



American  
Petroleum  
Institute

# INDUSTRY IN ACTION:

Focus on Environmental Justice

2023



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# SUPPORTING ENVIRONMENTAL JUSTICE

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**The oil and natural gas industry supports the two pillars of environmental justice (EJ): environmental policy and practices that provide fair treatment and meaningful involvement.**

The U.S. oil and natural gas industry is committed to safe and responsible operations, including the discovery, production, and delivery of energy – in a manner that respects communities and the environment.

We are working with local communities and policymakers to promote these principles across the energy sector. All people should be treated fairly, regardless of race, color, national origin, or income, in all interactions with the oil and natural gas industry, including developing, implementing, and enforcing environmental laws, regulations, and policies.

Providing energy in ways that respect communities and the environment requires a deep understanding of the potential effects operations may have on communities.

## DEFINING AND ACHIEVING ENVIRONMENTAL JUSTICE

Environmental justice intersects with U.S. oil and natural gas industry operations. It focuses on direct operational impacts on people's lives, especially in instances where communities may have been or may be



disproportionately impacted and have long felt disaffected or ignored.

Finding a useful, consistent definition of environmental justice is a challenge. The U.S. Environmental Protection Agency (EPA) defines environmental justice as “the fair treatment and meaningful involvement of all people regardless of race, color, national origin, or income concerning the development, implementation, and enforcement of environmental laws and regulations, and policies.”

EPA’s definition considers the inequitable distribution of environmental impacts and the exclusion of marginalized groups from policy development and implementation. It sets the agenda to target programs in areas at risk of environmental injustices. Most key federal agencies coalesce around EPA’s definition. States have been encouraged to develop their own definitions and mapping tools, which has resulted in definitions that vary across the country.

Other key stakeholders and activist groups consider environmental justice more broadly. Texas Southern University’s Dr. Robert Bullard, considered the father of environmental justice, on the other hand, defines it as the principle that “all communities, all people, are entitled to equal protection of our environmental laws, health laws, housing laws, transportation laws, and civil rights laws.”

The differing definitions also highlight the evolving nature of the topic and the diversity of the stakeholders and community groups involved. The oil and natural gas industry acknowledges the varying definitions and recognizes that companies have a role in facilitating environmental justice,

including acting in accordance with environmental public policies and being responsive to the potential needs, characteristics, sensitivities, and vulnerabilities of the communities where we operate. The oil and natural gas industry is global in scope and continually strives to develop processes and strategies to proactively engage with local communities to address specific local concerns and needs while improving environmental and social performance.

### **Definitions of Environmental Justice:**

*The fair treatment and meaningful involvement of all people regardless of race, color, national origin, or income concerning the development, implementation, and enforcement of environmental laws and regulations, and policies.*

- U.S. EPA

*All communities, all people, are entitled to equal protection of our environmental laws, health laws, housing laws, transportation laws, and civil rights laws.*

- Dr. Robert Bullard, Texas Southern University



This report explores the industry's commitment to environmental justice efforts in four categories of action that will enable the strong performance for addressing environmental justice.

**RESPECTING**

Respecting human rights through overarching company-wide commitments that underpin environmental justice pillars.

**ENGAGING**

Engaging stakeholders enables ongoing, meaningful dialogue that informs and equips companies to be responsive to community needs and concerns.

**IMPROVING**

Improving performance in addressing environmental, social, and health issues through company management systems and tools to increase transparency in business practices and processes.

**CREATING**

Creating local economic opportunities that generate more equitable outcomes for those who live near oil and natural gas facilities.



# RESPECTING HUMAN RIGHTS



Companies recognize the importance of respecting human rights – a responsibility that underpins the industry’s contribution toward the environmental justice goals of meaningful engagement, fair treatment, and equal protection of all people.

## HUMAN RIGHTS COMMITMENT

Engaging with human rights mechanisms on environmental justice issues can help identify and address community concerns. Respecting human rights is fundamental to companies’ meaningful contributions to building resilient communities as projects and operations have the potential to have both positive and negative impacts. Projects can contribute to local economies through tax revenue and creating jobs, resulting in work opportunities to achieve an adequate standard of living. Environmental impacts, however, when not addressed, can result in potentially adverse impacts to property and communities. Starting with the **Universal Declaration of Human Rights**<sup>1</sup>,

which lists the core human rights to which all people are entitled, companies have **mapped industry situations to potential human rights impacts**<sup>2</sup> and worked to address these impacts.

## COMPANY POLICIES

Oil and natural gas companies are raising the profile of human rights awareness by updating commitment statements to provide detailed specifications, including addressing environmental justice pillars of fair treatment and meaningful involvement. Some companies have developed human rights-related policy statements or standards, while others have human rights protections embedded into their published core



values. The responsibility of business enterprises to respect human rights, independent of a state's responsibility, was established as a standard by the **U.N. Guiding Principles on Business and Human Rights (UNGP)**<sup>3</sup> in 2011. UNGP's "Protect, Respect, and Remedy" framework encourages companies to understand and address the risks to people from a company's operations, supply chains, and business relationships.

## ENVIRONMENTAL JUSTICE PRINCIPLES

Understanding and meeting a community's distinctive needs is not a new challenge for the U.S. oil and natural gas industry. Many companies have already incorporated strategic approaches into their business models. Nonetheless, the need to consider specific environmental justice principles and objectives has grown. Companies have responded and developed corporate **environmental justice principles**<sup>4</sup> to evaluate legislative and regulatory proposals.

## WHAT ARE HUMAN RIGHTS IMPACTS?

Human rights impacts are mainly influenced by the local human rights context and the nature of a project's specific activities. To be consistent with the United Nations Global Compact, the full range of human rights impacts needs to be considered, including those caused or contributed to by the project, cumulative impacts, and those directly linked to the project, e.g., through business relationships. An adverse human rights impact occurs when an action removes or reduces the ability of an individual to enjoy their human rights. The human rights due diligence process, as articulated by the UNGPs, focuses companies on identifying and addressing adverse impacts. However, the positive contributions to development by the oil and natural gas industry should be recognized, and Environmental, Social, and Health Impact Assessments also play a role as a tool to identify relevant opportunities.

