# ipieca

# **Annual Review**

Advancing environmental and social performance across the energy transition



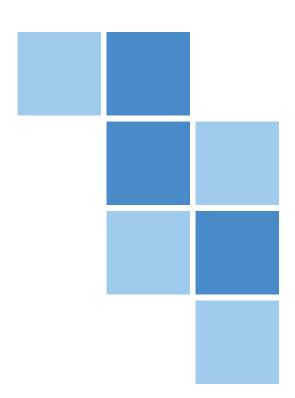


### · (a) - ABOUT THIS REVIEW

The theme of the 2021 review is 'Advancing environmental and social performance across the energy transition'.

It reflects how Ipieca is uniquely positioned to advance environmental and social performance to support the oil, gas and alternative energy industry's contribution to a net-zero future in the context of sustainable development.

Through convening members, developing impactful partnerships and engaging with external stakeholders, lpieca develops, shares and promotes good practice related to climate, nature, people and sustainability to support the energy transition and accelerate action to achieve the UN Sustainable Development Goals.



### About Ipieca

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 mainstreaming sustainability by advancing climate action, environmental responsibility and social performance across oil, gas and renewables activities.

Ipieca was founded at the request of the United Nations Environment Programme in 1974. Through its non-lobby and collaborative approach Ipieca remains the industry's principal channel of engagement with the UN.

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# Chair's statement

Ipieca and its members are working with key stakeholders in UN, civil society and academic institutes on the interconnected issues of climate, nature, people and sustainability. Together we are contributing to a net-zero future and a healthier more prosperous world for all.

As world leaders gathered at COP26 in Glasgow to push for greater ambition and action on climate change, many parts of the globe were gripped by an energy crisis, highlighting the dual challenge of the energy transition: staying on course for a net-zero future while also providing the world with the energy it needs.

lpieca is committed to playing its part in that challenge. In 2021, we launched a new vision and strategy, which builds on our core role of advancing environmental and social performance to also support the oil, gas and alternative energy industry's contribution to a net-zero future in the context of sustainable development.

Collaboration is driving our strategy. We bring together experts from our member companies, the UN, civil society and academic institutes around the interconnected

issues of climate, nature, people and sustainability, enabling them to work on these issues in a holistic way. And we're seeing results already. Throughout the annual review you'll find examples of how we're working with members and stakeholders to support a net-zero future, mainstream biodiversity, enable a just transition and

The progress we've made on our vision and strategy during 2021 is a testament to the power of partnerships.

accelerate SDG action.

Tackling climate change in a way that leaves no one behind is one of the most complicated challenges facing us, however, I believe that it is one that the world can and will achieve.

Working together we can create a net-zero future while contributing to a healthier, more prosperous world for all.

### **FINANCIAL SUMMARY**

€ '000' €	Budget	Actual
Income	2,148	2,342
Staff costs	1,360	1,576
Rent & services	419	423
Travel	100	22
Working groups & meetings	675	481
Total expenditure	2,554	2,501

The plan in 2021 was to draw down reserves to enable implementation of a one-off 25% discount in the membership fee. The amount of drawdown was reduced by improved income from growth in membership and expenditure below budget. Staff costs increased as the organisation responded to changes in demand, while the cancellation of the 2021 Ipieca Week was the main contributor to the underspend on working groups and meetings.



# **Executive Director's foreword**

We have made a strong start to the first year of our 2021-2024 strategy. We launched new task forces, developed a wide range of good practice, hosted cross-sector workshops and contributed to key UN events in support of our vision to advance the industry's environmental and social performance and contribution to the energy transition and sustainable development.

2021 has been one of the most significant years during my time at Ipieca, and one of the busiest.

At the beginning of the year we launched our 2021–2024 strategy. Built around the strategic pillars of climate, nature, people and sustainability, it provides a platform for members and stakeholders to work together on these interconnected issues, advance environmental and social good practice across the energy transition and support the 2030 Agenda for Sustainable Development.

The Ipieca-IOGP-GGFR Flaring management guidance is a good example of our strategy in action. It supports oil and gas companies to reduce operational emissions by providing a framework to eliminate routine flaring and instead use the gas as an energy resource to drive sustainable development.

COP26 was a key event for Ipieca. Ahead of it we ran a workshop, jointly with OGCI, with representatives from the industry and the hard to abate sectors to explore cross-sector opportunities to reduce emissions. At Glasgow we held an event on technologies and practices the industry can use to contribute to a net-zero future.

Recognising the importance of nature to our strategy, our work has focused on protecting biodiversity and the role of nature in mitigation and adaptation to climate change. We participated in the first phase of the UN Convention

for Biological Diversity COP15 and have also signed a memorandum of understanding with IUCN.

In 2021 we launched the Alternative Energy Task Force. Making the most of our membership's growing experience in developing wind, solar and biofuels, the task force will be developing and sharing environmental and social good practice which can support these technologies to scale up sustainably.

The energy transition can be accelerated by ensuring its benefits are equally shared, while impacts are managed and mitigated. This year we launched a Just Transition Task Force to work with members, wider industry and UN agencies to help oil and gas companies to better understand their role in supporting the just transition.

In partnership with WBCSD, we launched the *SDG Roadmap* which identifies 90 actions across the thematic areas of climate, nature and people which lpieca and the industry can take to accelerate the realisation of the SDGs. We are now in implementation mode and are making good progress on our <u>Roadmap journey</u>.

I am proud – and excited – by the strategic direction lpieca has taken. I look forward to continuing to work with members and stakeholders to advance the industry's environmental and social performance and contribution to the energy transition and sustainable development agenda.

Ipieca's 2021–2024 strategy provides a platform for members and stakeholders to advance environmental and social good practice across the energy transition and support the 2030 Agenda for Sustainable Development.

Brian Sullivan
Executive Director

# SDG Roadmap: one year on

The implementation of the Roadmap is proving to be an integral part of the oil and gas industry's progress towards the SDGs. In a time when direct action is needed more than ever, the Roadmap provides a great framework to plan and evaluate contributions to social, environmental and climate goals.



