

ARPEL and The United Nations Global Compact

Report for Member Companies



COE **2021**

Profile of the Association

ARPEL is a non-profit association gathering oil, gas and biofuels sector companies and institutions in Latin America and the Caribbean. Founded in 1965 as a vehicle of cooperation and reciprocal assistance among sector companies, its main purpose is to actively contribute to industry integration and competitive growth, and to sustainable energy development in the region.

Its membership currently represents a high percentage of the upstream and downstream activities in Latin America and the Caribbean and includes national and international operating companies, providers of technology, goods and services for the value chain, and national and international sector institutions.

Since 1976, ARPEL holds Special Consultative Status with the United Nations Economic and Social Council (ECOSOC). The Association joined the Global Compact in 2006, and the commitment to the 2030 Agenda was formalized in 2021, in an attempt to boost the contribution to the Sustainable Development Goals (SDGs) of the oil and gas sector in Latin America and the Caribbean.

Vision

To be an innovative and proactive organization, recognized as a reference in the consolidation of the industry as provider of reliable, safe and sustainable energy.

Mission

To promote the integration, growth, operational excellence and effective socio-environmental performance of the industry in the region, facilitating the dialogue, cooperation, development of synergies among players as well as the shared creation of value among members through the exchange and expansion of collective knowledge.

Active Members







































Cooperative Members











Institutional Members





































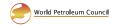












Alliances







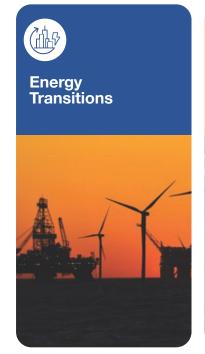




Strategic Guidelines

The strategic lines guide the Association's efforts to help oil and gas companies in the region make progress in the main challenges of the energy sector.

This means driving climate action, contributing to energy transition and decarbonization, promoting operational and management excellence to avoid impacting the environment and people, promoting digitalization, cybersecurity, energy efficiency, and transparency, and contributing to the fulfilment of the Sustainable Development Goals, facilitating the dialog with all stakeholders.









Message from the Executive Secretary

ARPEL is an organization created by oil and gas companies in Latin America and the Caribbean, whose purpose is to foster sustainable energy development in the region, promoting continuous improvement in management and operations through technical cooperation and dialogue among companies, national and international institutions in the sector, governments, and other stakeholders.

Since its inception, the Association has a commitment to sustainability and has joined the Global Compact in 2006. Since then, it has promoted the adoption of the Principles by its partners. In 2021, it formalized its commitment to the 2030 Agenda and the Sustainable Development Goals (SDGs), by publishing the "Roadmap to Drive the Contribution to the SDGs of the Oil & Gas Sector in Latin America and the Caribbean", a document that defines a framework for action, which was agreed with the member companies to contribute to such Agenda.

The two years elapsed since our last report have been marked by the COVID-19 pandemic, which has deeply impacted all countries around the world.

The serious health crisis has impacted the energy sector, and with it, the economic and social development of the region.

Therefore, ARPEL has been focusing on helping overcome the health crisis, adapt to the dramatic changes that have mainly occurred in our ways of working, the human capital, and the acceleration of digitalization. At the same time, we continued promoting the

sustainable development of our industry, with lower carbon emissions, which provides 70% of the energy in our region and constitutes one of the main activity sectors in most countries, contributing to GDP, tax revenues, investment, innovation, access to energy, and economic and social development.

In addition to its fast response to this emerging need, as you will see in the following pages, the Association has consolidated its work along four strategic lines: Energy Transitions, Operational Excellence, Sustainable Management, and Stakeholder Engagement.

We are pleased to present our 4th Communication on Engagement to the Global Compact (COE), thus reaffirming our commitment to this initiative and to sustainable development.



Miguel Moyano
Interim Executive Secretary

Human Rights

Principle No. 1:

Support and respect the protection of internationally proclaimed human rights within its scope of influence

Principle No. 2:

Make sure that they are not complicit in human rights abuses



Roadmap to Drive the Contribution to the SDGs of the Oil & Gas Industry in Latin America and the Caribbean

Publication: 2021

Objective: Define a framework for joint action to promote collaboration among companies in the sector and contribute to advance compliance with the SDGs, from a Human Rights and Just Transitions perspective, taking into account the materiality of our industry.