*Excerpt from IPIECA's Integrating human rights into environmental, social, and health impact assessments. A practical guide for the oil and natural gas industry.*

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<sup>1</sup> Universal declaration of human rights: United Nations, Universal Declaration of Human Rights, <https://www.un.org/en/about-us/universal-declaration-of-human-rights>

<sup>2</sup> mapped industry situations ... : IPIECA, "Integrating human rights into environmental, social and health impact assessments, A practical guide for the oil and gas industry," December 2013, <https://www.ipieca.org/resources/integrating-human-rights-into-environmental-social-and-health-impact-assessments-a-practical-guide-for-the-oil-and-gas-industry>

<sup>3</sup> UN guiding principles: United Nations Global Compact, "Guiding Principles on Business and Human Rights: Implementing the United Nations 'Protect, Respect and Remedy' Framework," 2011, [https://www.ohchr.org/sites/default/files/Documents/Publications/GuidingPrinciplesBusinessHR\\_EN.pdf](https://www.ohchr.org/sites/default/files/Documents/Publications/GuidingPrinciplesBusinessHR_EN.pdf)

<sup>4</sup> EJ principles: American Petroleum Institute, API Environmental Justice Principles, <https://www.api.org/news-policy-and-issues/environmental-justice>



# ENGAGING WITH STAKEHOLDERS

**Engaging the public and resolving grievances are priorities for the oil and natural gas industry, and companies strive to actively communicate with the communities in which they operate.**

Meaningful involvement is a pillar of environmental justice. **Engaged stakeholders include any person, group, or entity that may affect or be affected by, has an interest in, or is concerned with a company and its activities.** Oil and natural gas companies strive to work with stakeholders to establish a dialogue and seek to address current and emerging concerns. Companies aim to commit to community and stakeholder engagement and have developed principles, guidance, and best practices for communicating with stakeholders and managing those relationships.

## EFFECTIVE ENGAGEMENT

**Collaborating with the community is critical to operational and project success.** Oil and natural gas companies operate within federal and state regulatory frameworks for stakeholder engagement. They often go beyond minimum requirements by seeking early community input and continuing to engage during a facility's life cycle, including the permitting, construction, operations, and maintenance phases. For example, pipeline operators often start stakeholder and community outreach several years before pipeline construction starts.

Companies view stakeholder engagement as a part of the life cycle of operations. Early stakeholder identification, assessment, and engagement during project conception ensures stakeholder input is considered during initial design and planning. Companies train and guide staff on stakeholder





engagement and consultation, including locally and culturally appropriate considerations. Often, companies have a dedicated group of staff responsible for planning and engaging with external stakeholders.

The dedicated staff uses existing engagement tools to listen to and understand the community. For example, stakeholder mapping evaluates environmental, social, health, safety, regulatory, and economic factors in the local area and other considerations such as regional history and attitudes toward infrastructure development. Active engagement is a dialogue, and it may take multiple meetings with various stakeholder groups to communicate information, identify concerns, incorporate feedback, and build long-term relationships.

Oil and natural gas companies respect the communities and indigenous peoples in the areas where they operate. **The industry recognizes that distinct social groups – such as environmental justice communities and indigenous peoples – may merit special consideration.** Through community engagement activities, communities have opportunities to interact with oil and natural gas companies.

### ANSI/API Bulletin 100-3, Community Engagement Guidelines

API Bulletin 100-3, Community Engagement Guidelines (100-3) originally published in 2014, is under revision. The Bulletin promotes community engagement approaches to the safe and responsible development of the nation's oil and natural gas. Bulletin 100-3 addresses community concerns and priorities

through recommended activities grounded in responsible practices proven through field experience. In addition, 100-3 recognizes the industry's commitment to being a good neighbor throughout a project life cycle via ongoing dialogue with local communities and key stakeholders.

### API Recommended Practice 1185, Pipeline Public Engagement

API Recommended Practice (R.P.) 1185, Pipeline Public Engagement, is under development. The draft R.P. uses the **Pipeline Safety Management Systems** (Pipeline SMS)<sup>5</sup> framework to build on stakeholder engagement and support enhanced community involvement for pipeline infrastructure projects. R.P. 1185 will help ensure public participation in safe pipeline operations. The team developing the new R.P. – members of the public, regulators, and the industry – thoughtfully incorporate comprehensive stakeholder engagement.

## KNOWING OUR COMMUNITIES

In response to concerns from communities bordering oil and natural gas facilities, regulators and companies continually evolve strategies prioritizing health and safety.

**Communities seek to foster trust and personal connections through transparency and partnerships.** By promoting a safety culture built on industry standards, practices, and programs, the industry strives to be a good neighbor.

<sup>5</sup> Pipeline safety: Pipeline SMS, "Pipeline Safety Management Systems 2021 Annual Report," <http://pipelinesms.org/wp-content/uploads/2022/07/2021-Pipeline-SMS-Annual-Report.pdf>



## Social and Cultural Barriers

Social and cultural barriers hinder communication. Effective assessment processes enable companies to identify obstacles and build approaches to dialogue and information exchange at the local level.

## Indigenous Peoples

The growing focus on environmental justice includes indigenous peoples. Companies recognize that these communities have distinct concerns and that interactions require specific policies. **Several oil and natural gas companies have developed dedicated policies and principles to guide engagement with indigenous peoples – policies acknowledging the sovereignty of the Nations and their important history and diversity (e.g., Enbridge<sup>6</sup>).** The industry is committed to creating mutually beneficial relationships.

## ACTIVE COMMUNITY ENGAGEMENT

Community participation in project development and facility operations is vital in seeking environmental justice. Participation means valuing partnerships, recognizing a community's unique contributions, and realizing their concerns are important and must be addressed.

### Community Advisory Panels (CAPs)

CAPs are public partnerships formed in areas where people live near industry facilities. Safety and environmental performance information is shared directly with CAPs. In addition, some CAPs have been used to help ensure that community members are able to voice their concerns and have their issues addressed.

## Operator Agreements

Some local jurisdictions enter into Operator Agreements (O.A.s) with oil and natural gas operators. The O.A.s often incorporate the community's expectations as to best management practices covering a broad range of activities: well location, strategies to mitigate noise, practices to protect air and water quality, and others.

## Grievance Mechanisms

Oil and natural gas companies have worked to develop operational-level community grievance mechanisms as global industry best practices. In the global context, the use, value, and power of an active community grievance mechanism are promoted by the U.N. Guiding Principles on Business and Human Rights (UNGPs), addressing the required pillar of "Access to Remedy" in the framework of Protect/Respect/Remedy. The oil and natural gas industry responds positively to the UNGPs' recommendations, partly because community grievance mechanisms align with the industry's interests in providing channels for affected individuals and communities to raise concerns. In addition, responses should be prompt, fair, and consistent.

