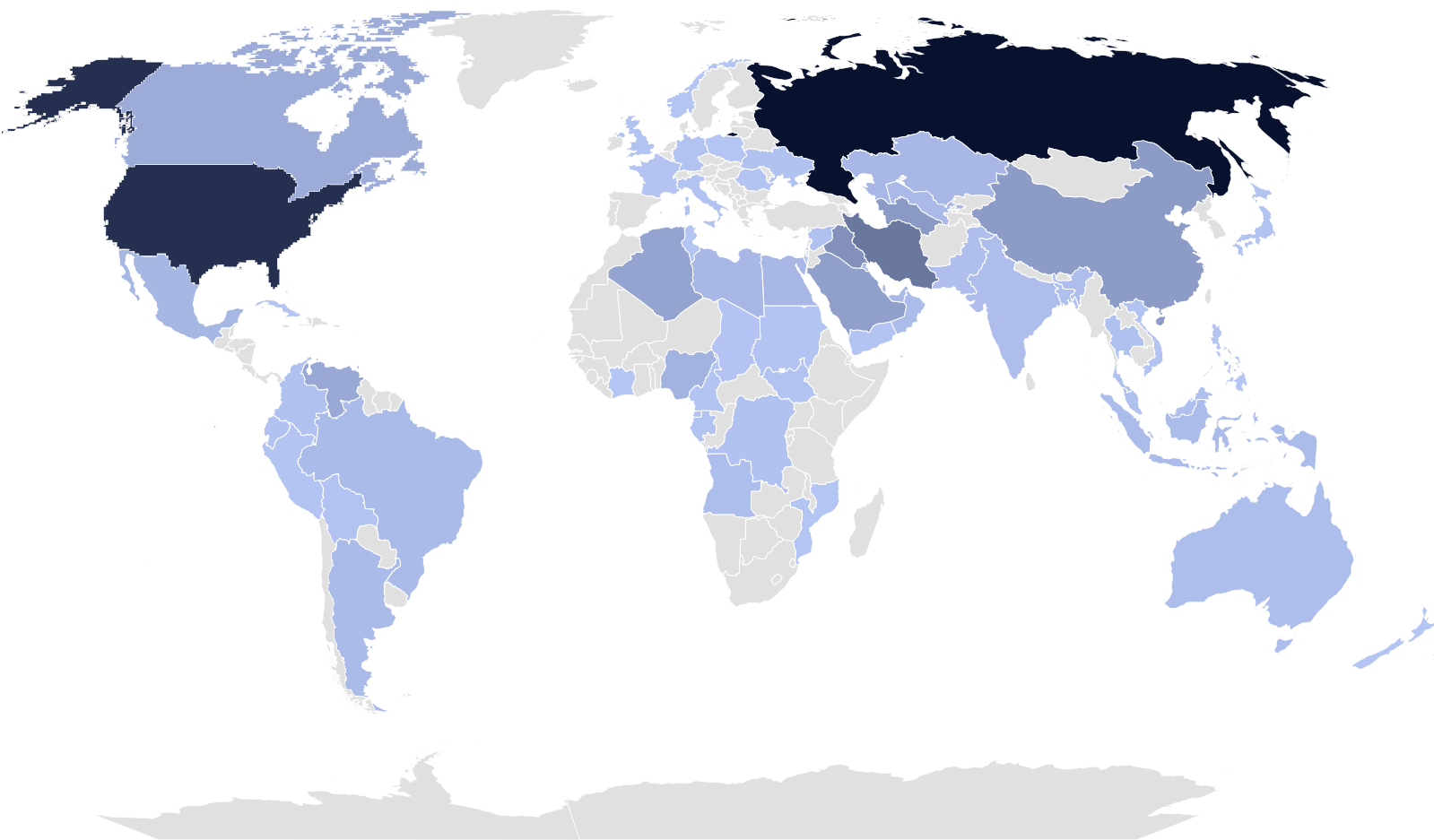
- Anthropogenic methane results primarily from:
  - Energy** (coal mining and oil and natural gas production, processing, and distribution)
  - Waste** (landfills and wastewater)
  - Agriculture** (livestock and rice cultivation)
- The oil and gas industry is one of the largest industrial sources of methane primarily through 'vented and fugitive emissions' – intentional and unintentional releases from wells, pipelines, and processing equipment along the production and distribution value chain
- Oil and gas operations also emit smog-forming VOCs (volatile organic compounds) and other toxic air pollutants such as benzene that represent potentially significant community and human health impacts

1. [https://www.ghgprotocol.org/default/files/ghgp/Global-Warming-Potential-Values%20%28Feb%2016%202016%29\\_1.pdf](https://www.ghgprotocol.org/default/files/ghgp/Global-Warming-Potential-Values%20%28Feb%2016%202016%29_1.pdf) (01/03/2022)

2. <https://www.globalmethane.org/documents/gmi-mitigation-factsheet.pdf> (01/03/2022)

3. Other sources include Enteric Fermentation (Ruminant animal digestive process), Rice Cultivation, Biomass and other agriculture sources not targeted by Global Methane Initiative and characterized by significant uncertainty

**The 10 highest methane emitting countries make up 72% of total worldwide methane emissions within the oil and gas sector (2020 IEA Estimate<sup>1</sup>)**



### TOP 10 METHANE EMITTERS

Country	MMTCO <sub>2</sub> e
RUSSIA	415
UNITED STATES	345
IRAN	178
IRAQ	120
TURKMENISTAN	99
CHINA	95
SAUDI ARABIA	84
ALGERIA	77
VENEZUELA	66
CANADA	59

