

Accelerating action

An SDG Roadmap for the oil and gas sector



April 2021



Advancing environmental
and social performance
across oil and gas

www.ipieca.org



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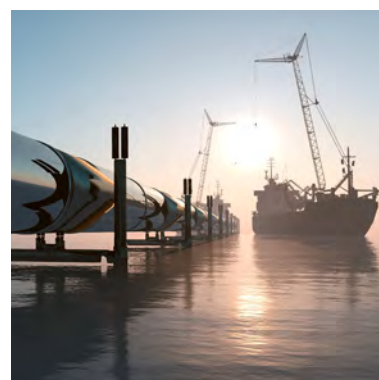
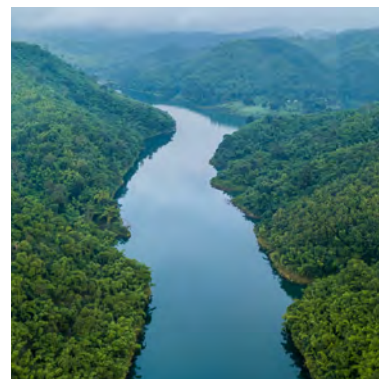
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IPIECA foreword

As we rapidly approach the 2030 deadline to deliver the UN Sustainable Development Goals (SDGs), the need for concerted action and coordinated solutions involving all parts of society is more urgent than ever.

The oil and gas industry is an essential partner in achieving the ambitions at the core of the SDGs. It can provide the affordable and reliable energy essential for economic growth, employment, education, eradication of poverty and global health.

However, there are also sustainability challenges facing the sector. While supporting a growing global population's demand for energy, the industry must continue to scale-up its climate change action, curbing emissions from global energy production and use, and continue to play its part in a world aspiring to net-zero emissions.

In response to the critical need for action, and recognising the industry's huge potential to support the SDGs, IPIECA has joined forces with WBCSD to produce *An SDG Roadmap for the oil and gas sector*.

Building on the IPIECA-UNDP-IFC *Mapping the oil and gas industry to the Sustainable Development Goals: An Atlas*, and the SDG Sector Roadmap Guidelines developed by WBCSD in 2018, the Roadmap outlines short, medium and long-term actions – mapped against SDG targets – which go beyond business as usual and aim to catalyse the realisation of the goals.

Integrating the SDGs into core business activities will not only generate significant contributions to the SDGs, it can also help companies

build resilience during the energy transition, attract and retain top talent, manage regulatory and reputational risks, and present new market opportunities and access to sustainable finance.

While the oil and gas industry contributes to all 17 SDGs, the Roadmap highlights 10 SDGs where the industry can have the biggest impact, by driving innovations in its own operations and across the supply chain. These 10 SDGs underpin 8 impact pathways, in 3 interconnected systemic themes of climate, nature and people.

As well as offering the sector direction on the SDGs, the Roadmap also identifies where to focus collaboration and provides a platform to form industry and cross sector partnerships to further accelerate SDG action.

Our work on the Roadmap is just part of IPIECA's leadership on climate action, environmental responsibility, social performance and mainstreaming sustainability. Our 2021-2024 strategy supports our members' contributions to the energy transition and sustainable development through four action orientated thematic strategies: climate, nature, people and sustainability. This framework, combined with our global membership covering the full oil and gas value chain, will enable the implementation of the Roadmap across the industry.

The development of the Roadmap took place during the unprecedented health and social disruption caused by the COVID-19 pandemic. And while the crisis has taken its toll on the realisation of the SDGs, we now have the opportunity to place climate, nature and people at the heart of our recovery and reaffirm our collective commitment to achieving the SDGs.

The crisis has also created a real sense of shared responsibility for building a brighter future and shown the importance of collaboration across communities, sectors and nations to tackling shared challenges. The Roadmap calls for that same spirit of collaboration across the oil and gas industry and beyond as we come together to establish a shared pathway to 2030.



Brian Sullivan
Executive Director, IPIECA



WBCSD foreword

The world is facing unprecedented global challenges in the form of a climate emergency, nature loss and mounting inequality. These challenges are also playing out against the backdrop of a devastating global pandemic that has delivered the whole world a stark reminder of how vulnerable our society is to systemic risk.

In order to successfully tackle these challenges and realise the prosperity for people and planet that the Sustainable Development Goals call for, business, government and civil society must work together to change the systems that have created the challenges we now face – and change them so profoundly that we can legitimately call it transformation.

In March 2021, the World Business Council for Sustainable Development (WBCSD), launched *Vision 2050: Time to Transform*, a framework for business action in line with the urgency of the challenges that we face. At the heart of this piece of work are nine transformation pathways covering the areas of business activity that are essential to society and around which business must focus its efforts to unleash widespread, positive and urgent change.

One of these pathways focuses specifically on energy, envisioning a sustainable energy system providing reliable and affordable net-zero energy for all by 2050. The oil and gas sector has a critical role to play in helping to realise this vision, and indeed the broader ambitions of the SDGs.

Achieving a world in which all individuals and communities have access to the reliable and affordable energy they need to live well, while simultaneously ensuring that global greenhouse

gas emissions from the energy system are consistent with limiting global warming to 1.5°C, will call for an unprecedented transformation of the oil and gas sector over the course of the next decade.

The sector faces important and difficult decisions. Inevitably, fossil fuel production will need to decrease, and business models will have to evolve.

A number of companies from the sector, including members of both IPIECA and WBCSD, are already embarking upon ambitious strategies to fundamentally transform their business activities. Ultimately, however, realising the SDGs will require widespread action across the entire sector.

Against this backdrop, WBCSD is pleased to have had the opportunity to work with IPIECA around the development of this SDG sector roadmap. With its unique global reach that encompasses private and state-owned enterprises as well as a range of global industry associations, and its long history of bringing the oil and gas industry together to develop and share good practices to address environmental and social challenges, IPIECA is uniquely positioned to inspire and guide the sector through the critical transitions that lie ahead.

WBCSD's SDG Sector Roadmap framework, upon which this report is based, supports entire industries to explore, articulate and realise their

collective potential to advance the ambitions of the SDGs. We hope that this important new roadmap can help to establish a standard for global best practice with regard to how the oil and gas sector and its value chain can contribute towards achieving this critical global agenda on the road to 2030.

While the COVID-19 pandemic has severely disrupted global efforts towards achieving the SDGs, it has also created an opportunity to drive and accelerate change at a completely different pace than we may have previously imagined possible.

At this critical and challenging juncture, we must place the SDGs at the forefront of our thinking as we plan long-term response and recovery.



Peter Bakker
President & CEO, WBCSD



Executive summary

Purpose

Accelerating action: An SDG Roadmap for the oil and gas sector (Roadmap) is an initiative led by IPIECA, the global oil and gas industry association for advancing environmental and social performance, in collaboration with the World Business Council for Sustainable Development (WBCSD).

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)¹, 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 realising the world's ambition to achieve net-zero emissions under the Paris Agreement.

The Roadmap includes actions for IPIECA as well as suggestions for action for companies within the sector to help guide, inform and influence decision-making within their businesses.

It is hoped that the Roadmap will be used to inspire collaboration within the industry, convening the sector to help realise the ambitions of the SDGs and the Paris Agreement.

IPIECA also hopes that the Roadmap will foster collaboration throughout the supply chain and stimulate cooperation to amplify SDG impact.

Approach

The Roadmap follows the three-step framework described in WBCSD's *SDG Sector Roadmap Guidelines*². IPIECA members convened via a series of 'in-person' and virtual workshops to:

- Map the oil and gas sector's current level of SDG impact in its operations and supply chain, and identify priority SDGs for the sector.
- Identify impact opportunities for IPIECA and the sector to contribute to the SDGs and develop actions which can be adopted to realise these opportunities.
- Develop a call to action for IPIECA, sector companies and stakeholders to catalyse their impact on the SDGs through engagement with, and implementation of, the Roadmap.

Priority SDGs

Although the oil and gas sector has the potential to advance all 17 goals either directly or indirectly, for the purpose of this Roadmap 10 SDGs were identified as priority areas where the sector has the most influence or ability to respond to societal needs by driving innovation and impact in its own operations and across the value chain. SDG 17 'Partnerships for the Goals' was identified as a cross-cutting goal essential to all impact opportunities.






¹ IPIECA, IFC, UNDP, 2017. *Mapping the oil and gas industry to the Sustainable Development Goals: An atlas*. <https://www.ipieca.org/resources/awareness-briefing/mapping-the-oil-and-gas-industry-to-the-sustainable-development-goals-an-atlas/>

² World Business Council for Sustainable Development, 2018. *SDG Sector Roadmaps*. <https://www.wbcsd.org/Programs/People/Sustainable-Development-Goals/SDG-Sector-Roadmaps/Resources/SDG-Sector-Roadmaps>

Impact opportunities

The Roadmap outlines eight impact opportunities which highlight where IPIECA and the sector can accelerate action and drive impact on the priority SDGs that it identifies. These impact opportunities are grouped into three themes: climate, nature and people. The Roadmap then identifies corresponding impact pathways to realise these opportunities, comprising a series of specific short, medium and long-term potential actions for both IPIECA and individual companies. Applicability of the suggested actions in the Roadmap to any particular company will be dependent on a range of variables such as company size, business models, operating regions, public policies and other factors specific to the particular company.

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
	2 Innovation Invest in technology and innovation that will enable low-carbon products and solutions
	3 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 Biodiversity, land and water stewardship 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
	7 Communities Foster individual and community prosperity around own activities, including advancing sustainable development, livelihoods, good health and well-being
	8 Thriving workforce Provide productive employment, championing worker health, safety and well-being across the supply chain

Implementation

IPIECA will ensure a broad roll-out of the Roadmap, which will be used in the following ways:

- **IPIECA** new strategy and annual business planning activities will embed key Roadmap actions and will function as a vehicle for delivery.
- **Companies within the oil and gas sector** may use the Roadmap as inspiration for SDG-led strategies, activities and collaborations. Multi-stakeholder dialogue is required for the successful implementation of this Roadmap, as many challenges addressed go beyond the capacity of an individual company.
- **Supply chain actors and other stakeholders** can use the Roadmap to understand possibilities for collaboration to maximise SDG impacts and strengthen dialogue with IPIECA and oil and gas companies.

IPIECA will monitor emerging trends which may influence priorities outlined in the Roadmap. IPIECA will also share informative case studies on its website to demonstrate and share information as to how IPIECA, its members and others are using the Roadmap and contributing to the SDGs: www.ipieca.org.

1.