**The industry has also developed a manual<sup>7</sup> for oil and natural gas companies to implement operational-level grievance mechanisms and design corporate frameworks for explaining critical effectiveness criteria and required steps.**

<sup>6</sup> Enbridge: Enbridge, Implementing Our Indigenous Peoples Policy, 2018: <https://www.enbridge.com/sustainability-reports/indigenous-discussion-paper/implementing-policy>

<sup>7</sup> industry manual: IPIECA, "Community grievance mechanisms in the oil and gas industry: A manual for implementing operational-level grievance mechanisms and designing corporate frameworks," May 2014, <https://www.ipieca.org/resources/community-grievance-mechanisms-in-the-oil-and-gas-industry>



# ENHANCING ENVIRONMENTAL, SOCIAL AND HEALTH PERFORMANCE

The oil and gas industry strives to achieve the environmental justice objective of fair treatment of all peoples through strong environmental, social, and health performance and implementing critical management practices.

Many oil and natural gas companies model their social and environmental performance approaches to specific international standards, such as the **International Finance Corporation (IFC) Performance Standards**<sup>8</sup>. Via guidelines such as IFC's standards and similar principles, the industry has worked to improve the health and safety of workers, and the communities where it operates, with an increased focus on social performance and addressing community impacts. **In addition, companies set up internal social performance units to improve the management of social concerns throughout the business, which helps the company manage impacts, appropriately consult with communities, and work towards sustainable economic development.**

## API ENERGY EXCELLENCE<sup>®</sup> PROGRAM

Oil and natural gas companies have extensive risk management systems that are foundational

to performance on health, social, and environmental matters. Working to enhance operational integrity is among the core **API Principles**<sup>9</sup> and is advanced through industry standards, workforce training, and performance initiatives. **API Energy Excellence codifies performance expectations of API members through 13 core elements**<sup>10</sup> to which members commit to applying in their operations to safeguard employees, the environment, and the communities where they operate.

<sup>8</sup> ifc standards: International Finance Corporation, Performance Standards, [https://www.ifc.org/wps/wcm/connect/Topics\\_Ext\\_Content/IFC\\_External\\_Corporate\\_Site/Sustainability-At-IFC/Policies-Standards/Performance-Standards](https://www.ifc.org/wps/wcm/connect/Topics_Ext_Content/IFC_External_Corporate_Site/Sustainability-At-IFC/Policies-Standards/Performance-Standards)

<sup>9</sup> API principles: American Petroleum Institute, About API: API Principles, <https://www.api.org/about#tab-principles>

<sup>10</sup> 13 core elements: American Petroleum Institute, API Energy Excellence Elements, <https://www.api.org/oil-and-natural-gas/api-energy-excellence/api-energy-excellence-elements>



## Together, API members advance performance priorities by:

- BUILDING AND MAINTAINING** Building and maintaining a culture of safety throughout their operations.
- INVESTING** Investing in technologies and practices that advance safety, environmental and social performance.
- EQUIPPING** Equipping a resilient workforce with the skills and knowledge to advance safety and environmental performance.
- ENHANCING** Enhancing transparency within communities and tracking performance improvements.
- ENGAGING AND SHARING** Engaging and sharing information with hosting communities.
- DOCUMENTING** Documenting policies, goals, and commitments, as well as identifying responsibilities of personnel at all levels.
- IDENTIFYING** Identifying causes of incidents and taking actions to prevent future incidents.
- PREPARING** Preparing for emergencies and learning from them to protect the safety of employees, communities,

## MANAGING ENVIRONMENTAL, SOCIAL, & HEALTH ISSUES SYSTEMATICALLY

The core of oil and natural gas companies' management of environmental, social, and health performance is generally the implementation of impact or risk assessments for new projects, which, depending on the circumstances, can take the form of integrated Environmental, Social, and Health Impact Assessments (ESHIA).



## Sustainability Reporting

Through a collaborative effort, members of API, IPIECA, and IOGP developed the 4th edition of the **Sustainability Reporting Guidance for the Oil and Gas Industry**<sup>11</sup>. This resource is a voluntary guidance that provides a reporting framework on climate and sustainability impacts and opportunities. The guidance outlines a reporting structure and provides guidance on suitable content. Through this guidance, companies are developing more strategic investment approaches to seek out potential projects, including conducting preliminary analyses, forming delivery-oriented partnerships, using pilot projects to test concept viability, and working to scale-up projects that contribute to sustainable economic growth. Many of these efforts have led to engagement that bolsters the industry's connections to local communities where companies operate.

The oil and natural gas industry values clear, concise, and comparable GHG reporting. The *API Compendium of GHG Emissions Methodologies for the Natural Gas and Oil Industry*<sup>12</sup> is the foundational reference companies and governments worldwide use to obtain methodologies for reporting GHG emissions from natural gas and oil industry operations. In addition, the *API Guidance Document for GHG Reporting*<sup>13</sup> drives consistency of voluntary reporting across a core set of company-wide GHG indicators.

## MANAGING ENVIRONMENTAL ISSUES

**Oil and natural gas companies work to address environmental issues by developing**

**impact assessments early in projects. These guide a company's ability to manage potential environmental issues, including actions to limit water use, protect biodiversity, respond to spills, and prevent them altogether, as well as reduce air emissions, including greenhouse gas emissions.**

### STRONGER

STRONGER – an acronym for “State Review of Oil and Natural Gas Environmental Regulations” – is a multi-stakeholder 501(c)3 nonprofit organization that develops **guidelines**<sup>14</sup> for state oil and natural gas

### FRACFOCUS - CHEMICAL DISCLOSURE

The oil and natural gas industry regularly demonstrates its commitment to transparency with communities where we operate. The sector makes information, such as hydraulic fracturing fluid chemical disclosures, accessible to regulators and the public through various means. For example, FracFocus is a database of well-specific fracking fluid chemical disclosures companies voluntarily report.