Mar Granados Calatrava – Sustainability Strategy and Coordination Manager, Repsol In April 2021, Ipieca and the World Business Council for Sustainable Development (WBCSD) published Accelerating action: an SDG Roadmap for the oil and gas sector (Roadmap), which identifies actions Ipieca and the oil and gas sector can take to accelerate the realization of the UN Sustainable Development Goals (SDGs).

Marking a year since its launch, we highlight some of the progress Ipieca has made towards implementing the Roadmap.



# Since the Roadmap was launched...

- The Roadmap and its related resources have been downloaded over 4,000 times from the lpieca 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
- 25 of 46 lpieca actions are in-progress
- > 30 Ipieca member companies\* have set net-zero targets 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

\*as of March 2022

The Roadmap identifies eight impact opportunities for the oil and gas sector and lpieca to maximise their contributions to achieving the SDGs.

The following table summarises the eight impact opportunities:

Theme	Impact opportunity
CLIMATE	1 Policy and partnerships   Promote effective policies and partnerships that support innovation and deployment of technologies and activities needed to transform the energy system and build climate resilience
	Innovation   Invest in technology and innovation that will enable low-carbon energy products and solutions
	Operations   Advance emissions reduction initiatives for own operations in support of the aims of the Paris Agreement
NATURE	4 Resources management   Responsibly manage resources to support a circular economy
	5 <b>Biodiversity, land and water stewardship</b>   Conserve, restore and promote biodiversity and ecosystems services
PEOPLE	6 Governance and transparency   Support governments in achieving the SDGs by aligning priorities and accelerating action
4	7 Communities   Foster individual and community prosperity around own activities, including advancing sustainable development, livelihoods, good health and well-being
	8 <b>Thriving workforce</b>   Provide productive employment, championing worker health, safety and well-being across the supply chain

The Roadmap provides a key framework for the implementation of Ipieca's 2021–2024 strategy around three strategic themes: climate, nature and people, each with its own impact pathways and corresponding short, medium and long-term actions.

The traffic light system (right) illustrates the status of the Ipieca impact pathways after one year. Please refer to the Roadmap for more information on the corresponding impact pathway.

# Status of Ipieca impact pathways

The Roadmap actions for Ipieca and the sector are embedded into the Ipieca 2022 Business Plan. Examples are given below.





Impact pathway 1: Lead engagement on behalf of the membership with the UN, including participation in the UNFCCC, IPCC, UNEP, ICAO, IMO and dialogue with key stakeholders in support of the Paris Agreement and the subsequent transformation of the energy system

Ipieca participated in COP26, organizing a side-event on the crucial role of technology and partnerships to support the industry's contribution to a net-zero future. Ipieca has also obtained observer status at ICAO and has started contributing technical inputs to its sustainable and lower-carbon aviation fuels workstreams.

Impact pathway 23: Convene and disseminate knowledge and good practices for oil and gas companies in the area of net-zero emissions as a key element of the energy transition and low-emissions pathways

Ipieca hosted a virtual roundtable session on net-zero emissions with the industry, investors and civil society, as well as launching a Net-zero glossary of terms and an awareness briefing on Hydrogen: enabling the energy transition and the pathways to net-zero emissions.

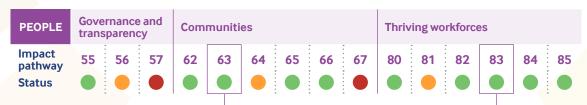


Impact pathway 30: Convene the industry to identify, promote and share good practices on how to manage effective environmental performances in operations, joint ventures and the supply chain

In September 2021, Ipieca launched *Guidelines* for health, safety, security, environment and social responsible governance in joint ventures.

Impact pathway 36: Lead the engagement with UN agencies (UNEP, UN CBD) and other stakeholders to support international progress on biodiversity, water and air quality

Ipieca is participating in preparatory events for the UN Convention on Biological Diversity COP15 and has been providing technical input to the development of the Post-2020 Biodiversity Framework.



Impact Pathway 63: Continue to develop operational guidance and tools to support company understanding and implementation of the goals of the UNGPs framework

Ipieca continued to engage with the UN Working Group on Business and Human Rights and proved its long-standing commitment to operationalize the UNGPs by launching the second edition of the Human rights due diligence guidance for the oil, gas and alternative energy industries.

Impact pathway 83: Lead industry collaboration and engagement with UN agencies and other stakeholders on the just transition

Ipieca formed a Just Transition Task Force, and working with members, wider industry, UN bodies and other stakeholders, has started exploring ways to help oil, gas and alternative energy companies to better understand their role in supporting the just transition.

### Looking forward Ipieca will...

- > Take part in Stockholm +50, demonstrating the sustainability commitment of the industry, using proof points from the Roadmap
- > Further develop working partnerships with external stakeholders
- > Release an extended report on the progress of the Roadmap in 2023
- > Produce guidance and tools to **further enable the industry to implement the Roadmap**
- Continue to use the Roadmap to convene the industry, drive collaboration and scale up action towards the SDGs and Paris Agreement

# Membership\*







































































































### South America











# Asia Pacific































# Middle East











# Africa







# Programme overview





ipieca



CLIMATE























### Workshops

Bringing together the oil and gas industry and UN, NGO, civil society and academic institutes

Participated at 30 + events



Represented the industry at over 30 international conferences and events



3,000 attendees 86 external speakers



**37** Partnerships and collaborations

with external stakeholders across the globe to enhance Ipieca's work

## **UN representation highlights**







- 1. Ipieca Executive Director Brian Sullivan takes part in the UNEP press conference marking the global end of leaded petrol.
- $2. \ Jim\ Herbertson, \ Ipieca\ Technical\ Director, \ moderates\ Ipieca's\ COP26\ side\ event\ on\ net-zero\ operations.$
- 3. TotalEnergies Steven Dickinson represents Ipieca at the first phase of the CBD COP15 on biodiversity.





4. NEW members





# Collaboration

Collaboration is at the heart of what Ipieca does. Ipieca works collaboratively with its members and stakeholders to produce and share good practice and knowledge across the industry and beyond, as well as contribute to UN multilateral initiatives.

