

## IPIECA Climate Change Reporting Framework

A pilot guidance document for the oil and gas industry

Climate change

THE GLOBAL OIL AND GAS  
INDUSTRY ASSOCIATION  
FOR ENVIRONMENTAL AND  
SOCIAL ISSUES

[www.ipieca.org](http://www.ipieca.org)

## LEGAL NOTE

This voluntary framework document is designed to serve as a resource for interested companies. The terms and definitions used in this document are not necessarily the same as terms and definitions used in various statutes, rules, codes or other authoritative legal documents. Users and readers of this document should refer to relevant legal sources or consult their own legal counsel for explanations as to how the terms and definitions used in this document may differ from the legal terms and definitions used in their particular areas of operation. It should not be implied that the guidance in this document is required to be followed for any national, local or other law. Furthermore, it is not intended to serve as a substitute for existing public reporting requirements and regulations. Any company reporter that has a question as to whether or not reports that follow the information contained herein will meet any specific reporting requirements applicable to their particular operations should consult with the reporter's own legal counsel.

### **A cautionary note regarding performance indicators**

Aggregated, company-level, non-financial performance data, developed using this framework, can be informative for comparing relative performance among different companies, such as benchmarking GHG emissions data across the oil and gas industry. A company can use such comparisons to evaluate its own performance relative to peers, and help to identify areas for potential improvement. However, limitations to comparability exist due to various factors including the different methods companies may use to measure, normalize and report their emissions. Although efforts have been made throughout this framework to improve comparability, report users are advised to exercise caution when using data from voluntary GHG emissions reports to compare performance. Specific indicators from similar operations can sometimes be usefully compared to help performance management. However, the company-level, aggregate data typically reported in GHG emissions reports may not provide adequate comparability, and it is not the intention of this document to imply that data in GHG emissions reports, and therefore companies' performance, are always directly comparable.

Separate from company GHG emissions reporting, industry associations and others may choose to implement specific performance benchmarking studies, which may build upon the guidance in this document. It is also recognized that some of the guidance is new, and it may take a number of years for companies to begin to report in accordance with this framework.

# IPIECA Climate Change Reporting Framework

A pilot guidance document for the oil and gas industry

## **IPIECA**

The global oil and gas industry association for environmental and social issues

Level 14, City Tower, 40 Basinghall Street, London EC2V 5DE, United Kingdom

Telephone: +44 (0)20 7633 2388

E-mail: [info@ipieca.org](mailto:info@ipieca.org) Internet: [www.ipieca.org](http://www.ipieca.org)

# Contents

Section 1: Background	3
Section 2: Recommended topics for inclusion in external reporting	4
Topic 1: Climate change positions, policies or principles	4
Topic 2: Responsibilities and accountabilities	4
Topic 3: Stakeholder engagement approaches	5
Topic 4: Implications of shifting energy supply/demand and climate policy	5
Topic 5: Corporate risk management approaches	6
Topic 6: Emissions mitigation strategies, programmes, initiatives, and activities	6
Topic 7: Addressing GHG regulation	7
Topic 8: Research and development	7
Topic 9: Historical performance data	8
Topic 10: Assurance	9
Section 3: Climate change risks reporting cross reference	10

# Background

---

In recent years, stakeholders have become increasingly interested in the oil and gas industry's views on climate change-related risks and the actions the sector is taking to address them. Companies currently disclose information on these issues in a variety of ways, including voluntary communications such as financial and operating reports, summary annual reports, sustainability reports and individual company position papers. In addition, companies report information to other third parties. Over the past decade, many of these third-party organizations have developed a variety of tools and formats for oil and gas companies to use in describing their positions related to climate change risks and in publicly disclosing greenhouse gas emissions-related performance data. In many cases, these tools have evolved, growing in magnitude, detail and complexity.

To simplify this situation, IPIECA has created a reporting framework for oil and gas companies to publicly disclose this information in a simple, straightforward and transparent manner, that offers a broad coverage of the issues and provides a consistent reporting methodology.

Although it is for each company to develop its own approach to reporting on climate change risks, opportunities and greenhouse gas emissions performance for external stakeholders, the following is intended to aid companies in achieving this objective.

This guidance has been prepared in support of the ten suggested topics for consideration shown on page 41 of the joint IPIECA/API/IOGP *Oil and gas industry guidance on voluntary sustainability reporting* (3rd Edition, 2015).

This 2016 revised pilot version is intended to be provided as final guidance in late 2016. This document is subject to future revisions and updates as other disclosure topics become material to the oil and gas industry.