<sup>11</sup> sustainability reporting guidance: IPIECA, Sustainability Reporting Guidance, <https://www.ipieca.org/our-work/sustainability/performance-reporting/sustainability-reporting-guidance/>

<sup>12</sup> compendium ghg methodologies: American Petroleum Institute, “Compendium of Greenhouse Gas Emissions Technologies for the Natural Gas and Oil Industry,” November 2021, <https://www.api.org/-/media/Files/Policy/ESG/GHG/2021-API-GHG-Compendium-110921.pdf?la=en&hash=4B6E056EC663A4DE6133ED2A6F2F9865D7D33FA9>

<sup>13</sup> API guidance ghg reporting: American Petroleum Institute, “API Guidance Document for GHG Reporting,” March 2022, <https://www.api.org/-/media/Files/Policy/ESG/GHG/Guidance-API-Template-for-Climate-related-Reporting-Initiative-March-2022.pdf?la=en&hash=44F7B339AB25B383E74EA991E8AF50B971EBC6CD>

<sup>14</sup> guidelines: STRONGER, “Guidelines for the Review of State Oil and Gas Environmental Regulatory Programs,” 2022 edition, <https://www.strongerinc.org/wp-content/uploads/2022/07/2022-Edition-STRONGER-Guidelines.pdf>



regulatory programs and **reviews**<sup>15</sup> voluntary state oil and natural gas environmental regulatory programs. STRONGER's board of directors includes equal representation from the oil and natural gas industry, state oil and natural gas environmental regulators, and the environmental public advocacy community. STRONGER's mission is to enhance the protection of human health and the environment by continuously educating and providing services to improve state oil and natural gas environmental regulatory programs. Multi-stakeholder workgroups of subject-matter experts lead STRONGER efforts. The industry's support of STRONGER represents a commitment to ever-improving regulations that protect all communities, including communities that have experienced disproportionate environmental impacts.

## FOSTERING SAFETY CULTURE

Safety is a core value for the oil and natural gas industry. Companies work to improve safety practices through ongoing research, standards development, training, information sharing, and advocacy. Commitment to workplace safety helps protect workers and helps keep surrounding communities and the environment safe.

### Pipeline Safety Management System (Pipeline SMS)

The oil and natural gas industry has been proactive in ensuring pipeline safety as a critical element in maintaining public support for key energy infrastructure.

As a result, an important feature in API Recommended Practice 1173 (R.P. 1173) was the development of the Pipeline SMS. R.P. 1173 was developed in partnership with the U.S. Pipeline and Hazardous Materials Safety Administration, state pipeline regulators, and other stakeholders. The Pipeline SMS provides pipeline operators with a safety management system that reveals and manages risk, promotes a learning environment, and continuously improves safety processes and procedures.

### Process Safety Site Assessment Program (PSSAP)

API collaborated with the American Fuel & Petrochemical Manufacturers (AFPM) to develop the voluntary Process Safety Site Assessment Program (PSSAP®) for refinery, petrochemical, and chemical facilities. The program is a part of the industry's commitment to achieving zero incidents at its facilities. Since its inception, PSSAP has enhanced process safety performance through assessments from expert assessors, peer benchmarking, and collaboration to improve performance. Through PSSAP, companies strive for continuous process safety improvements by being a responsible neighbor and contributing to protecting the communities where they operate.

### Onshore Safety Alliance (OSA)

In 2021, a voluntary coalition of operators, drilling contractors, service companies and trade associations launched the Onshore Safety Alliance (OSA) to work together to support the industry's shared goal of maintaining



safe operations and reducing serious injury and fatality (SIF) events in U.S. onshore oil and natural gas exploration and production. The OSA program includes six safety actions participants voluntarily commit to carry out within their organizations. These actions are designed to promote meaningful progress in reducing hazards and preventing incidents across their operations. In return, the OSA provides resources, guidance, tools and peer-to-peer support to participants. Aligning with a simplified safety management system approach, the OSA is framed around five areas – Leadership, Planning, Workforce, Work and Improvement – and has four core components (Participant Actions, Resource Library, Data Collection & Benchmarking, and Industry Sharing & Learning) to help OSA participants progress their safety journeys and improve their internal operations across these areas. Together, these companies are raising the bar on safety – bridging industry knowledge, advancing a culture of safety and reducing serious incidents – to safeguard our workforce, the environment, and the communities in which we operate.

### Protecting Community Health

The industry's strong environmental performance helps reduce emissions and mitigate potential health impacts. In addition, the industry strives to improve community health by using best practices, conducting exposure monitoring, and offering health and lifestyle services and infrastructure.

### Collaborating on Health

API works with industry experts in the health field to provide scientific and technical expertise around public health issues and information related to oil and natural gas operations in the upstream, midstream, and downstream segments in the U.S. and globally. **Specifically, the industry uses technologies to continuously modernize refineries and carry out environmental monitoring at ever-decreasing pollutant levels, to help prevent or reduce potential health issues.** In addition, API uses a broad spectrum of diverse expertise to develop studies, reports, manuscripts, and commentaries that communicate sound science and inform regulatory policy and operational decisions protecting the health and welfare of the communities where the industry operates.

### Health Impact Assessments

Protecting the health of local communities is a priority for the oil and natural gas industry. In 2016, a partnership between IPIECA and the International Association of Oil and Gas Producers (IOGP) resulted in a revised Health Impact Assessment (HIA) guide outlining a six-step implementation process. HIAs are used by the oil and natural gas industry to understand the potential for public health impacts of projects and operations to define responsibility within the communities where the industry operates.

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<sup>15</sup> reviews: STRONGER, State Reviews, <https://www.strongerinc.org/state-reviews/>



# INVESTING IN LOCAL ECONOMIES

The oil and natural gas industry also contributes to the environmental justice goals, fair treatment, and meaningful engagement of all peoples through the industry's work to deliver enhanced economic development impacts at the local level.

This is done through non-governmental organizations (NGO) partnerships that implement sustainable projects. By taking a programmatic approach, the oil and natural gas industry recognizes that putting such systems in place can help manage revenue transparency and build the capacity of local communities. Creating programs to access the opportunities available across various business sectors can promote local business and build inclusive economic growth. These programs are targeted to reach groups that have been underrepresented and marginalized.