In 2021, Ipieca continued to build partnerships with many stakeholders and facilitated the oil and gas industry's relationships with several UN bodies, inter-governmental organizations, academia and NGOs.

Throughout the year, Ipieca worked with new and existing stakeholders (see right). Some examples of our collaborative approach include:

- Signing a memorandum of understanding with the International Union for the Conservation of Nature
- Launching the SDG Roadmap with the World Business Council for Sustainable Development
- Obtaining observer status at the International Civil Aviation Organization
- Launching the *Flaring*management guidance with the

World Bank Global Gas Flaring Reduction Partnership and the International Association of Oil and Gas Producers

lpieca also convened and supported several multilateral and cross-sector initiatives including:

- Supporting the global phasing out of leaded petrol as a founding member of the UN Environment Programme Partnership for Clean Fuels and Vehicles
- Ipieca's multistakeholder and industry roundtable 'Zigzag to zero? Positive pathways to Paris'
- Supporting the UN Guiding Principles on Human Rights and its 10-year anniversary
- Ipieca-OGCI event exploring cross-sector opportunities to accelerate pathways to net-zero in the lead-up to COP26

- Supporting the Oil and Gas Methane Partnership 2.0 Framework and the Methane Guiding Principles
- Collaborating with the Cross-sector Biodiversity Initiative

This collaborative approach enables lpieca to scale up its impact and reach whilst continuing to provide leadership across oil, gas and renewables on advancing climate action, environmental responsibility, social performance and mainstreaming sustainability.

Moving forward, Ipieca and its members will continue to build alliances and form partnerships with key organizations to help strengthen the industry's contribution to sustainable development.



There is no longer any doubt that the oil and gas sector must urgently transition to a low carbon, nature positive future. IUCN looks forward to developing new knowledge and tools with lpieca that will not only improve environmental performance but will help facilitate rapid and substantive transformative change at the company level and beyond.

Stewart Maginnis - Deputy Director General, IUCN



Ipieca's work in 2021 involved collaboration with the following external stakeholders:



















































































In a world aspiring to net-zero greenhouse gas emissions, lpieca advances its members' contribution to the pathways to a resilient low-emissions future and upholds lpieca's position as part of the international dialogue on the energy transition.

### Climate

Ipieca supports the Paris Agreement and the decisions from the Conferences of the Parties (COPs) to the UN Framework Convention on Climate Change. These are important steps in global efforts to address climate change and the transition towards a global energy system with net-zero greenhouse gas emissions in the second half of this century.

Access to affordable, reliable energy is essential to building strong economies, eradicating poverty and improving the quality of life for everyone, consistent with the UN Sustainable Development Goals.

As an official observer to the UN Intergovernmental Panel on Climate Change, Ipieca ensures its members are informed of the latest climate science and energy policy. Ipieca works with members to explore and enable low-emission pathways, improve industry performance and help stakeholders understand the role of oil and gas in the energy transition.



### **HYDROGEN**

Hydrogen can play an essential role in enabling the energy transition, providing low-carbon energy for key economic drivers such as heavy industry, aviation and shipping.

Ipieca's awareness briefing <u>Hydrogen: enabling</u> the energy transition and the pathways to netzero emissions explores how hydrogen can play a key role in the energy transition. The briefing provides an overview of technologies and areas of application, exploring the different methods by which hydrogen will be produced and stored, as well as the opportunities for its use in industry, transportation and households.

#### Methane

The need to reduce methane emissions, a short-lived but potent greenhouse gas, was highlighted at COP26 in Glasgow in 2021, when over 100 countries signed the Global Methane Pledge, aiming to reduce methane emissions by 30% by 2030.

Ipieca continued to support the workplan of the Methane Guiding Principles partnership and explore the management of methane emissions. Jointly with the International Association of Oil and Gas Producers (IOGP), GIE and MARCOGAZ, Ipieca published a *Methane emissions glossary* which supports members, industry and stakeholders to understand the terminology of methane-related regulations and legislative processes. The glossary was translated into <a href="Chinese">Chinese</a>, enabling wider industry alignment on managing methane emissions from operations.

Ipieca also participated in a <u>four-part webinar series on</u> <u>methane alongside SPE Gaia, the Oil and Gas Climate</u> <u>Initiative (OGCI) and IOGP</u> which explored oil and gas organizations' efforts to reduce methane emissions.



### COP26

Ipieca has attended every COP since the inaugural event in 1995. COP26 was the most significant COP event since the landmark COP21 in Paris, when the world agreed to limit global warming to well below 2 degrees compared to pre-industrial levels.

Revised Nationally Determined Contributions and long-term greenhouse gas reduction strategies were announced at COP26. Early analyses indicate that if met in time and in full, these pledges, which cover about 90% of global emissions, could lead to a temperature increase of around 1.8-2.1 degrees by 2100.

At COP26, Ipieca held a side event on 'Contributing to a net-zero future' and participated in other organizations' events and meetings, including the Colombian government's event on 'The role of the hydrocarbon industry to achieve net zero'.

Watch the Ipieca COP26 side event recording\*

Following COP26, Ipieca held a <u>debrief webinar\*</u> covering the key messages and outcomes, and shared Ipieca's insights and assessments with members from monitoring the COP negotiations in Glasgow.





### Net-zero emissions

A large portion of the Ipieca membership have set net-zero targets. Ipieca convened a virtual roundtable, 'Zigzag to Zero? Positive pathways to Paris,' that explored industry, investor, civil society and regional perspectives on net-zero emissions and the energy transition.

Following a keynote introduction from the UN Environment Programme (UNEP), perspectives were heard from several bodies including:

- Allianz Investment Management
- Chatham House
- Ipieca
- OGCI
- Transition Pathway Initiative
- World Business Council for Sustainable Development
- World Economic Forum
- World Resources Institute

Download the summary report

Download the graphic recording

Ipieca also published <u>Net-zero emissions: glossary of terms</u>, to support the industry and other stakeholders in using consistent terminology around net-zero emissions.

