



Communication of Engagement with UN Global Compact

Statement of continued support for the Global Compact by the Executive Director

IPIECA develops, shares and promotes good practice and knowledge to help the oil and gas industry and improve its environmental and social performance. We do this with the understanding that the issues that dominate the sustainable development agenda – climate and energy, environmental and social issues – are too big for individual companies to tackle alone. The industry must work together to achieve improvements that have real impact. IPIECA helps to achieve this goal.

IPIECA is a not for profit association that provides a forum for encouraging continuous improvement in industry performance. Formed in 1974 following the launch of the United Nations Environment (UNE), IPIECA is the only global association involving both the upstream and downstream oil and gas industry. It is also the industry's principal channel of communication with the United Nations.

IPIECA has supported the 10 principles of the UN Global Compact (UNGC) since 2000 and we show our continued participation in the activities of the UNGC by providing members with guidance and tools to respond effectively to environmental and social issues.

IPIECA's Communication of Engagement (COE), describing the actions taken to support the UNGC, are detailed below.

Yours Sincerely,

Brian Sullivan

IPIECA Executive Director

INTRODUCTION

IPIECA's vision is for an oil and gas industry whose operations and products meet society's environmental and social performance expectations. IPIECA seeks to achieve its vision by:

- Developing, sharing and promoting sound practices and solutions.
- Enhancing and communicating knowledge and understanding.
- Engaging members and others in the industry.
- Working in partnership with key stakeholders.

Issues relating to climate and energy, the environment and social responsibility remained high on our members' agenda, and this was reflected in IPIECA's work during 2016 and 2017. IPIECA's current 2017 – 2020 Strategic Plan is designed to maintain IPIECA's leadership on climate and energy, environmental and social issues for the global oil and gas industry, while enhancing our ability to identify and anticipate emerging challenges.

The description of actions below highlights some of the key activities that IPIECA has been involved in since January 2016 which support the UN Global Compact's Principles and the Sustainable Development Goals (SDGs).

SOCIAL RESPONSIBILITY

IPIECA helps the oil and gas industry to operate responsibly and proactively contribute to society where it can, whilst engaging positively with communities and stakeholders. Its practical actions in particular help to support the UN Global Compact's human rights and labour principles, as well as the SDGs, such as goal 8 on decent work and economic growth, goal 10 on reducing inequality within and among countries, and goal 16 on peace, justice and strong institutions.

Workshops and events

- Throughout 2016 and 2017, IPIECA's social responsibility group continued to engage its members and external stakeholders through meetings, workshops and webinars. For example, on topics including labour rights, community engagement, and social investment.
- IPIECA attended the *UN Annual Forum on Business and Human Rights* in November 2016 and 2017 where it hosted an exhibition stand to share its good practice and knowledge with key stakeholders. At the 2017 Forum, IPIECA organised a side-event with the International Council on Mining and Metals (ICMM) titled '*Do operational-level grievance mechanisms in the extractive industries work?*', where panellists discussed practical experiences from designing and implementing operational-level grievance mechanisms and lessons learnt in providing remedy.

Sector-specific tools and resources

- In April 2016, IPIECA published *Local content. A guidance document for the oil and gas industry* (2nd edition) which provides oil and gas companies with practical advice on how they can realize the potential value of local content; and to offer all stakeholders suggestions on ways to help create shared value through local content development.
- In October 2016, IPIECA launched *Local content. Case Studies*, to complement its local content guidance, which shares examples of good practice in achieving local content development.
- In February 2017, IPIECA together with the Geneva Centre for Democratic Control of the Armed Forces and the International Committee of the Red Cross, released the *Host government engagement strategy tool* and *Host country security assessment guide* to help companies evaluate the security contexts in which they operate, identify challenges, and provide guidance on how to engage with the national security sector.
- In May 2017, IPIECA reissued its 2008 guidance *Creating successful, sustainable social investment*, to accompany the launch of three Practitioner Notes:
 - *Redefining key components of social investment*,
 - *Monitoring and evaluation of social investment*, and
 - *Social investment across the oil and gas project lifecycle*.

