



# Industrial Value of Business Sustainability.

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OMC 2009

Workshop: Competitiveness: What Future for E&P Industry?

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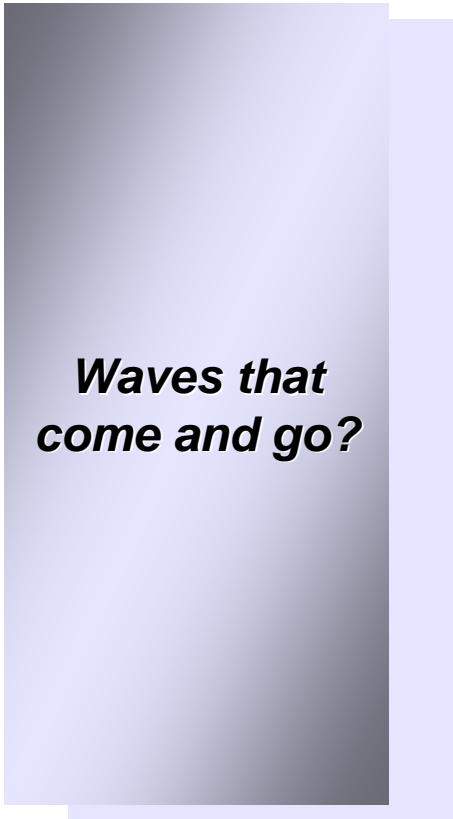
# Sustainability and Governance: Context

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- **Sustainability is an important concept. It is not a business strategy.**
- **Business strategy should take sustainability into account. Each business should understand the sustainability impacts, risks, and opportunities for its business.**
- **Three questions:**
  - ◆ Are we focusing on the right expectations?
  - ◆ Are we setting the right priorities in responding to expectations?
  - ◆ Are we translating priorities into decisions and actions on the ground?