- The IEA estimates that the emissions intensity among the highest emitting countries is more than 100 times higher than the lower-emitting countries<sup>2</sup>
- In 2020, the IEA methane tracker includes emissions detected by satellite for the first time - large levels were seen across U.S. shale plays and from pipelines in the Russian Federation

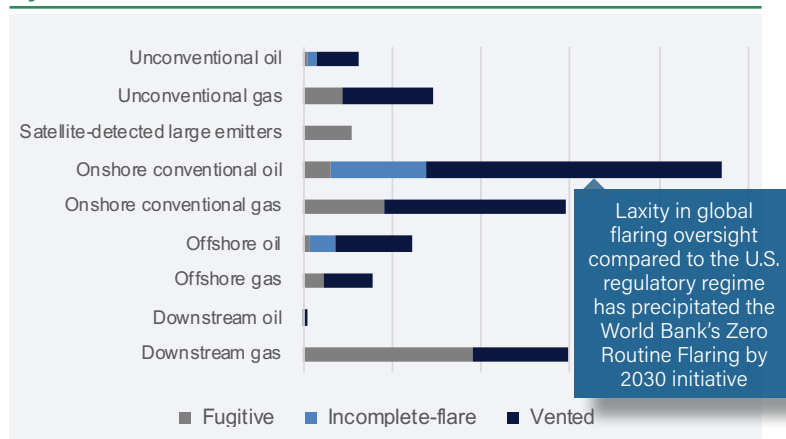
1. <https://www.iea.org/articles/methane-tracker-database> (01/03/2022)

2. <https://www.iea.org/reports/methane-tracker-2021> (01/03/2022)

## IEA Methane Tracker examines methane emissions along the full oil and gas value chain, constituting nearly 25% of global anthropogenic methane emissions<sup>1</sup>

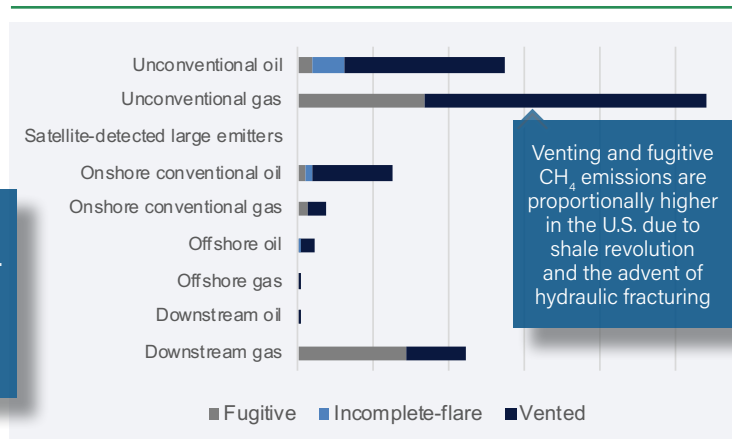
**Est. Total World 2020 Methane Emissions:**  
2,139 MMTCO<sub>2</sub>e

### By Production Source

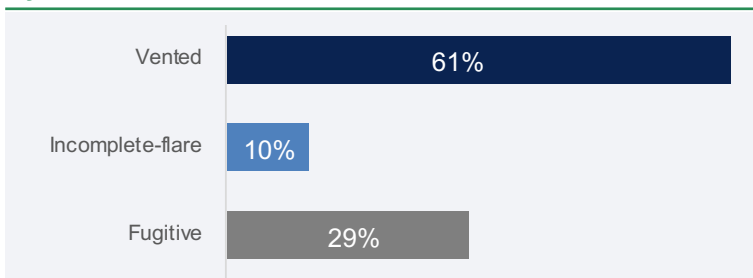


**Est. Total US 2020 Methane Emissions:**  
345 MMTCO<sub>2</sub>e

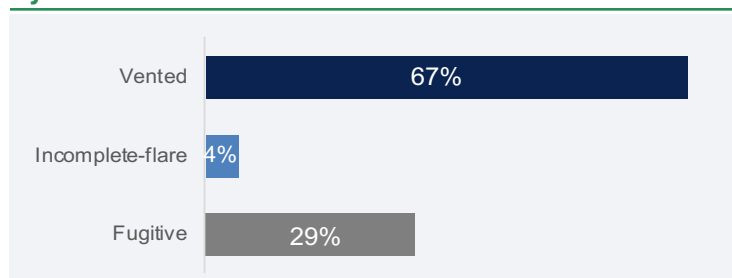
### By Production Source



### By Emission Source



### By Emission Source



**Vented** methane emissions are the result of intentional releases, often for safety reasons, due to the design of the facility or equipment (e.g., pneumatic controllers) or operational requirements (e.g., venting a pipeline for inspection and maintenance).