HEALTH

IPIECA, jointly with the International Association of Oil and Gas Producers (IOGP), works to encourage the adoption of new approaches which enhance the health outcomes of oil and gas industry employees and the communities in which they operate. This connects to the UN Global Compact's human rights principles through the right to a standard of living adequate for a person's health and well-being, as well as SDG goal 3 on good health and well-being.

Workshops and events

- In October 2016, IPIECA hosted a webinar on *IPIECA-IOGP Health management contract guidelines for clients and contractors*, which informed attendees that in the workplace an effective

health management system requires active and positive collaboration between operators and contractors, to avoid loss of life, health-related accidents, injuries and illnesses.

- In November 2016, IPIECA attended the European Commission *Technical workshop on public health impacts and risks resulting from hydrocarbons exploration and production*, in Brussels, Belgium.

Sector-specific tools and resources

IPIECA and IOGP have collaborated to publish the following documents:

- *Health impact assessment. A guide for the oil and gas industry* (published March 2016) which defines and outlines the purpose and value of health impact assessments within the oil and gas industry, and details a six-step health impact assessment implementation process.
- *Health leading performance indicators report* for 2015 and 2016 data (published May 2016 and May 2017) which gauge the health performance of more than 20 IPIECA and IOGP member companies.
- *Infectious disease outbreak management. A programme manual for the oil and gas industry* (August 2016) which offers guidance for the prevention, identification and control of infectious disease outbreaks in locations where the oil and gas industry operates. It also provides advice on reviewing lessons learned to enable continuous improvement in the management of infectious diseases.
- *Vector-borne diseases: Chikungunya and Zika virus* (September 2016), an annex to the *Vector Borne Diseases Management guide*. It describes the signs and symptoms, transmission, diagnosis, distribution and treatment of the diseases.
- *Oil and gas contractor drug and alcohol testing guidelines* (December 2016) which provide a compendium of programme elements that can be used to deter the use or misuse of drugs and alcohol in the workplace.
- *Multiple casualty planning and preparation checklist* (March 2017), a practical form of guidance which aids medical and operational personnel to assess and improve preparedness for medical emergency responses.
- *Medical facilities assessment: Checklist for medical professionals in the oil and gas industry* (September 2017) which helps companies to assess the medical facilities available in the locations where they are operating, to ensure that they can provide optimal health care for their workers.

CLIMATE AND ENERGY

IPIECA brings together experts to work on issues such as greenhouse gas (GHG) emissions, energy efficiency and reducing the impact of fuel emissions. IPIECA's climate change group helps the oil and gas industry address climate risks while it works to meet the increasing demand for energy. Its practical actions help to support the UN Global Compact's environment principles as well as the SDGs, such as goal 7 on access to affordable and clean energy and goal 13 on climate action.

Workshops and events

- Throughout 2016 and 2017, IPIECA continued to engage its members and other interested parties through online webinars and workshops. For example, webinars were held on *carbon pricing*, *low-emissions pathways*, and *the role of carbon capture and storage*.
- Since January 2016, IPIECA has attended numerous events to engage in ongoing dialogue and learning and provide expertise on relevant subject matters. For example, IPIECA attended COP-22 and COP-23 as an official observer. In 2016, it hosted a side-event where it launched *Exploring-low emissions pathways* and held a panel discussion exploring potential pathways to meet a low-emissions future. In 2017, it hosted a side-event, entitled *Making CCS fly* which helped to raise understanding and help inform constructive discussion on carbon capture and storage.
- In March 2016, IPIECA attended the *World Energy Outlook 2016 Special Report Workshop: Energy and Air Quality*, in Paris, France.
- In May 2016 and 2017, IPIECA attended the Bonn Climate Change Conference held by the United Nations Framework Convention on Climate Change (UNFCCC) in Bonn, Germany.
- In April 2017, IPIECA held an *Addressing adaptation roundtable* in Houston.