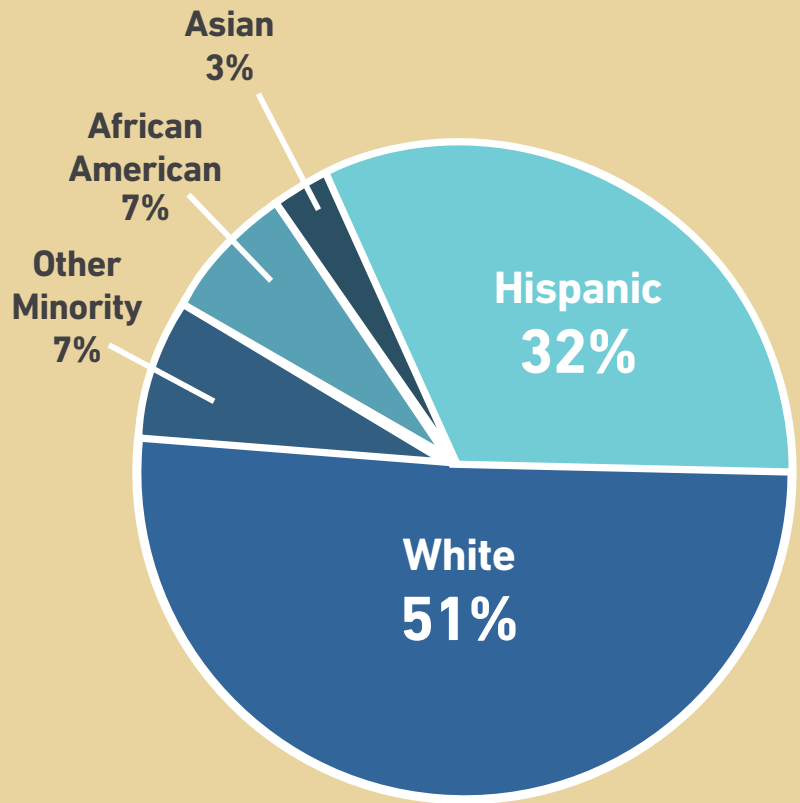
## Partnerships for Local Economic Development

The oil and natural gas industry is a primary driving force of local employment and economic development, including in the underserved areas. The Department of Energy estimates that the oil and natural gas industry **would provide \$1.6 trillion in federal and state tax revenue between 2012 and 2025<sup>16</sup>**. Affordable, accessible energy benefits manufacturing and supports job creation and broad economic opportunities



## EMPLOYMENT IN NUMBERS

- Combined, women and people of color (non-white) are projected to fill 60% of the job opportunities projected over the next two decades.
- Hispanic workers are projected to be hired for 600,200 job opportunities across all segments, which is 31.5% of the total job opportunities. African Americans are projected to account for 7.0%, and Asian Americans are projected to account for 3.4%. Other non-White individuals are projected to make up 7.0% of the job opportunities. Combined, people of color (non-White) are projected to make up 49.0% of total hires through 2040.
- Women are expected to fill 290,600 (20.5%) of the job opportunities. Their share of hiring will grow to almost 25% by 2040, reflecting many current efforts to attract more women to STEM professions.



Source: [The Future of Work: The Influence of New Technologies on Employment and Demographic Trends in the Oil, Natural Gas, and Petrochemical Industries](#)

for communities across the country. Operations realize substantial local economic benefits by utilizing local suppliers and vendors, employing residents, and through worker wages. Economic benefits include benefits directly related to project activity and induced and indirect benefits. Local, sustainable economic strategies include trust funds or foundations, economic development agreements, and workforce investment.

### Workforce Development

The industry supports **11.3 million jobs**<sup>17</sup>, or 5.6 percent of total U.S. employment while producing nearly \$900 billion in labor income. Direct employment in the oil and natural gas industry is approximately 2.5 million workers.

**For each directly employed worker, the industry**

**generates an additional 3.5 jobs elsewhere in the U.S. economy. According to BLS statistics, non-retail industry jobs pay 73% higher than the national average.** The oil and natural gas industry invests in workforce development to help provide good-paying job opportunities to a diverse workforce in the local communities.

<sup>16</sup> provide \$1.6 trillion: U.S. Department of Energy, "The Economic Benefits of Oil & Gas," 2020, <https://www.energy.gov/sites/prod/files/2020/10/f80/Economic%20Impact%20of%20oil%20and%20Gas.pdf>

<sup>17</sup> 11.3 million jobs: PwC, "Impacts of the Oil and Natural Gas Industry on the US Economy in 2019 (for API)," July 2021, <https://www.api.org/-/media/Files/Policy/American-Energy/PwC/API-PWC-Economic-Impact-Report.pdf>



### Bridging the Skill Gap

America's oil and natural gas companies support more than 11 million U.S. jobs. Based on API's latest analysis of employment trends – “**The Future of Work**<sup>18</sup>” – nearly 50% of job opportunities through 2040 will be filled by people who identify as African American, Hispanic, Asian, or non-white. **API's Workforce Summary**<sup>19</sup> analyzes key industry workforce segments, including employee attitudes and perceptions, education, and perspectives on job quality. The oil and natural gas industry has developed initiatives and training programs to enhance the collaboration between industry employers and various enterprises, including local agencies and college institutions, to create a skilled and competitive workforce. Initiatives and programs are targeted to address equity concerns, particularly in regions or population segments with limited access to education and training.

### Permian Strategic Partnership (PSP)

Convened in 2018, the partnership of oil and natural gas companies operating in the Permian Basin focuses on improving residents' quality

of life in underserved communities. This is accomplished by working with local leaders to develop and implement strategic plans for superior schools, safer roads, quality healthcare, affordable housing, and a trained workforce. For example, in partnership with other foundations, PSP donated \$10 million to construct a new 60,000-square-foot structure on the Midland College campus to increase the capacity of the College's Pre-K academy. The facility will also serve as an academic center for the college's new Bachelor of Applied Science program in Early Childhood Education.

### API Minority-Serving Institutions Initiative

API's Minority Serving Institutions (MSI) Initiative promotes diversity, equity, and inclusion in the oil and natural gas industry. The MSI initiative provides API's 800+ standards catalog, free of charge, to students at Historically Black Colleges and Universities (HBCUs) and other MSIs. Access to API's library of world-class standards introduces their students to highly detailed, practical knowledge immediately applicable in

Founded in 2019, Permian Strategic Partnership is a model for private businesses to invest in the public good. Through Public-Private Partnerships, PSP has improved the quality of life for Texas and New Mexico residents. Over the past year, PSP has made substantial investments to support critical community needs, including:

**\$34,075,000**

in education investments benefiting more than 100,000 students.

**\$41,000,000**

in healthcare investments to improve access to the region's 2 million residents.

**\$14,700,000**

to train and upskill the region's 800,000-strong workforce.



industry careers. In addition, the Initiative assists academic institutions in Accreditation Board for Engineering and Technology (ABET) recognition by incorporating standards directly into the curricula. By expanding partnerships with MSIs, API's objective is to support building advancement capacity and creating opportunities for minority students and students who live in communities where the industry operates.