# What is the life span of the concerns?

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*Waves that  
come and go?*

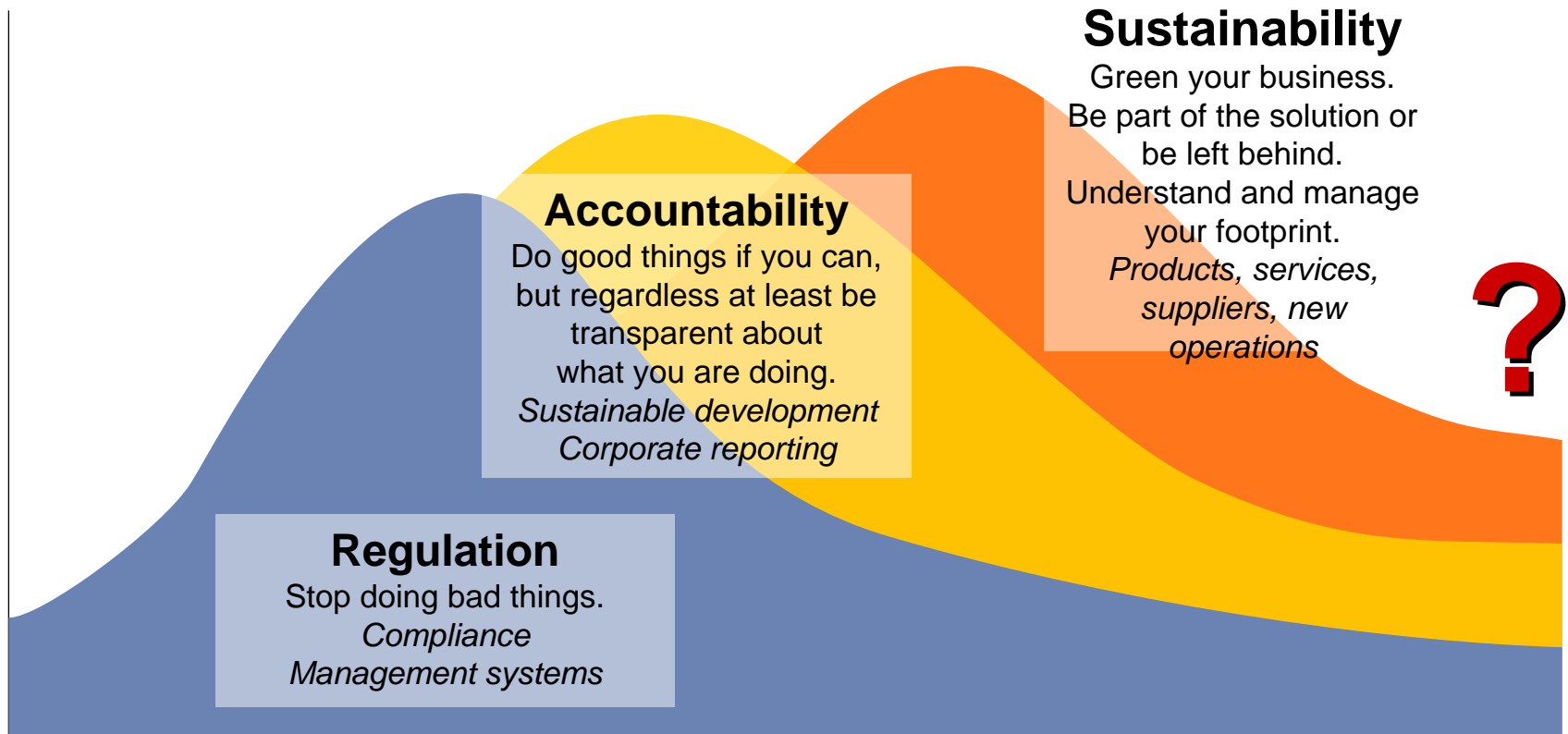
**Episodic**



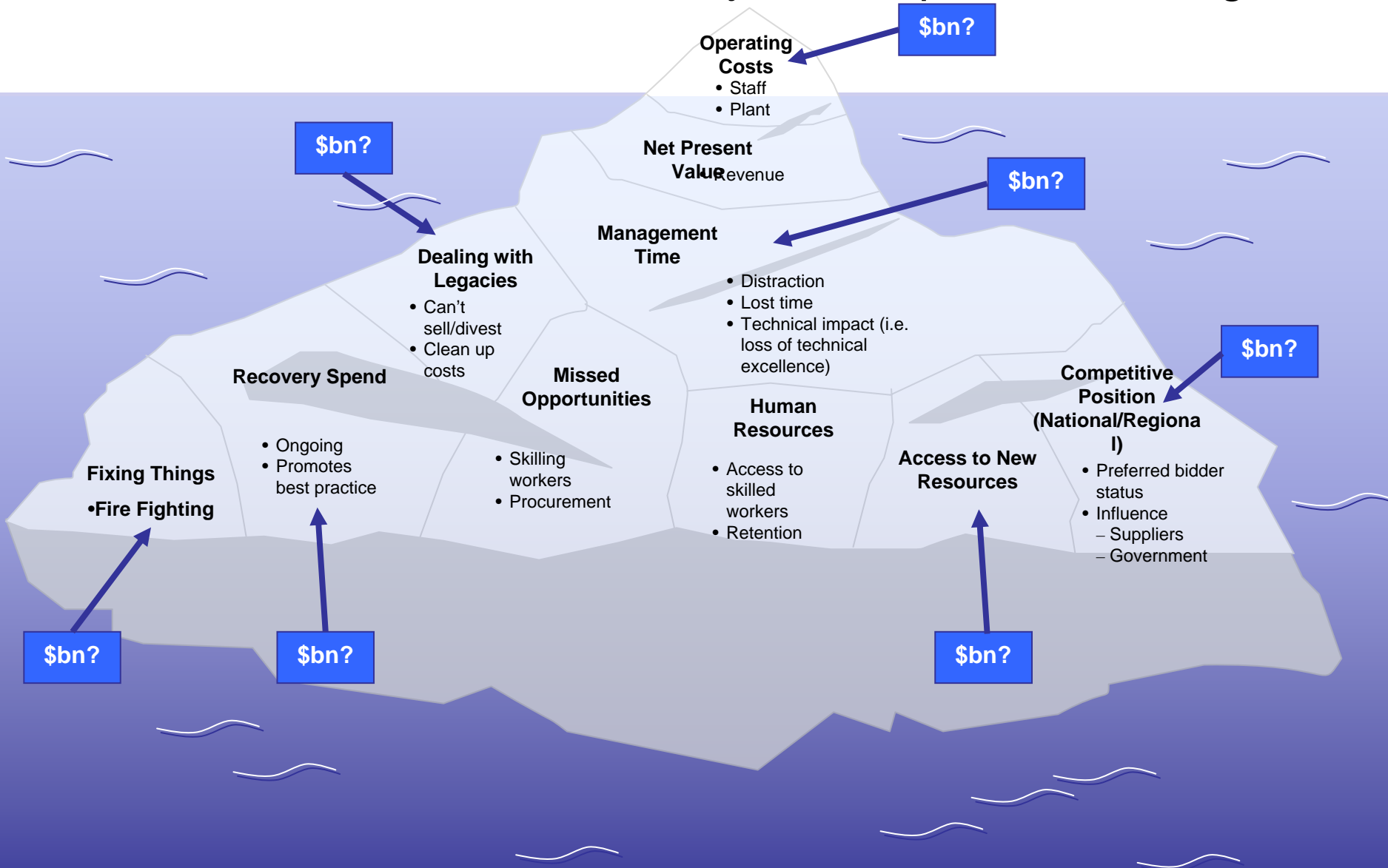
*Permanent  
part of the  
business  
landscape?*