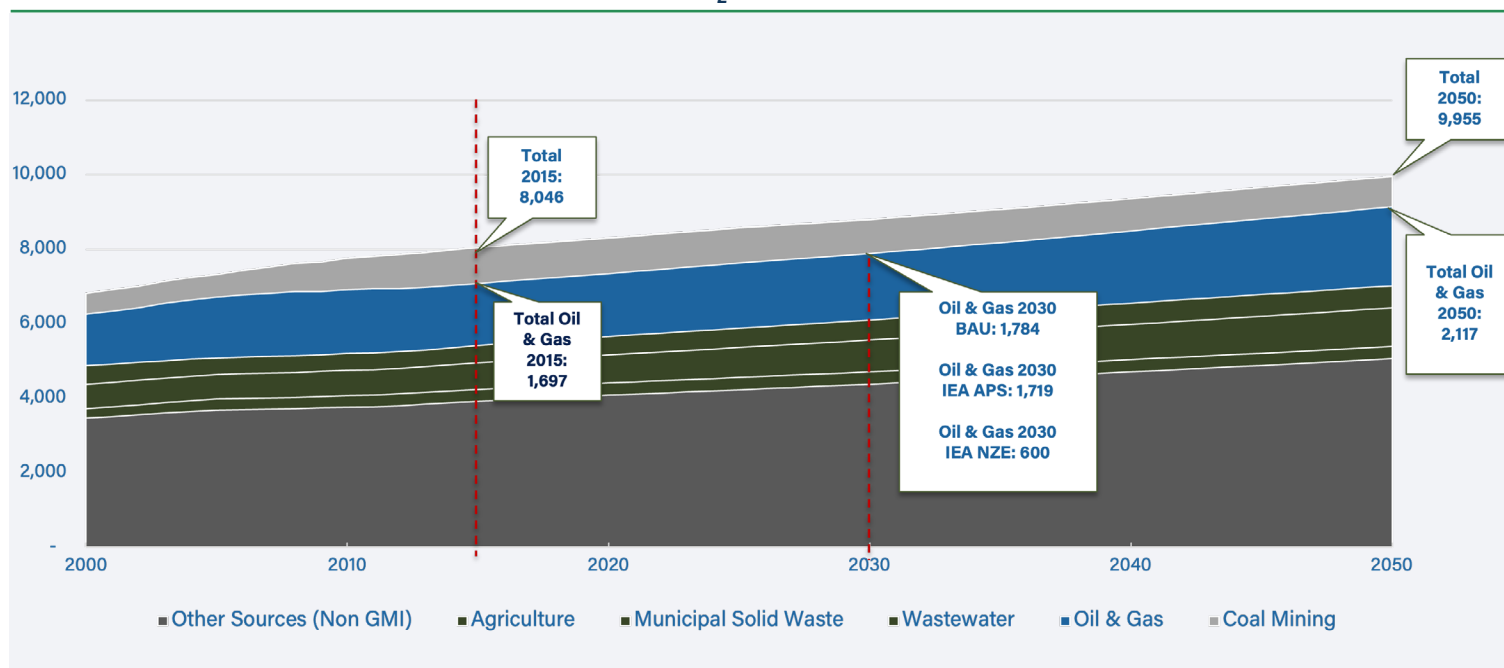
**Incomplete flaring** methane emissions can occur when natural gas that cannot be used or recovered economically (including associated gas) is burned instead of being sold or vented. The vast majority of the natural gas is converted into CO<sub>2</sub> and water, but some portion may not be combusted and is released as methane into the atmosphere.

**Fugitive** methane emissions occur from leakages that are not intended, for example because of a faulty seal or leaking valve.

1. <https://www.iea.org/articles/methane-tracker-database> (01/03/2022)

## Significant reductions in methane emissions are needed to bring “Beyond 2 Degree” scenarios to fruition

### Global Methane Emissions 2000-2050<sup>1</sup> (MMtCO<sub>2</sub>e)



- This graph represents projected global emissions of methane through 2050 and was developed from the U.S. EPA projected estimates under a business-as-usual (BAU) scenario
- Historical reported emissions are provided for 2000-2015. Projected emissions were generated using a combination of country reported inventory data supplemented with EPA-estimated calculations consistent with IPCC inventory guidelines
- This data projected 2020 world methane emissions at 8.3MMTCO<sub>2</sub>e whereas current emissions estimates for 2020 are closer to 9.4MMTCO<sub>2</sub>e (Oil & Gas: 2.1MMTCO<sub>2</sub>e) meaning that reductions will need to be even higher to meet NZE alignment

#### Oil & Gas Methane Emissions Projections in Different Scenarios

BAU Scenario 2015 - 2030	+7%
NZE Scenario 2015 - 2030 <sup>2</sup>	-64%
NZE Scenario 2020 (est.) - 2030 <sup>2</sup>	-72%
APS* Scenario 2020 (est.) - 2030 <sup>2</sup>	-24%
Methane Pledge 2020 (est.) - 2030	-30%

\* APS: Announced Pledges Scenario

1. <https://www.globalmethane.org/methane-emissions-data.aspx>: EPA's Global Non-CO2 Greenhouse Gas Emission Projections & Mitigation Potential: 2015-2050 (01/03/2022)

2. <https://www.iea.org/data-and-statistics/charts/oil-and-gas-sector-methane-emissions-in-the-net-zero-and-announced-pledges-scenarios-2015-2030> (01/03/2022)

## METHANE REDUCTION INITIATIVES

**Because methane is a potent greenhouse gas with the potential to have near-term impacts on mitigating climate change, governments globally are beginning to prioritize reductions via regulatory and policy tools to contribute to net zero commitments**

### GLOBAL METHANE PLEDGE<sup>1</sup>

- At COP 26, more than 100 countries representing 70% of the global economy and 50% of global methane emissions signed the US/EU led pledge to reduce methane emissions by at least 30% by 2030 relative to 2020 levels
- Countries sign with a collective goal of moving towards using the best inventory methods to quantify emissions
- IEA will serve as an implementation partner and several organizations have committed capital and technical assistance