The oil and gas sector and the SDGs



1.1 Introduction

The UN Sustainable Development Goals (SDGs) provide an ambitious, transformative and global framework to achieve a more sustainable future for all, by 2030. Adopted by all 193 UN Member States in 2015, the SDGs present the private sector with a tremendous challenge, and opportunity, to progress these shared global goals.

The scale of this opportunity is outlined in the Business and Sustainable Development Commission's *Better Business, Better World* report, which estimates that at least US\$12 trillion per year in market opportunities could be realised by developing products, services and solutions that help to meet societal needs.³ The report also recommends that key stakeholders in all sectors will benefit from developing detailed 'roadmaps' to guide their sector's shift to sustainable development in line with the SDGs.

Progress has been made in a number of areas as many countries have started to incorporate the SDGs into national plans and strategies.

However, even prior to the COVID-19 pandemic there was broad recognition that the world is not on track to achieve the SDGs by 2030. The UN's Global Sustainable Development Report, *The Future is Now*, states that despite initial efforts, countries are still far off achieving most of the 169 SDG targets.⁴ The report highlights that recent trends across the 2030 Agenda are not moving in the right direction, evidenced by rising inequalities, climate change, biodiversity loss and increasing amounts of waste from human activity.

The pandemic has disrupted progress on nearly all of the SDGs, in many cases reversing progress on Goals that were already not on track.

The UN has declared 2020-2030 as the 'Decade of Action' to deliver on the SDG agenda. The decade ahead will indeed be critical.

The SDGs provide a ready-made global framework to recover from the pandemic and to build back better in light of the significant challenge that still lies ahead if the SDGs are to be achieved by 2030. *Accelerating action: An SDG Roadmap for the oil and gas sector* (Roadmap), developed in collaboration with the World Business Council for Sustainable Development (WBCSD), identifies how both IPIECA and oil and gas companies can work towards a low-emissions future while contributing to a healthier, more prosperous world in line with the 2030 Agenda for Sustainable Development.

BOX 1 ABOUT IPIECA

IPIECA is the global oil and gas industry association for advancing environmental and social performance. IPIECA's new vision moves beyond the goal of advancing performance to also support the sector's contribution to the energy transition in the context of sustainable development. It convenes a significant portion of the oil and gas value chain and brings together the expertise of members and stakeholders to provide leadership for the industry on advancing climate action, environmental responsibility, social performance and mainstreaming sustainability.

IPIECA membership includes 72⁵ international and national companies and associations. It is the only global association involving both the upstream and downstream oil and gas industry. IPIECA is the industry's principal channel of engagement with the UN.

www.ipieca.org

³ Business and Sustainable Development Commission, 2017. *Better Business, Better World*. <https://sustainabledevelopment.un.org/content/documents/2399BetterBusinessBetterWorld.pdf>

⁴ The full list of SDG targets can be found at <https://sdgs.un.org/goals>

⁵ As of March 2021

1.2 The role of the oil and gas sector

The sector has a fundamental role to play in transforming the energy system, which will also support other sectors to reduce emissions. Oil and gas currently provide nearly 55 % of the world's energy supply⁶ and as the world's population continues to grow, rising prosperity will increase energy demand, particularly in developing countries. Access to affordable, reliable, sustainable and modern energy for all is essential for economic growth, employment, education, poverty reduction and global health.

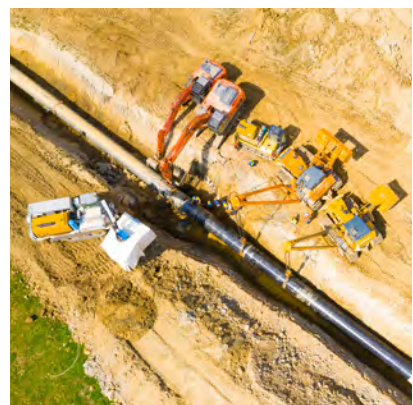
The oil and gas sector is a global US\$3.2 trillion industry⁷, contributing substantial tax and other types of revenue to governments and directly employing over 4.5 million people⁸. The fuels, products and services provided by the sector underpin everyday modern society by powering industry, generating energy for heat and electricity, and producing fuel for transport. Refined oil is also used to manufacture products, materials and chemicals, including plastics, medical equipment, clothing and personal care products. The sector develops advanced technologies and products through investment in research and development and encourages local content and entrepreneurship with associated capacity building benefits.

The energy, products and services that are needed to enable sustainable lifestyles can help

Sustainable energy has been described by UN Deputy Secretary-General Amina Mohammed as the 'golden thread' that links most of the SDGs and the 2030 Agenda pledge to leave no one behind.⁹

lift billions out of poverty – but progress must be made in a way which supports the aims of the Paris Agreement and the 2030 Agenda. By leveraging its global footprint, deep technical resources and diverse skills, the oil and gas sector can make a significant contribution to the SDGs.

IPIECA members have a proven track record of managing the impacts of their operations by emphasising environmental protection, health and safety, and human rights. Many companies have committed significant resources and efforts to advancing sustainable development as a matter of business practice and are also introducing standards and practices that, in some locations, go well beyond regulatory requirements. IPIECA has been supporting the industry to advance the sector's environmental and social performance since its establishment in 1974 (see IPIECA milestones, page 9).



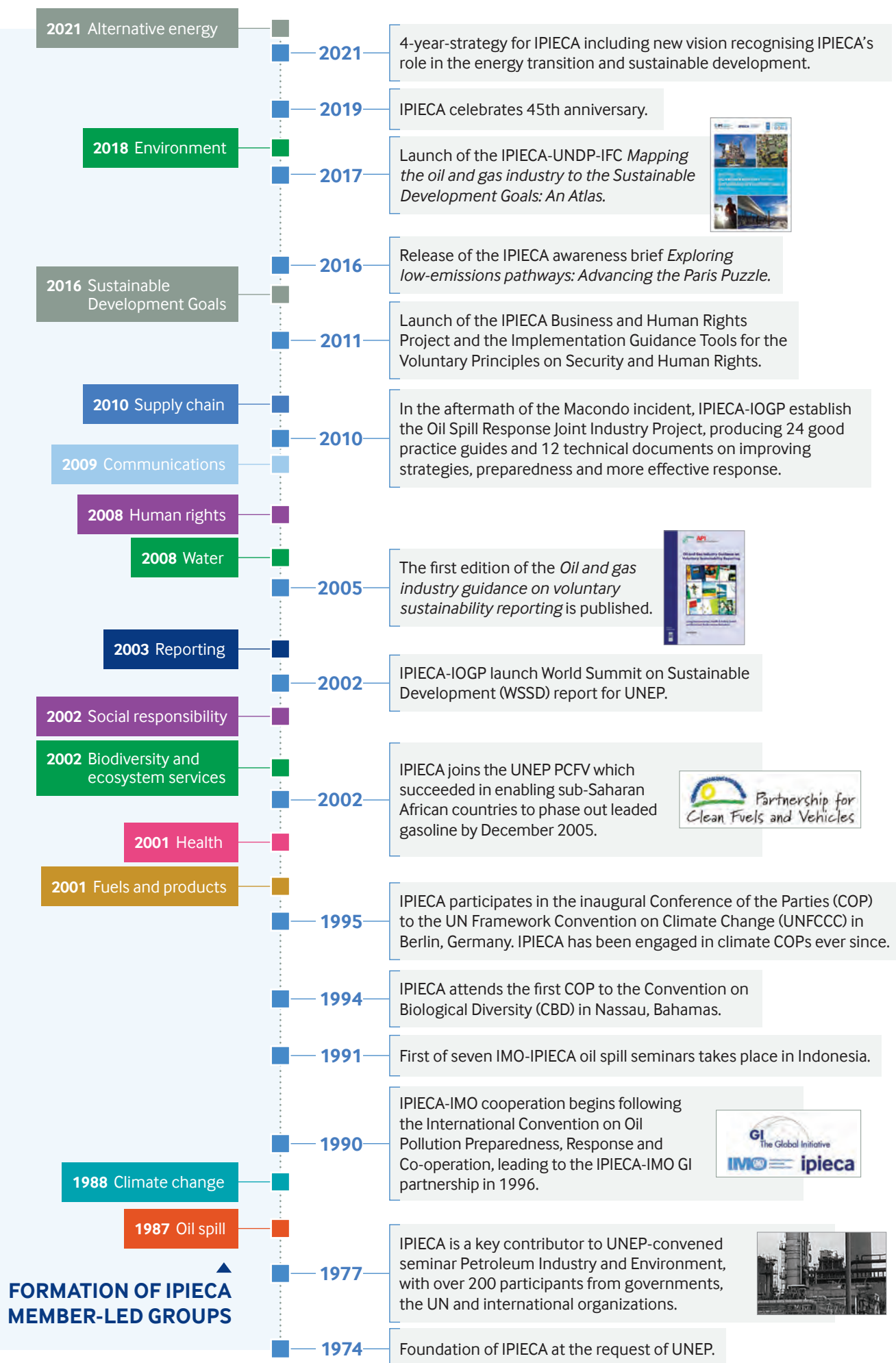
⁶ Energy Institute. *Oil and gas*. <https://www.energyinst.org/exploring-energy/topic/oil-and-gas>

⁷ IBIS World, 2021. *Global Oil & Gas Exploration & Production*. <https://www.ibisworld.com/global/market-size/global-oil-gas-exploration-production/>

⁸ IBIS World, 2021. *Global Oil & Gas Exploration & Production Industry - Market Research Report*. <https://www.ibisworld.com/global/market-research-reports/global-oil-gas-exploration-production-industry/>

⁹ UN, 2018. *Meetings Coverage and Press Releases*. <https://www.un.org/press/en/2018/dsgsm1202.doc.htm>

IPIECA MILESTONES



1.3 Scope of the Roadmap

The oil and gas sector includes a range of companies that fall into four main groups and are summarised in Box 2. This Roadmap is focused on core oil and gas activities including exploration and production (E&P), storage, transport and distribution, refining and processing, and sales and marketing, as shown in Figure 1.

While this Roadmap recognises the need for the sector to help drive investment into renewable energy and low-carbon solutions, the scaling of these solutions is not the report's principle focus. This Roadmap does not cover chemical, electric utility or renewable energy

activities, as these have been addressed in separate Roadmaps or Atlases. We encourage the sector to build on cross-sector synergies.

There are a variety of actions in this Roadmap, and the applicability to any particular company will be dependent on a several factors such as company size, business models, operating regions and public policies.

An overview of how the oil and gas sector interacts and contributes to all 17 SDGs was outlined in the report *Mapping the oil and gas industry to the Sustainable Development Goals: An Atlas*¹⁰. The Atlas was developed in 2017 by IPIECA in partnership with

the United Nations Development Programme (UNDP) and the International Finance Corporation (IFC). Its aim was to facilitate dialogue and greater awareness of the ways in which oil and gas companies can work both independently and collaboratively with governments, communities, civil society and other partners, to help achieve the SDGs.