**Enduring**

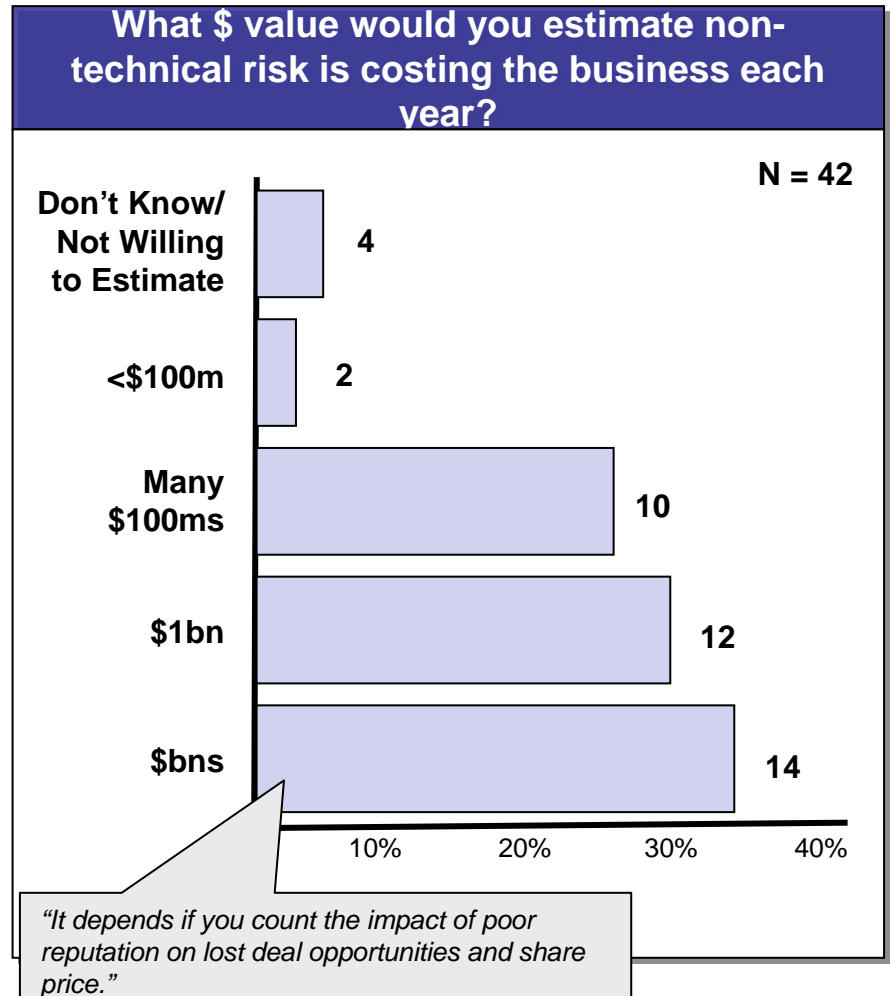
# Corporate Environmentalism Waves



# Direct technical costs . . . are just the tip of the iceberg

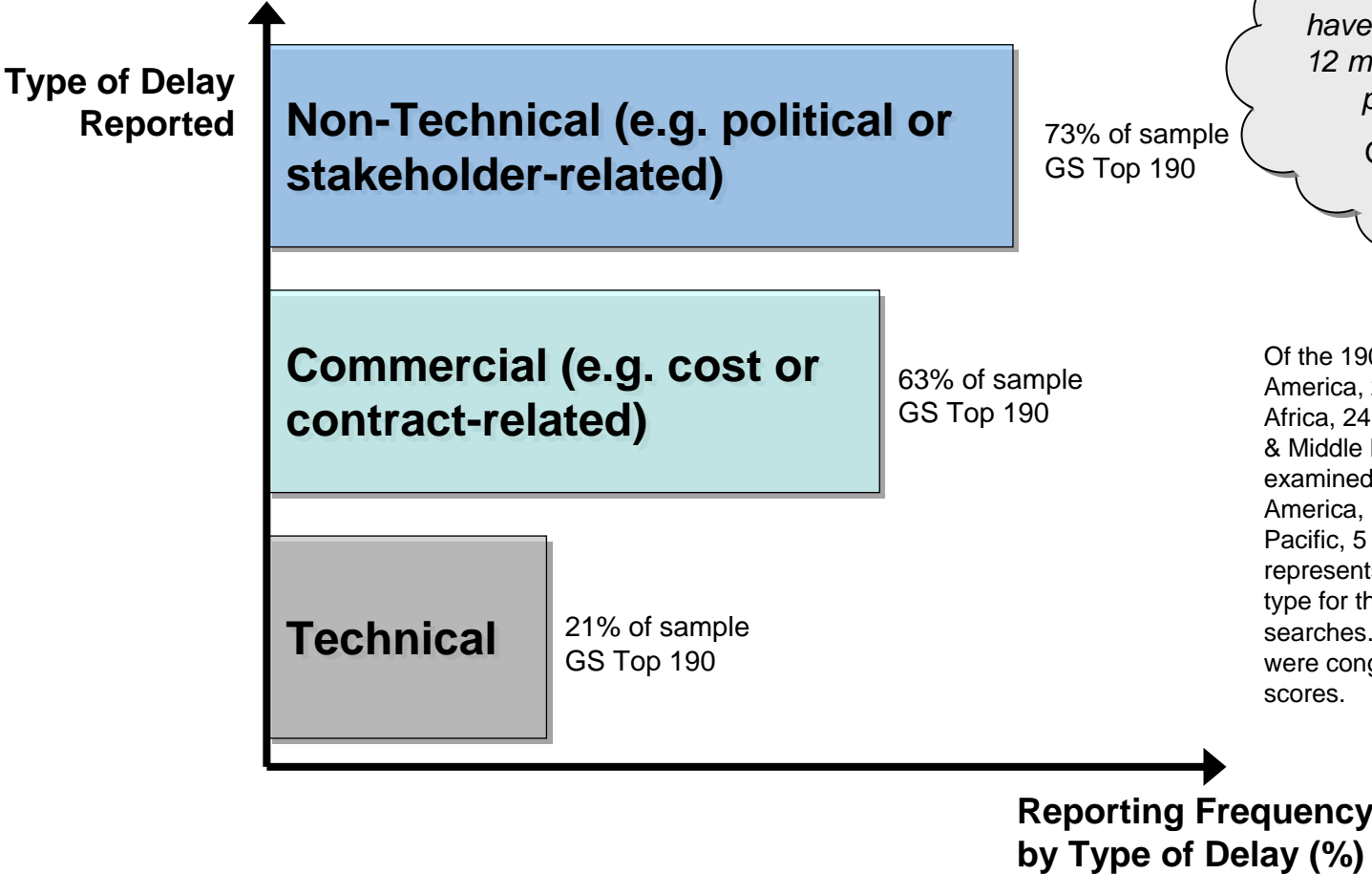


Most people in the O&G industry believe that the non-technical risk is costing the business billions of dollars



