Oil and gas companies are gravitating towards sustainability practices, says GlobalData

Oil and gas companies are facing increasing scrutiny for their carbon intensive operations. With the passing of the 2015 United Nations Climate Change Framework, the demand for the oil and gas industry to curb its carbon emissions is becoming even stronger. Companies that implement concrete measures to reduce their environmental impact are best placed to succeed in the coming years, says GlobalData, a leading data and analytics company.

GlobalData’s latest thematic report, ‘Sustainability in Oil & Gas’, reflects that the environmental threat of oil and gas industry is widely recognized and various governments have initiated preventive measures to mitigate it. Subsequently, many oil and gas companies are taking steps to curb the environmental impact, primarily due to regulatory and shareholder obligations. However, when it comes to social and governance factors, there appears to be a distinct differentiation in the way different companies handle these issues.

Large oil and gas corporations have undertaken social welfare activities as per their individual CSR portfolios. There is a conscious effort to bridge the gender gap in workplaces, maintain diversity and ensure overall wellbeing of the employees. Increased accountability has improved overall governance across the oil and gas value chain.

Puranik adds, “Oil majors and other multinationals have adopted best practices in ensuring employee health and safety. However, the same is not true in case of the national oil companies. Many of these companies also lag on the corporate governance front as their operations are prone to corruption and crony capitalism”

GlobalData’s thematic research identifies that Equinor, Shell, ExxonMobil, Total, Chevron and OMV are among the leaders in the sustainability theme in the oil and gas industry.

The outbreak of COVID-19 has put workforce wellbeing at the center stage. Oilfield workers in many regions have contracted the disease, highlighting the importance of social sustainability. The pandemic has also raised governance challenges as different companies have adopted different approaches at handling this unprecedented crisis.

Puranik concludes: “Adopting a holistic approach can help company leaders to
ensure all aspects of sustainability are covered in their ESG strategy. In 2020, the pressure will mount on companies to be more transparent about their ESG credentials.”

*Information based on GlobalData’s report: ‘Sustainability in Oil & Gas’*

ENDS

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Analysts are available for comment. Please contact the GlobalData Press Office:

**EMEA & Americas:** +44 (0)207 832 4399  
**Asia-Pacific:** +91 40 6616 6809

**Email:** [pr@globaldata.com](mailto:pr@globaldata.com)

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**Notes to Editors**

- Quotes provided by Ravindra Puranik, Oil & Gas Analyst at GlobalData
- Information based on GlobalData’s thematic report: ‘Sustainability in Oil & Gas’
- This press release was written using data and information sourced from proprietary databases, primary and secondary research, and in-house analysis conducted by GlobalData’s team of industry experts

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4,000 of the world’s largest companies, including over 70% of FTSE 100 and 60% of Fortune 100 companies, make more timely and better business decisions thanks to GlobalData’s unique data, expert analysis, and innovative solutions, all in one platform. GlobalData’s mission is to help our clients decode the future to be more successful and innovative across a range of industries, including the healthcare, consumer, retail, technology, energy, financial and professional services sectors.