

Climate change

As demand for energy grows, the oil and gas industry aims to develop new sources of supply. These include potential resources in the Arctic, which the U.S. Geological Survey suggests holds around 13% of the world's undiscovered oil resources and 30% of its undiscovered gas.

Yet changing environmental conditions are creating challenges for Arctic oil exploration and production – as well as for the region's population. Rising to these challenges in such a sensitive environment requires the highest levels of care.

- The oil and gas industry's objective is to provide economic development while minimising the risks to the Arctic environment and its people
- The upstream industry is working to understand the changes that are occurring and to design our facilities and conduct our operations in ways that protect people, facilities and the environment
- We are also committed to reducing greenhouse gas emissions in our global operations as well as contributing to the development of new technologies that can make further reductions

The Intergovernmental Panel on Climate Change (IPCC) states that during this century the Arctic is likely to warm. As a result, Arctic sea ice may continue to decrease in both extent and thickness. According to the IPCC, other changes could include the thawing of permafrost and increased coastal erosion. In addition to these physical changes, Arctic ecosystems are also adapting. These physical and ecological changes have also led to changes in human behaviour. Understanding this 'moving baseline' presents additional

challenges for oil and gas operators to ensure their facilities are safe and environmentally protective. Such changes are cited as reasons to use utmost care in considering the rate and scope of economic development within the Arctic.

Notwithstanding possible Arctic warming, oil & gas industry development plans will still take into consideration extreme temperature and ice conditions. This will involve developing enhanced technologies for safe and sustainable operations in harsh conditions on land, in coastal zones and offshore. These technologies will enable a continuation of responsible operations in the Arctic.

Successful collaboration can allow all stakeholders to benefit from responsible utilisation of the Arctic's natural resources. Any new development of Arctic resources will generate increasing scrutiny that includes a climate change perspective.

However, climate change is a global issue and any specific impact on the Arctic region is more likely to be determined by global emissions of greenhouse gases rather than Arctic development alone. Consequently, OGP members are focused on pursuing sustainable development in the Arctic while addressing global greenhouse gas emissions.

More widely, the oil and gas industry is also supporting investment in solutions that address the risks of climate change. These approaches include ways to reduce greenhouse gas emissions from the industry's own operations and products; helping customers manage their emissions from using our products; and advocating the wide ranging policy changes needed from governments.

OGP members are also using energy more efficiently. This involves operational changes and investment as well as support for fundamental research and development to deliver breakthrough technologies.

Government regulation can also play an important role in reducing the impact of climate change. OGP believes that such approaches should subject the entire economy to the same predictable long-term policies and establish a carbon price on a level playing field. In this way, competitive forces can drive the most cost-effective solutions.

OGP and its members will continue to work with governments, industry, and non-governmental organisations (NGOs) to develop and implement appropriate policy measures. These should be aimed at control of greenhouse gas emissions while ensuring secure supplies of oil and gas – some of which are likely to come from the Arctic.

About OGP

OGP represents the upstream oil & gas industry before international organisations including the International Maritime Organisation, the United Nations Environment Programme (UNEP), Regional Seas Conventions and other groups under the UN umbrella. At the regional level, OGP is the industry representative to the European Commission and Parliament and the OSPAR Commission for the North East Atlantic. Equally important is OGP's role in promulgating best practices, particularly in the areas of health, safety, the environment and social responsibility.