### GLOBAL METHANE INITIATIVE<sup>2</sup>

- Global Methane Initiative (GMI) is an international public-private partnership focused on reducing barriers to the recovery and use of methane as a clean energy source
- More than 1,000 public and private sector organizations are members of the GMI Project Network
- 45 partner countries including the U.S.
- GMI has worked on more than 1,130 methane mitigation projects reducing methane emissions by more than 450mmt CO<sub>2</sub>e from 2005 to 2019

### CLEAN AIR ACT<sup>3</sup>

- In November 2021, the U.S. EPA proposed new comprehensive steps to reduce pollution including methane and other pollutants, from the oil and gas industries, **including from existing sources**
- The proposed rule would reduce methane emissions by **~920mmt CO<sub>2</sub>e** from 2023 to 2035
- Expected climate benefits of \$4.5 billion per year through 2035
- Increased recovery of natural gas (\$690 million in 2030 alone)
- These regulations will require review and compliance planning by the states which implies an earliest implementation date of 2024

## EIG METHANE INITIATIVES

EIG routinely meets with peers, industry groups, and influential NGOs to discuss ESG matters relevant to our investment portfolio, and has been fortunate to develop partnerships with like-minded organizations seeking to monitor and improve ESG performance.

One such collaboration with Quantum Energy Partners has resulted in two virtual Methane Solutions Summits. These events were focused on providing practical guidance and awareness on methane emissions for upstream portfolio companies. Our most recent event was expanded to a broader audience of asset managers and oil and gas operators of more than 150 attendees.

We continue to evaluate strategic partnerships that advance ESG-related practices and provide value to our portfolio companies.

### SUMMIT THEMES INCLUDED:

Introduction of actionable methane solutions and technologies

Building the case for robust methane management beyond regulatory requirements

LP perspectives on ESG and climate risk management

Setting and achieving robust targets

Responsible gas and continuous emissions monitoring

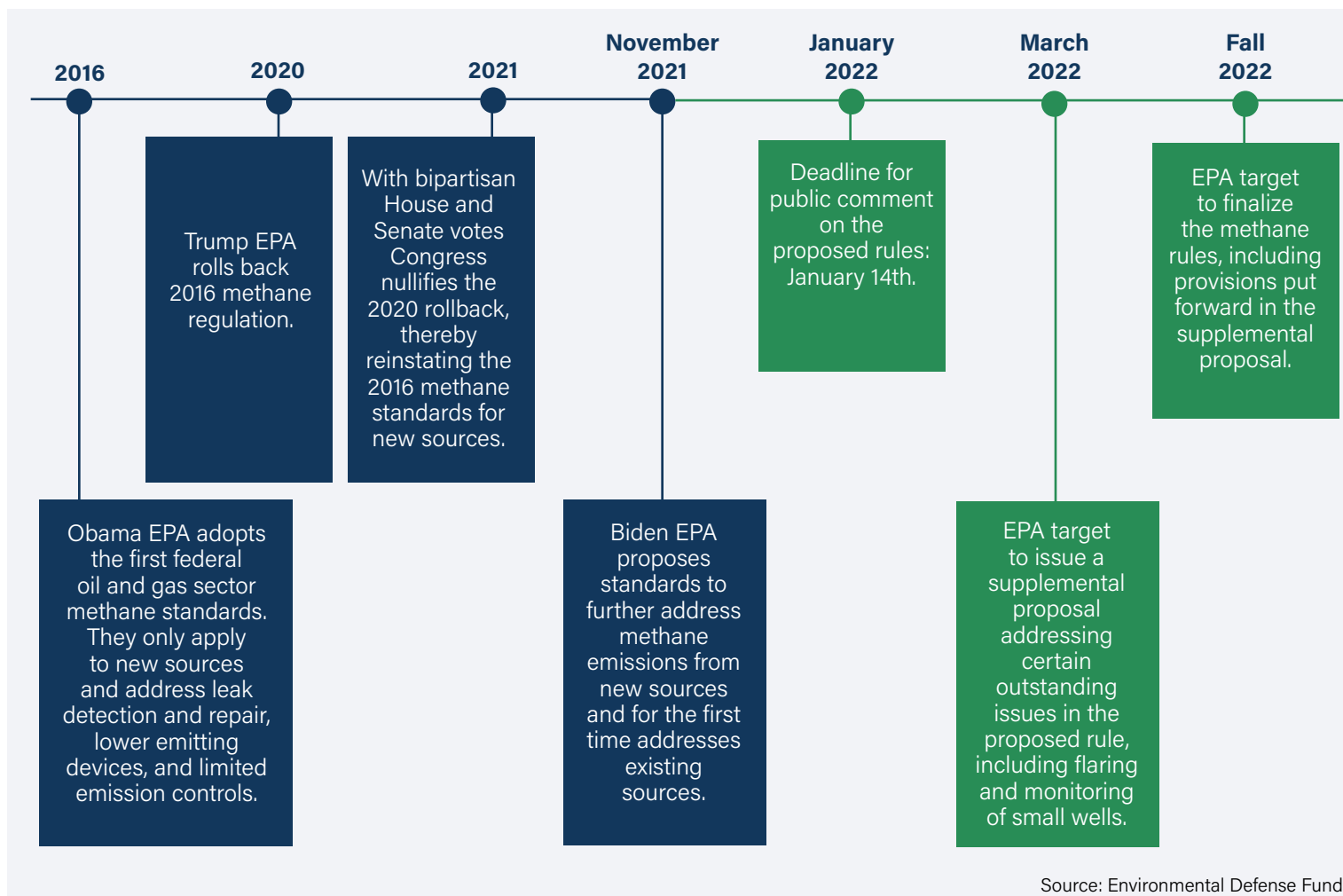
1. <https://www.globalmethanepledge.org> (01/03/2022)

