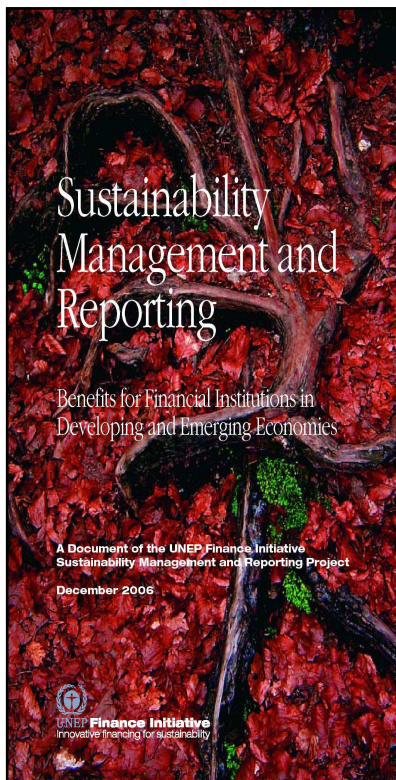


“The United Nations Environment Programme greatly welcomes the publication of the UNEP FI Sustainability and reporting guidance with its focus on the needs of financial institutions in developing and emerging economies.”





## Why the SM&R document?

- to raise awareness of the issues
- help to develop a business case

## Who is it aimed at?

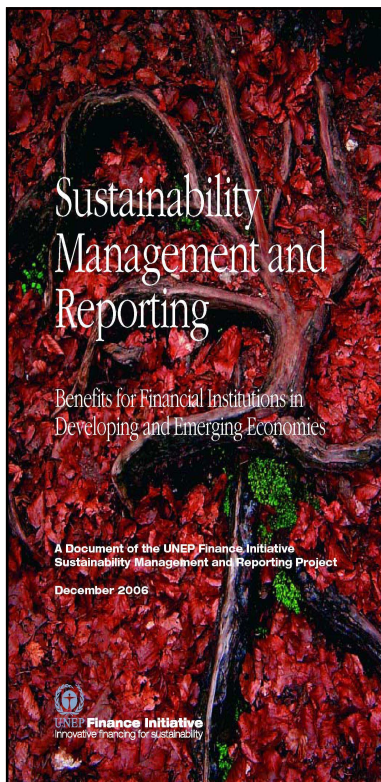
- CEO's, Board Members and Senior Management
- Current and Potential members of UNEPFI

## What is it and how is it structured?

- it is **not** a step by step manual
- it identifies the issues through case studies taken from FI's in the emerging markets



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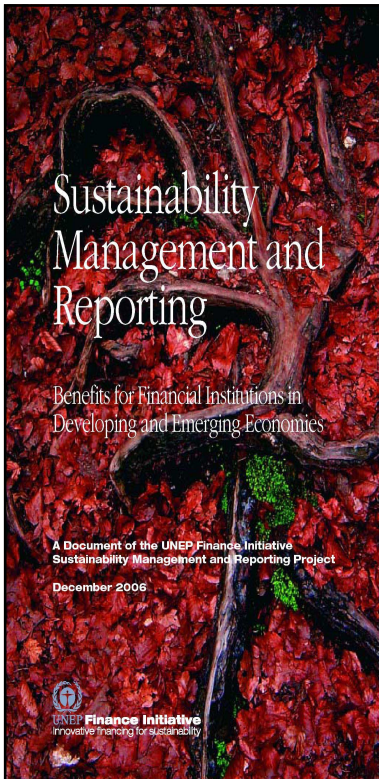


## What does it cover?

- Opportunities for Revenue Growth
  - new products and services
  - through assisting local economic growth
  - improved competitiveness
  
- Improved Risk Management ([see risk briefings](#))
  - understand and manage environmental risk
  - manage reputational risk



