



United Nations Global Compact: Ipieca's Communication on Engagement 2022

EXECUTIVE STATEMENT OF CONTINUED SUPPORT

Ipieca is the global oil and gas association dedicated to advancing environmental and social performance across the energy transition. It brings together members and stakeholders to lead in integrating sustainability by advancing climate action, environmental responsibility and social performance across oil, gas and renewables activities. It was established in 1974 at the request of the United Nations Environment Programme (UNEP) to develop a shared industry response to environmental and social issues.

Our non-lobby status has enabled us to remain the industry's principal channel of engagement with the United Nations, to build trusted relationships throughout the UN system, and develop impactful partnerships across the IGO, NGO and academic worlds.

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 developing, sharing and promoting good practice and knowledge to help the industry improve its environmental and social performance.

In 2022, Ipieca launched membership principles for our members as a new condition of membership. These Ipieca Principles are grouped under the association's four strategic pillars of climate, nature, people and sustainability. Each thematic area includes two principles: the first provides support for a United Nation's convention or initiative; the second is designed to advance the environmental and social performance of Ipieca member companies' operations.

Ipieca's Communication of Engagement (COE), describing key examples to support the UNGC, are detailed below and referenced documents attached for download.

Yours Sincerely,

A handwritten signature in black ink, appearing to read "B. Sullivan".

Brian Sullivan

IPIECA Executive Director

PRACTICAL EXAMPLES OF IPIECA'S ENGAGEMENT

With its broad scope and knowledge base across climate, environmental and social issues and a membership that includes companies making significant investments in alternative energy technology, Ipieca is uniquely positioned to make a positive contribution to environmental and social good practice across the energy transition and to promote the Principles of the UN Global Compact on a global scale.

Ipieca publishes every year an [Annual Review](#) providing a detailed overview how Ipieca's main working groups and task forces have helped contribute towards the realisation of Ipieca's vision 'To advance the oil and gas industry's environmental and social performance and contribution to the energy transition in the context of sustainable development'.

In 2021 alone Ipieca has published 19 good practice guidance documents, produced over 30 webinars, participated in over 30 international conferences and events, hosted 13 virtual workshops, and continued to expand its global membership to 74 companies.

Below are essential documents recently published along Ipieca's four strategic pillars of climate, nature, people and sustainability.

CLIMATE

FLARING MANAGEMENT GUIDANCE FOR THE OIL AND GAS INDUSTRY

Ipieca supports the aims of the World Bank's Global Gas Flaring Reduction partnership's (GGFR) 'Zero routine flaring by 2030' initiative, which brings together governments, oil companies and development institutions who recognize the flaring situation is unsustainable from a resource management and environmental perspective, and who agree to cooperate to eliminate routine flaring no later than 2030.

In February 2022, Ipieca, in collaboration with IOGP and GGFR, released an updated Flaring management guidance, which outlines new developments in flaring management and reduction, and examines industry experiences with eliminating flaring, new technologies, business models, operational improvements and regulatory policy. It also features case studies and examples of positive change.

More details: <https://www.ipieca.org/our-work/climate/emissions-management/flaring-management-guidance/>

EXPLORING LOW-EMISSIONS PATHWAYS

The oil and gas industry must be a key part of the climate change solution. Since the Paris Agreement was made in December 2015, Ipieca has continued to work on the topic of low-emissions pathways, publishing awareness briefings to enhance members' understanding of the topic, holding workshops exploring technologies and perspectives on low-emissions futures.

Key documents in this series are

- [Exploring low-emissions pathways: Advancing the Paris Puzzle.](#)
- [Exploring low-emissions pathways for transport](#)
- [Hydrogen: enabling the energy transition and the pathways to net-zero emissions](#)

THE ROLE OF CARBON OFFSETS IN GREENHOUSE GAS MITIGATION AND ENHANCED AMBITION

IPIECA hosted a two-day workshop in Kuala Lumpur, Malaysia to convene the industry and its key stakeholders with the aim of building consensus and enhancing understanding of the importance, challenges and opportunities of carbon offsets as part of a broader carbon mitigation strategy. A carbon offset is a reduction in emissions of carbon dioxide (CO₂) or greenhouse gases (GHGs) made to compensate for an emission made elsewhere. This often takes the shape of a project with a carbon benefit which takes place elsewhere, such as forestry and land-use management or energy efficiency projects.