# Fuels and products

Ipieca monitors and contributes to international fuels and products developments relating to technical, health, safety and environmental issues impacting or impacted by global fuels specifications and product quality.

### Emissions from aviation and shipping

Ipieca continued to support and engage with International Maritime Organization (IMO) and International Civil Aviation Organization (ICAO) initiatives that aim to significantly reduce greenhouse gas emissions in international shipping and aviation.

For over 35 years, Ipieca has been an official observer at the IMO, providing technical inputs as required. Last year Ipieca submitted a technical paper on life cycle assessment frameworks to the IMO's Intersessional Working Group on greenhouse gas emissions, to aid discussion around the benefits of sustainable shipping fuels.

Ipieca obtained official observer status at the ICAO in 2021, which will increase its ability to monitor and communicate to members the developments across the aviation greenhouse gas mitigation landscape, in particular on the provision of sustainable and low-carbon aviation fuels.



### THE GLOBAL END OF LEADED PETROL

2021 marked the end of leaded petrol worldwide. This development follows an almost two-decades-long campaign by the UNEP-led global Partnership for Clean Fuels and Vehicles (PCFV), of which Ipieca is a founding member.

Working with UNEP PCFV, Ipieca has assisted the oil and gas industry in implementing downstream strategies and resources supporting the total phasing out leaded gasoline worldwide. Banning the use of leaded petrol has been estimated to prevent more than 1.2 million premature deaths per year, increase IQ points among children, save USD 2.44 trillion for the global economy and decrease crime rates.



Ipieca Executive Director Brian Sullivan joins UNEP Executive Director Inger Andersen at the UNEP press conference marking the global end of leaded petrol











Preserving the natural environment is key to achieving sustainable development. Ipieca enables its members to advance the protection of the natural environment and minimise and mitigate risks and impacts from operations and products.

### **Environment**

Ipieca covers environmental topics associated with oil, gas and alternative energy operations. This work allows Ipieca to identify risks and opportunities for industry to contribute positively to the conservation and sustainable use of nature, also taking account of its relationship with climate and people.

Leading engagement with stakeholders including the International Union for the Conservation of Nature (IUCN), the UN Convention on Biological Diversity (CBD) and the UN Environment Programme (UNEP), Ipieca supports international progress on protecting and restoring biodiversity, natural capital and water.

### Stakeholder engagement

Ipieca signed a memorandum of understanding with IUCN which aims to enhance oil, gas and alternative energy companies' environmental performance in the area of biodiversity conservation and activities that accelerate the transition to a lower-carbon energy future.

At the IUCN's World Conservation Congress, Ipieca provided an industry perspective on various topics including nature-based solutions, natural capital and biodiversity indicators.

Ipieca also attended the fifth session of the UN Environment Assembly (UNEA-5.1), providing updates to the Ipieca membership to help inform its work on nature.



### Biodiversity and ecosystem services

Ensuring the protection and sustainability of biodiversity and ecosystem services (BES) continues to be a key global issue. Ipieca's work aims to help its members to responsibly integrate the management of BES across the life cycle of oil and gas operations and embed the concept of BES issue management within operational practices and management systems.

Ipieca actively prepared for the fifteenth meeting of the Conference of the Parties to the CBD (COP15), and attended the first phase and follow up Business and Biodiversity Week. Together with the Cross-sector Biodiversity Initiative (CSBI), Ipieca participated in sessions addressing climate and biodiversity in the energy sector and what it means to 'mainstream biodiversity'. Ipieca has also been engaging with the post-2020 Global Biodiversity Framework and has provided feedback on the draft framework from an industry perspective to ensure the sector's voice is heard.

Ipieca and UNEP-World Conservation Monitoring Centre (UNEP-WCMC) launched the *Biodiversity and ecosystem* services horizon scanning report 2021, which explores and identifies key drivers, challenges and opportunities for BES management in the oil and gas industry.

Through CSBI, Ipieca continued to share and disseminate knowledge in order to apply the mitigation hierarchy across the extractives sector.



### **OPERATING IN JOINT VENTURES**

Throughout the oil and gas industry, it is a common practice for two or more companies to enter a joint venture (JV) agreement to share the costs, risks, benefits and liabilities of assets or projects.

Together with IOGP, Ipieca published <u>Guidelines</u> for health, safety, security, environment and social responsibility governance in joint ventures which offers guidance for oil and gas industry JVs on the governance, policy development, implementation and management of health, safety, security, environment and social responsibility throughout a JV. Consultation is ongoing with the Association of International Petroleum Negotiators to ensure the guidelines are referred to in their 'Joint operating agreement'.



### **WATER**

lpieca continued to work on issues related to water management in the oil, gas and alternative energy industry to help advance members' contributions to achieving Sustainable Development Goal 6 – Clean water and sanitation.

The <u>Water management framework</u> was updated to reflect the lessons learnt from members and stakeholders in the years since its original publication. The guidance includes matured risk identification and management processes, as well as updated tools and guidance developed by Ipieca and the wider industry. An accompanying <u>Water use across the oil and gas value chain infographic</u> was also produced.

lpieca developed a *Review of drought and flood risk tools* to help member companies (a) evaluate global tools and their suitability for screening for drought and flood risk, and (b) identify key guiding principles for conducting assessments at the local scale.



# Oil spill preparedness and response

Ipieca harnesses the oil and gas industry's collective expertise and technology on oil spill preparedness and response. Through the Global Initiative (GI) partnership, Ipieca works with the International Maritime Organization (IMO) to assist countries in the development of national structures and capability for oil spill preparedness and response.

### Oil spill surveillance planning

A new technical support document, *Oil spill surveillance* planning guidance, was published to help operators navigate the steps involved in implementing and maintaining a surveillance programme during a response to an oil spill.

Intended to form the basis of a scalable surveillance strategy for use in a response situation, the guidance describes how a surveillance plan can be developed to support the management of a comprehensive surveillance programme through the efficient collection of accurate and targeted information.