# Recommended topics for inclusion in external reporting

## TOPIC 1: CLIMATE CHANGE POSITIONS, POLICIES OR PRINCIPLES

This topic is intended to describe the company's overarching positions, policies or principles on climate change, including climate science, the significance of climate change risks to society and ecosystems, how these risks should be addressed and climate policy.

### Suggested elements to include:

1. The company's position, policy or principle on climate science.
2. The company's position, policy or principle on the significance of climate change risks to society and ecosystems.
3. The company's position, policy or principle on the most effective approach for society to mitigate and adapt to the risks posed by climate change, including the role of governments, private industry and the general public.
4. The company's position, policy or principle on climate policy, and what policy action should be taken.

## TOPIC 2: RESPONSIBILITIES AND ACCOUNTABILITIES

This topic is intended to describe at what level within the company the responsibilities and accountabilities for managing climate change risks reside, and the frequency of review with these individuals.

### Suggested elements to include:

1. The highest level position or role in the company responsible for managing climate change risks.
2. The review content and the frequency of the review undertaken by this position/role with regard to the management of climate change risks.
3. The level of engagement that this position/role displays in actively managing the company's exposure to climate change risks.
4. The system(s) the company uses to incentivize the management of climate change risks.

---

### TOPIC 3: STAKEHOLDER ENGAGEMENT APPROACHES

This topic is intended to describe the company's approach to engaging stakeholders on issues related to climate change, including advocacy and lobbying activities with regulators, politicians, consumers, public policy forums and trade associations.

#### Suggested elements to include:

1. The company's general approach on engaging with stakeholders on climate change-related issues.
2. The types of individuals or organizations the company interacts with regarding climate policy.
3. A description of the company's involvement in trade associations advocating on climate science and policy issues.
4. A description of the work conducted by research organizations on behalf of the company regarding climate change.
5. The process the company uses to ensure that its advocacy is aligned with the company's internal climate change policy objectives.

### TOPIC 4: IMPLICATIONS OF SHIFTING ENERGY SUPPLY/DEMAND AND CLIMATE POLICY

This topic is intended to describe the company's views on the relationship between future energy supply/demand balances and climate policy, including the company views on how this interaction may influence its asset base, business performance and value.

#### Suggested elements to include:

1. The company's view of future global energy demand.
2. The company's view on future global energy supply mix (hydrocarbon and non-hydrocarbon).
3. The company's view on meeting climate change objectives in the context of supplying energy to meet growing demand.
4. The company's view on the impact that future climate policy may have on its financial performance or on the value of the company's underlying assets, including the company's position on the concept of stranded assets, or carbon asset risks.

## TOPIC 5: CORPORATE RISK MANAGEMENT APPROACHES

This topic is intended to describe the company's approach to managing financial and physical risks and opportunities posed by climate change, including a description of the tools and methods employed to manage risk in investment and operational decision making.

### Suggested elements to include:

1. The company's general approach to managing climate change risks and opportunities, including:
  - risk identification and evaluation processes;
  - incorporation of identified risks into business strategies and planning; and
  - consideration of examples, if appropriate.
2. The company's view on the sources of potential climate change-related financial risks and opportunities that are likely to emerge (e.g. political, regulatory, competitive).
3. The tools and methodologies employed to manage financial climate change-related risks and opportunities (e.g. stress testing, 'shadow' cost of carbon, scenario planning).
4. The company's view on the sources of physical risks that are likely to emerge (e.g. sea level rise, temperature, wind, wave, ice) with a changing climate.
5. The company's approach to protecting its facilities and operations against potential physical impacts of climate change with regard to adaptation

## TOPIC 6: EMISSIONS MITIGATION STRATEGIES, PROGRAMMES, INITIATIVES AND ACTIVITIES

This topic is intended to describe the strategies, programmes, initiatives and activities that the company has employed to mitigate greenhouse gas emissions within its own operations, including an assessment of historical performance and the use of goals/targets. (Please refer to *Topic 9: Historical performance data* for more information.)

### Suggested elements to include:

1. The strategies, programmes, initiatives and activities that the company employs to mitigate greenhouse gas emissions within its own operations, including the company's approaches to energy efficiency, flaring reduction, venting and fugitive emissions reduction, carbon capture and storage, and renewable energy sources.
2. The company's historical Scope 1 and 2 greenhouse gas emissions performance and the relationship between changes in performance and the strategies/programmes/initiatives/activities employed by the company.
3. The company's position on the use of greenhouse gas emissions or energy-related goals, both published and internal. If the company uses goals, provide commentary on the:
  - type of goal(s) (absolute or intensity);
  - goal(s) that the company has established;
  - key performance indicators used to measure this (these) goal(s); and
  - progress towards meeting this (these) goal(s).