It defines seven **Priority Objectives** on w

Priority Objectives on which to focus the actions.















It analyzes three

key impact opportunities:



Setting the course



ProvidingManagement Solutions



Measuring and communicating progress

They comprise

22 lines of action

for 2021-22



Training and Exchange Workshops on Businesses and Human Rights

Virtual workshop on

"Voluntary Principles on Security and Human Rights"

Date: November 24, 2020

Participants: 40 professionals from 8 countries

Facilitated by José Abad-Puelles, Policy Director of the Secretariat of the Voluntary Principles on Security and Human Rights, who presented the framework on Voluntary Principles. At the same time, Tecpetrol shared its experience in implementing security policies with the participation in the public forces in Bermejo, Ecuador, which used the Voluntary Principles as quidance.





"Due Diligence Capacity Building Program for the Extractive and Mineral Sector in Latin America and the Caribbean"

Date: October 2021 - March 2022

Participants: 40 companies

This program, funded by the OECD and facilitated by the consulting firm CREER, trains around 40 companies of the extractive sector in this region in due diligence in human rights and responsible business conduct.

ARPEL supported and disseminated the Program, which benefited several member companies.





Labor



Principle No. 3:

Uphold the freedom of association and the effective recognition of the right to collective bargaining.

Principle No. 4:

Support the elimination of any form of forced or compulsory labor.

Principle No. 5:

Support he effective abolition of child labor.

Principle No. 6:

Support the elimination of discrimination in respect of employment and occupation

Workshops on Pandemic Prevention and Adaptation

2020 March - August

The disruption caused by the Covid-19 pandemic forced us to focus our work agenda on the emerging need of providing support and knowledge to companies in this sector, in order to protect their workers and the community, and to continue providing energy in a safe manner.

Within this framework, in 2020 a series of meetings were held to exchange knowledge and technical cooperation, sharing prevention, mitigation, and work environment adaptation measures to improve the companies' response to the health crisis.

In addition, we collaborated with the international industry in instances of dialogue and knowledge exchange on Covid-19 prevention, organized by IOGP and IPIECA, two of the main international organizations in the oil and gas industry.

virtual exchange meetings

participating companies and institutions







Evaluación de riesgo de contagio de COVID-19 en ANCAP





Workshops on Pandemic Prevention and Adaptation

2021

We continued working on the impacts of Covid-19 on work environments, with exchange workshops for the companies in the sector, but with a focus on discussing and supporting companies in preparing for the continuous changes brought by the pandemic, mainly associated with new and more flexible ways of working.

+100 +100 +100 +100 Companies Countries



Workshop

New Training Schemes for Remote Learning: The Accelerated Transformation to Online Mode

Date: July 2021

Facilitated by: EP Petroecuador – Ecuador





Workshop

Beyond the Pandemic: Rethinking our Ways of Working

Date: October 2021

Facilitado por: YPF Argentina



Diversity, Inclusion, and Gender Equality

In the Roadmap to Drive the Contribution to the SDGs of the Oil & Gas Sector in Latin America and the Caribbean, published in 2021, SDG 5 was defined as one of the priorities to be addressed within the sustainable management strategic line, broadening the scope from gender only to address diversity and inclusion too.

In addition to having ratified the Women's Empowerment Principles (WEPs) in 2019, progress was made in this area for the following two lines of work:



Untapped Reserves 2.0 Report

This report is prepared by the World Petroleum Council (WPC) and the Boston Consulting Group (BCG), and aims at quantifying and identifying gender gaps in oil and gas companies globally, serving as a basis to drive actions that promote an improved gender balance for companies at all their levels.

ARPEL served as a partner in Latin America, participating in the work group led by the WPC and promoting the participation of the companies in the region during the data collection stage.

The document will be officially presented in December 2021, and several actions are expected to be carried out to disseminate and discuss its results during 2022.



Exchange Workshops

In the second half of 2021, a series of exchange workshops on this topic were coordinated, the first of which was held in August. At least two more workshops are expected to be held before the end of the year.

Workshop: "Implementation of Diversity, Inclusion, and Gender Programs: TECPETROL Experience"

Date: August 2021 Facilitated by: Tecpetrol







Environment

Principle No. 7:

Support a precautionary approach to environmental challenges.

Principle No. 8:

Undertake initiatives to promote greater environmental responsibility.

