



Powering the Energy Transition

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HSE & Operations Director

2 November 2022

Powering the Energy Transition

We all play a part



Principles of Process Safety Leadership for the offshore UKCS Oil & Gas Industry

Good process safety is at the heart of everything. As industry leaders, we acknowledge our role in ensuring continuous improvement in this area. In pursuit of this challenge, we have established the following principles of process safety management for our industry:

PRINCIPLES:

- **Clear and positive process safety leadership** is at the core of managing a major hazard business and is vital to ensure that risks are effectively managed;
- **Engagement of the workforce** is needed in the promotion and achievement of good process safety management;
- **Process safety leadership requires senior leadership team involvement, understanding and competence;**
- **Robust and regular auditing** of the safety management system and associated major accident hazard barriers, is essential to ensure that system weaknesses are identified and process safety risks are being effectively managed;
- **Good process safety management requires constant active engagement and vigilance;**
- **Publication of process safety performance information** provides important assurance about the management of risks by an organisation;
- **Senior leadership team visibility and promotion of process safety leadership** is essential to set a positive safety culture throughout the organisation;
- **Sharing good practice** across industry sectors in order to learn and implement lessons from relevant incidents occurring internally and externally to the organisation, is important to maintain the currency of corporate knowledge and competence.

We regard these principles as fundamental to the successful management of a major hazard industry. We will work with all stakeholders to establish them as foundations to effective management of risks via the following arrangements:

ORGANISATION AND RESOURCES:

1. Process safety accountabilities should be defined and championed at the senior leadership team level and all should be held accountable for process safety leadership and performance;
2. At least one senior leader should be fully conversant in process safety management in order to advise the leadership team on the status of process safety risk management within the organisation and of the process safety implications of their decisions;
3. Appropriate resources should be made available to ensure a high standard of process safety management throughout the organisation and staff with process safety management responsibilities should have or develop an appropriate level of competence;
4. Organisations should develop a programme for the promotion of process safety by active senior management engagement with the workforce, both direct and indirect staff, to underline the importance of process safety leadership and to support the maintenance of a positive process safety culture within the organisation;
5. Systems and arrangements should be in place to ensure the active involvement of the workforce in the design of process safety controls and in the review of process safety performance;
6. Business risks relating to process safety should be assessed and reviewed using an appropriate business risk analysis methodology;
7. Leading and lagging process safety indicators should be set for the organisation and reviewed to ensure they remain appropriate for the needs of the business, information on process safety performance should be routinely reviewed by the senior leadership team and relevant information made available to OCUK for inclusion in their R&S annual report;
8. Companies should actively engage with others within their sector and elsewhere to share good practice and information on process safety incidents that may benefit others. Companies should have mechanisms and arrangements in place to incorporate learning from others within their organisations;
9. Systems and arrangements should be in place to ensure the retention of corporate knowledge relating to process safety management. Such arrangements should include information on the basis of safety design concept of the plant and processes, plant and process changes, and any past incidents that impacted on process safety integrity and the arrangements adopted to prevent a recurrence.

OUR COMMITMENT

Implementation of the above process safety leadership principles and arrangements may vary in both detail and time in different organisations. However, in recognition of the essential role these principles and arrangements play in the management and sustainability of our major hazard industry, we commit to working to establishing them as foundations of effective process safety management and the prevention of major accidents.


Signed: *[Signatures]*




OEUK
Working together, producing cleaner energies



Securely
Building energy resilience



Cleanly
Net Zero, NSTD and current performance



Safely
No room for complacency

OEUK Overview

Focus areas



OEUK is the leading representative body for the offshore energy industry

OEUK's focus areas

Working together, producing cleaner energies



Oil & Gas

Remains at OEUK's core and key area of focus



Hydrogen

Focus on policy and business model development and hydrogen production operations



CCUS

Focus on transport & storage and policy / commercial framework development



Offshore Wind

Focus on floating for electrification and energy integration potential, plus collaboration opportunities

