
N540: Oil and Gas ESG [Environmental, Social & Governance] Fundamentals

Instructor(s): Dr Gary Cranmer, Liane Butcher, and Phil Crookall

Format and Duration

Classroom - 2 Days

Virtual - 4 Sessions

Summary

Business Impact: In the past few years ESG (Environmental, Social and Governance) reporting, management, and compliance has become a significant focus area for oil and gas companies. The rapid evolution of the **Energy Transition** has been so fast over the past year, that many oil and gas companies are struggling to **develop the skill sets** to ensure that ESG programmes are a **central priority** across their business. This course will provide an awareness of ESG issues that will help your organisation to **thrive in today's rapidly evolving market**.

The course will highlight the primary ESG risks to oil and gas business and help you to monitor, report and mitigate these risks. As well as highlighting the risks, the course will provide foresight to where ESG value can be created. With access to finance now very much dependent on increasingly stringent ESG criteria, understanding the perspectives and reporting requirements for both lenders and borrowers, is essential. This interactive course brings to life the vantage points of multiple ESG stakeholders.

Learning Outcomes

Participants will learn to:

1. Determine the ESG risks to your business.
2. Understand the ESG value creation opportunities for your business.
3. View ESG factors from the perspective of multiple stakeholder groups.
4. Critically assess the value of CSR (Corporate Social Responsibility) projects to date.
5. Understand the key ESG frameworks and reporting standards.
6. Leave with an 'ESG Top 5 Actions' list.

Training Method

This is a classroom or virtual classroom course comprising a mixture of lectures, discussion, case studies, and practical exercises.

Who Should Attend

This course is aimed at Oil and Gas professionals and is particularly well suited to subsurface management roles and direct support functions, including Technical Team Leads, Asset Managers, Exploration Managers, Development Managers, Contracts & Procurement Leads, Global Portfolio & Strategy Managers/New Business Development and Technical Chiefs.

Prerequisites and Linking Courses

No ESG experience is required to participate in this introductory level course. Some prior exposure and interaction with ESG and its forerunners; Corporate Social Responsibility (CSR) and Health, Safety and Environment (HSE), would be advantageous.

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Course Content

Session 1 - Introduction

- How did we arrive here?
- Overview of History of ESG (H&S – HSE – CSR – ESG)
- What’s Happening now – and why’s it happening so fast (ESG and the Energy transition)
- Access to finance – What are the Banks looking for? (summary here, detail in Section 3)
- Examples of Governance Frameworks
- International Finance Corporation Performance Standards
- Equator Principles IV
- UN Principles for Responsible Investment
- Good International Industry Practice (GIIP)
- Global Reporting Initiative (GRI)
- Millennium Development Goals (MDGs),
- Sustainable Development Goals (SDGs)
- Difficult project areas to obtain funding (e.g. Heavy oil projects and anything involving resettlement)
 - Access to insurance
 - Social licence to operate
 - Non-technical risk management
- Oil and Gas specifics
 - Peer review: independent, small to medium size operators – who’s doing what?

Session 2 - ESG – what you need to be doing now, what needs to be put in place

- **Strategy development**
 - Commitments
 - Policies
 - Reporting standards – dashboard
 - Funding options providing access to finance
 - Growth options – Mergers, Acquisitions and Disposals
 - Portfolio management
- **Operations management**
 - Management systems
 - Processes
 - Key Performance Indicators
 - Training
 - Programs
 - Procurement & supply chain

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Session 3 – I have a project that needs funding – what do I need to do?

- **Overview**
 - Obtain a good understanding of the proposed project
 - Identify and assess your HSES risks
 - Mitigate the significant risk
 - Monitor HSES performance
- **Environment**
 - Environmental baseline surveys and impact assessments
 - Biodiversity
 - Resource use
 - Waste generation and management
 - Emissions reporting and reduction
 - Environmental case studies
- **Social**
 - Social due diligence and impact assessments
 - Gender and Gender-Based Violence and Harassment (GBVH)
 - Child labour and modern slavery
 - Security issues
 - Cultural heritage
 - Human rights
 - Land acquisition and displacement
 - Vulnerable people and discrimination
 - Worker and stakeholder grievance mechanisms
 - CSR programs; short term vanity or legacy value
- **Governance**

Session 4 - How to get ahead of the curve – reporting and disclosures

- **Reporting standards and market shapers**
 - Oil and Gas Authority (UK)
 - U.S. Environmental Protection Agency (EPA)
 - Task Force on Climate-related Disclosures (TCFD)
 - COP 26/Paris Climate Agreement
- **ESG take away actions list**
 - 'ESG Top 5 Actions' list
- **Course wrap-up and Q&A session**