Principle No. 9:

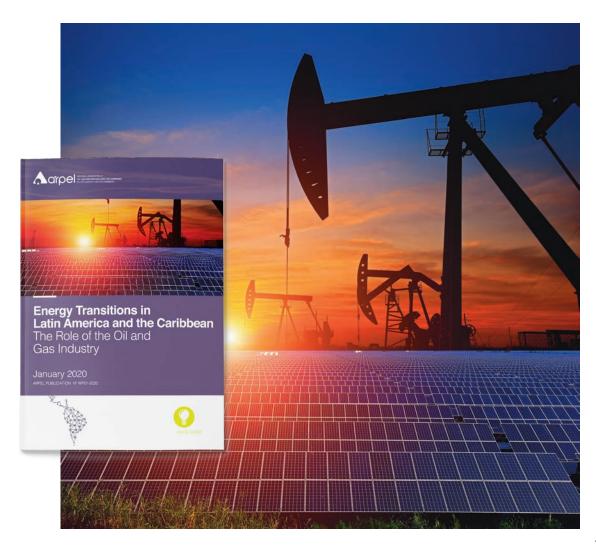
Encourage the development and diffusion of environmentally friendly technologies.

Climate Change, Energy Transitions, and Decarbonization

White Paper "Energy Transitions in Latin America and the Caribbean – The Role of the Oil & Gas Industry" January 2020

This document has the purpose of supporting companies in the industry to contribute to the energy transition processes in their countries of operation. Topics such as access to energy, energy efficiency, carbon capture, among others, are addressed on its pages. In addition, it sets out the Association's and its members' commitments to collaborating with governments, companies, investors, consumers, and the civil society, in order to make progress in the energy transition processes in the region.





Climate Change, Energy Transitions, and Decarbonization

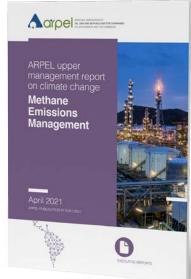
Annual Climate Change Reports for the Senior Management

There were two new releases of these executive reports, which address some of the main topics related to Climate Change, international negotiations, and their impacts on the oil, gas and energy sector in our Region, with a focus on decision-making levels.

2020 Report on the Conclusions of the 25th Conference of Parties (COP25) on Climate Change







2021
Methane Emissions Management
Report



Contribution to the International Dialogue on Energy Transitions

In order to help sustainable and cost-effective energy transitions, the Association participated in several International Dialogue instances, together with government institutions, international organizations, energy sector associations, and companies, providing a view from the oil and gas sector in Latin America and the Caribbean.

In such instances, the Association was present together with the main energy players, such as IDB, WB, ECLAC, CIER, GIIGNL, IEA, IGU, IOGP, IPIECA, IRENA, OLADE, WEC, and WPC, ministries, and government agencies from different countries in the region, and associations and companies from the energy sector.

- Latin America Gas Conference 2019
 November 14-15, 2019
- The Role of the Extractive Sector in the Economic Recovery of Latin America and the Caribbean in the Post Covid-19 era
 May 18, 2020
- The Madrid energy virtual conference October 2, 2020
- Ministerial Roundtable "Perspectives for Defining Latin America's Regional Energy Agenda for a Post-COVID-19 Era"

October 7, 2020

Peru Energy 2020
October 19-20, 2020

- Opportunities for Decarbonizing River
- Transport in the Paraguay-Paraná
 Waterway

November 10-12, 2020

- The Oil & Gas Sector and the Peak-Oil
- Demand in Latin America and the Caribbean November 12, 2020
- V OLADE Energy Week Inter-Agency Dialogue

November 25, 2020

- **Latin America Gas Conference 2020**
- November 26, 2020
- IX Earth Sciences Convention
 April 5-9, 2021

- Hydrogen Congress for Latin America and the Caribbean (H2LAC 2021)

 April 14-15, 2021
- Suriname Energy, Oil and Gas Summit
 June 1-3, 2021
- Latin America Energy Forum
 July 1, 2021
- VII LATAM Renewables Congress and 1st WEC Congress, Uruguay Chapter September 15-16, 2021

Latin America Gas Conference – Digital Dialogues on the Role of Natural Gas in the Energy Transition

- September 2, 2021 (LNG)
- August 5, 2021 (Colombia)
- June 3 (Argentina)
- May 5 (Brazil)