BOX 2 4 KEY TYPES OF OIL AND GAS COMPANIES

Majors

Also known as international oil companies (IOCs) or integrated energy companies (IECs), these are the largest integrated companies with global activities spanning the oil and gas value chain, and an economic capacity to influence industry practices and policy.

National oil companies (NOCs)

Fully or majority-owned by national governments, NOCs account for well over half of global production and an even larger share of reserves.

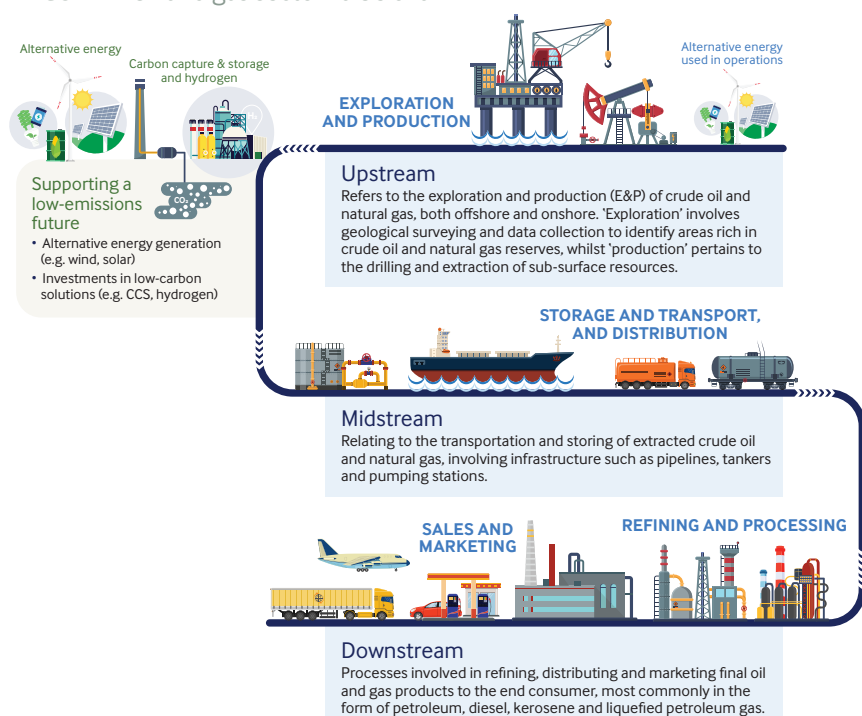
Independents

Non-integrated companies focusing primarily on E&P or the downstream segment of the industry.

Services companies and contractors

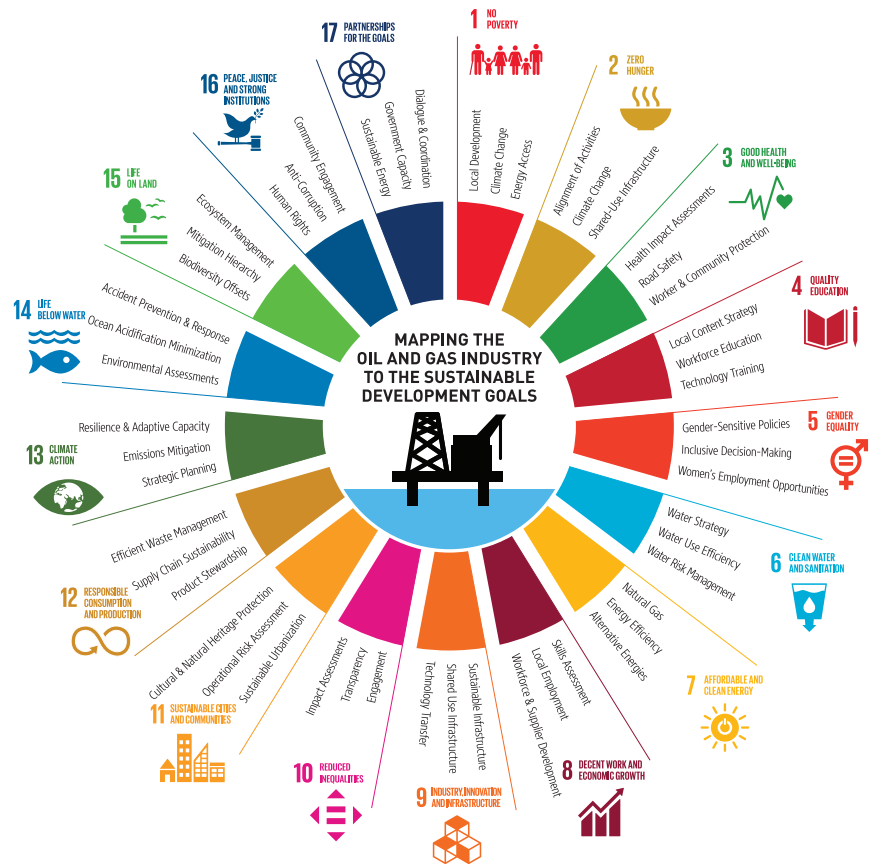
Companies and contractors that provide services, equipment and technical expertise.

FIGURE 1 Oil and gas sector value chain



¹⁰ IPIECA, IFC, UNDP, 2017. *Mapping the oil and gas industry to the Sustainable Development Goals: An atlas*. <https://www.ipieca.org/resources/awareness-briefing/mapping-the-oil-and-gas-industry-to-the-sustainable-development-goals-an-atlas/>

FIGURE 2 Summary of key action areas outlined in the 2017 SDG Atlas



A summary of key action areas outlined in the SDG Atlas is indicated in Figure 2 and highlights are provided in Box 3.

The SDGs are more important than ever before. This Roadmap builds on the foundations laid in the 2017 Atlas by developing tangible actions where both IPIECA and the sector can accelerate and scale SDG contribution.

BOX 3 KEY MESSAGES FROM THE 2017 SDG ATLAS

- The SDGs are interlinked and indivisible, requiring approaches that support synergies and manage trade-offs between economic growth, social development and environmental sustainability.
- Meeting the SDGs will require cooperation and collaboration between governments, the private sector and civil society. Success will require coordinated solutions and business strategies from all parties.
- The oil and gas industry has the potential to contribute to all 17 SDGs, by enhancing its positive contributions or by avoiding or mitigating negative impacts.
- Oil and gas are key pillars of the global energy system and as such are drivers of economic and social development.
- The industry contributes to sustainable development in several ways, including: generating direct and indirect jobs; enabling development of advanced technologies and products through investment in research and development; building critical infrastructure; contributing tax and other types of revenue to governments; and encouraging local content and entrepreneurship with associated capacity building benefits.
- Some of the goals present specific challenges for the industry, notably SDG 13 on climate action. Meeting the aims of the Paris Agreement implies a transformation of the energy system, to ensure access to affordable, reliable, sustainable and modern energy, while moving towards a global energy system with net-zero greenhouse gas (GHG) emissions in the second half of this century. The global challenge is to ensure access to energy, while moving towards net-zero emissions. Enhanced access to affordable, reliable energy is essential for the growth of strong economies, sustained improvements in the quality of life and the eradication of poverty.
- The oil and gas industry must be a key part of the solution to address climate change and has the opportunity to contribute to the energy transition through a number of action areas. Throughout this transition, oil and gas will continue to be an important part of the broad energy mix needed to deliver modern energy products and services.

An aerial photograph of an industrial facility, likely a refinery or chemical plant. The image shows several large, cylindrical storage tanks with metallic, segmented surfaces. A dense network of silver-colored pipes runs across the site, connecting various pieces of equipment. There are also some smaller structures and green areas interspersed among the industrial components.

2.

Roadmap development

2.1 Approach to building the Roadmap

The three-step process set out in WBCSD's *SDG Sector Roadmap Guidelines*¹¹ was used to develop this Roadmap as depicted in Figure 3.

FIGURE 3 Roadmap development process



1. Establish current position

The 17 SDGs and their 169 targets are interlinked by many cross-cutting elements and the oil and gas sector has the potential to contribute to all 17 goals. This Roadmap focuses on the SDGs where the sector can have the greatest impact, within its own operations and by leveraging its role in the value chain.

The mapping process included a review of corporate disclosures and a range of external literature sources to understand current levels of SDG impacts and identify where

the sector can make the most significant contribution to the SDGs. Representatives from companies developing this Roadmap discussed the sector's current level of impact on each of the SDGs and the sector's potential to contribute to the realisation of the SDGs by either minimising negative or maximising positive impacts. In addition, interviews were held with key external stakeholders to understand the key successes and challenges facing the sector and to gain perspectives on the sector's current

level of alignment with the SDGs throughout the value chain.

This led to the identification of 10 priority SDGs, shown in Figure 4, which were used to frame and develop the proposed impact opportunities and actions. Examples of current sector contribution to the priority, and other, SDGs are outlined in the SDG Atlas. SDG17 – Partnerships for the Goals, which has a strong focus on supporting developing markets – was highlighted as essential to all impact opportunities.

FIGURE 4 Priority SDGs



¹¹ World Business Council for Sustainable Development, 2018. *SDG Sector Roadmaps*. <https://www.wbcsd.org/Programs/People/Sustainable-Development-Goals/SDG-Sector-Roadmaps/Resources/SDG-Sector-Roadmaps>

2. Identify key impact opportunities

A series of face-to-face and virtual workshops, and deep-dive calls with subject matter experts were held to consider where and how IPIECA, and the sector as a whole, can make the greatest contributions to the achievement of the priority SDGs. This led to the identification of eight impact opportunities. For each impact opportunity, actions that IPIECA and the sector can take to optimise their contribution were developed.

Many actions will have SDG impacts that are broader than the list of priority SDGs. Due to this complexity, this Roadmap does not attempt to map, or explore in detail, all potential indirect impacts on all SDGs beyond the SDGs identified as priority.

3. Call to action

The call to action outlines how sector companies and stakeholders can engage with the Roadmap and how IPIECA plans to catalyse impact through implementation of the Roadmap.

BOX 4 COLLABORATING TO ACCELERATE ACTION

Achieving the SDGs by 2030 requires unprecedented collaboration among governments, inter-governmental organizations (IGOs), non-governmental organizations (NGOs), the private sector and local communities. The interrelated nature of the SDGs highlights the importance of multi-stakeholder engagement. Collaborative efforts within and beyond the oil and gas sector can allow for synergies to be adopted and the delivery of the SDGs to be accelerated.