### Shoreline response

Building on the publication of the *Shoreline response* programme guidance, lpieca developed accompanying e-learning training materials. The training aims to further assist users of the guidance in managing all onshore activities when dealing with an oil spill, such as carrying out oiled shoreline assessment surveys, technical-decision making related to spill treatment options, incident monitoring, post-treatment inspection and stakeholder engagement.

### Pandemic response

In light of the ongoing COVID-19 pandemic, Ipieca continued to convene members to share knowledge and experiences on pandemic response techniques to help identify different response structures and how these can be applied to the various challenges brought on by COVID-19.

### Oil spill conference series

As a member of the International Oil Spill Conference committee, Ipieca provided support throughout its preparations and presented joint papers on oil spill preparedness and response with IMO during conference sessions.

















Ipieca provides global leadership on the interaction between the industry, people and communities through social performance, respect for human rights and healthcare. Ipieca promotes members' contributions to social and economic development, demonstrating to stakeholders the business value of socially responsible operations.

# Social responsibility

Industry operations often take place in challenging locations where companies can face complex social and human rights-related issues. Ipieca helps companies identify, prevent and mitigate such issues by developing operational guidance, sharing implementation lessons and engaging with stakeholders to provide technical knowledge and better understand their expectations.



### JUST TRANSITION

As the energy sector transitions towards net-zero greenhouse gas emissions, there is broad agreement about the importance of achieving a fair and just transition

There is no single universally accepted definition of a 'just transition' but the emphasis is on achieving the energy transition in a way that does not place disproportionate burdens on some groups, and supports long-term social, economic, environmental, and human rights benefits for workforces and communities.

Ipieca formed a Just Transition Task Force, working with members, wider industry, UN bodies and other stakeholders. Ipieca has started exploring ways to help oil, gas and alternative energy companies to better understand their role in supporting the just transition.



# Community engagement and Indigenous Peoples

Timely engagement and management of impacts on communities are essential to build trust and confidence and consider community inputs in project design and operation. The COVID-19 pandemic has significantly reduced opportunities for in-person engagement, requiring innovative ways to maximize digital technologies for maintaining communication and relationships, and support to communities.

Ipieca held an offshore impacts workshop where members shared experiences on environmental and social risks and impacts related to offshore activities, and the strengths and weaknesses of existing processes. Members conducted a gap analysis that determined there is a need to address more specific offshore-related impacts considering the increasing offshore activities from wind and oil and gas operations. Ipieca began work developing a series of practitioner notes that will provide practical guidance to manage potential social challenges, in particular human rights impacts, related to doing business in offshore contexts.





### **HUMAN RIGHTS AND THE UNGPS**

2021 marked the 10th anniversary of the endorsement of the UN Guiding Principles on Business and Human Rights (UNGPs) by the UN Human Rights Council. Ipieca is committed to supporting the UNGPs decade of action (UNGPs 10+) and worked with the industry and stakeholders to share knowledge and develop and promote good practice to help accelerate and scale up the implementation of the UNGPs.

lpieca continued to monitor updates to human rights legislation processes to inform members of changes to the landscape that influence the way in which members implement their human rights due diligence (HRDD) processes.

The <u>Human rights due diligence guidance</u> was published to assist companies to respect human rights as outlined in the UNGPs. The guidance reflects the continued evolution and valuable lessons learnt by Ipieca members from their shared experiences of developing and implementing HRDD processes, and provides step-by-step guidance on developing and incorporating these processes into existing human rights frameworks and practices. A <u>summary document</u> was also developed.



### Health

Ipieca, in collaboration with the International Association of Oil and Gas Producers (IOGP), plays a leadership role to bring health to the forefront of everyday operations. Ipieca and IOGP provide a forum for good practices, encouraging enhanced performance across occupational, environmental and public health.

### COVID-19 pandemic materials

Ipieca and IOGP continued to support members as they navigate health concerns alongside the COVID-19 pandemic by regularly sharing knowledge and updates, and disseminating good practice.

Several COVID-19 resources were published:

- <u>Joint Ipieca-IOGP position on COVID-19 vaccines</u>, which helps companies understand vaccine efficacy and provides guidance for company vaccination policy development
- Mental health risks and the COVID-19 pandemic, which shares the knowledge of the oil and gas industry's health experts with decision makers addressing the risks and challenges presented by the COVID-19 pandemic
- Ipieca-IOGP Health Committee statement on COVID-19 testing in the oil and gas industry, which aims to

provide clarity on the current types of testing, the opportunities and limitations they provide and a method to assess if testing is appropriate for a specific operational site or organization

Pandemic management in the oil and gas industry,
 which provides guidance for business decision makers
 and medical personnel to plan effective responses to
 pandemic-scale infectious diseases

### Health leading performance indicators

Ipieca and IOGP published <u>Health leading performance</u> <u>indicators – 2020 data</u>, which provides the latest members' health leading performance indicators data from voluntary self-assessments of companies' performance.

Participating companies used two tools developed from the Ipieca-IOGP *Health performance indicators: a guide for the oil and gas industry* to carry out their self-assessments; the gap analysis tool and the percentage tool. These tools are used to:

- Assess health leading performance indicators within individual companies
- Compare performance between different parts of a company and between participating companies



































Ipieca provides leadership for the oil, gas and alternative energy industry on sustainability issues across the industry value chain. lpieca members are committed to responsible and sustainable business, and clear and consistent reporting, as well as serving as an essential partner to achieve the Sustainable Development Goals.

# Sustainable **Development Goals**

Business can play a significant role in contributing to the UN 2030 Agenda for Sustainable Development and its 17 Sustainable Development Goals (SDGs). Success will require coordinated solutions and business strategies across all sectors and industries.

The oil and gas industry is as an essential partner, supporting governments in the delivery of the SDGs. Recognition of the SDGs has grown within the industry and our members have continued to explore and integrate the SDGs into their company strategies, activities and reporting.

### SDG Roadmap

Ipieca and the World Business Council for Sustainable Development published Accelerating action: an SDG Roadmap for the oil and gas sector (Roadmap), which presents a series of impact opportunities that look at where Ipieca and the sector can maximise their contributions to the SDGs.