Link to the workshop summary: <https://www.ipieca.org/resources/workshop-report/the-role-of-carbon-offsets-in-greenhouse-gas-mitigation-and-enhanced-ambition/>

NET-ZERO EMISSIONS: STAKEHOLDERS ROUNDTABLE / GLOSSARY OF TERMS

The concept of net-zero emissions is a key element of the discussion around low-emission pathways and the energy transition required to meet the aims of the Paris Agreement. Ipieca has coordinated a range of internal and external activities in order to:

- enhance members' understanding of the topic of net-zero emissions;
- assist members in setting their own net-zero commitments; and
- showcase investor, stakeholder, regional and industry perspectives, e.g. in a roundtable discussion

Ipieca has developed 'Net-zero emissions: Glossary of terms' to support the oil and gas industry and other stakeholders in the use of consistent terminology around net-zero emissions. The definitions used in this glossary are based upon those which have been observed in the public domain, including academic papers, industry experience and member companies' experts.

Link to the stakeholders roundtable summary: <https://www.ipieca.org/resources/webinars/zigzag-to-zero-positive-pathways-to-paris-an-industry-investor-and-civil-society-roundtable/>

Link to the glossary of terms: <https://www.ipieca.org/resources/awareness-briefing/net-zero-emissions-glossary-of-terms/>

NATURE

NATURAL CLIMATE SOLUTIONS: HIGH CARBON STOCK ECOSYSTEMS MANAGEMENT GUIDANCE

Ipieca and the Oil and Gas Climate Initiative (OGCI) have published this guidance on natural climate solutions (NCS) management in order to support energy companies in their efforts to conserve, enhance and restore the high carbon stock ecosystems in which they operate.

NCS management is a cost-effective climate mitigation option for companies to support the goals of the Paris Agreement. This document complements and should be used in conjunction with existing guidance documents, especially Biodiversity and ecosystem services fundamentals was published in 2016. This guidance on NCS management focuses more closely on carbon sinks and carbon stock baselines assessment within the context of oil and gas industry operational sites.

This document is the first in a series of guidance exploring NCS in detail that will be relevant to stakeholders as well as oil and gas industry professionals at both operational and strategic levels.

Link to the document: <https://www.ipieca.org/resources/good-practice/natural-climate-solutions-high-carbon-stock-ecosystems-management/>

WATER MANAGEMENT FRAMEWORK

Ipieca's water management framework is a risk-based, continuous improvement process to water management, which can be applied across any local hydrological, environmental, social-economic and regulatory setting. It facilitates an integrated approach to water resources management and can also be used as a communication tool with external stakeholders on how the industry is managing and protecting water resources. The framework takes a holistic view across the value chain and promotes a collaborative approach to identify and understand potential impacts on ecosystem services and the needs of other users.

Link to the document: <https://www.ipieca.org/resources/good-practice/water-management-framework/>

A GUIDE TO DEVELOPING BIODIVERSITY ACTION PLANS

This guidance is designed to help health safety environment/sustainable development (HSE/ SD) professionals - those involved in environmental management for project planning - to develop biodiversity action plans (BAPs) for their activities and projects in the oil, gas and alternative energy sector. BAPs are a systematic approach to biodiversity management that can help companies contribute to 'nature positive' aims. This guidance provides the general process steps recommended to be used in preparing and implementing a BAP.

The different ways in which companies have approached each of these steps are explored in a number of case studies that reflect a range of environmental, social and operational settings and project types, including renewable energy projects.

Link to the document: <https://www.ipieca.org/resources/good-practice/a-guide-to-developing-biodiversity-action-plans/>

PEOPLE

HUMAN RIGHTS DUE DILIGENCE GUIDANCE

Ipieca's human rights due diligence guidance explains how oil and gas, and alternative energy companies can build respect for human rights into business processes and practical 'on the ground' actions. The guidance summarises Ipieca member companies' shared experiences of developing and implementing human rights due diligence (HRDD) processes. It is an extensive revision of Ipieca's first HRDD guidance, published in 2012.

The guidance is aligned with the UN Guiding Principles on Business and Human Rights (UNGPs), which describes what businesses should do to 'know and show' that they respect human rights.

It clarifies companies' responsibility to respect human rights, illustrates how HRDD fulfils this responsibility, and offers practical insights on planning, implementation and communicating performance, using and adapting existing processes where feasible.

In common with other work by Ipieca, the guidance is aligned with the 2030 Agenda for Sustainable Development.