### STEM Careers Coalition

API partners with Discovery Education and others in a wide-ranging coalition that supports Science, Technology, Engineering, and Mathematics (STEM) education in K-12 school systems across America. The **Discovery STEM Careers Coalition's**<sup>20</sup> goal is to build the skill sets necessary for future careers in STEM by providing educators and students with educational and inspiring content, materials, and other support. In addition, the coalition serves to bridge the gap between industry partners and classrooms.

### Supply Chain Diversity

By addressing equity in the supply chain, oil and natural gas companies are committed to a supply chain that reflects the diversity of communities where companies operate, helping to strengthen local economies. The industry partners with various organizations, their affiliates, and local chambers of commerce to establish relationships that provide training to help local suppliers seek opportunities with the industry.

### Foundations, Programs, & Initiatives

Several companies' social investment programs include philanthropy, community projects, and initiatives focused on mitigating the social impact of projects and operations. These programs are local, regional, national, and international in scope. IPIECA has developed a guide entitled, **Guide to Successful, Sustainable Social Investment for The Oil and Gas Industry**<sup>21</sup>, to assist in developing successful and sustainable community investments. Local social investment projects highlight the oil and natural gas industry's environmental justice progress through investments to mitigate social risk, support and build local capacity, and improve community welfare.

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<sup>18</sup> future of work: IHS Markit, "The Future of Work: The Influence of New Technologies on Employment and Demographic Trends in the Oil, Natural Gas, and Petrochemical Industries (for API)," July 2020, <https://www.api.org/-/media/files/policy/jobs/2020/api-ihs-report-the-future-of-work-072020>

<sup>19</sup> workforce summary: American Petroleum Institute, "Workforce Research Summary," 2021, <https://www.api.org/-/media/Files/Policy/DEI/API-DEI-Workforce.pdf?la=en&hash=BF7A47E48187EE3CACE41FD28824F37F6B009F96>

<sup>20</sup> discovery stem: Discovery Education, STEM Careers Coalition: Connecting STEM from K to Careers, <https://stemcareerscoalition.org/>

<sup>21</sup> guide to social investment: IPIECA, "Guide to successful, sustainable social investment for the oil and gas industry," February 2008, <https://www.ipieca.org/resources/good-practice/guide-to-successful-sustainable-social-investment-for-the-oil-and-gas-industry/>



# TAKING ACTION

**The oil and natural gas industry strives to achieve the environmental justice objective of fair treatment of all peoples through strong environmental, social, and health performance and implementing critical management practices.**



## COVID-19 RESPONSE

### Overview

At the outset of the COVID-19 pandemic, the swift and steep demand for personal protective equipment, sanitation products, and disinfectants led to severe shortages, leaving frontline workers vulnerable to infection. The oil and natural gas industry acted quickly to boost supplies of essential products to help halt the spread of the virus.

### Action

ExxonMobil used its global reach to help communities around the world. The company met the urgent need to support emergency responders and medical personnel, which included providing masks, gowns, gloves, sanitization products and other medical supplies. ExxonMobil also boosted the production and supply of isopropyl alcohol, a key ingredient in many disinfectants.

And, as demand grew, ExxonMobil deployed its technical and logistical expertise to solve supply problems and supported the development of masks and face shields to protect first responders, medical caregivers and the broader public. During a few short weeks, engineers at the company's chemical manufacturing facility in Baton Rouge, Louisiana, reconfigured equipment to produce medical-grade sanitizer that was sorely needed across America.



## Outcome

ExxonMobil then donated supplies to frontline healthcare workers and other professionals responding to the pandemic in Louisiana, New Jersey, New Mexico, New York, Pennsylvania and Texas. Some ExxonMobil employees shifted their work schedules to deliver sanitizers to workers, including those at Baton Rouge General Hospital.

## Impact

Production of 160,000 gallons of isopropyl alcohol (equal to 5 million 4-ounce bottles) helped increase production of hand sanitizer.



## "GIFTS OF LOVE" - ANNUAL BACK-TO- SCHOOL BACKPACK GIVEAWAY

### Overview

The Bay Area Rescue Mission provides backpacks loaded with much-needed school supplies to inner-city children in Richmond, California, in a back-to-school backpack giveaway. The Bay Area Mission is a 501(c)(3) nonprofit organization in the heart of Richmond that provides food, clothing, shelter, recovery programs, help with life skills and job training to more than 70,000 in the city area.

### Action

In the Bay Area, 75% of community members live below the federal poverty level, and hundreds of Chevron's Richmond employees volunteer to assist local nonprofits in organizing and implementing projects to assist them. One of the most visible volunteer opportunities is the Annual Back to School Carnival, a free party provided by the Bay Area Rescue Mission in partnership with Chevron.

Volunteers help prepare food, pack backpacks and staff the event's booths.

## Outcome

The annual Backpack & School Supply Giveaway helps keep children and their families involved in the community, celebrates the return to school, and eases the financial burden of the students' parents.

In 2022, 1,000 backpacks filled with school supplies were distributed to Pre-K through 12th graders from a local school district. Over the past ten years the organization has distributed 10,000 backpacks.



## EXPANDING CIVIL RIGHTS HISTORY & RESEARCH

### Overview

The University of South Carolina founded the Center of Civil Rights History and Research in 2015, the first organization dedicated to chronicling South Carolina's civil rights story.

The center's mission is to engage South Carolina residents in programming to foster advocacy and action, inform the curriculum for students in grades K-12 and higher education, and to serve students, educators, researchers, and the community with resources and collections.

### Action

The center partnered with Williams, an energy infrastructure company that has worked to strengthen communities where it operates by



being involved within them. Through the efforts of a Williams employee, the center and the company formalized an agreement for a three-year \$1.5 million grant that will help the center expand and share stories of the civil rights movement in South Carolina.

### Outcome

- The grant will allow the center to broaden its reach and resources.
- Promote and preserve the invaluable work of those who committed themselves to the civil rights struggle.
- A temporary exhibit, “Justice for All: South Carolina and the American Civil Rights Movement,” will have a permanent home in the university’s Booker T. Washington Auditorium.
- Oral history interviews will be transcribed and digitized, preserving the memories of living witnesses.



## GOOD ENERGY CAMPAIGN-PROTECTING LOUISIANA’S COASTLINE

### Overview

Students and volunteers gather annually to rebuild the Louisiana coastline by installing “floating Islands” to restore Southwest Louisiana’s coastal waterways. The floating island technology allows the plants to take root in the sea bed. In addition, the islands help fortify the marshland and promote marine habitats protecting the shoreline from natural elements.