# Other oil companies are being impacted by non-technical risk too

## Study of Sample of 19 Goldman Sachs Top 190 Projects by Cause of Delay

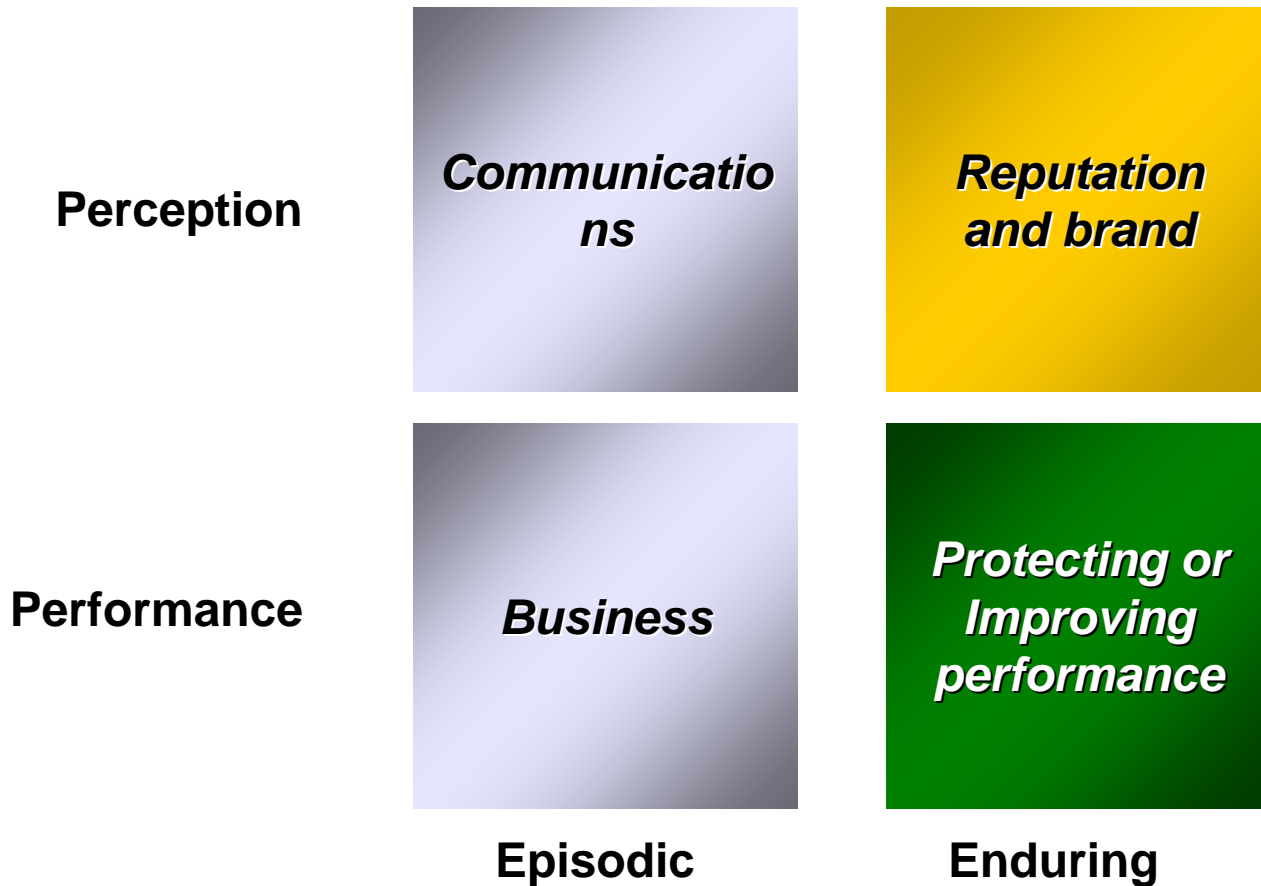


*“Of the 190 projects, we have seen an average of 12 months delay for non-producing fields”*  
Goldman Sachs Research

Of the 190 projects, 30 are in N America, 22 S America, 12 Europe, 50 Africa, 24 Asia-Pacific, 53 C and S Asia & Middle East . A sample of 19 were examined – 3 in N America, 2 S America, 2 Europe, 5 Africa, 2 Asia-Pacific, 5 Asia-Middle East. The chart represents instances of delays cited by type for the sample based on press searches. Examined by country, results were congruent with stakeholder risk scores.