2. <https://www.globalmethane.org> (01/03/2022)

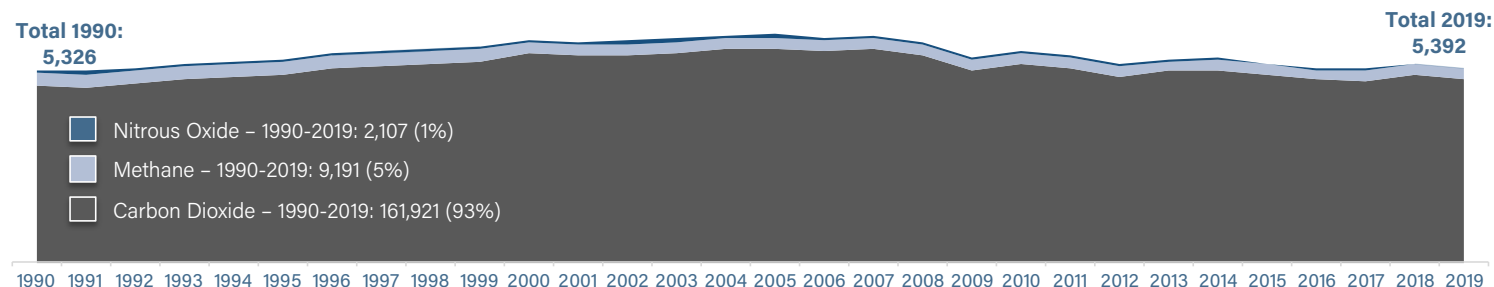
3. <https://www.epa.gov/newsreleases/us-sharply-cut-methane-pollution-threatens-climate-and-public-health> (01/03/2022)

## HISTORY OF U.S. METHANE REGULATIONS

- The U.S. Environmental Protection Agency (EPA) first adopted oil and gas sector methane regulations in 2016, focused on new and modified sources
- In November, 2021, the EPA took further steps to reduce methane emissions in the oil and gas sector at existing sources, representing a broader and potentially impactful approach to methane mitigation
- The proposed rule would reduce methane emissions from 2023-2035 by more than all U.S. passenger cars and commercial aircraft in 2019<sup>1</sup>
- Since 1990, methane emissions from energy production and use in the U.S. has decreased by 26%



## US Emissions - Energy Production and Use 1990-2019 (MMTCO<sub>2</sub>e)



1. <https://cfpub.epa.gov/ghgdata/inventoryexplorer/#energy/entiresector/allgas/gas/all> (01/03/2022)

The EPA Clean Air Act has proposed six important tenets that may impact the oil and gas industry:

# 1 Finding and repairing methane leaks from well sites and compressor stations

**Comprehensive monitoring program to require companies to find and fix leaks at new and existing well sites and compressor stations**

- Focus on sites and equipment with large emission footprints

**Flexibility to use advanced technologies to identify leaks**

- Innovative technologies may become part of "best practices" for leak surveys
- Must meet rigorous minimum detection threshold
- Must be implemented at least bimonthly and supplemented by annual monitoring using OGI or Method 21
- EPA seeking comment on whether these technologies constitute "best system of emission reduction" and should be required and whether continuous monitoring technology could be used for leak surveys

**All new and existing compressor stations must monitor and repair leaks at least once every three months**

~86% of all fugitive emissions  
~300% well sites

**Sites > 3 TPY CH<sub>4</sub>**

Quarterly monitoring  
with prompt repair

**Sites < 3  
TPY CH<sub>4</sub>**

Survey to confirm  
leak-free

**Potential for sites between 3 and 8 TPY CH<sub>4</sub>  
to be monitored semi-annually**

## EIG 2020 UPSTREAM PORTFOLIO KEY STATISTICS<sup>1</sup>

**40%**

PORTFOLIO COMPANIES  
THAT USE SOME DIRECT  
MEASUREMENT IN  
QUANTIFICATION OF METHANE  
EMISSIONS

**1.43**

AVERAGE NUMBER OF LEAKS  
IDENTIFIED PER FACILITY

**100%**

PORTFOLIO COMPANIES  
VERIFYING LEAK REPAIR WITH  
FOLLOW-UP SURVEYS

## EIG PORTFOLIO COMPANY ACTIONS

Portfolio companies are required to monitor, identify, and repair leaks at regular intervals due to existing regulation of new and modified sources for both methane and VOCs

Nevertheless, significant effort will be required to develop new procedures to canvass assets placed in service prior to 2016

Timely leak detection and repair has, for one portfolio company, resulted in significant emission reductions compared to engineering estimates currently required by EPA: **93%**<sup>2</sup>