With a global membership covering the full oil and gas value chain, IPIECA has the capacity to convene the sector around a wide range of issues relating to climate, nature, people and sustainability. IPIECA's non-lobby status enables the association to develop its long-standing and trusted relationship with the UN, build powerful cross-sector partnerships, and facilitate the sector's relationships with IGOs, academia and NGOs.

The Roadmap is part of IPIECA's ongoing effort to align the sector across 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.



3. Impact opportunities



Impact opportunities

The eight impact opportunities where IPIECA and oil and gas companies have the greatest potential to scale and accelerate contribution to the SDGs are presented below in Figure 5. These impact opportunities fall into three systemic themes – climate, nature and people – all of which support the broader theme of sustainable development. This framing aligns with IPIECA’s 2021-2024 strategy, which aims to advance the oil and gas sector’s environmental and social performance and contribution to the energy transition in the context of sustainable development.

While this Roadmap sets out to identify a series of detailed impact opportunities for the oil and gas sector in the context of the SDGs, it is important to note that certain cross-cutting factors will be central to these efforts.

Human rights

The importance of human rights in achieving the SDGs is explicitly grounded in the Universal Declaration of Human Rights, as well as other international instruments. This Roadmap recognises that a robust commitment by the oil and gas sector to continue to respect human rights throughout

its operations and the value chain represents a substantial opportunity to advance human development globally. By proactively considering and implementing the tenets of the UN Guiding Principles on Business and Human Rights framework, and engaging in collaborative initiatives to tackle systemic challenges, companies have the potential to break down significant barriers to development and positively impact the lives of millions of some of the most vulnerable individuals in society – helping to fulfil the central commitment of the SDGs of leaving no one behind.

FIGURE 5 Impact opportunities



Sustainability reporting

Voluntary corporate disclosures are an important way for companies to set out their priorities and demonstrate their commitment and progress to sustainable development, which addresses economic, social, and environmental challenges of this generation. The IPIECA-API-IOGP *Sustainability reporting guidance for the oil and gas industry* (details are provided in Box 5) provides practical support for reporting of the oil and gas sector's contribution to the SDGs.

BOX 5 SUSTAINABILITY REPORTING GUIDANCE FOR THE OIL AND GAS INDUSTRY: A TOOL TO SUPPORT MEASURING PROGRESS



With its broad scope and knowledge base across climate, environmental and social issues, IPIECA is uniquely positioned to make a positive contribution to environmental and social good practice in the energy transition. One of the ways it continues to do this is through its leading role in the development of the *Sustainability reporting guidance for the oil and gas industry*, alongside the American Petroleum Institute (API) and the International Association of Oil and Gas Producers (IOGP).

The guidance covers 21 sustainability issues and 43 indicators across six modules: reporting process; governance and business ethics; climate change and energy; environment; safety, health, and security; and social. The guidance is updated regularly to enable oil and gas companies to shape the structure and content of their sustainability reporting. It provides companies with direction and content for their reporting, allowing them to show their contribution to the energy transition.

Over 80 representatives from 28 oil and gas companies and an independent external stakeholder panel worked together to update the guidance in 2020.

More information: www.sustainability-reporting.org





3.1 Climate



The United Nations Environment Programme's (UNEP) Emissions Gap Report 2020 highlights that GHG concentrations in the atmosphere continue to rise. Even with the full implementation of Nationally Determined Contributions (NDCs) this report concludes that we are heading for a world that will be 3.2°C warmer by the end of this century^{12,13}, failing to meet the Paris Agreement's call for 'holding the increase in the global average temperature to well below 2°C above pre-industrial levels and pursuing efforts to limit the temperature increase to 1.5°C above pre-industrial levels.'

IPIECA and its members support the aims of the Paris Agreement. In a world aspiring towards a

net-zero future it is critical that IPIECA upholds its position as part of the international dialogue on the energy transition and that members continue to advance their contribution to resilient low-emissions pathways. IPIECA can have a particular impact through the leading role that it takes, on behalf of its membership, to engage the UN and other key stakeholders in support of the aims of the Paris Agreement. It also plays a crucial ongoing role in convening the industry and collaborating with stakeholders, including other sectors, to explore and enable low-emissions pathways and scale up innovative solutions.

Companies within the sector have opportunities to increase

transparency and stakeholder engagement as well as to advocate the design of policies which support the aims of the Paris Agreement. Investing in technology and innovation to enable low-carbon products and solutions, as well as tackling emissions from operations – namely methane emissions, venting carbon dioxide and flaring – are key reduction levers for the sector. Many of these options are part of a burgeoning circular carbon economy (CCE), a concept that has recently been endorsed by the G20, that leverages a range of technologies and natural climate solutions to capture, store and utilise CO₂ to create pathways to reduced emissions and continued economic growth.



'Achieving the long-term temperature goals of the Paris Agreement to limit global warming to well below 2°C and pursue 1.5°C depends strongly on implementing mitigation action by 2030.'

—UNEP, Emissions Gap Report 2020

¹² United Nations Environment Programme, 2020. *Emissions Gap Report 2020*. Nairobi. Available at <https://www.unep.org/emissions-gap-report-2020>

¹³ Nationally determined contributions (NDCs) are national climate plans highlighting climate actions, including climate related targets, policies and measures governments aims to implement in response to climate change and as a contribution to global climate action. <https://unfccc.int/process/the-paris-agreement/nationally-determined-contributions/>

Climate | IMPACT OPPORTUNITY 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

LEVEL OF POTENTIAL IMPACT ON THE SDGS L Low M Medium H High			
TIMEFRAME S 1–3 yrs M 4–6 yrs L 7–9 yrs			
Impact pathways	Priority SDG targets*	Level of potential impact on the SDGs	Timeframe
ACTIONS FOR IPIECA			
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.	7.a 8.3 13.2	M	S
2. Convene the industry to enable emissions reductions and a positive contribution to the energy transition through development of good practices and solutions.	7.1 7.a 7.3 8.4 13.3	M	S
3. Collaborate with stakeholders, including other sectors, to explore and enable low-emissions pathways and scale up solutions.	7.a 7.3 8.4 9.5 12.2	H	S
4. Convene the industry to raise awareness and develop good practice guidance on climate-related partnerships and collaborations that support the aims of the Paris Agreement.	12.8 13.3	M	M
5. Develop a good practice guide that outlines approaches and activities companies have taken to build resilient portfolios that support the aims of the Paris Agreement.	12.8 13.3	M	M
OPTIONS FOR OIL AND GAS COMPANIES			
6. Increase stakeholder engagement to advocate the design of policies which support the aims of the Paris Agreement and effective market-based solutions that consider an explicit or implicit value for carbon.	12.c 13.2 13.3	H	S
7. Accelerate climate policy momentum by providing technical support, data and resources to policymakers and other relevant stakeholders.	13.1 13.2 13.3	M	S
8. Report approach to managing climate-related risks including discussion on risk and opportunities related to the energy transition.	12.6 13.3	M	S
9. Collaborate with other sectors to raise awareness on responsible use of oil and gas products.	7.3 12.2 12.8 13.3	L	M
10. Be transparent about how company strategy is consistent with the aims of the Paris Agreement.	7.a 8.3 12.6 13.1 13.2 13.3	M	S

* SDG targets are based on identified priority SDGs. The full list of SDG targets can be found at <https://sdgs.un.org/goals>

Climate | IMPACT OPPORTUNITY 2: Innovation

Invest in technology and innovation that will enable low-carbon products and solutions





















LEVEL OF POTENTIAL IMPACT ON THE SDGS  Low  Medium  High
TIMEFRAME  1–3 yrs  4–6 yrs  7–9 yrs

Impact pathways

Priority
SDG
targets*

Level of
potential
impact on
the SDGs

Timeframe

ACTIONS FOR IPIECA			
11. Increase capacity building and facilitate discussions between companies across sectors on business models consistent with the aims of the Paris Agreement, including coordination of an innovation platform to address key barriers to viability for new and emerging low-carbon solutions and products.	7.a 8.4 9.b 9.5 12.2 12.6 13.3		
12. Establish dialogue with other sectors to share good practices and knowledge on leveraging gas infrastructure for hydrogen and other low-carbon solutions.	7.1 7.3 7.a 9.4 12.2 13.3		
13. Support the scaling of carbon removal technologies such as CCS by facilitating technical knowledge transfer and guidance related to key issues, such as environmental responsibility, financial incentives, policy and liability concerns.	7.a 9.4 9.5 13.3		
14. Convene and disseminate knowledge and good practice around scope 3 emissions, including categorisation, value chain emission analysis, measurement (incl. technology requirements) and reporting, potential for scope 3 target-setting, engagement along the value chain, and capacity issues in the value chain.	12.6 12.8 13.2 13.3		
15. Develop guidance and good practices for natural climate solutions in collaboration with groups such as OGCI and the Natural Climate Solutions Alliance led by WBCSD and the WEF.	13.3 15.1 15.2 15.3 15.5		
OPTIONS FOR OIL AND GAS COMPANIES			
16. Scale innovative and venture business models to help customers reduce emissions.	8.4 12.2 12.8 13.2 13.3		
17. Increase commercial viability of existing low-carbon products that can reduce end use emissions, such as sustainable biofuels, hydrogen, and other solutions like CCS, through increased investment in innovation and collaboration.	7.a 8.4 9.4 9.5 9.b 12.2		
18. Deploy and, where appropriate, advocate for gas infrastructure that is compatible with decarbonised gas (e.g. hydrogen, ammonia).	7.1 7.3 7.a 9.4 12.2 13.3		
19. Facilitate investment, deployment and scale up of a commercially viable, safe, and environmentally responsible CCS industry by investing in CCS projects.	8.4 9.4 9.a		
20. Facilitate investment, deployment and scale up of large-scale natural climate solutions that follow robust environmental and social principles.	8.4 8.8 12.2 13.2 15.1 15.2 15.3 15.5		

* SDG targets are based on identified priority SDGs. The full list of SDG targets can be found at <https://sdgs.un.org/goals>

Climate | IMPACT OPPORTUNITY 3: Operations

Advance emissions reduction initiatives for own operations in support of the aims of the Paris Agreement

LEVEL OF POTENTIAL IMPACT ON THE SDGS **L** Low **M** Medium **H** High
TIMEFRAME **S** 1–3 yrs **M** 4–6 yrs **L** 7–9 yrs