Link to the document: <https://www.ipieca.org/resources/good-practice/human-rights-due-diligence-guidance/>

JUST TRANSITION LITERATURE REVIEW

Ipieca is supporting the oil and gas industry's participation in international collaboration to transition to a low-carbon future in a way that is just and fair for workforces, communities and consumers.

The Just Transition literature review provides insights into the just transition concepts, definitions and priorities of a range of organizations.

Link to the document: <https://www.ipieca.org/resources/awareness-briefing/just-transition-literature-review/>

LABOUR RIGHTS RISK IDENTIFICATION IN THE SUPPLY CHAIN

Ipieca's 'Labor rights risk identification in the supply chain' provides guidance for companies on how to identify labour rights risks in their supply chains.

Risk identification is a key step in conducting effective human rights due diligence. By identifying actual or potential labour rights risks in the supply chain, companies can assess and manage these risks through mitigation and remediation measures.

The scope of this guidance focuses specifically on labour rights risks to workers in the supply chain. By asking the right questions and considering the key areas of risk at the start of supplier relationships, a company can build, where necessary, an appropriate labour rights risk management plan, considering the company's responsibilities towards its workers.

Link to the document: <https://www.ipieca.org/resources/good-practice/labour-rights-risk-identification-in-the-supply-chain/>

HEALTH RISK ASSESSMENT AND MANAGEMENT

This report addresses the incorporation of health risk management and its wider management in a company's business and HSE management system, as well as the application of the HRA and management process for all activities and health hazards within the oil and gas industry. The Report is presented primarily from the perspective of field operations and projects in upstream activities; however, the underlying principles of health risk management are equally relevant to any operation type, such as midstream and downstream activities, office locations, and contractor activities that support these operations. There is an accompanying Compendium containing useful tools and good practices.

Link to the document: <https://www.ipieca.org/resources/good-practice/health-risk-assessment-and-management/>

SUSTAINABILITY

SDG ROADMAP FOR THE OIL AND GAS SECTOR

One of the key documents which Ipieca has published in 2021 together with WBCSD (World Business Council for Sustainable Development) is the SDG Roadmap for the oil and gas sector. The Roadmap identifies how Ipieca, as an industry association, and oil and gas companies working within the sector, can work towards a low-emissions future while contributing to a healthier and more prosperous world aligned with the 2030 Agenda for Sustainable Development.

The Roadmap builds on the foundations of the 2017 Ipieca-UNDP-IFC Mapping the oil and gas industry to the Sustainable Development Goals: An Atlas (the Atlas), by presenting a series of impact

opportunities which focus on where the sector can maximise its contributions to the Sustainable Development Goals (SDGs). These impact opportunities involve scaling up good practices in environmental and social performance and building on innovative partnerships, while recognising the importance of the energy transition in the world's aim to achieve net-zero emissions under the Paris Agreement.

The Roadmap includes actions for Ipieca and companies within the sector to help guide, inform and influence decision-making within their businesses.

It is part of Ipieca's ongoing effort to align the sector around the SDGs. Ipieca will continue to coordinate with industry bodies and form new alliances and partnerships to support the sector in realising the impact opportunities identified in this Roadmap.

While the Roadmap is mainly focussed on the SDGs it also supports the Ten Principles of the UN Global Compact.

More info: www.sdg-roadmap.org

MEASUREMENT OF OUTCOMES

Ipieca is acting as a convenor and integrator, to share knowledge and good practice to a wide industry audience and beyond.

A good example of measurement of outcomes is the implementation of the SDG Roadmap. In a first [progress report](#) published in Summer 2022 Ipieca highlights some of the progress that has been made towards implementing the Roadmap.

- The Roadmap and its related resources have been downloaded over 4,900 times from the Ipieca website
- The Roadmap summary has been translated into Arabic, Chinese, English, French, German, Portuguese and Spanish
- Ipieca completed three deep-dive sessions with members across the themes of the Roadmap (climate, nature, people) to see how best to implement impact pathway actions
- 29 of 46 Ipieca actions are in progress
- 34 Ipieca member companies have set net-zero ambitions by 2050 for Scope 1 and 2 emissions
- Ipieca has continued to strengthen its collaborative work with external stakeholders
- Ipieca contributed to global SDGs events, including the UN High Level Political Forum and an SDG panel event hosted by the World Petroleum Congress