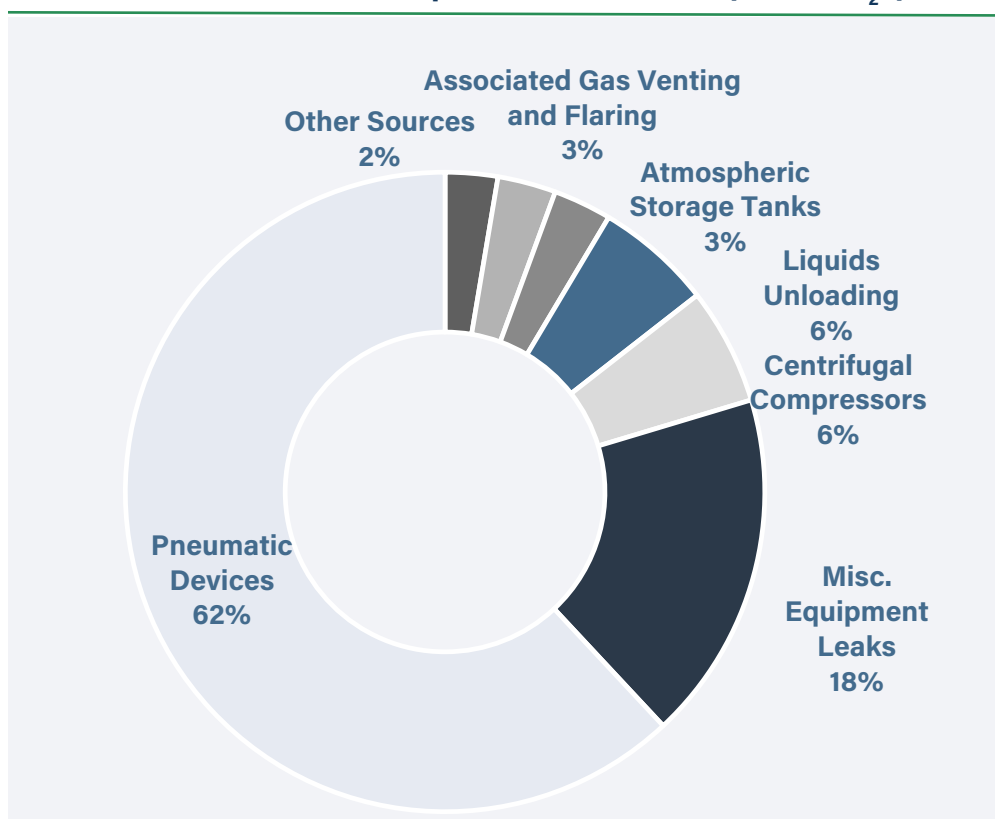


1. EIG analysis as of 12/31/2021 using 2020 data provided by portfolio companies. 91 percent (10 of 12) of applicable companies responded to data request.  
2. As reported by Maverick Resources for 197 Western Anadarko Basin wells under EPA OOOO(a) compliance. (01/03/2022)

## 2 Transitioning to zero-emitting technologies for pneumatic controllers

- Requires all new and existing pneumatic controllers at production, processing, and transmission and storage facilities to have zero methane and VOC emissions
  - Regulates intermittent pneumatic controllers
- Account for nearly 30% of all methane emissions from oil and natural gas systems and more than 60% of all methane emissions from upstream oil and gas production
- Operators may select technologies and solutions that are appropriate for each location and facility

2020 Onshore Production Top Methane Sources (MMT CO<sub>2</sub>e)<sup>1</sup>



1. 2011-2020 GHGRP Profile: Petroleum and Natural Gas Systems, [https://www.epa.gov/system/files/documents/2021-10/subpart\\_w\\_2020\\_sector\\_profile.pdf](https://www.epa.gov/system/files/documents/2021-10/subpart_w_2020_sector_profile.pdf) (01/03/2022)  
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 3. As reported by Maverick Resources for 197 Western Anadarko Basin wells under EPA OOOO(a) compliance. (01/03/2022).

## EIG 2020 UPSTREAM PORTFOLIO KEY STATISTICS<sup>2</sup>

# One

PORTFOLIO COMPANY  
ALREADY WITH 100% ZERO OR  
LOW-EMITTING PNEUMATIC  
CONTROLLERS

# 55%

PORTFOLIO COMPANIES WITH A  
PROGRAM TO REPLACE GAS-  
DRIVEN PNEUMATIC EQUIPMENT  
WITH LOW OR ZERO-EMITTING  
DEVICES

## EIG PORTFOLIO COMPANY ACTIONS

From 2019 to 2020, **Maverick Resources** reduced emissions by more than 16,000 MMT CO<sub>2</sub>e by replacing low-bleed pneumatic controllers<sup>3</sup>

Maverick has further plans to scale replacement of natural gas-driven controllers to instrument air resulting in more than 10% reductions in absolute emissions and carbon intensity

In 2021, **SilverBow Resources** assessed leakage and costs to replace low-bleed pneumatic controllers; this project is being implemented and is expected to be completed by Q2 2022



### 3 Eliminating venting of associated gas from oil wells

- Eliminate venting of associated gas from oil wells and require owners and operators to route gas to sales line where available
- If not available, must:
  - Use gas for power onsite or other useful purpose
  - Route to flare or control device that reduces methane and VOCs by 95%
- Flaring record-keeping for appropriate maintenance and operation