Risk Management **Exchange Meetings**

2020 - 2021

Several virtual activities were carried out to exchange knowledge and best practices to optimize management and help improve risk management and impacts on the environment and people.

technical exchange workshops

technical congress

webinars

reciprocal technical support meetings among companies

raining courses

Sustainability and Climate Change Strategic Management

- Energy Transition, Climate Change, and Decarbonization
- Energy Efficiency
- Sustainable Mobility
- Emergency Management
- Energy Efficiency

Environmental and Risk Management

- Operation and Maintenance of process units
- Process safety, risk management, and facility integrity
- Waste disposal
- Hydrocarbon spills
- Hazardous materials management
- Effluent treatment
- GHG inventories

Benchmarking and Self-Assessments

In 2020 and 2021, new editions of the environmental performance and process safety benchmarking studies were conducted.

The first study is a comparative assessment of spill, water management, waste management, and GHG emissions indicators; while the second looks into incidents resulting from hazardous materials handling in oil and gas facilities, in order to minimize risks and impacts on people, the environment, and infrastructures. Analyzing information allows us to set benchmarks and generate knowledge exchange instances among companies.



Process Safety Self-Assessment Program

Between 2019 and 2021, a total of 7 process safety self-assessment exercises were carried out in companies in Argentina, Uruguay, and Peru. Their results were used to promote improvements in the companies' management systems, as well as to foster knowledge exchange through workshops and the socialization of results.

Such exercises were carried out using the Process Safety Self-Assessment Tool, which allows us to identify the gaps in management systems.





Collaboration with Other Organizations

Different instances of international cooperation were held with other technical organizations in the sector to promote information and experience exchange and help find solutions to common interest topics.

Such collaboration was focused on safety, environment, sustainability, oil spill prevention and response management and, due to the scenario, particularly on health management aspects.

- SPE International Conference on Health, Safety, Environment, and Sustainability
 July 27-31, 2020
- Global Initiative Southeast Asia (GI-SEA) Regional Workshop Sub-regional Training Workshop and 13th Annual Gulf of Thailand National Focal Point Meeting February 4, 2020
- Cross-Border Coordination in Spill Prevention and Response in Suriname-Guyana Basin Collaborative Solutions Enhancing Regional Capacity

 April 27-28, 2021

- International Oil Spill Conference (IOSC)
 May 10-14, 2021
- CIER Forum "Integrating SDGs into the Energy Sector"
 May 27, 2021
- Workshop on "Subsea Well Control Techniques" (AMEXHI)
 September 22-23, 2021

Anticorruption

Principle No. 10 Work against corruption in all its forms, including extortion and bribery.

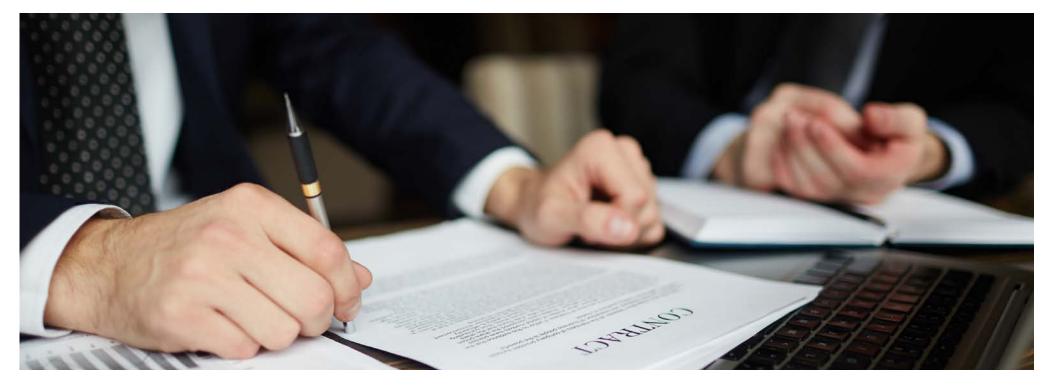


Anti-corruption

In 2019, following a survey conducted among the Association member companies' representatives, Compliance was defined as a priority to be addressed in our work plans.

Based on this definition, a series of meetings are being held with subject-matter experts from member companies to define the scope of the work to be carried out and propose an action plan on this matter to be started in 2022.

Focus will be made on promoting a more transparent, systematic, and data-driven management, not only to address ethical and anticorruption aspects but also to integrate ESG practices, providing a broader view of sustainability management.





COE **2021**



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