### Action

Employees at Phillips 66’s Lake Charles Manufacturing Complex partnered with the Coastal Conservation Association and 100 high school and elementary students to plan and launch floating islands in 2022 - part of the company’s Good Energy Month, where employees participate in community projects. In April 2022, Phillips 66 employees logged 8,000 volunteer hours around the globe.

### Impact

- Volunteers planted 1,200 native plants on floating platforms protecting the shoreline from natural elements.
- 2,000 square feet of new wetland island habitat, protecting the environment and sustaining life in Southern Louisiana.



## SHARED OWNERSHIP WITH LOCAL INDIGENOUS COMMUNITIES (EDMONTON ALBERTA)

### Overview

Oil and natural gas companies recognize that indigenous communities have distinct rights and that engagement with them requires specific policies. Some companies have developed policies and principles that acknowledge indigenous peoples’ important history and diversity and they’ve committed to creating mutually beneficial relationships.



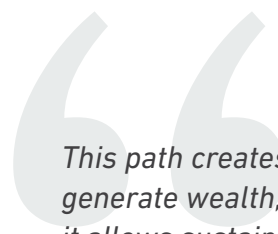
## Action

Enbridge partnered with First Nation Capital Investment Partnership in February 2022 to develop the Open Access Wabamun Carbon Hub west of Edmonton, Alberta. The partnership advanced a carbon capture and storage project where four Treaty 6 First Nations—Alexander First Nation, Alexis Nakota Sioux Nation, Enoch Cree Nation, and Paul First Nation— are equity owners.

The hub is planned to combine carbon transportation and storage in support of the region’s recently announced carbon capture projects. Additionally, Enbridge piloted an Indigenous Junior Environmental Monitor during construction of the Spruce Ridge Program Chetwynd Loop. This involved one member each from Saulteau First Nations and West Moberly First Nations who joined Enbridge’s lead environmental inspectors in a mentor/learning experience that was provided Enbridge with the perspective of indigenous peoples on the project.

## Impact

Once built, the hub will be one of the world’s largest integrated carbon transportation and storage projects and will effectively double the amount of carbon dioxide captured and stored in Canada. In addition, the project creates an opportunity to generate local economic growth and allow the communities to independently and sustainably manage their own economic development more than 10,000 on- and off-reserve members collectively represented by this collaboration.



*This path creates an opportunity to generate wealth, but more importantly, it allows sustainable economic sovereignty for our communities. We are creating a healthy future for the next seven generations to thrive. We’re looking forward to working with industry leaders who share our values of environmental stewardship and to collaborate with Enbridge on worldscale carbon transportation and storage infrastructure investments.”*

- Chief George Arcand Jr., Alexander First Nation



## RESPECTING HUMAN RIGHTS - HUMAN TRAFFICKING

### Overview

The United Nations defines human trafficking as the recruitment, transportation, transfer, harboring or receipt of persons by improper means—such as force, abduction, fraud or coercion—for an improper purpose, including forced labor or sexual exploitation. According to the U.S. Department of State, it is estimated that there are almost **24.9 million victims worldwide at a given time.**<sup>22</sup>

### Action

The Oil and Gas Trafficking Awareness Group (OGTAG), representing more than 45 operators and oilfield service companies, was formed in January 2017 to expand awareness within the energy community and to advance the industry’s role in combatting the problem and increasing safety.



## Impact

The oil and natural gas industry hosted a first-of-its kind anti-trafficking event during Energy Empowers Freedom Week in January 2020. The event highlighted industry's partnership with the Freedom Drivers Project (FDP), a mobile exhibit to help educate members of the trucking industry. The exhibit's trailer provides many with their first glimpse into human trafficking, as well as simple actions anyone can take to counter it.

- 18 oil and natural gas companies from the Houston area supported Energy Empowers Freedom Week.
- 1000 Employees reached.



## ADVANCING LOCAL WORKFORCE DEVELOPMENT

### Overview

SOWELA Technical Community College in Lake Charles, Louisiana, helps students prepare for careers in the oil and natural gas industry. Students earn degrees and certificates in fields that support industry. Programs include engineering technologies and engineering-related fields, business, management, marketing, related support services, computer and information sciences, and support services.

### Action

As a pioneer in the U.S. liquefied natural gas (LNG) industry, Cheniere has been at the forefront of developing the next generation of LNG professionals. Since 2018, 75 students from SOWELA and Del Mar College in Corpus Christi,

Texas, have participated in year-long training and on-site learning apprenticeship experiences at Cheniere facilities, leading to 37 direct hires. Apprentices become employable for hire once they have graduated and completed on-the-job training. In addition, the partnership has helped SOWELA purchase equipment so that students may have hands-on training opportunities.

## Impact

*The partnership between SOWELA and Cheniere is an excellent example of how business and industry can work together to build a workforce and strengthen the economy for Southwest Louisiana. Cheniere has developed a unique and customized apprenticeship program that helps strengthen the student's classroom experience while providing them an opportunity to gain valuable on-the-job training with the possibility of future employment."*

- Dr. Neil Aspinwall, SOWELA Chancellor



## SUPPORT THE EDUCATIONAL GROWTH OF AT-RISK YOUTH

### Overview

Denver Harbor is a predominantly Hispanic community in Houston that formed when people moved there to find work on the railroads and industrial companies along the Houston Ship Channel. The community's at-risk youth face poverty, substance abuse, violence and mental health issues. There also is a growing need to provide to young people an opportunity to develop physically and mentally.

<sup>22</sup> 23 24.9 million victims: U.S. Department of State, About Human Trafficking, <https://www.state.gov/humantrafficking-about-human-trafficking/#:~:text=With%20an%20estimated%2024.9%20million,them%20for%20their%20own%20profit.>





## Action

Community partners Cheniere, Chevron, ConocoPhillips, Halliburton, Occidental and Schlumberger have addressed some of Denver Harbor's needs by supporting the Astros Foundation, a charity of the Houston Astros baseball club. The foundation's cornerstone Community Leaders Program provides opportunities for Houston-area children, including Denver Harbor, to play baseball and softball. In addition to refurbishing youth baseball and softball fields, the foundation provides resources to help children and neighborhoods, including player and coaching clinics, infrastructure enhancements, uniforms and equipment.

## Impact

- Funding for the renovation and improvement of Denver Harbor baseball and softball fields, which serve at-risk youth.
- Enabling the Community Leaders Program to allow Harbor Little League to reduce registration fees by more than 60% per player and help supply uniforms and equipment for participants.
- Sponsorship of the Astro Literacy Bus, which encourages family reading by distributing age-appropriate books to various schools and underserved communities in Houston.