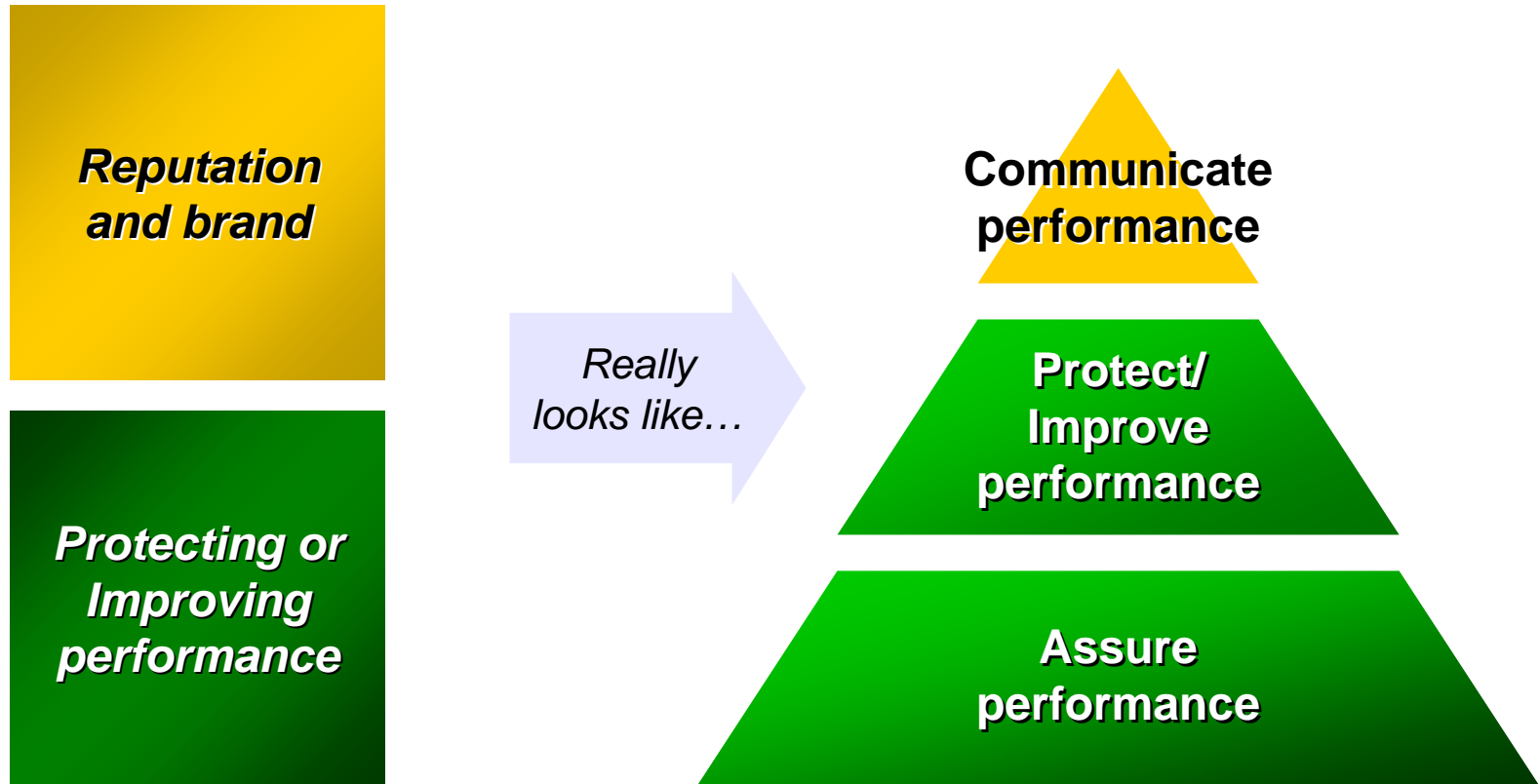
Source: Goldman Sachs Global Investment Research

