

Research Tender

Subject: Anthropogenic methane emissions – opportunities for investor action

Introduction:

In May 2021 First Sentier Investors (FSI) and Mitsubishi UFJ Trust and Banking Corporation (MUTB) (a subsidiary of Mitsubishi UFJ Financial Group, Inc (MUFG)), jointly launched the First Sentier MUFG Sustainable Investment Institute (the Institute).

The aim of the Institute is to provide research on topics that can advance sustainable investing, including examining market trends and practices that the investment industry must address if it is to make an active and positive contribution. These topics may address behavioural, societal, cultural, macro and systemic changes, impacts of regulation and how such trends impact the performance of companies, sectors, and economies, and influence the allocation of capital by investors.

Purpose and scope of project

Based on the resources shared by SII/FSI, its own research base and discussions with SII/FSI, the research provider is expected to conduct research and produce a report outlining key sector-specific drivers of anthropogenic methane emissions and investor-relevant mitigation pathways.

Project - Anthropogenic methane emissions: overview report focusing on investor-relevant mitigation approaches in key sectors

Background

Methane is a greenhouse gas which significantly impacts global warming through its ability to trap heat in the atmosphere; while methane breaks down in the atmosphere in just 12 years (compared to centuries for CO₂) it has a comparatively stronger impact on climate (over 20 years, 1 tonne of methane is equivalent to over 80 tonnes of CO₂). Methane is responsible for approximately 30% of global warming to date, which means that reducing methane emissions must be an essential element of climate change mitigation efforts¹. Importance of methane emissions reduction has been recognised globally with the launch of the Global Methane Pledge at COP26, which sets a goal to reduce emissions by at least 30% from 2020 by 2030². Despite existing global, national, and private sector commitments, significant challenges to methane abatement exist, as evidenced by the continuously high level of methane emissions from key sectors in 2023³.

The Sustainable Investment Institute is aiming to aid investor awareness of the importance of methane emissions reduction and mitigation pathways and facilitate stakeholder action by commissioning a report which will focus on sector-specific mitigation opportunities and highlight relevant challenges.

¹ <https://www.nature.com/articles/d41586-021-02287-y>; <https://www.iea.org/reports/global-methane-tracker-2024/understanding-methane-emissions#abstract>

² <https://www.globalmethanepledge.org/>

³ https://www.esa.int/Applications/Observing_the_Earth/The_2024_Global_Methane_Budget_reveals_alarmin_g_trends

Report

This report will provide a high-level, investor-relevant analysis outlining the opportunities and challenges to methane mitigation in key contributing sectors, including

- oil and gas
- coal mining (open-cut and underground)
- agriculture
- waste/landfills

policy and regulatory frameworks; and identifying avenues for investor action. The report will cover the following elements:

- Financial materiality of risks associated with methane, including direct (fines, regulation) and indirect (climate impacts, reputation) risks
- Importance of methane emissions reduction as part of global climate action
- Key sources of anthropogenic methane emissions
- Relevant global and national commitments, a timeline of progress for methane emissions reductions necessary to meet global target commitments and key milestones
- Regulatory backdrop in key jurisdictions, including recent trends, anticipated changes (for example in the US) and the implications for companies
- Drivers of methane emission in oil and gas, mining, agriculture, waste sectors (**ideally the research provider will be able to cover all sectors mentioned, but we will also consider proposals with a narrower scope**)
- Measuring and disclosing methane emissions (analysis of any existing reporting frameworks, variance in approaches to methane measurement between industries, data collection challenges, relevant metrics and targets, high level mapping of existing data sources for investors)
- Sector-specific opportunities and challenges to methane reduction (including the business case, overview of existing and emerging technologies or mitigating actions, approaches to quantifications of impact on methane emissions reduction, timeframe for roll-out and scalability)
- Relevant industry initiatives and commitments
- Sector-specific investor engagement guidance (a major focus of the report)

Research Approach

- Establish the exact scope of the report, along with literature and data to be used in discussion with SII
- Provide an outline of the project and a timeline
- Conduct research on anthropogenic methane emissions and opportunities for investor action in accordance with the scope established with SII.

Proposal guidelines:

In your proposal, please include the following information:

- Proposed research methodology
- The proposed scope of the research
- Proposed relevant publications to be used as literature review
- Proposed report structure
- Proposed timetable for execution of the project, including intended interaction with the Institute and report reviews. Please indicate the earliest project completion.
- Proposed fees and costs
- Short biographies or skills profile of the proposed team members

Proposed timelines:

- This RFP is issued on 26.03.2025
- Any questions or feedback regarding the brief should be submitted by 04.04.2025
- Answers to any questions will be provided by 11.04.2025
- Proposal should be submitted to the Institute by 18.04.2025 together with availability for a 1 hour call to discuss the proposals in the week of 21.04.2025
- Target for notifying the successful tenderer by 02.05.2025

Project	Deliverable	Timeline (time from the inception)
	Outline and plan for the work	10 weeks
	Desktop research raw data (summarized and structured way)	18 weeks
	First draft with analysis result	22 weeks
	Final draft with intro/recommendations, etc.	26 weeks

Legal:

- The Institute's standard Legal Contract for commissioned research will be used
- The reports Intellectual property will belong to the Institute
- The Institute will have the right to publish the research under its own brand
- Attribution to the author(s) and their organisation will be given in the final report
- The Institute will retain editorial control over the reports content
- The authors should ensure the report contains no personal information, that any images included are licensed for their intended use and they have distribution rights for any third party references and data.

Institute's use of the report and its content

The Institute would publish the report on its websites (English and Japanese). In addition to that, the Institute may want to use parts of the content or produce new content based on all or parts of the work presented in the report. That could be shared with other 3rd parties and could include, but would not be limited to:

- using charts and/or quotes in presentation prepared by the Institute
- using charts and/or quotes in presentation prepared by her FSI and MUTB/MUFG staff
- webinars to present and promote the findings of the report
- presenting and promoting the findings of the report at conferences
- publicizing the publication of the report with a press release
- preparing e-mail notifications to promote the paper
- writing blogs for our websites and/or articles for other media
- using charts/ quotes from the report for posts on our LinkedIn account or using other text/material that introduces and promotes the paper on LinkedIn

Investment advice and financial promotions

- The report must not include or be capable of being construed as investment advice.
- Ideally the report should not reference individual identifiable listed securities; explicitly or implicitly. Where this is unavoidable, any reference must be restricted to information in the public domain with appropriate citation.
- The report must not constitute a financial promotion. Consequently, any reference to FSI or MUFG products is prohibited

Other

- The report could follow a similar style to previous reports commissioned by the Institute, but other formats are also acceptable as our priority is to use the most suitable style that achieves clear, simple and easy to follow messaging and maximize the use of visuals, tables, lists.
- The report is intended for publication in the public domain
- Please specify in your proposal if you are able to provide us with a finished formatted report, following the Institute's style and branding
- If the Institute retains responsibility for report design, the Institute will expect all visuals to be prepared and provided in a format that can be easily replicated by an external design/ typeset agency. This includes all necessary source data
- The Institute will expect collaboration on developing infographics/visuals, if such are deemed effective and in support of the report messaging
- The Institute will arrange for the report to be translated into Japanese for publication on the Japanese language version of the Institute's website

Instructions:

Please submit a proposal by email to institute@firstsentier.com with a cc to Sudip.Hazra@firstsentier.com, Elena.Zharikova@firstsentier.com and Yuichi.Nakao@firstsentier.com