- In September 2017, IPIECA hosted a workshop on *Carbon capture and storage* in Sunbury-on-Thames, UK.

Sector-specific tools and resources

- In June 2016, IPIECA released *Estimating petroleum industry value chain (Scope 3) greenhouse gas emissions*. This good practice resource provides an overview of methodologies, informing oil and gas companies on value chain GHG emissions estimation and approaches.
- In November 2016, IPIECA released *Exploring low-emissions pathways: Advancing the Paris Puzzle*. This publication builds on the Paris Puzzle (2015) and provides a perspective on the common elements and enablers of pathways to meet a low-emissions future.
- In July 2017, IPIECA released *Climate change reporting framework: Supplementary guidance for the oil and gas industry on voluntary sustainability reporting*. IPIECA created this reporting framework for oil and gas companies to publicly disclose climate change-related risks and actions in a simple, straightforward and transparent manner, that offers a broad coverage of the issues and provides a consistent reporting methodology. This 2017 update incorporates stakeholder feedback on the pilot framework published in 2016 and serves as a supplement to *The Oil and gas industry guidance on voluntary sustainability reporting* (3rd Edition), published by IPIECA, American Petroleum Institute (API) and IOGP in 2015.
- In August 2017, IPIECA and UN Environment released a report outlining the main discussions and findings from its joint workshop, *Oil and gas in a carbon constrained world: perspectives, challenges, and opportunities*, which took place in April 2017. The report highlights some of the opportunities and challenges to decarbonize the transport sector, the importance of reducing emissions from agriculture and land use, as well as managing methane emissions alongside CO₂.
- In December 2017, IPIECA released a technical report, *GHG emissions and cost of carbon abatement for light-duty road vehicles* - a compare and contrast analysis of three comprehensive and independent studies published in the United States and Europe. This report assesses a wide range of current and future vehicle/fuel pathways, including costs and complete lifecycle GHG emissions. It describes the similarities and differences in assumptions and results among the three studies and addresses ranges of uncertainty. Despite some regional differences, this work finds that the conclusions from the three sourced studies are similar and points to the cost of carbon abatement (\$/tonne CO₂e) as a useful metric to compare different vehicle/fuel pathway technology options.

ENVIRONMENT

IPIECA promotes environmentally responsible operations across the oil and gas sector whilst its member companies continue to meet society's demands for fuels and petroleum products. IPIECA convenes industry and stakeholders to work on issues across the environmental spectrum, including oil spill preparedness and response (see next section), biodiversity and ecosystem services (BES), and water management. Its practical actions help to support the UN Global Compact's environment principles as well as the SDGs, such as goal 14 on life below water, goal 15 on life on land and goal 6 on clean water and sanitation.

Workshops and events

- Throughout 2016 and 2017, IPIECA continued to engage its members and other interested parties through online webinars and workshops. For example, IPIECA launched a series of peer to peer training workshops on BES Management in the oil and gas industry, in collaboration with IOGP and the United Nations Environment Programme World Conservation Monitoring Centre. The third of which was hosted by PTTEP in November 2016, in Bangkok, Thailand, to help its members and the wider industry improve their BES issue management.