Impact pathways

	Priority SDG targets*	Level of potential impact on the SDGs	Timeframe
ACTIONS FOR IPIECA			
21. Promote good practices and guidance in support of reducing methane emissions to near zero.	7.a 9.4 12.2 12.4 12.6 13.2 13.3	H	S
22. Contribute to the GHG reductions strategies of the IMO and ICAO through the consideration of alternative fuels, including lifecycle analyses of potential options.	7.a 8.3 13.2	M	M
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.	7.a 12.6 13.2 13.3	H	M
24. Deepen engagement with sector beyond oil and gas to build capacity and share knowledge on emissions reductions, flare management good practice and impacts of climate change.	7.2 7.3 7.a 9.4 12.2 13.2 13.3	H	M
OPTIONS FOR OIL AND GAS COMPANIES			
25. Adopt methane intensity reduction targets consistent with best available methodology. Consider deploying new technologies for better detection and quantification of methane.	9.4 12.2 12.4 13.2 13.3	H	M
26. Support the aims of the World Bank's 'Zero Routine Flaring by 2030' initiative.	9.4 12.4 13.2 13.3	H	S
27. Strengthen operational GHG emissions reduction initiatives by identifying emissions hotspots, implementing resource efficiency best practices, encouraging innovation and disclosing progress.	7.3 7.a 9.4 12.2 12.4 12.6 13.2 13.3	H	S
28. Report on company initiatives and progress towards improving energy efficiency and consuming less energy.	12.2 12.6 13.1 13.2	L	S
29. Engage with host governments and regulators to understand development plans for energy provision and translate into country value propositions and activities.	7.1 7.2 7.3 7.a 8.4 13.2 13.3	H	M

* SDG targets are based on identified priority SDGs. The full list of SDG targets can be found at <https://sdgs.un.org/goals>

3.2 Nature



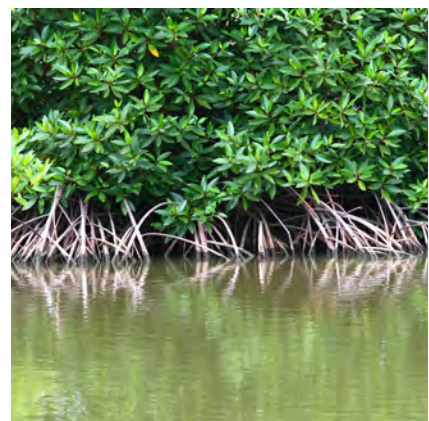
The 2019 IPBES *Global assessment report on biodiversity and ecosystem services* documented the unprecedented rate of decline in global biodiversity, raising awareness of impending potential risks for society and businesses. In the last 50 years, the direct drivers of change in nature with the largest global impact have included changes in land and sea use, direct exploitation of organisms, climate change, pollution and invasion of alien species¹⁴. While the rate of forest loss has slowed globally since 2000, 32 million hectares of primary or recovering forest were lost between 2010 and 2015. 66 % of the ocean area is experiencing increasing cumulative impacts, and over 85 % of wetlands area has been lost¹⁵. There has been on average a

68 % decrease in population sizes of mammals, birds, amphibians, reptiles and fish between 1970 and 2016¹⁶.

The oil and gas sector continues to undertake activities to help conserve and restore the natural environment as well as to avoid, reduce and mitigate risks and impacts from operations and products. The sector has an opportunity to continue to embed circularity, nature positive, and natural capital concepts into operations and, where practicable, to extend these in joint ventures and through the supply chain.

IPIECA will continue to play a critical role in stewarding engagement with UN agencies and other stakeholders to support international progress on biodiversity, natural capital, water

and air quality. IPIECA also has an important role to play in leveraging industry expertise and further developing sector good practices in areas around the efficient use of resources and in land and water stewardship. Individual companies operating in the sector also have an opportunity to improve their impact by developing and promoting good practices and by deploying innovations not only in their own operations, but also in joint ventures and their supply chains. Oil and gas companies also have an important opportunity to leverage and share their long-standing knowledge and experience when it comes to managing environmental and social impacts to address emerging impacts associated with growth in alternative energy.



¹⁴ IPBES, 2019. *Summary for Policymakers of the Global Assessment Report on Biodiversity and Ecosystem Services*. <https://doi.org/10.5281/zenodo.3553579>

¹⁵ IPBES, 2019. *The Global Assessment Report on Biodiversity and Ecosystem Services*, <https://ipbes.net/global-assessment>

¹⁶ WWF-ZSL, 2020. *Living Planet Report*. <https://f.hubspotusercontent20.net/hubfs/4783129/LPR/PDFs/ENGLISH-FULL.pdf>

Nature | IMPACT OPPORTUNITY 4: Resources management

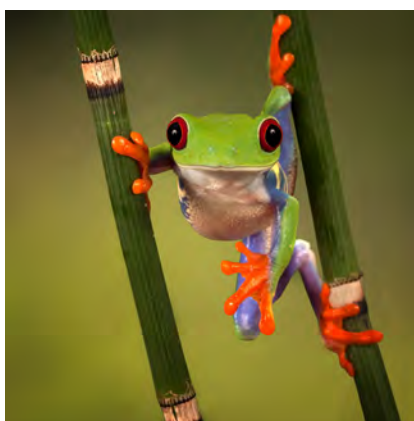
Responsibly manage resources to support a circular economy

LEVEL OF POTENTIAL IMPACT ON THE SDGS **L** Low **M** Medium **H** High
TIMEFRAME **S** 1–3 yrs **M** 4–6 yrs **L** 7–9 yrs

Impact pathways

	Priority SDG targets*	Level of potential impact on the SDGs	Timeframe
ACTIONS FOR IPIECA			
30. Convene the industry to identify, promote and share good practices on how to manage effective environmental performance in operations, joint ventures and the supply chain.	9.5	M	S
31. Facilitate knowledge sharing of environmental good practice and experiences from the oil and gas sector to support the sustainable uptake of alternative energy.	9.4 12.2	M	S
32. Engage with leading circular economy initiatives to identify key steps for the sector to support a circular and low-carbon transition.	12.2 12.4 12.5 14.1	M	S
33. Develop or update good practice guidance and definitions for the sector and supply chain around principles of circularity.	9.4 9.5 12.2 12.4 12.5 12.6 14.1	M	M
OPTIONS FOR OIL AND GAS COMPANIES			
34. Identify opportunities to integrate circular practices and associated indicators into product stewardship and supply chain management.	12.2 12.6 14.1	M	S
35. Embed sustainable design and circularity principles at early project stages, and throughout development, to increase the sustainability of project infrastructure, processes, and products.	9.1 9.4 9.5 12.2 12.4 12.5 12.6	H	S

* SDG targets are based on identified priority SDGs. The full list of SDG targets can be found at <https://sdgs.un.org/goals>



Nature | IMPACT OPPORTUNITY 5: Biodiversity, land and water stewardship

Conserve, restore and promote biodiversity and ecosystems services

LEVEL OF POTENTIAL IMPACT ON THE SDGS **L** Low **M** Medium **H** High
TIMEFRAME **S** 1–3 yrs **M** 4–6 yrs **L** 7–9 yrs

Impact pathways

ACTIONS FOR IPIECA				
36. Lead the engagement with UN agencies (UNEP, UNCBD) and other stakeholders to support international progress on biodiversity, water and air quality.	14.2 15.1 15.a 15.b	M	S	
37. Continue to promote within the oil and gas sector and beyond, the application of the mitigation hierarchy ¹⁷ in managing impacts on marine and terrestrial environments.	15.1 15.2 15.5	M	M	
38. Leverage member expertise and collaborate with external stakeholders to develop good practices on nature-based solutions (NbS) – including working with well-established platforms.	14.2 15.1 15.2 15.3 15.5	M	L	
39. Co-develop sector guidance with stakeholders on how to implement effective strategies to measure sector and company progress on avoiding and minimising impacts to biodiversity and ecosystem services, e.g. update guidance on how to develop biodiversity action plans (BAPs) to include latest developments in scientific knowledge, technology, policies, regulations and nature positive.	12.6 14.2 15.1 15.2 15.3 15.5	H	S-M	
40. Leverage connections with other expert groups around developing company strategies for restoration, which may include the management and conservation of forests, to avoid deforestation and land-use change, and to plan restoration.	14.2 15.1 15.2 15.5	M	M	
41. Encourage knowledge sharing and develop sector guidance for conservation of key ecosystems that support climate adaptation and increase resilience (e.g. carbon-storage ecosystems, forests and watersheds) in partnership with other organizations such as conservation NGOs.	13.1 14.2 15.1 15.2 15.3	H	L	
42. Develop the IPIECA-API-IOGP <i>Sustainability reporting guidance for the oil and gas industry</i> to include metrics focused on biodiversity (such as the biodiversity indicators for site-based impacts).	12.6 13.2	H	M	
43. Enable consistency in reporting ENV-4 (protected and priority areas for biodiversity conservation) by developing guidance for protected or sensitive areas and biodiversity reporting.	12.6 14.2 15.1	M	S	
44. Promote and facilitate discussion within the oil and gas sector and beyond around the UNGC Sustainable Ocean Principles and associated guidance documents.	14.1 14.2 14.3 16.7 16.10	H	S	
45. Promote and contribute to the development and implementation of marine spatial strategies to encourage concerted management of the rights of the different users.	14.2 14.c	M	L	
46. Develop guidance on how to operate in or near protected areas.	14.2 15.1	M	S	

¹⁷ A tool which aims to help manage biodiversity risk, and is commonly applied in environmental impact assessments (EIAs). (Includes a hierarchy of steps: avoidance, minimisation, rehabilitation, restoration and offset). <https://www.ipieca.org/resources/fact-sheet/managing-biodiversity-and-ecosystem-services-in-oil-and-gas-mainstreaming-the-mitigation-hierarchy/>

LEVEL OF POTENTIAL IMPACT ON THE SDGS **L** Low **M** Medium **H** High
TIMEFRAME **S** 1–3 yrs **M** 4–6 yrs **L** 7–9 yrs

Impact pathways

Priority
SDG
targets*
Level of
potential
impact on
the SDGs
Timeframe

ACTIONS FOR IPIECA *continued*

47. Develop a marine biodiversity and ecosystem services baseline good practice guidance document.	14.2	M	S
48. Provide guidance and peer learning to enable the oil and gas industry to identify water risks and provide a framework for watershed level management.	6.3 6.4 6.6	H	S

OPTIONS FOR OIL AND GAS COMPANIES

49. Implement environmental management practices that incorporate the mitigation hierarchy to promote biodiversity and ecosystem services, with a focus on critical ecosystems and protected areas.	14.2 15.1 15.2 15.3 15.5	H	L
50. Develop a holistic approach to environmental management that takes into consideration direct, indirect and cumulative impacts - such as on ecosystem services - across the project lifecycle.	6.1 6.3 6.4 6.5 6.6 6.b 12.2 14.1 14.2 15.1	M	S
51. Adopt water stewardship strategies that include collaboration around integrated water resources management, local participation in the collective management of water particularly in areas of water scarcity, and improvement of water quality and re-use of water, where feasible to reduce usage of fresh water.	6.1 6.3 6.4 6.5 6.6 6.b 12.2 14.1 14.2 15.1	L	M
52. Share relevant marine environmental data (e.g. environmental baseline, monitoring studies, seismic data, EIA), for use in public or private online databases, (e.g. UNEP-WCMC and Global Biodiversity Information Facility [GBIF]), or country specific databases and collaborate with research institutions on the UN Decade of Ocean Science.	14.a	M	M
53. Contribute to sustainable shipping practices throughout the value chain (e.g. through compliance with IMO/MARPOL requirements such as development and application of strict ballast water management practices and adoption of lower sulphur and alternative marine fuels for improved air quality).	12.4 14.1 14.2	M	M
54. Finance joint industry projects related to sustainable ocean management (e.g. IOGP and eDNA JIP).	14.2	M	M

* SDG targets are based on identified priority SDGs. The full list of SDG targets can be found at <https://sdgs.un.org/goals>

3.3 People



Beyond the over 4.5 million people that are directly employed in oil and gas,¹⁸ sector activities can help contribute to the socioeconomic development of local communities. Oil and gas operations can stimulate the local economy and promote good practice in labour, human rights, health and safety, and environmental and social performance, directly and through the supply chain. Oil and gas activities can also generate high fiscal revenues, attract significant foreign direct investment and accrue foreign exchange reserves, which contribute to the overall economic growth of host countries and the ability of governments to invest in activities that directly contribute to realising the SDGs.