Following its launch, Ipieca conducted three deep-dive workshops focusing on the Roadmap themes of climate, nature and people. The workshops explored ways forward for Ipieca and members to start implementing and better understand the Roadmap impact pathways, and conveyed the importance of each theme to stakeholders.



Ulrike Schopp (Ipieca Chief of Staff) and Isabel Miranda (Ipieca Director of Sustainability and Social Performance) discussing the role of the oil and gas industry in achieving the SDGs on the CEO panel at the World Petroleum Conference

lpieca represented the sector at several industry and UN events to discuss the role of the sector in achieving the SDGs and how the Roadmap can support companies to accelerate their SDG targets, including at the UN High-level Political Forum and World Petroleum Conference.

See pages 4–5 for a report on the progress lpieca has made towards implementing the Roadmap.

### Knowledge sharing

lpieca hosted several webinars to broaden members' knowledge on key and emerging topics around the SDGs.

Members heard perspectives from:

- The UN Development Programme on SDG impact standards
- UN Energy Compacts on catalyzing action towards
- The IEA's Research and Development Programme on how carbon capture and storage technologies can help achieve the SDGs
- Value Balancing Alliance on how to better embed the SDGs into company strategies



## Reporting

Ipieca works to support relevant, high-quality and consistent industry sustainability reporting to identify and respond to external trends and to encourage wider uptake of reporting across the industry.

With ever-increasing societal expectations on the role the industry has to play in the energy transition, sustainability reporting is an important way for companies to communicate their approach and progress on key environmental, social and governance issues, and contribution towards the SDGs.

### Standards and regulations

Ipieca monitors updates to reporting standards and frameworks, and participates in consultations to provide technical input, and inform members of fast-paced changes to the reporting landscape.

Ipieca prepared several consultation responses during 2021, including for:

- Global Reporting Initiative
- World Benchmarking Alliance on Just Transition Benchmark
- Task Force on Nature-Related Financial Disclosures.
- International Financial Reporting Standard
- Sustainability Accounting Standards Board

### Sustainability reporting survey

The annual *Ipieca Sustainability reporting survey* identifies trends in the sustainability reporting practices of Ipieca member companies. In 2021, 25 Ipieca member companies took part in the survey and their answers will be used to inform further development of the Ipieca-API-IOGP *Sustainability reporting guidance*.

Download Ipieca Sustainability reporting survey: 2021 results

# 92%

### **KEY FINDINGS**

**100%** of respondents produce a sustainability report

 Of which 92% use the Sustainability reporting guidance

**88%** of respondents report to or reference the SDGs in their reports

- Respondents felt their company's activities/contributions were most material to:
- SDG 7 Affordable and clean energy (88%)
- SDG 13 Climate action (87%)
- SDG 12 Responsible consumption and production (71%)

**76%** provide additional communications on specific topics including climate change

### Supply chain

Ipieca promotes the integration of socially and environmentally responsible practices across the entire oil, gas and alternative energy supply chain. To improve contractors' and suppliers' performance, Ipieca informs and supports the industry on the management of supply chain sustainability risks, and responds to emerging expectations and standards.



### SUPPLIER DUE DILIGENCE

Risk identification in the supply chain is a key step in conducting effective human rights due diligence. Ipieca published guidance on <u>Labour rights risk</u> <u>identification in the supply chain</u> which focuses on labour rights risks to workers, considering the key areas of risk at the start of supplier relationships and helping companies build appropriate labour rights risk management plans.

The <u>Supply chain library of questions and resources</u> was developed as a tool for companies to assess potential supply chain risks and impacts across sustainability topics including labour rights, working conditions, diversity and inclusion, security arrangements, community, and environmental responsibility. It also includes practical considerations and resources to help manage these risks.

### Local content

lpieca continued to develop its webinar series on local content, where several stakeholders and industry bodies shared their perspectives with members to help inform their local content approaches.

Topics included measuring socio-economic impacts (International Finance Corporation), measuring the impact of local content strategies (Steward Redqueen) and local investment opportunities on natural resource projects (German Federal institute for Geosciences and Natural Resources).



### **ALTERNATIVE ENERGY**

Ipieca established an Alternative Energy Task Force in 2021 as part of Ipieca's 2021–2024 strategy which recognises its unique position to make a positive contribution to environmental and social good practice across the energy transition. The task force aims to identify opportunities to support the sustainable scale up of alternative energy as a key component of the energy transition.

# Publications and events































- SPE-OGCI-IOGP-Ipieca methane webinar series – Detection and quantification in a rapidly evolving landscape
- Federal Institute for Geosciences and Natural Resources - Local investment opportunities on natural resources projects (LION tool) 6
- UNDP SDG impact standards 6
- SPE-OGCI-IOGP-Ipieca methane webinar series – Technology and investment focus
- Human rights legislation updates Q1 6
- Repayment standards with Impactt 6
- Net-zero emissions peer learning 6
- ② Briefing on just transition benchmark – Consultation feedback 6

- Energy Institute International Petroleum Week
  - Convening the industry on methane panel – The important role of Ipieca and
- APPEA-The Australian expert panel Natural gas: bright past or dim future?
- IPCC special report on 1.5 and the journey to a net-zero emissions future 6
- WBA Measuring the oil and gas industry in 2021 6
- SPE-OGCI-IOGP-Ipieca methane webinar series - Policy focus and industry action
- Steward Redqueen Measuring the impact of your local content strategy 6
- Fuels Europe briefing on EU taxonomy 6
- Ipieca-WBCSD Introducing 'Accelerating action: an SDG Roadmap for the oil and gas sector'
- IEA − Net-zero report ô
- World Bank GGFR Global gas flaring estimates for 2020
- SPE-OGCI-IOGP-Ipieca methane webinar series – Satellite data in support to methane emissions detection and quantification
- Human rights legislation updates Q2 6
- CSBI TNFD knowledge sharing 6
- Ipieca-API peer learning session on scope 3 emissions 6
- WBA A just transition 6
- SDG Roadmap Nature deep dive 6