---

### TOPIC 7: ADDRESSING GHG REGULATION

This topic is intended to describe the company's approach to GHG regulatory programmes, including participation in emissions trading schemes and the use of offsets.

#### Suggested elements to include:

1. The company's approach to addressing greenhouse gas emissions regulations.
2. The company's participation in market- and non-market-based greenhouse gas emission regulation systems.
3. The company's view on, and participation in, greenhouse gas offset schemes, where material to the company.

### TOPIC 8: RESEARCH AND DEVELOPMENT

This topic is intended to describe the company's research and development (R&D) activities directed towards technologies that have the potential to reduce greenhouse gas emissions in oil and gas sector operations or from hydrocarbon derived product use.

#### Suggested elements to include:

1. The company's R&D activities directed towards technologies that have the potential to reduce greenhouse gas emissions in oil and gas sector operations or from hydrocarbon-derived product use.
2. The third-party institutions and programmes that the company is engaged with to promote R&D in low-carbon technologies.
3. The potential greenhouse gas emissions reduction benefits that might be achieved by the technologies in which the company is conducting R&D.

## TOPIC 9: HISTORICAL PERFORMANCE DATA

This topic is intended to provide the company's historical performance data related to greenhouse gas emissions. It is recommended that all data be reported as per the joint IPIECA/API/IOGP *Oil and gas industry guidance on voluntary sustainability reporting* (codes in Table 1 refer to relative indicators in the guidance).

### Suggested elements to include:

1. The organizational boundary (e.g. operational control, equity share or consolidated financial basis) that the company has established for the reporting of performance data, and why.
2. The accounting methodology (e.g. IPIECA corporate GHG reporting guidelines or WRI/WBCSD GHG Protocol) and the Global Warming Potentials (e.g. Intergovernmental Panel on Climate Change, IPCC Fourth Assessment Report (AR4) or Fifth Assessment Report (AR5)) that the company has chosen for the reporting of performance data, and why.
3. The proportion of emissions included in the data and the rationale for any significant omissions.
4. The change in Scope 1 and 2 greenhouse gas emission between the reporting year and previous year(s), including the major change drivers.
5. A tabulation of the company's historical greenhouse gas emissions-related performance data (e.g. typically for the past five years, but can be longer or shorter depending on data availability and other factors). Where major changes in emissions profile have occurred, indicate whether historical data has been restated. See example in Table 1.

Table 1 Example tabulation of a company's historical greenhouse gas emissions related performance data

CRITERIA	2010	2011	2012	2012	2014
<b>Greenhouse gas emissions, absolute (millions of metric tons CO<sub>2</sub>e)</b>	x	x	x	x	x
Upstream (E1–C3) <sup>1</sup>	x	x	x	x	x
Downstream (E1–C3)	x	x	x	x	x
Chemical (E1–C3)	x	x	x	x	x
Americas (E1–C3)	x	x	x	x	x
Europe/Middle East/ Africa (E1–C3)	x	x	x	x	x
Asia Pacific (E1C3)	x	x	x	x	x
CO <sub>2</sub> (E1–C1)	x	x	x	x	x
Methane (E1–C1)	x	x	x	x	x
Other greenhouse gases (E1–C1)	x	x	x	x	x
Direct (Scope 1) emissions (E1–C1)	x	x	x	x	x
Indirect (Scope 2) Emissions (E1–C2)	x	x	x	x	x
<b>Greenhouse gas emissions, intensity (metric tons CO<sub>2</sub>e/throughput or production)</b>					
Upstream (E1–C3)	x	x	x	x	x
Downstream (E1–C3)	x	x	x	x	x
Chemical (E1–C3)	x	x	x	x	x
<b>Energy use (gigajoules) (E2–C1)</b>	x	x	x	x	x
<b>Hydrocarbon flaring (millions of metric tons) (E4–C1)</b>	x	x	x	x	x

<sup>1</sup> Bracketed figures relate to the IPIECA/API/IOGP *Oil and gas industry guidance on voluntary sustainability reporting* (2015). E(x) refers to the Environmental indicator. C(x) refers to the common reporting element.

---

## TOPIC 10: ASSURANCE

This topic is intended to describe the company's approach to assuring accuracy and integrity in the greenhouse gas emissions-related data that the company reports to external stakeholders.