## PARTNERSHIPS - CHILDHOOD HUNGER INITIATIVE

### Overview

The COVID-19 pandemic created unprecedented challenges for communities, including food shortages, which included students who lost access to healthy meals due to school closures. In some cities, food banks faced a 400% increase in demand as supply chains snagged, creating partnering opportunity for energy companies to help meet the needs of families.

### Action

As a member of the Carlsbad, New Mexico, community, Marathon Oil made a generous donation through the Roadrunner Food Bank to launch a new Childhood Hunger Initiative program in the Carlsbad Municipal School District.

### The Impact

Providing 150 families with 50 pounds of food each month.



## ENVIRONMENTAL PERFORMANCE- INVESTING IN REGIONAL AIR QUALITY

### Overview

Rapid urban and industrial growth in the El Paso Air Basin region makes the existing three air monitoring stations inadequate for providing data



in area, which hosts a nexus of natural resources, industry and culture. It also connects major markets within the United States and Mexico.

### Action

Marathon Petroleum Corporation provided a \$100,000 grant to expand the number of air-monitoring stations in the region around El Paso, Texas, and Juárez, its sister city in Mexico, advancing a bi-national air quality initiative along the U.S.-Mexico border. The grant is being coordinated through an unprecedented cross-national air quality fund created to combine public-sector and private-sector financial resources.

### Impact

Beneficiaries include stakeholders in two countries, three U. S. states, multiple cities and almost 3 million people through expanded air monitoring stations and strengthened data collection.



# NEXT STEPS

**Addressing environmental justice will require taking definitive action through regulatory, compliance, social and economic programs.**

The industry's goal is to be responsive to the needs, characteristics, sensitivities and vulnerabilities of the communities where the industry operates while simultaneously striving to ensure the health and safety of its operations. API is developing and executing an environmental justice and equity strategy that builds on the efforts outlined in this report, keeping its actions focused, aligned and transformative. This approach incorporates environmental justice principles into planning and decision-making across the entire value chain to ensure engagement, collaboration and transparency with local communities. Best practices and activities in critical areas include:

## INCORPORATING

**Incorporating environmental justice and equity initiatives into operating systems and company business practices.**

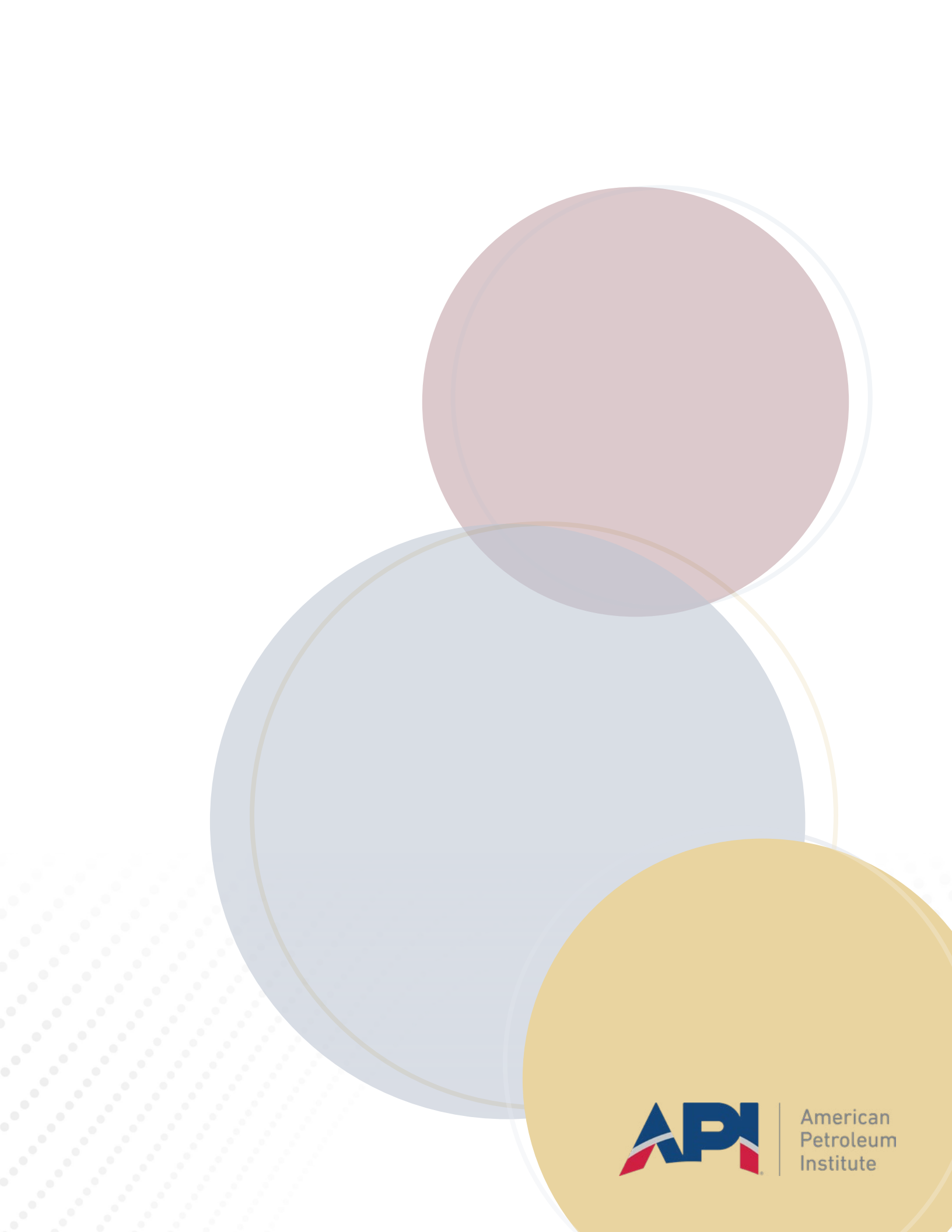
## IDENTIFYING

**Using the best available science to identify potentially vulnerable, affected, and concerned communities.**

## INVESTING

**Executing initiatives that support and build local sustainability through workforce initiatives where feasible and investment in local opportunities.**

**This document is a part of our commitment to continuously improving our processes. Comments from affected stakeholders on their experiences and practices are encouraged. For more information, please email [environmentaljustice@api.org](mailto:environmentaljustice@api.org).**



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