- London SPE Sustainability Programme: SDG Roadmap and ERC Evolution carbon footprint
- International Oil Spill Conference
  - Response community 10-year progress report panel
  - International leaders plenary
  - · Closing session and passing of the boomerang
- Mewfoundland and Labrador Envrionmental Industry Association panel – Low-carbon offshore oil and gas: international trends and Canadian investments
- Citizens Energy Congress
  - How can we meet the anticipated demand growth in energy whilst slashing emissions?
- Global Business Initiative on Human Rights – Business, human rights and the climate crisis: 2021 dialogue
- Li Ipieca Annual General Meeting

- (III) UNEP: 5th session of the UN Environment Assembly – part I
- UNECE Group of Experts on Gas: Methane reduction from the oil and gas industry
- Ipieca webinar
- External event
- Ipieca event
- **(III)** UN interface
- ② Ipieca workshop
- **a** Members only

- @ UNGPs plus 10th anniversary
  - Marking the UNGPs 10th anniversary: video statements





































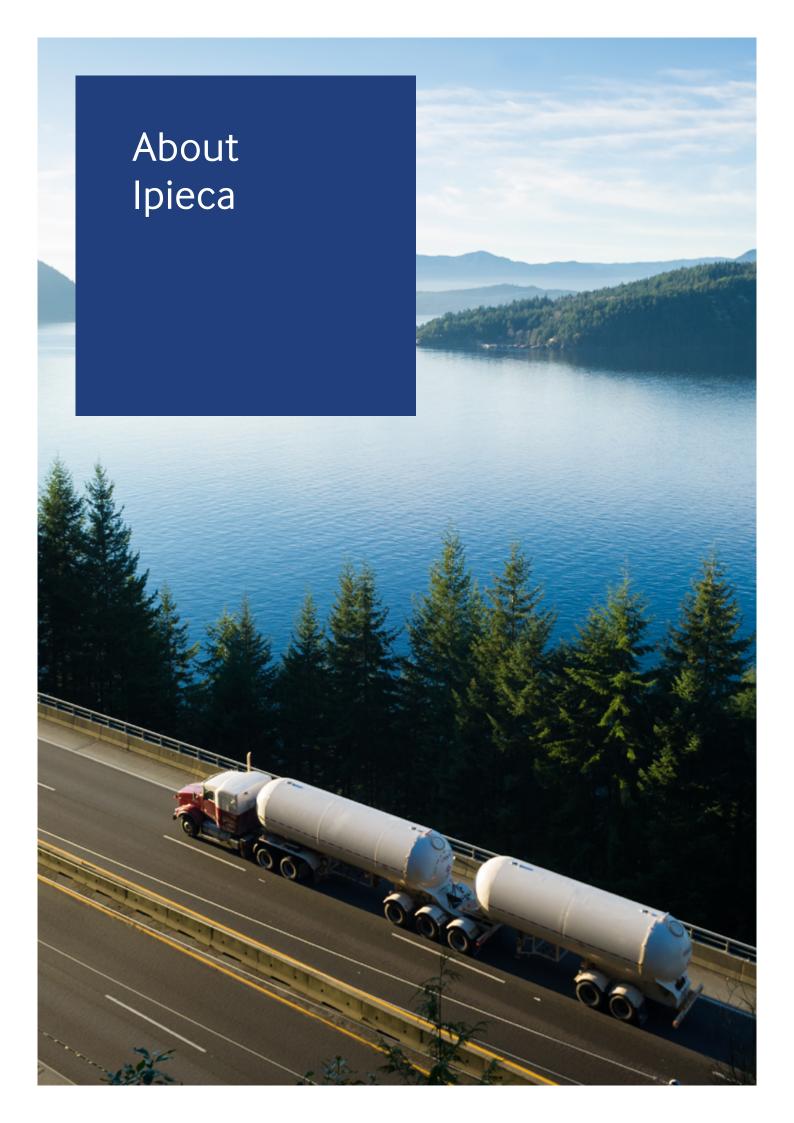


- Zigzag to Zero? Positive pathways to Paris - An industry, investor and civil society roundtable
- Guidance for defining ecologically appropriate scales of analysis for marine biodiversity in relation to IFC performance standard 5 6
- UN Energy Compact Catalyzing action towards SDG 7 6
- IPCC AR6 WGI summary for policymakers 6
- Value Balancing Alliance How to translate environmental and social impacts into comparable financial data 🏻
- IEAGHG Carbon capture and storage and the SDGs 6
- ▶ IFC Measuring socioeconomic impact 6
- ② Zig zagging to zero Pathways to Paris 6
- ② Community engagement: offshore impacts for energy companies 6
- ② Just transition part I 6
- SDG Roadmap People deep dive 🏻
- (2) Just transition part II 6

- OECD 16th plenary dialogue on natural resources - Methane and the oil and gas industry
- OPEC 4th technical workshop – Energy transition and the SDGs
- SIWI World Water Week
- ☑ IUCN World Conservation Congress
  - 'Business as usual?' The role of the private sector in unlocking biodiversity data
  - Challenges and opportunities for implementing no net loss/ net positive impact strategies
- UN Global Compact: Business transition to a net-zero and resilient world
- UN High Level Political Forum
  - Business and Industry Major Group side event – The private sector as a crucial partner in achieving the 2030 agenda
  - UNDESA-WBCSD side event Chief sustainability officers for SDGs: time to transform
- (ICAO stocktaking seminar: Energy transition and aviation fuels
- @ UNEP PCFV: Global end of leaded petrol press conference

- Hydrogen awareness brief launch
- An introduction to the Task Force for Nature-related Financial Disclosures 6
- Launch of 'Supply chain library of questions and resources'
- COP26 debrief
- Future-fit Business How to make your business fit for the future 6
- Human rights legislation updates Q3 6
- UN Working Group on Business and Human Rights dialogue 6
- Council for Inclusive Capitalism Framework for a just energy transition 6
- Institute for Human Rights and Business − A just transition <sup>6</sup>
- ② Cross-sectoral collaboration towards net zero with OGCI 6
- ② Oil for Development Delivery of the national training on upstream oil and gas operations in environmentally sensitive areas 6
- SDG Roadmap Climate deep dive 6

