

1 April 2021

For the attention of Executive Vice-President Timmermans and Commissioner Simson,

The [Institutional Investors Group on Climate Change](#) (IIGCC) welcomes the EU's revised 2030 greenhouse gas emission reduction target of at least 55% and 2050 target of net zero emissions. Reducing methane emissions is a critical and practical priority in the early years of the net zero emissions transition. In the near term, we encourage the Commission to take bold action to drastically reduce methane emissions from the oil and gas sector. We strongly believe the EU can play a pivotal leadership role.

Representing a body of over 300 European institutional investors overseeing more than €36 trillion in assets globally, IIGCC and its members recognise the imminent urgency of climate action and the comprehensive response it demands. Addressing the climate-damaging emissions of methane, with emphasis on the oil and gas industry, is an effective way for Europe to meet interim targets on the path to broader decarbonisation.

Methane emissions from human sources account for 25% of global warming. Since methane stays in the atmosphere for only approximately a decade, any immediate reductions in emissions will have a near-immediate impact in slowing down the current rate of warming.

We are encouraged by the Commission's commitment to comprehensively address methane and specifically, to develop legislation including measurement, reporting and verification for all energy-related methane emissions, building on the Oil and Gas Methane Partnership 2.0 framework in pursuit of a higher level of accuracy in emissions measurements. However, this must also be complemented by a mandatory emissions standard to drive performance improvements on all gas consumed in the EU. Clear signals and mandates must be put in place to guarantee timely and verifiable methane emission reductions.

We reiterate the recommendations communicated to the Commission in May 2020 in a letter<sup>1</sup> supported by a range of investor organisations representing nearly €4 trillion in assets collectively under management. Specifically, we reiterate the call to establish a mandatory performance standard, requiring a minimum of 0.25% intensity of upstream supply covering all gas sold in the EU by 2025, striving to achieve 0.2% where possible.

We urge the European Commission, the European Parliament, and all Member States to consider this issue as a matter of urgency.

Yours sincerely,



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<sup>1</sup> IIGCC letter to Commissioners regarding EU methane policy, 12 May 2020, available [here](#).