### 4 Strengthening requirements for storage tanks

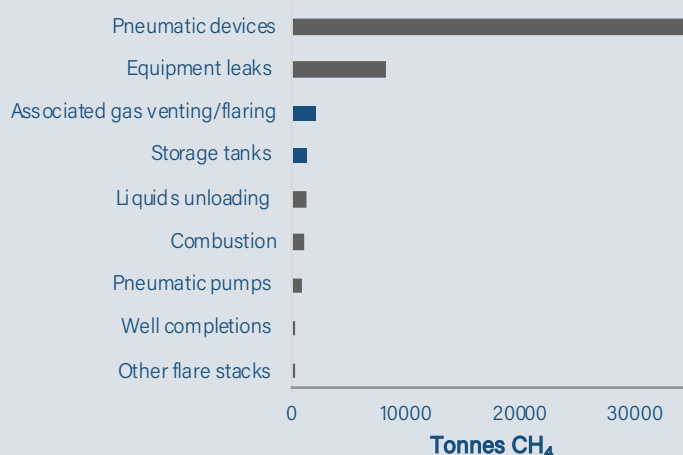
- Adds tank batteries to definition of facilities that must reduce VOC and methane emissions
  - Requires new, modified or reconstructed tank batteries with potential VOC emissions of 6 TPY to reduce emissions by 95% (same currently required for individual tanks)
  - Existing storage tanks or batteries with potential to emit 20 TPY must control emissions by 95%
  - Includes tank hatches for monitoring

#### EIG 2020 UPSTREAM PORTFOLIO KEY STATISTICS<sup>1</sup>

# Three

PORTFOLIO COMPANIES THAT HAVE ALREADY ELIMINATED ASSOCIATED GAS VENTING

#### 2020 EIG PORTFOLIO COMPANY METHANE EMISSION SOURCES



#### EIG PORTFOLIO COMPANY ACTIONS

As part of a recent amendment, **SilverBow Resources** agreed to collaborate with EIG to evaluate pilot vendors focused on identifying GHG emission reduction opportunities and methane measurement technologies - central processing facilities and tanks are a critical part of this assessment to optimize operations and reduce GHG emissions.



1. EIG analysis as of 12/31/2021 using 2020 data provided by portfolio companies. 91 percent (10 of 12) of applicable companies responded to data request.

## 5 Managing pneumatic pumps

- Extends current requirements for new pneumatic pumps to include all natural gas-driven diaphragm and piston pumps in the production segment of industry and diaphragm pumps in the transmission segment
  - Requires pneumatic pumps with access to control device already onsite to reduce emissions by 95%
- For existing sources, current methane standards for pneumatic pumps are the same but exclude piston pumps
- EPA is seeking comment on whether the use of zero-emitting pneumatic pumps at new and existing facilities with access to electric or solar power is technically feasible

## 6 Additional methods to reduce methane and VOC emissions

- Establishing nationwide requirements to minimize methane and VOC emissions from liquids unloading
- Strengthening current leak detection and repair requirements for new natural gas processing facilities and extending current standards to existing sources
- Strengthening standards for methane emissions from new reciprocating compressors and extending current standards to existing sources
- Proposing current standards for existing centrifugal compressors requiring 95% control of emissions from wet seal degassing, consistent with current standards for new sources
- Looking for ways to empower communities, regulators and the public to assist in monitoring, identifying and stopping large emission events

### EIG 2020 UPSTREAM PORTFOLIO KEY STATISTICS<sup>1</sup>

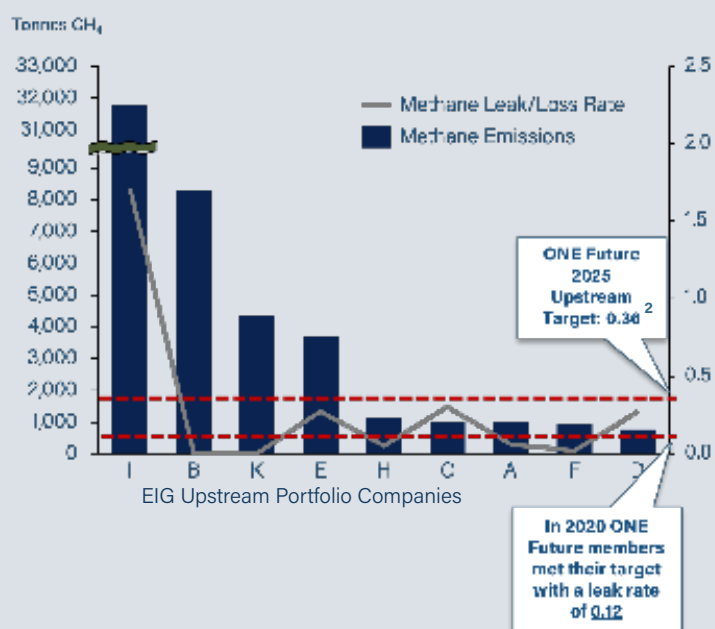
# 0.3%

2020 AVERAGE METHANE LEAK/LOSS RATE FOR EIG UPSTREAM PORTFOLIO COMPANIES

CONSISTENT WITH U.S. EPA FINDINGS, THE LARGEST SOURCES OF METHANE EMISSIONS ACROSS EIG PORTFOLIO COMPANIES ARE PNEUMATIC DEVICES AND EQUIPMENT LEAKS

COMPANY I HAS A LEAK RATE SIGNIFICANTLY HIGHER THAN ITS PEERS AND INDUSTRY STANDARDS; EIG IS IN ACTIVE DISCUSSIONS WITH THIS PORTFOLIO COMPANY ON THEIR GHG MITIGATION PLANNING

### 2020 METHANE EMISSIONS AND METHANE LEAK/LOSS



1. EIG analysis as of 12/31/2021 using 2020 data provided by portfolio companies. 91 percent (10 of 12) of applicable companies responded to data request.  
 2. <https://onefuture.us/> (01/03/2022)

## HISTORIC AND PROPOSED COVERAGE OF EMISSION SOURCES

The Clean Air Act proposed regulations significantly expands the scope of assets covered by including infrastructure constructed prior to 2016. Compliance with this proposal may incur significant cost and resource expenditure however it may create opportunities to significantly impact an organization's carbon footprint and encourage creativity in implementation of emissions mitigation solutions.