- Since January 2016, IPIECA has attended numerous events to engage in ongoing dialogue and learning and provide expertise on relevant subject matters. For example, in 2016 and 2017, IPIECA attended the United Nations Environment Assembly in Nairobi, Kenya, under the overarching theme of *Delivering on the environmental dimension of the 2030 Agenda for Sustainable Development*, and under the theme of *Pollution*, respectively. IPIECA presented to the side event during UNEA 3 'Taking action to reduce pollution in the extractives sector' on the oil spill preparedness and response work.
- In 2016 and 2017, IPIECA attended *World Water Week* in Stockholm, Sweden, to continue progress on water management for the oil and gas industry. In 2016, IPIECA held a side event called, *A vision for water in the oil and gas sector*, outlining IPIECA's recent work to develop a vision for the industry's water management through to 2030. In 2017, IPIECA presented on the work on produced water reuse at the side-event *on Industrial water re-use: a step towards circular economy along with WBCSD, P&G and Shell*.
- In 2016 and 2017, IPIECA attended the *Alliance for Water Stewardship (AWS) Global Water Stewardship Forum*, in Edinburgh, Scotland; which provided the opportunity to advance the understanding and impact of AWS Water Stewardship, a framework which helps major water users understand water use and impacts, and further collaboration on sustainable water management.
- In April 2016, IPIECA attended the *Sustainable Extractives Forum: How to manage risk and navigate uncertainty*, which focused on solutions and strategy; highlighting innovative practice across the extractives sector in managing risk and creating shared value.
- In June 2016, IPIECA hosted the 11th UN Environment *Partnership for Clean Fuels and Vehicles meeting* in London. During the two-day meeting, participants had the opportunity to discuss progress towards achieving the lead phase-out in gasoline and fuel desulphurization campaigns.
- In September 2016, IPIECA attended the *International Union for Conservation of Nature World Conservation Congress Business and Biodiversity Forum*, leading a session which highlighted IPIECA's work developing and sharing good practices and practical tools with ICMM and the Equator Principles Association as part of the Cross-Sector Biodiversity Initiative.
- In November 2016, IPIECA attended the *EU Business and Biodiversity Annual Conference and Natural Capital - Let's talk business* at The Hague, The Netherlands.
- In March 2017, IPIECA attended the *European Shipping Week DNV-GL Conference* and the *Danish Environmental Protection Agency Marine Fuels Conference*.
- In November 2017, IPIECA attended the *World Forum on Natural Capital* in Edinburgh, Scotland.
- In December 2017, IPIECA attended the *34th Session of the United Nations Sub-committee of Experts on the Globally Harmonized system of classification and labelling of Chemicals*, in Geneva, Switzerland.

Sector-specific tools and resources

- In April 2016, IPIECA and IOGP launched the *Biodiversity and ecosystem services fundamentals: Guidance document for the oil and gas sector* at the HSSE-SR SPE Conference in Stavanger, Norway. The guidance draws on all previous BES work to provide accessible, informative and thorough guidance for the management of BES impacts, dependencies risks and opportunities in the oil and gas sector.
- In April 2016, they also released the online *Water risk assessment e-learning training course*, which supports the 2015 World Business Council for Sustainable Development *Global Water Tool*. The course is designed to extend uptake and implementation of the water tool by members and the wider industry, and help companies to effectively, efficiently, and easily monitor, assess and manage water risks.
- In 2016, the IPIECA Water Working Group finalised a (*members only*) water visioning report, to help develop IPIECA's longer term approach to water management and to raise awareness of the future challenges in water management that could emerge by 2030.
- In June 2017, IPIECA released *Water management in shale oil and gas. IPIECA awareness briefing* which explains the water life cycle in shale operations and water quality, communicates industry practices, and directs readers to additional learning resources.

- In December 2017, IPIECA released *Produced water re-use: Opportunities and constraints (members only)*.
- Between 2016 – 2017, the IPIECA BES Working Group and Water Working Group has undertaken (*members only*) 18 month long-term monitoring project, to understand the current developments in the world of natural capital and water valuation.

OIL SPILL

IPIECA continues its long-standing partnership with the International Maritime Organization (IMO) through the Global Initiative, which brings together industry and governments to enhance oil spill preparedness and response. IPIECA also continued its partnerships with IOGP working collaboratively on a Joint Industry Project on Oil Spill Response (OSR-JIP), which concluded in 2017, resuming its work within the IPIECA Oil Spill Group.