### Suggested elements to include:

1. The company's approach to greenhouse gas data assurance, including:
  - the rationale for engaging, or not engaging, third-party assurance; and
  - whether third-party assurance is mandatory, voluntary, or a combination of both.
2. The scope of the assurance, including the boundaries and the level of assurance (this will typically be included in the third-party assurance statement).
3. Inclusion of, or link to, the third-party assurance statement, if applicable.

# Climate change risks reporting cross reference

TOPIC CONTENT/ DESCRIPTION	CDP QUESTION (2014 SURVEY)	CDSB (Carbon Disclosure Standards Board) REQ (V.10, 2013)	GRI (Global Resources Institute) G4 INDICATOR (2013)	SASB (Sustainability Accounting Standards Board) INDICATOR (NON-RENEWABLE RESOURCES 2014)	ISO (International Standards Organization) 14064 (2006)	CCAC (Climate and Clean Air Coalition) OGMP (Oil and Gas Methane Partnership) DRAFT—STILL UNDER REVISION	DJSI (Dow Jones Sustainability Index) (2014 SURVEY)
TOPIC 1 Climate change positions, policies or principles, including corporate views on the significance of climate risks, how these risks should be addressed and principles for sound policy.	CC2.2	REQ-09	G4-46		7.3.2		2.5.4
	CC2.2A						2.5.7
TOPIC 2 Responsibilities and accountabilities for managing climate change risks, including the frequency of review with senior management of the company.	CC1.1	REQ-08	G4-42				2.5.2
	CC1.1a		G4-45				2.5.3
	CC1.2		G4-46				
	CC1.2a		G4-47				
				G4-51			
TOPIC 3 Stakeholder engagement approaches through public advocacy and lobbying (Section 6, SE14) with regulators, politicians, consumers, public policy forums and trade associations, as well as other voluntary initiatives.	CC2.3	REQ-09	G4-24				EIAs: 2.4.5
	CC2.3a-h		G4-25				3.8—not specific to CC
	CC4.1		G4-26				
			G4-27				

continued ...

Section 3

Climate change risks reporting cross reference

TOPIC CONTENT/ DESCRIPTION	CDP QUESTION (2014 SURVEY)	CDSB (Carbon Disclosure Standards Board) REQ (V.10, 2013)	GRI (Global Resources Institute) G4 INDICATOR (2013)	SASB (Sustainability Accounting Standards Board) INDICATOR (NON-RENEWABLE RESOURCES 2014)	ISO (International Standards Organization) 14064 (2006)	CCAC (Climate and Clean Air Coalition) OGMP (Oil and Gas Methane Partnership) DRAFT—STILL UNDER REVISION	DJSI (Dow Jones Sustainability Index) (2014 SURVEY)
<b>TOPIC 4</b> Implications of shifting energy supply/demand and climate policy for the company's asset base, business performance and value, including a view on the future use of non-hydrocarbon energy sources.		REQ-10	G4-EC2	E&P:  NR0101-22  NR0101-24			2.5.5  2.5.6
	CC2.1	REQ-08	G4-EC2	E&P:			2.5.7
	CC2.1b-c CC3.3c CC5.1 CC5.1a-c CC6.1 CC6.1a-e OG1.6 OG1.6a-b	REQ-10			NR0101-22  NR0101-24		
<b>TOPIC 6</b> Emissions mitigation strategies, programmes, initiatives and activities, including commentary on historical performance and planned activities.	CC3.1	REQ-09	DMA-EN,	E&P: NR0101-03		Annual methane emissions reductions achieved by source	2.5.6
	CC3.1a-e	REQ-11	G4-EN6,	Midstream: NR0102-02		Description of reduction activities implemented	2.5.9
	CC3.2	REQ-12	G4-EN19	Refining: NR0103-02			
	CC3.2a						
	CC3.3						
	CC3.3a-b						
	CC12.1						
CC12.1a							

continued ...