However, oil and gas operations can also result in risks to workers and local communities including to health, safety, livelihoods or welfare, where not appropriately

avoided, managed or mitigated. It is important that the sector continues to work together to help promote sustainable livelihoods and adequate living standards, and to respect people's rights to health, labour and property. Both IPIECA and its members will continue to play a crucial role in promoting good governance and transparency, respect for human rights and diversity in the workforce. The sector also has an important role to play in social and economic development through its interactions with governments and other stakeholders and their internal actions and policies. Whilst much has been achieved, there are actions that can be initiated, strengthened, or deepened across the sector. This includes the positive contributions that companies make to the SDGs directly via their interactions with the communities in which they operate, via the workforces they employ and through their supply chains.

IPIECA will continue to lead industry collaboration and engagement with UN agencies and other stakeholders on the topic of a just transition. It will also continue to promote high standards and good practice informed by the UN Guiding Principles on Business and Human Rights framework (UNGPs) and by convening the industry to advance social performance along the supply chain. The oil and gas industry also has a wealth of experience in protecting the health, safety and well-being of its workforce, and collaborating with local communities. These core attributes make the industry well positioned to harness its collective expertise to promote worker welfare and workforce diversity within its operations and supply chain, and to extend this knowledge and experience through the energy transition.



¹⁸ IBISWorld, 2021. Global Oil & Gas Exploration & Production Industry - Market Research Report. <https://www.ibisworld.com/global/market-research-reports/global-oil-gas-exploration-production-industry/>

People | IMPACT OPPORTUNITY 6: Governance and transparency

Support governments in achieving the SDGs by aligning priorities and accelerating action

LEVEL OF POTENTIAL IMPACT ON THE SDGS **L** Low **M** Medium **H** High
TIMEFRAME **S** 1–3 yrs **M** 4–6 yrs **L** 7–9 yrs

Impact pathways

	Priority SDG targets*	Level of potential impact on the SDGs	Timeframe
ACTIONS FOR IPIECA			
55. Share learnings and exchange experiences and approaches for the implementation of the Voluntary Principles on Security and Human Rights.	16.3	M	S
56. Engage with stakeholders such as the Organisation for Economic Co-operation and Development (OECD), the Extractive Industries Transparency Initiative (EITI) and others to coordinate efforts to scale action around good governance and transparency.	16.3 16.5 16.6	H	S
57. Facilitate and encourage the sector's understanding of national climate and sustainability action plans in order to enhance investment-related decision-making capabilities, accelerate action and catalyse partnerships.	7.1 7.2 7.a 8.4 13.2 13.a	H	S
OPTIONS FOR OIL AND GAS COMPANIES			
58. Be transparent about revenues according to relevant legislation and the international methodology such as EITI methodology.	16.5 16.6	H	S
59. With reference to the goals of the UNGPs, and associated national action plans ¹⁹ , engage with governments on their voluntary national reviews ²⁰ (VNRs) and how these are translated into national value propositions and activities.	16.3 16.5 16.6	M	M
60. Strengthen cooperation between companies and governments on health, safety and environment training programmes, social impact assessments, job creation and social performance standards.	8.2 8.3 8.5	M	M
61. Be transparent about policies, codes of conduct and internal controls related to prevention of bribery and corruption.	16.5 16.6	H	S

* SDG targets are based on identified priority SDGs. The full list of SDG targets can be found at <https://sdgs.un.org/goals>



¹⁹ For more information on the UNGPs and associated national action plans, please see: <https://www.ohchr.org/en/issues/business/pages/nationalactionplans.aspx>

²⁰ For more information on VNRs, please see: <https://sustainabledevelopment.un.org/vnrs/>

People | IMPACT OPPORTUNITY 7: Communities

Foster individual and community prosperity around own activities, including advancing sustainable development, livelihoods, good health and well-being

LEVEL OF POTENTIAL IMPACT ON THE SDGS L Low M Medium H High			
TIMEFRAME S 1–3 yrs M 4–6 yrs L 7–9 yrs			
Impact pathways	Priority SDG targets*	Level of potential impact on the SDGs	Timeframe
ACTIONS FOR IPIECA			
62. Provide global leadership on the ways in which the industry should interact with people and communities – including details on the role of the sector in respecting human rights and driving socio-economic development.	3.9 8.8 16.2 16.3 16.6 16.10	M	M
63. Continue to develop operational guidance and tools to support company understanding and implementation of the goals of the UNGPs framework.	16.2 16.3 16.6 16.7 16.10	H	S
64. Assist companies to understand the risks and opportunities of the energy transition to local communities in the context of the engagement on the just transition.	8.2 8.3 8.7 8.8 9.2 13.3	H	M
65. Encourage collaboration and the sharing of information as appropriate between companies operating in the same geographies (e.g. sharing of insights/information from environmental, social and health impact assessment and monitoring and reporting of data).	3.9 8.3 8.5 16.7	H	M
66. Share good practices around effective and inclusive community engagement and consultation including the roles of individuals responsible for stakeholder relations (including community liaison officers).	16.7	L	S
67. Help companies make successful and sustainable social investments through good practice sharing and by supporting companies to better understand how to measure their social impact and build long-term shared value.	8.3 16.7	L	S
OPTIONS FOR OIL AND GAS COMPANIES			
68. Undertake multi-stakeholder, participatory engagements with local communities and host governments to understand socio-economic development priorities and utilise this understanding to drive shared value. This can be driven through core business practices, and maximising local content and social investment.	3.8 3.9 3.c 8.1 8.2 8.3 8.5	H	M
69. Improve the use of environmental, social, community health and economic impact assessments to identify opportunities to advance contributions to the SDGs, including a focus on vulnerable people and with particular consideration for operations in countries with a lower Human Development Index.	3.9 8.3 8.5 8.6	H	M

LEVEL OF POTENTIAL IMPACT ON THE SDGS **L** Low **M** Medium **H** High
TIMEFRAME **S** 1–3 yrs **M** 4–6 yrs **L** 7–9 yrs

Impact pathways

OPTIONS FOR OIL AND GAS COMPANIES <i>continued</i>			
	Priority SDG targets*	Level of potential impact on the SDGs	Timeframe
70. Conduct targeted human rights due diligence to proactively manage potential and actual adverse human rights impacts as well as identifying opportunities to advance human rights.	16.2 16.3 16.6 16.10	H	M
71. Build mutual respect, trust and confidence with local communities through early, ongoing, transparent, and accessible engagement programmes and community-level grievance mechanisms encompassing operations and activities of suppliers.	16.6 16.7 16.10	H (local) L (global)	M
72. Increase access to energy with accompanying benefits such as improved air quality for local communities, by expanding and improving off-grid systems and low-carbon technical solutions, to support the sector's contribution to the energy transition in the context of sustainable development.	7.1 7.b	H	L
73. Support innovative financing and payment mechanisms to assist communities in gaining access to energy and other essential services.	7.1 7.a	H	L
74. Promote and build effective public-private partnerships in order to help advance positive business impacts to local communities.	8.3	H	L
75. Actively engage in the energy transition dialogues in countries of operation to identify opportunities to share knowledge and experience.	7.1 9.4 9.a 9.b	M	S
76. As the sector transitions into new forms of energy and activities, harness industry's collective expertise in operational performance standards to promote respect for human rights.	16.2 16.3 16.6 16.10	H	M
77. Consider, when consulting with local communities and/or Indigenous Peoples about land issues such as acquisition, resettlement or access, how to strengthen land rights, reduce vulnerability and improve livelihoods and standards of living.	16.7 16.10	H	M
78. Recognise the position of Indigenous Peoples and aim for free, prior and informed consent (FPIC).	16.7 16.10	H	M
79. Support national health efforts and community response through collaborative efforts on disease prevention and medical emergency response.	3.8 3.c 3.d	H	M

* SDG targets are based on identified priority SDGs. The full list of SDG targets can be found at <https://sdgs.un.org/goals>

People | IMPACT OPPORTUNITY 8: Thriving workforces

Provide productive employment, championing worker health, safety and well-being across the supply chain

LEVEL OF POTENTIAL IMPACT ON THE SDGS **L** Low **M** Medium **H** High
TIMEFRAME **S** 1–3 yrs **M** 4–6 yrs **L** 7–9 yrs

Impact pathways

ACTIONS FOR IPIECA

	Priority SDG targets*	Level of potential impact on the SDGs	Timeframe
80. Support companies to promote high standards and good practice informed by the UNGPs framework, enhance human rights due diligence through operations and business relationships, and explore collaborative opportunities to enhance worker welfare throughout the industry supply chain.	8.2 8.3 8.7 8.8	H	M
81. Engage with other industries to understand innovative approaches to human rights and worker welfare, particularly related to the supply chain, and offer spaces for collaboration.	8.2 8.3 8.7 8.8	M	S
82. Promote and share good practices on local content, including supporting companies to identify systematic ways to measure and report on local content, exploring collaboration initiatives to streamline and enhance programmes in-country, and by tracking laws and regulations.	8.1 8.2 8.3	M	M
83. Lead industry collaboration and engagement with UN agencies and other stakeholders on the just transition.	16.7	M	M
84. Bring together and share good practice on company approaches to skills building, re-skilling and enterprise development that supports a just transition for workers in global supply chains, which fosters inclusion and equality. In that context explore the application of emerging principles such as WBCSD's Business principles for people-centred technology transformation.	8.2 8.3 8.5 8.6 8.7 8.8 9.2 13.3	H	L
85. Facilitate dialogue across the sector to address diversity and inclusion topics across the industry's supply chains and communities.	8.5	H	S