Workshops and events

- IPIECA continues to attend and support many UN related events, such as the IMO's *Marine Environment Protection Committee (MEPC) meetings* and the *Sub-Committee on Pollution Prevention & Response (PPR) meetings*. IPIECA was particularly proactive during the Society of Petroleum Engineers Asia-Pacific Health, Safety Security Environment and Social Responsibility Conference held in April 2017 in Kuala Lumpur, Malaysia where The Oil Spill Response – Joint Industry Project (OSR-JIP), and Oil Spill Response Limited shared a stand for the associated exhibition and gave numerous presentations.
- In January 2017, IPIECA sponsored and took part in an exhibition which was on display until July 2017 to mark 50 years of government and industry working together to address the risk of oil pollution from ships at the IMO headquarters in London, UK.
- In April 2017, IPIECA sponsored and participated in the *10th biennial International Chemical and Oil Pollution Conference and Exhibition*, Asia's leading conference focusing on preparedness and response strategies for oil and chemical spills.
- In May 2017, IPIECA attended the largest oil spill conference of the year, the *International Oil Spill Conference and Exhibition* in Long Beach, USA, which saw nearly 2,000 delegates network, present, and exhibit on preparing for and responding to oil spills. IPIECA held a breakfast briefing and participated in the closing panel session of the conference.
- They also attended the *OSPAR Commission Meeting* and the *Helsinki Commission* delegates meeting to present on *Spill Impact Mitigation Assessment* in Norway and Finland respectively.

Sector-specific tools and resources

- During 2017, IPIECA completed the work of the Oil Spill Response JIP, a project which resulted in the development of ground-breaking new guidance on oil spill response with over 20 good practices and technical documents produced. The results are available the IPIECA website. Many of the documents are translated into French, Spanish, Russian, Brazilian Portuguese, German and Italian.
- In addition to the JIP project work, the IPIECA Oil Spill Group produced three new documents on:
 - Oiled Wildlife Care standards
 - Dispersant storage and maintenance
 - Spill Impact Mitigation Assessment (SIMA)

SUSTAINABLE DEVELOPMENT GOALS

IPIECA partnered with the United Nations Development Programme (UNDP) and the International Finance Corporation (IFC) to develop a shared understanding of the implications of the UN SDGs for the oil and gas industry and how the industry can most effectively contribute.

Workshops and events

- In September 2016, IPIECA attended the *DNV-GL UN Sustainable Goals Event* in London, UK on how leading companies are addressing the SDGs and the opportunities and challenges of integrating the SDGs into core business strategies and innovation processes.
- Throughout 2017, IPIECA engaged its members through online webinars and workshops. For example, IPIECA held a workshop to support members' understanding of how the industry can contribute to the SDGs and implement the goals into business and held a webinar *Introducing the SDGs Atlas*.
- In July 2017, IPIECA attended the *High-level Political Forum* in New York, USA to launch *Mapping the oil and gas industry to the Sustainable Development Goals: An Atlas* and present at the Business Forum on SDG 17: Partnerships for the Goals.
- In September 2017, IPIECA hosted a side event at the UN General Assembly on, *The oil, gas and mining industries and the 2030 Agenda: Partnerships and participation to accelerate progress*, which examined how partnerships and participation can enhance the industry's contributions to the SDGs. IPIECA also attended the United Nations Economic Commission for Europe *Committee on Sustainable Development* in Geneva, Switzerland.

Sector-specific tools and resources

- In July 2017, IPIECA, UNDP and IFC released *Mapping the oil and gas industry to the Sustainable Development Goals: An Atlas*, as well as an additional executive summary, at the *UN High-level Political Forum* in New York, USA. It explores the links between the oil and gas industry and the SDGs and seeks to facilitate a shared understanding of how the industry can most effectively support the achievement of the SDGs.

SUPPLY CHAIN

Workshops and events

- In January 2016, IPIECA launched *Supply chain library of questions and resources*, an internal document which helps procurement practitioners and those engaged in supply chain to identify and manage labour and workplace human rights and environmental risks in the oil and gas industry.
- In November 2016, IPIECA developed the 'supply chain monitoring tracker', an awareness tool for members that includes regulations, trends, external frameworks and initiatives that may impact the oil and gas supply chains. This has been reviewed and updated on yearly basis.