# Put the two questions together...

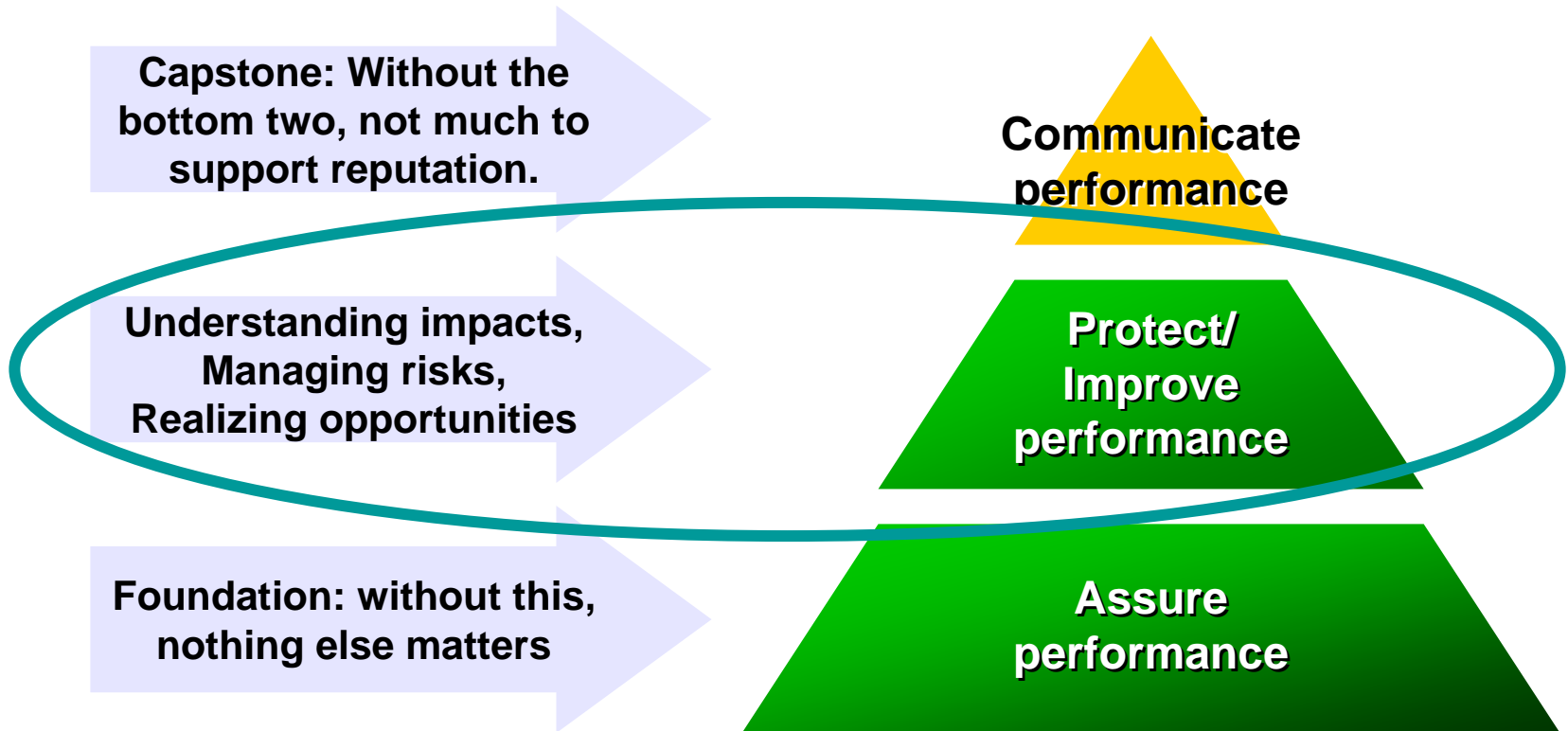


If you want to change enduring perception, you need to look at what performance that requires

# Sustainable performance



# Sustainable performance



# What should our approach be?

