IPIECA

Mapping the oil and gas industry to the Sustainable Development Goals: An Atlas

This presentation covers:
- Who we are
- The SDGs
- Achieving the SDGs
- The role of oil and gas
WHO WE ARE

IPIECA

- Global oil and gas industry association for environmental and social issues
- Enable industry to improve its environmental and social performance
- Represent the consensus view of our members
- Principle communication channel to the United Nations

WHO WE REPRESENT

IPIECA

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

Our membership operates in 180 countries
Our membership employs 1.3 million people
Total output of hydrocarbons 56.2 million boe/day
Our association member network represents 500 oil & gas companies
WHO WE REPRESENT

WHAT ARE THE SUSTAINABLE DEVELOPMENT GOALS?

- The Sustainable Development Goals (SDGs) form part of "Transforming our world: the 2030 Agenda for Sustainable Development."
- Adopted in September 2015 by the 193 United Nations Member States.
- Represent the world’s plan of action for social inclusion, environmental sustainability and economic development.
WHAT IS THE ATLAS?

The Atlas aims to:

- Develop shared understanding of implications of the SDGs for O&G
- Demonstrate the importance of O&G in achieving SDGs
- Identifying current impacts of our sector, both positive and negative
- Identifying gaps, challenges and opportunities for the industry to make the most effective contribution
- Explore the role of partnerships for greater success

DOWNLOAD AT: www.ipieca.org/resources/SDGAtlas

THE PARTNERSHIP

- The SDGs represent an ambitious collective, international agenda
- Achieving the SDGs requires partnership and collaboration across all sectors and industries.
- UNDP, IFC and IPIECA represent distinct yet complementary perspectives along the public-private sector spectrum
- Articulating the contributions of the oil & gas industry to the SDGs is an important part of the development narrative.
COLLABORATION

Achieving the SDGs by 2030 will require cooperation and collaboration among governments, non-governmental organizations, development partners, the private sector and communities.

MAPPING THE INDUSTRY TO THE SDGs

The oil and gas industry is committed to responsible and sustainable business, as well as serving as an essential partner to meet the challenge of achieving the SDGs.

The oil and gas industry has the potential to contribute to all 17 SDGs.
ACCESS TO ENERGY

Access to affordable reliable energy is essential for the growth of strong economies, sustained improvements in the quality of life, and the eradication of poverty.

Today’s energy system

- 575 Exajoules
- Serves 6.2 Billion people
- 1.2 Billion have no access
- 52% Oil & gas
- 48% Other

2035 energy system

- 720 Exajoules
- Serves nearly 9 Billion people
- 49% Oil & gas
- 51% Other

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OIL AND GAS CONTRIBUTION

The industry contributes to sustainable development in a number of ways.

- Research and Development
- Investing in Communities
- Jobs / Skills
- Transport
- Energy
- Infrastructure
- Petrochemicals
- Tax / Revenue

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INDUSTRY EFFORTS

The oil and gas industry is also aware that some of the goals present specific challenges for the industry. Identifying those challenges and finding solutions is part of the journey.

Environmental footprint  Social licence to operate  Climate and energy

INTEGRATED APPROACH

The SDGs are interconnected and indivisible, requiring approaches that ensure synergies and manage trade-offs.
STRONGEST OPPORTUNITIES TO CONTRIBUTE

The scope and nature of typical oil and gas activities point to some SDGs where there are particularly strong opportunities to contribute.

MAKING THE BUSINESS CASE FOR SDGs

Integrating the SDGs can mean greater efficiencies, cost savings, and competitiveness, and enhance the oil and gas industry’s social licence to operate.

The SDGs cannot be achieved without business. [There is a] quantifiable and compelling economic argument for taking action, and a convincing case for systemic change in the way we do business.

At company and sector level, we must drive system change in order to realize sustainable and inclusive economic growth across the world.

Peter Bakker, President and CEO, WBCSD
PARTNERSHIPS ARE VITAL

In a increasingly globalized and interconnected world, commitments to global partnerships are vital for coordinating the efforts of governments, companies, investors, international organizations and civil society.

Partnering with other stakeholders:
- Connects complementary skills
- Reduces risk for companies
- Allows companies to better leverage their core competencies
- Leads to higher-quality, longer-term, sustainable outcomes than any stakeholder can achieve on their own.

1 – NO POVERTY

Businesses (including the oil and gas industry) can play an important role, as private sector investment far exceeds foreign aid in many developing countries.

Source: UN

<table>
<thead>
<tr>
<th>Year</th>
<th>Percentage of people living below poverty line</th>
</tr>
</thead>
<tbody>
<tr>
<td>1992</td>
<td>26%</td>
</tr>
<tr>
<td>2002</td>
<td>13%</td>
</tr>
<tr>
<td>2030</td>
<td>6%</td>
</tr>
</tbody>
</table>

Source: UN
2 – ZERO HUNGER

Hydrocarbons are used to supply energy for all stages of food production.

1 in 9 people in the world do not have enough food to live a healthy life.