		New, Modified or Reconstructed Equipment and Facilities		Existing Equipment & Facilities	
		Previously Covered Under Existing Regulations	Newly Covered Under Proposed Regulations	Previously Covered Under Existing Regulations	Newly Covered Under Proposed Regulations
Upstream Facilities	Completions of hydraulically fractured wells	✓	✓	Not Applicable	Not Applicable
	Compressors at centralized tank batteries		✓		✓
	Fugitive emissions (leaks)	✓	✓		✓
	Liquids unloading		✓		✓
	Pneumatic controllers	✓	✓		✓
	Pneumatic pumps	✓	✓		✓
	Storage vessels	✓	✓		✓
	Associated gas from oil wells		✓		✓
Midstream Facilities	Compressors	✓	✓		✓
	Fugitive emissions (leaks)	✓	✓		✓
	Pneumatic controllers	✓	✓		✓
	Pneumatic pumps	✓*	✓		✓
	Storage vessels	✓	✓		✓

Note:

\* Pneumatic pumps are currently covered under existing methane and VOC regulations for natural gas processing, but not for gathering and boosting stations.

**EIG will support our portfolio companies' actions to prepare for this and other GHG emission-reduction regulations and expects that the majority of our portfolio will be ready to comply well in advance of rule promulgation**

### OPERATIONAL MODIFICATIONS



- Teams include facilities, HSE, and operations to identify emission reduction opportunities and assess design, construction & operation of new equipment with a low or zero carbon footprint
- Implementation of emission reductions have a wide range of costs ranging from nominal (e.g., repairing a valve) to significant (e.g., implementing a tankless facility design)
- Payback periods are often attractive, however barriers to implement are common (e.g., LOE considerations, lack of culture, leadership, resources, compensation incentives or regulatory drivers, etc.)

### EIG INFLUENCE



- EIG is in a unique position to provide resources and incentives for companies to proactively reduce GHG emissions
- By assessing various carbon metrics and working with strategic advisors during investment due diligence, we can negotiate bespoke emission reduction terms
  1. *Absolute emissions and various carbon intensities*
  2. *Net zero alignment status*
  3. *Emission reduction actions, associated costs, and estimated reductions*

### PARTNERSHIP WITH EXPERTS



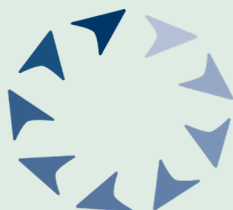
- EIG is developing partnerships with third party experts in identification and classification of potential emission reduction projects and direct methane measurement
- **Benefit to Portfolio Companies:** A “playbook” for actionable emission reduction initiatives to support internal targets, enhance ESG programs, and reduce costs/increase sales
- **Benefit to EIG:** Clear and quantifiable emission reductions and proactive engagement with portfolio companies for progress against stated targets and reporting to LPs

**EIG is currently engaged with multiple portfolio companies to potentially implement the above procedures to achieve quantifiable emission reductions in a relevant time frame**

**EIG is committed to being a leader in energy transition and contributing to decarbonizing the global economy; methane management at portfolio companies is critical to reaching this goal**

- ✓ **EIG Supports an energy transition that considers:**
  - The imperative to decarbonize the global economy;
  - The realities of energy supply and demand and the potential consequences of imbalances on economic growth and decarbonization efforts;
  - The importance of measurement and transparent reporting of emissions;
  - Investment opportunities with concrete and actionable emissions reduction targets; and
  - Leading energy transition without sacrificing attractive returns for our investors;
  - Commercializing green hydrogen and carbon sequestration will be critical to implementing sustainable energy production and delivery
- ✓ **Dramatic increases in electricity demand are outpacing increases in renewable energy supply and it will take time for the transition to reach equilibrium**
- ✓ **Natural gas will serve as a key transition fuel necessitating sound methane mitigation practices**
- ✓ **Storage is key to addressing intermittency**
- ✓ **Investors that are part of the solution will be rewarded and those who are not will lose their social license to operate**
- ✓ **EIG believes in principled investing across the energy value chain and that we must reduce emissions of existing fossil fuel infrastructure. All market participants will ultimately be accountable for results**

**EIG will approach investing in methane producing assets with an eye to incorporating best practices in mitigation and reduction**



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## IMPORTANT INFORMATION

The information provided herein includes an overview of responses from EIG portfolio companies in connection with certain ESG topics assessed by EIG. The underlying sources of the information are the portfolio companies and not EIG. EIG has summarized and provided analysis of the aggregate data provided by portfolio companies. The information contained herein is being provided to you for informational purposes only and is not, and may not be relied on in any manner as, legal, tax or investment advice or as an offer to sell or a solicitation of an offer to buy an interest in any investment vehicle (a "Fund") sponsored by EIG Global Energy Partners or its affiliates (together with such affiliates, including EIG Global Energy Partners Capital Markets, LLC, a FINRA registered Broker Dealer, "EIG"), or any other security.

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