Section 3

Climate change risks reporting cross reference

PILOT

TOPIC CONTENT/ DESCRIPTION	CDP QUESTION (2014 SURVEY)	CDSB (Carbon Disclosure Standards Board) REQ (V.10, 2013)	GRI (Global Resources Institute) G4 INDICATOR (2013)	SASB (Sustainability Accounting Standards Board) INDICATOR (NON-RENEWABLE RESOURCES 2014)	ISO (International Standards Organization) 14064 (2006)	CCAC (Climate and Clean Air Coalition) OGMP (Oil and Gas Methane Partnership) DRAFT—STILL UNDER REVISION	DJSI (Dow Jones Sustainability Index) (2014 SURVEY)
<i>TOPIC 6 (continued) Emissions mitigation strategies, programmes, initiatives and activities, including commentary on historical performance and planned activities.</i>	CC12.2-12.4  CC14.3  CC14.3a  CC14.4  CC14.4a-c  OG4.1-4.9  OG6.1-6.3  OG7.1-7.5  OG8.1-8.5						
<b>TOPIC 7</b> GHG regulatory compliance approaches, including participation in emission trading schemes and the use of offsets.	CC13.1  CC13.1a-b  CC13.2  CC13.2a	REQ-07  REQ-11	G4-EC2				
<b>TOPIC 8</b> Research and development activities directed towards reducing GHG emissions in oil and gas sector operations as well as from hydrocarbon-derived product use, including company internal and external activities.	CC3.3d,e,f  OG6.3	REQ-07  REQ-09	G4-EN7				
<b>TOPIC 9</b> Historical performance data including greenhouse gas emissions, energy use and flared gas.	CC7.1-7.4  CC8.1-8.5  CC9.1  CC9.1a  CC9.2  CC9.2a-c	REQ-11	G4-EN3  G4-EN4  G4-EN5  G4-EN6  G4-EN15  G4-EN16	E&P: NR0101-01 & 02  Midstream: NR0102-01  Refining: NR0103-01	7.3.1	Methane emissions by source  Number of emission sources identified in current year (total controlled and uncontrolled)	2.3.1 (BOEs)  2.3.2  2.3.3  2.3.4  2.3.5 (electricity)

continued ...

Section 3

Climate change risks reporting cross reference

PILOT

TOPIC CONTENT/ DESCRIPTION	CDP QUESTION (2014 SURVEY)	CDSB (Carbon Disclosure Standards Board) REQ (V.10, 2013)	GRI (Global Resources Institute) G4 INDICATOR (2013)	SASB (Sustainability Accounting Standards Board) INDICATOR (NON-RENEWABLE RESOURCES 2014)	ISO (International Standards Organization) 14064 (2006)	CCAC (Climate and Clean Air Coalition) OGMP (Oil and Gas Methane Partnership) DRAFT—STILL UNDER REVISION	DJSI (Dow Jones Sustainability Index) (2014 SURVEY)
<b>TOPIC 9 (CONTINUED)</b> <i>Historical performance data including greenhouse gas (GHG) emissions, energy use and flared gas.</i>	CC10.1		G4-EN17			Number of emission sources identified to date (total controlled and uncontrolled)	2.3.10
	CC10.1a		G4-EN18				2.5.10
	CC10.2		G4-EN19				1.6.2
	CC10.2a						
	CC11.1-11.4						
	CC14.1						
	OG0.1-0.3						
	OG1.1-1.5						
	OG2.1-2.4						
	OG3.1-3.3						
OG5.1-5.4							
<b>TOPIC 10</b> Assurance approach for applicable data.	CC8.6	REQ-05	G4-33		7.3.1		2.3.2
	CC8.6a				8.3		2.3.3
	CC8.7						
	CC8.7a						
	CC8.8						
	CC14.2						
	CC14.2a						

It should be noted that while the above cross-reference table provides an indication of where relevant information related to a variety of third-party reporting methods may be contained within the IPIECA framework, this does not imply that all third-party system requested data is included in the IPIECA framework.

# IPIECA

IPIECA is the global oil and gas industry association for environmental and social issues. It develops, shares and promotes good practices and knowledge to help the industry improve its environmental and social performance, and is the industry's principal channel of communication with the United Nations.

Through its member-led working groups and executive leadership, IPIECA brings together the collective expertise of oil and gas companies and associations. Its unique position within the industry enables its members to respond effectively to key environmental and social issues.

## MEMBERS

Anadarko	INPEX	Petrotrin
Bashneft	Kosmos Energy	PTT EP
BHP Billiton	KPC	Qatar Petroleum
BP	Mærsk	Repsol
Chevron	Marathon	Santos
CNOOC	Nexen	Saudi Aramco
ConocoPhillips	Noble Energy	Shell
EDF	Libya NOC	SNH
eni	Occidental	Statoil
ExxonMobil	OMV	Total
Hess	Pemex	Tullow Oil
Hunt Oil	Petrobras	Woodside Energy
Husky Energy	Petronas	

IPIECA also has an active global network of oil and gas industry association members. Please refer to the IPIECA website for a full list.



[www.ipieca.org](http://www.ipieca.org)

14th Floor, City Tower  
40 Basinghall Street  
London EC2V 5DE  
United Kingdom

Telephone: +44 (0)20 7633 2388  
Facsimile: +44 (0)20 7633 2389

E-mail: [info@ipieca.org](mailto:info@ipieca.org)