- ☑ SPE Live: Gaia talk A conversation with oil and gas experts on climate matters
- African Refiners and Distributors Association Week
  - Energy transition: global initiatives and its relevance to Africa
- ☑ Energy Institute conference – Renewables: Health, Safety and Sustainability
  - Health, safety, environment and sustainability solutions from the oil and gas
- Al-Attiyah Foundation CEO roundtable: 2022 global energy landscape
- ☑ World Petroleum Council: 23rd World Petroleum Congress
  - CEO panel on the SDGs and the role of oil and gas
- ☑ Ipieca Extraordinary General Meeting
- UN CBD: COP15 part I
- (1) UN CBD Business and Biodiversity
  - Powering our future: Lessons from the energy sector on addressing climate change and biodiversity
- (I) UN Global Compact: Transitioning to net zero for extractives
- **(III)** UNFCCC: COP26
  - Colombian government panel session: The role of the hydrocarbon industry to achieve net zero
  - Institute for Human Rights and Business – High-level roundtable on the Just transition
- ☑ Ipieca COP26 side event: Contributing to a net-zero future 6



# Governance

Ipieca is governed by a General Committee of senior representatives from all Ipieca member companies and associations. It meets twice a year at Ipieca's Annual General Meeting and Extraordinary General Meeting to set the strategic direction and budget for the organization.

The General Committee is supported by an Executive Committee, which meets three times a year. The Executive Committee, composed of representatives from 18 member companies, is responsible for the association's overall strategy and direction. It provides guidance on policy, work plans and priorities, budget and communications for Ipieca.

The work of Ipieca is supported by a number of specialist groups through which members actively participate. These groups draw on the skills and experience of our international membership and operate with support from the Ipieca secretariat.

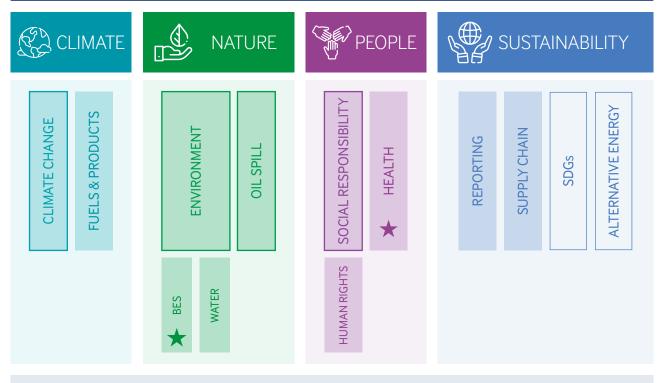
lpieca is funded by member companies via an annual contribution according to a formula based on relative production and geographic spread of operations.

Ipieca organizational structure

### **GENERAL COMMITTEE**

### **EXECUTIVE COMMITTEE**

Aramco | Baker Hughes | bp | Chevron | ConocoPhillips | Eni | Equinor | ExxonMobil | Hess | INPEX | Petrobras | PETRONAS | Repsol | Schlumberger | Shell | TotalEnergies | Tullow Oil | Wintershall Dea



### **COMMUNICATIONS**





# Officers\*



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Antonio Lopez (Repsol)

### Vice Chairs

Renato de Filippo (Eni) Thirupathi Rao (PETRONAS) Ann-Cathrin Vaage (Equinor)



# FUELS AND PRODUCTS

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Elisabeth Vrahopoulou (ExxonMobil)



### **ENVIRONMENT**

### Chair

Angy Khosla (Shell)

### Vice Chairs

Tony Carling (ExxonMobil)
Steven Dickinson (TotalEnergies)
Krish Ravishankar (Oxy)



### **OIL SPILL**

### Chair

Andy Keane (Shell)

### Vice Chairs

Yannick Autret (TotalEnergies) Mike Drieu (Oxy) Hanne Greiff Johnsen (Equinor) Maria Hartley (Chevron)



### SOCIAL RESPONSIBILITY

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Kate Gilbert (ExxonMobil)

### Vice Chairs

Nick Abrahams (Schlumberger) Miguel Ángel García López (Repsol) Krish Ravishankar (Oxy)



### **HEALTH**

#### Chair

Hans Berg (Shell)

### Vice Chairs

Guillermo Gomez (Eni) Susanne Schunder-Tatzber (OMV)



# SUSTAINABLE DEVELOPMENT GOALS

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Patricia Del Val Ferrer (Repsol)

### Vice Chairs

Magali Herve (TotalEnergies) Britta Sadoun (Wintershall Dea)



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Beatrix Wieczorek (Shell)

### Vice Chairs

Cristina Saporetti (Eni) Christopher Thomas (Oxy)



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### Chair

Liana Alvarez (ExxonMobil)

### **Vice Chairs**

Ahmed Alotaibi (Aramco) Mariana Dionisio (McDermott) Chris Gregory (Tullow Oil) Jonathan Kalbhenn (Wintershall Dea)



### **ALTERNATIVE ENERGY**

### Chair

Koen Broker (Shell)

### Vice Chair

Suzanne Persaud (bp)



### **COMMUNICATIONS**

### Vice Chairs

lain Brotchie (TotalEnergies) Sam Howard (Chevron)

# Secretariat\*



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Coordinator –
Sustainability and
Social Performance



Ella
Brunt 
Communications
and Projects Officer



Rob
Cox in
Technical Director



Avella
Daley 
Office Manager



Sophie
Depraz in
Programme and
Communication
Director



Hannah
Dowsett 
Communications
and Graphic Design
Specialist



Madeleine Gray in Manager – Environment



Jim
Herbertson in
Technical Director –
Climate and Energy



Artemis Kostareli in Senior Manager – Environment



Kristie
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Coordinator –
Environment



Darryl
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Prendleloup in
Coordinator –
Sustainability and
Social Performance



Ulrike Schopp in Chief of Staff



Sealy In Environment Director



Brian
Sullivan in
Executive
Director



Edward
White in
Communications
Manager

**EXECUTIVE OFFICE** 

CLIMATE TEAM

NATURE TEAM

PEOPLE TEAM

COMMUNICATIONS



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