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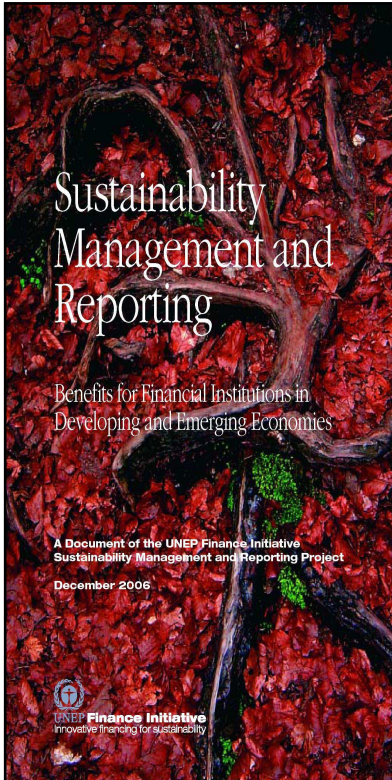
## What does it cover?

- Potential access to capital
  - access to public capital
  - access to private finance
  
- cost savings and energy improvements
  - better relationship with suppliers
  - better operational management



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**Thank You**

**Robert Tacon**  
**Treasurer, UNEPFI**



# UNEP FI's Environmental & Social Risk Briefings

## Improved Risk Management

Focuses on the identification of environmental and social issues across key business sectors, which can be incorporated into mainstream business risk analysis



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## UNEP FI's Environmental & Social Risk Briefings

### Covers 10 industry sectors

- Agriculture and fisheries
- Chemicals and pharmaceuticals
- Forestry and logging
- General manufacturing
- Infrastructure
- Mining and metals
- Oil and gas
- Power generation
- Service industry
- Utilities and waste management

### Each sector provides

- **Summary of sector**
- **Key sector risks / headline issues**
- **Environmental / social risks**
- **Key considerations**
- **Regulation & best practice**
- **Pertinent resources**



# Inside View

## Oil & Gas

### Introduction

This Environmental and Social Risk Briefing covers the oil and gas industry from exploration to production to refining to retail. It includes natural and petroleum gas, fuel oils, petrochemicals, lubricants, petroleum and other by-products as well as the emerging market of bio fuels (biodiesel).

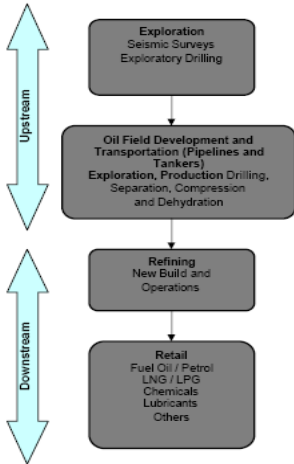
### Oil and Gas

Oil and gas are natural products created by the degradation of organic material in geological deposits within the earth's surface. They are made up of mixtures of thousands of organic substances, which once processed provide a very adaptable commodity from fossil fuels to a variety of petrochemicals.

The oil and gas sector is split into upstream and downstream activities. The upstream industry includes exploration and production and transfer of oil and gas to the refining or processing facility. The downstream industry involves the production (including refining), distribution and sale of refined hydrocarbon products as illustrated below.

Oil and gas projects can be onshore (terrestrial) or offshore (marine) or a combination of both at a variety of scales and may transect international boundaries.

### Oil and Gas Life Cycle



### Exploration

Oil and gas, historically, was recovered as crude oil and natural gas from natural reservoirs contained within sedimentary rocks. Recent advances in production technologies and the upturn in petroleum prices have enabled alternative hydrocarbon reservoirs to now also be exploited (e.g. tar sands, oil shale and biomass (vegetable materials)).

Exploration includes identifying likely geological reservoirs based on intrusive (drilling) or non-intrusive (seismic) surveying techniques. Exploration fields are typically large areas, may be terrestrial or marine or both and may span international boundaries or non-territorial waters. Exploration evaluates the potential for oil and gas bearing strata, enables an estimate of the reserves present to be made and gains an understanding of the quality of the oil and gas contained within the reservoir.

### Production

Once a commercially viable reserve has been identified, oil and gas is extracted by drilling production wells into the reserve using highly specialised technologies. A variety of synthetic or natural drill fluids are used to keep the drill bit cool and lubricated and to bring drill cuttings to the surface.



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