LEVEL OF POTENTIAL IMPACT ON THE SDGS **L** Low **M** Medium **H** High
TIMEFRAME **S** 1–3 yrs **M** 4–6 yrs **L** 7–9 yrs

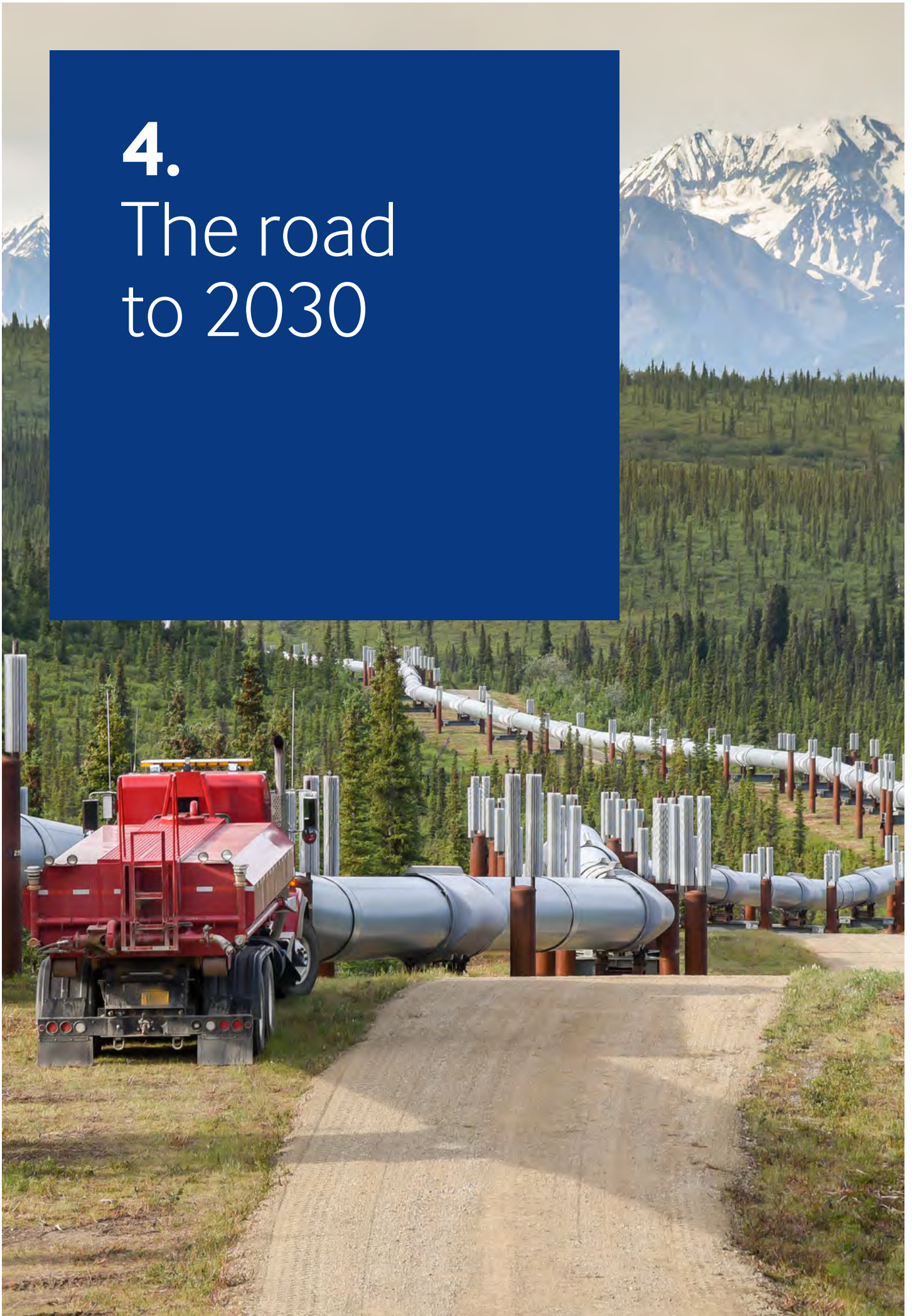
Impact pathways

OPTIONS FOR OIL AND GAS COMPANIES			
Impact pathways	Priority SDG targets*	Level of potential impact on the SDGs	Timeframe
86. Implement local content plans that support supplier development and enhance the scale and quality of local procurement. Where possible, emphasise preference for local suppliers near operations.	8.3 8.5 8.7 8.8	H (local) L (global)	M
87. Contribute to a skills base that is transferable across industry sectors in the context of the energy transition including training and continuous learning opportunities for suppliers and local communities.	8.2 8.5	H	L
88. Implement transition plans well in advance of transition between different project phases, including closure, to reduce impacts to local communities including engagement with labor organizations and actively assisting the workforce to prepare for and access future employment opportunities.	8.2 8.3 13.3	M	L
89. Measure and report on local content in order to improve visibility, promote dialogue and maintain focus.	8.2 8.3 13.3	M	M
90. Strive to positively influence the human rights policies and practices of oil and gas suppliers and work with suppliers on the results and findings to improve, and, where appropriate, disclose information to scale impact.	8.3 8.5 8.7 8.8	H	M
91. Respect human rights informed by the UNGPs framework or seek ways to promote and strengthen existing corporate human rights policies.	8.5 8.7 8.8	H	S
92. Share good practice examples to support companies' assessment of health-related risks and opportunities of the energy transition and related technological enhancement.	3.9	M	S
93. Promote health services and programmes to workers to address major non-work-related health risks.	3.8 3.9	M	S

* SDG targets are based on identified priority SDGs. The full list of SDG targets can be found at <https://sdgs.un.org/goals>



4. The road to 2030



4.1 Implementation

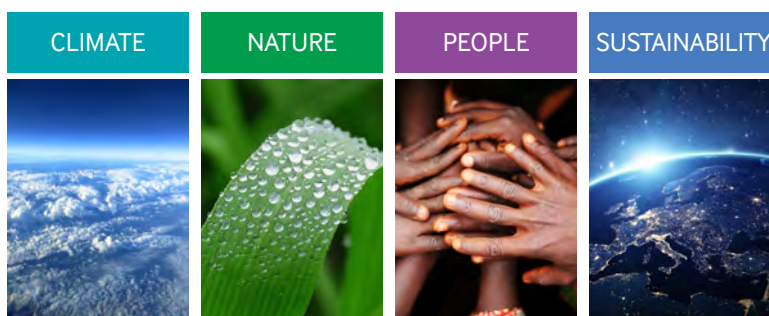
This Roadmap outlines how the oil and gas sector can accelerate action and scale up activities to contribute to the 2030 Agenda. A series of 93 actions across eight impact opportunities and three systemic themes present IPIECA, oil and gas companies and supply chain stakeholders with a shared vision on where to focus collaboration, innovation and transformation efforts that will help to manage future risks and maximise contribution to the SDGs. The success of the Roadmap is dependent on collective implementation and IPIECA encourages interested parties to contact us with ideas to align projects or strengthen partnerships.

IPIECA

IPIECA launched a new four-year strategy (2021–2024) in December 2020, that includes a vision which combines advancing the oil and gas industry's environmental and social performance with supporting the sector's contribution to the energy transition in the context of sustainable development. The strategy was developed in parallel with this Roadmap and recognises the significance of IPIECA's members' contribution to help meet the aims of the Paris Agreement and the 2030 Agenda. IPIECA's annual business planning activities will embed key Roadmap actions and will function as a vehicle for delivery.

IPIECA 2021–2024 strategy

Providing leadership for the global oil and gas industry on advancing climate action, environmental responsibility, social performance and mainstreaming sustainability



'IPIECA develops, shares and promotes good practice and knowledge to help the industry improve its environmental and social performance. We understand that the issues that dominate the global agenda – advancing climate action, environmental responsibility, social performance and mainstreaming sustainability – are too big for individual companies to tackle alone. This is why IPIECA brings together its members along with its key stakeholders to achieve real impacts.'

—Sophie Depraz, IPIECA Programme Director

WBCSD

WBCSD will continue to work closely with IPIECA, promoting this Roadmap and supporting and challenging the organization and its members as they seek to implement the key actions it identifies across the themes of climate, nature and people. Drawing from experience in developing and implementing roadmaps across a variety of other sectors, WBCSD will also seek to provide guidance to IPIECA and its members on the most effective ways to monitor, measure and report on progress.

Oil and gas companies

Companies are encouraged to use the Roadmap for inspiration to build or consider activities and collaboration in the context of existing SDG-led strategies. Integration of the SDGs into core business activities will help the sector to build resilience against the backdrop of the transition to a low-carbon future, while also helping it to manage regulatory and reputational risks, and leverage emerging opportunities in terms of new markets, access to sustainable finance and attracting and retaining top talent.

It is recognised that some actions in the Roadmap may need to be tailored to reflect the different characteristics of different actors in what is a very diverse sector. Many of the challenges the SDGs address are beyond an individual company's capabilities or control, and outside the sphere of its core business activities. Therefore, multi-stakeholder dialogue and collaboration is key to the successful implementation of this Roadmap.

Stakeholders

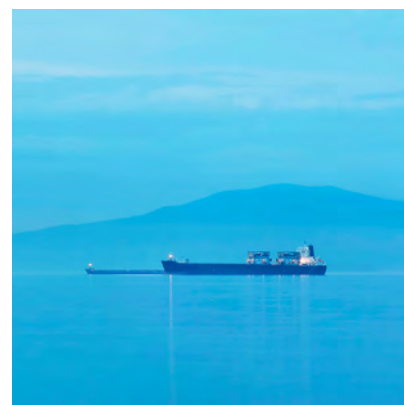
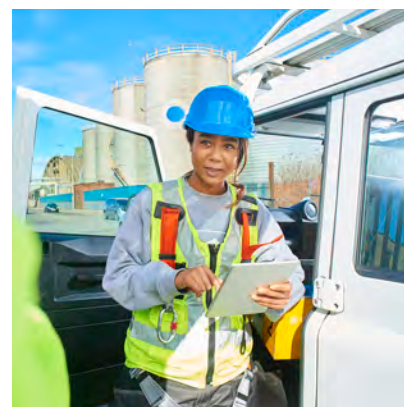
Supply chain stakeholders are also invited to explore the Roadmap to understand entry points available for further collaboration, alignment and dialogue that will help to maximise SDG impact.