Agriculture machinery
Fertilizers and pesticides
Refrigeration/transport

3 – GOOD HEALTH AND WELL-BEING

Oil and gas companies contribute to improving health and well-being in a variety of ways.

Health impact assessment
Occupational risks
Infectious diseases
Non-communicable diseases
Mental health and substance abuse
Benefits programmes
Air and water
Road safety
4 – QUALITY EDUCATION

Investing in education and skills-based training in their countries of operation helps oil and gas companies find the technical, operational and commercial skill sets required, as well as providing more local value by increasing the potential for direct and indirect employment of local workers and suppliers.

- Schools
- Universities
- Technical training
- On the job training

5 – GENDER EQUALITY

Oil and gas company activities bring expertise into developing countries, including labour standards and expectations that can lead to improved gender equality and empowerment.

- Develop gender-sensitive local content policies.
- Support full and effective participation of women at all levels of decision-making.
- Increase employment opportunities for women and female representation in management.
6 – CLEAN WATER AND SANITATION

The oil and gas industry supports access to and sustainable management of water.

- 780 million People with no access to potable water
- 2.8 billion Live in water scarce environments

Understand water scarcity risk management
Substantially increase water efficiency
Develop a company water strategy
Manage produced water and wastewater

7 – AFFORDABLE AND CLEAN ENERGY

The universal global challenge is to ensure access to sustainable, modern energy, while moving towards a global energy system with net-zero greenhouse gas (GHG) emissions in the second half of this century.

CURRENT ENERGY SYSTEM

- 1.1 billion have no access to electricity

TOTAL ENERGY USE

- Feedstock of which 18% fossil fuels
- Transport of which 93% oil & gas
- Industry of which 64% fossil fuels
- Domestic of which 24% Oil & gas
7 – AFFORDABLE AND CLEAN ENERGY

The universal global challenge is to ensure access to sustainable, modern energy, while moving towards a global energy system with net-zero greenhouse gas (GHG) emissions in the second half of this century.

SHARE OF PRIMARY ENERGY

1.1 billion have no access to electricity

8 – DECENT WORK AND ECONOMIC GROWTH

Sustainable development requires job creation and inclusive economic growth. The oil and gas industry can make a significant contribution to the overall economic growth of host countries.

Source: BP
9 – INDUSTRY, INNOVATION AND INFRASTRUCTURE

Building shared-use infrastructure, whereby the oil and gas industry allows other stakeholders to use the infrastructure created for its operations, is a cost-effective way to improve infrastructure access while also benefiting local communities.

ROADS  INFRASTRUCTURE
TRANSSPORT  RESEARCH
CCS  POWER

10 – REDUCED INEQUALITIES

Oil and gas development and access to affordable, reliable, sustainable and modern energy has been demonstrated to significantly and positively impact economic growth and human well-being.

- Ensure full and transparent tax payments.
- Assess inequality impacts in project planning.
- Set expectations and communicate with local communities.
- Mitigate the impacts of climate change.
- Provide access to energy.
11 – SUSTAINABLE CITIES AND COMMUNITIES

Cities are responsible for 70-80% of the world’s economic output and 80% of its energy consumption and GHG emissions.

1/2 More than half the world’s population lives in urban areas.

Electric cars • Cultural and archeological preservation • Natural heritage protection • Urban planning • Gas powered electricity

12 – RESPONSIBLE CONSUMPTION AND PRODUCTION

Oil and gas companies are helping to meet responsible consumption challenges by mitigating impacts and improving the efficiency of their operations and by supporting energy efficiency.

Increased energy efficiency • Reduced gas flaring • Directional drilling • Chemical and waste management
13 – CLIMATE ACTION

We believe that it is possible to address climate change risks while also meeting global energy demand and supporting economic development.

- Self-assess carbon resiliency
- Mitigate emissions within oil and gas operations
- Plan strategically for a net-zero emissions future
- Strengthen resilience and adaptive capacity to climate change impacts
- Developing CCS

14 – LIFE BELOW WATER

More than one-third of oil and gas extracted today comes from offshore deposits. The industry is committed to protecting the marine environment and its fauna through minimizing the impacts of oil and gas operations.

- Incorporate environmental assessments into management plans.
- Minimize and address the rate of ocean acidification. Oceans absorb CO2.
- Accident prevention, preparedness and response.
15 – LIFE ON LAND

The industry is committed to responsibly integrate the management of biodiversity and ecosystems services across the lifecycle of oil and gas operations.

Mitigation hierarchy

Impact

Potential impacts

Avoidance

Minimization

Restoration

Offset

Net gain

No net loss

16 – PEACE, JUSTICE AND STRONG INSTITUTIONS

Responsible business practices contribute to stability and avoiding conflict.

INTEGRATE HUMAN RIGHTS PERSPECTIVE IN IMPACT ASSESSMENTS

COMMUNITY ENGAGEMENT AND CONSENT

ANTI CORRUPTION SYSTEMS
17 – PARTNERSHIPS FOR THE GOALS

In an increasingly globalized and interconnected world, commitment to global partnership and coordinated effort by governments, companies, investors, international organizations and civil society are necessary.