Other stakeholders such as civil society organizations, policymakers or investors which monitor the implementation of the SDGs may find this Roadmap useful to deepen their understanding of the potential of the oil and gas sector to contribute to the SDG agenda and to strengthen their dialogue with IPIECA and/or companies within the sector.

Making an impact

To ensure the Roadmap remains relevant and that partnerships continue to focus on the areas where action is most needed, implementation of the Roadmap will require stakeholder engagement and monitoring of emerging trends and developments which may ultimately influence the priorities. IPIECA will also share informative case studies on its website to demonstrate and share information as to how IPIECA, its members and others are using the Roadmap and contributing to the SDGs.

The latest information on the Roadmap is available at www.sdg-roadmap.org.



Resources

CLIMATE

- [Addressing adaptation in the oil and gas industry](#)
- [Climate change: a glossary of terms \(5th edition\)](#)
- [Exploring the concept of 'unburnable carbon'](#)
- [Guidelines for implementing ISO 50001 energy management systems in the oil and gas industry](#)

Low-emissions pathways

- [Exploring low-emissions pathways for transport](#)
- [Exploring low-emissions pathways: Advancing the Paris Puzzle](#)
- [Making the case for carbon capture and storage](#)
- [The Paris Puzzle: The pathway to a low-emissions future](#)

Transparency and reporting

- [IPIECA-API-IOGP Sustainability Reporting Guidance](#)
- [Estimating petroleum industry value chain \(Scope 3\) greenhouse gas emissions. Overview of methodologies](#)
- [Petroleum industry guidelines for reporting greenhouse gas emissions \(2nd edition\)](#)
- [The role of scenario analysis in climate reporting](#)

Emissions management

- [Addressing uncertainty in oil and natural gas industry greenhouse gas inventories. Technical considerations and calculation methods](#)

- [Energy and greenhouse gas efficiency compendium](#)
- [Exploring methane emissions](#)
- [Methane glossary](#)
- [Oil and natural gas industry guidelines for greenhouse gas reduction projects: carbon capture and geological storage emission reduction project family](#)
- [Preparing effective flare management plans](#)
- [Saving energy in the oil and gas industry](#)
- [The expanding role of natural gas. Comparing lifecycle greenhouse gas emissions](#)

Fuels and products

- [GHG emissions and the cost of carbon abatement for light-duty road vehicles](#)
- [Joint Industry Guidance on the supply and use of 0.50%-sulphur marine fuels](#)
- [Lower-sulphur fuels, road transport strategies and air quality improvements](#)
- [Lower-sulphur fuels, road transport strategies and air quality improvements \(Executive summary\)](#)
- [Management and remediation of sites in the petroleum industry](#)
- [Mercury management in petroleum refining](#)
- [Petroleum refinery waste management and minimization](#)
- [Refinery air emissions management](#)



NATURE

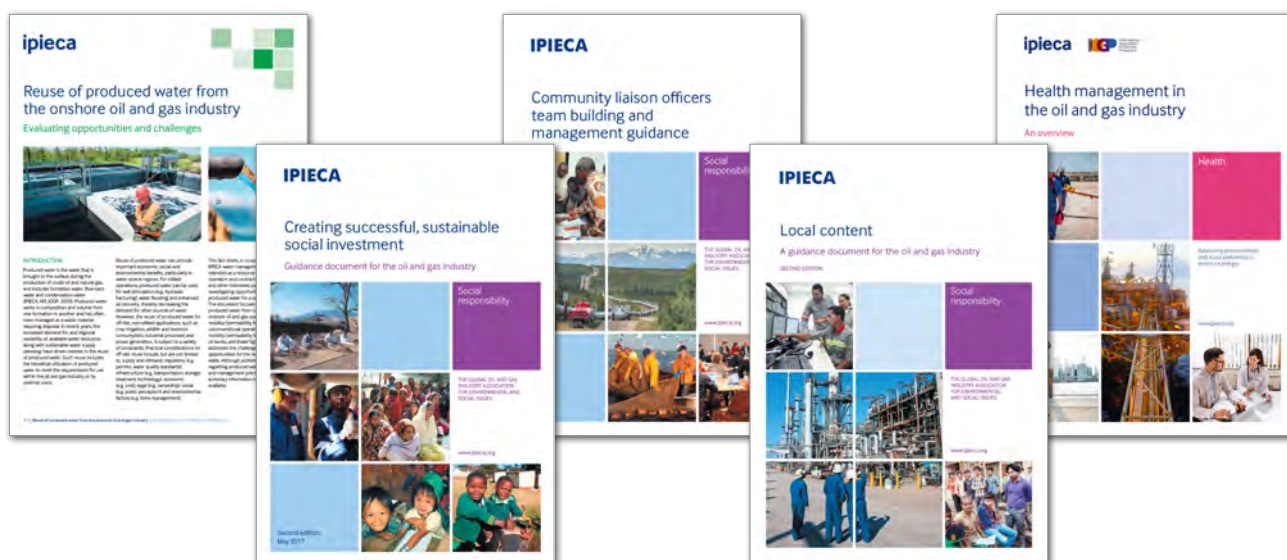
- [Environmental management in the upstream oil and gas industry](#)
- [The application of Globally Harmonized System \(GHS\) criteria to petroleum substances](#)
- [The IPIECA water management framework](#)
- [Mercury management in petroleum refining](#)
- [Managing biodiversity & ecosystem services \(BES\) issues along the asset lifecycle in any environment: 10 tips for success in the oil and gas industry](#)
- [A cross-sector guide for implementing the mitigation hierarchy](#)
- [Biodiversity and ecosystem services fundamentals](#)
- [Biodiversity and ecosystem services fundamentals: A summary](#)
- [Water risk assessment in the oil and gas sector: An overview](#)
- [Reuse of produced water from the onshore oil and gas industry](#)
- [Managing biodiversity and ecosystem services in oil and gas development: Mainstreaming the mitigation hierarchy](#)
- [Good practices for the collection of biodiversity baseline data](#)
- [Identifying and assessing water sources](#)
- [Efficiency in water use](#)
- [Biodiversity and ecosystem services horizon scanning 2021](#)

Latest information available at www.ipieca.org

WBCSD resources can be accessed at www.wbcsd.org

PEOPLE

- [Integrating human rights into environmental, social and health impact assessments](#)
- [Voluntary Principles on Security and Human Rights: Implementation Guidance Tools](#)
- [Health management in the oil and gas industry](#)
- [Community liaison officers team building and management guidance](#)
- [Creating successful, sustainable social investment. \(2nd edition\)](#)
- [Local content. A guidance document for the oil and gas industry \(2nd edition\)](#)
- [Community grievance mechanisms in the oil and gas industry](#)
- Please visit IPIECA's website for guidance on:
 - Human rights: <https://www.ipieca.org/our-work/people/respecting-human-rights/> which includes guidance on due diligence, impact assessments, worker and community grievance mechanisms, and labour rights in the supply chain.
 - Responsible security: <https://www.ipieca.org/our-work/people/responsible-security/> where you can find implementation guidance on the Voluntary Principles on Security and Human Rights, as well as a host government engagement strategy tool and host country security assessment guide.
 - Engaging with communities and Indigenous Peoples: <https://www.ipieca.org/our-work/people/working-with-local-communities/>
 - Community and occupational health: <https://www.ipieca.org/our-work/people/health-and-wellbeing/>



Acronyms and abbreviations

API	American Petroleum Institute	MARPOL	International Convention for the Prevention of Pollution from Ships
BAP	Biodiversity action plan	NbS	Nature-based solutions
BES	Biodiversity and ecosystem services	NCS	Natural climate solutions
CCE	Circular carbon economy	NDC	Nationally determined contribution
CCS	Carbon capture and storage	NGO	Non-governmental organization
CO₂	Carbon dioxide	NOC	National oil company
eDNA	Environmental DNA	OECD	Organisation for Economic Co-operation and Development
EIA	Environmental impact assessment	OGCI	Oil & Gas Climate Initiative
EITI	Extractive Industries Transparency Initiative	SDG	Sustainable Development Goal
ESHIA	Environmental, social and health impact assessment	UN	United Nations
E&P	Exploration and production	UNCBD	United Nations Convention on Biological Diversity
FPIC	Free, prior and informed consent	UNDP	United Nations Development Programme
GHG	Greenhouse gas	UNEP	United Nations Environment Programme
ICAO	International Civil Aviation Organization	UNFCCC	United Nations Framework Convention on Climate Change
IEA	International Energy Agency	UNGC	UN Global Compact
IEC	Integrated energy company	UNGPs	UN Guiding Principles on Business and Human Rights
IFC	International Finance Corporation	US	United States
IGO	Intergovernmental organization	VNR	Voluntary national review
ILO	International Labor Organization	WBCSD	World Business Council for Sustainable Development
IMO	International Maritime Organization	UNEP-WCMC	UN Environment Programme World Conservation Monitoring Centre
IOC	International oil companies		
IOGP	International Association of Oil & Gas Producers		
IPCC	Intergovernmental Panel on Climate Change		
JIP	Joint industry project		

Acknowledgements

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This publication is released in the name of IPIECA and WBCSD. It is the result of a collaborative effort by members of their secretariats and representatives from IPIECA's member companies. A wide range of IPIECA members reviewed drafts, thereby ensuring that the document broadly represents the perspective of the IPIECA membership. It does not mean, however, that every member company agrees with every word.

IPIECA is the global oil and gas industry association for advancing environmental and social performance. IPIECA convenes a significant portion of the oil and gas industry across the value chain, bringing together the expertise of companies and associations to develop, share and promote good practice and knowledge.

IPIECA is the industry's principal channel of engagement with the United Nations. Its unique position enables its members to support the energy transition and contribute to sustainable development.



WBCSD is a global, CEO-led organization of over 200 leading businesses working together to accelerate the transition to a sustainable world. It helps make its member companies more successful and sustainable by focusing on the maximum positive impact for shareholders, the environment and societies.

Its member companies come from all business sectors and all major economies, representing a combined revenue of more than US\$8.5 trillion and 19 million employees. WBCSD's global network of almost 70 national business councils gives its members unparalleled reach across the globe. Since 1995, WBCSD has been uniquely positioned to work with member companies along and across value chains to deliver impactful business solutions to the most challenging sustainability issues.

Together, WBCSD and its members are the leading voice of business for sustainability: united by their vision of a world where more than 9 billion people are all living well and within the boundaries of our planet, by 2050.

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