OEUK's Vision, Mission, Role

Working together, producing cleaner energies

Vision: Powering the Energy Transition

Mission: To provide our energy safely, cleanly and securely in order to support the UK economy and its energy needs

Role: We engage, inform and proudly champion this sector which is at the heart of the energy transition

An important part of the UK economy

The UK offshore energy industry produces homegrown energy supplies which power the nation and add value to the economy



**Affordable
energy**



**Supporting
jobs**



**Economic
contribution**



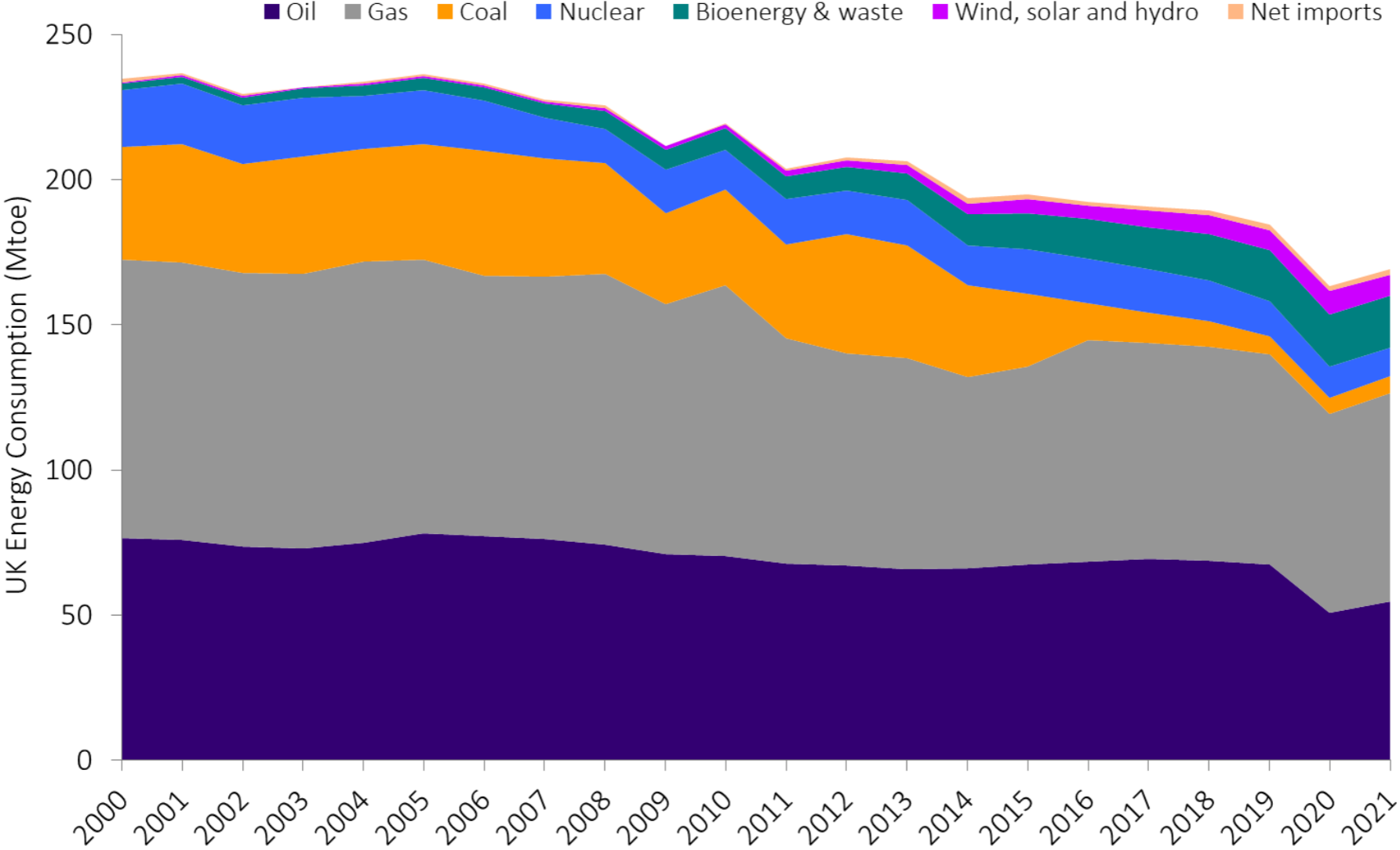
Innovation

Securely

An industry that is an important part of the UK economy

The UK's energy mix has been falling

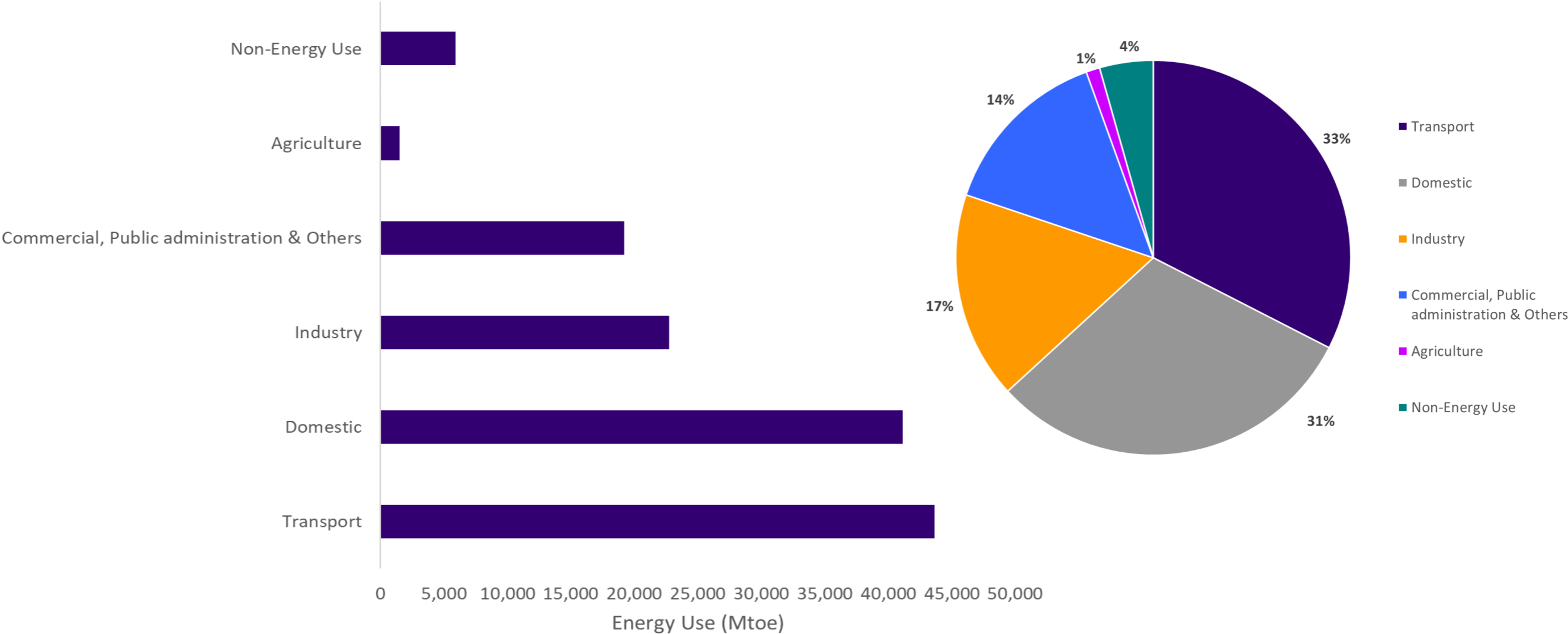
Oil and gas still meet around three-quarters of all the UK's energy use



Source: BEIS

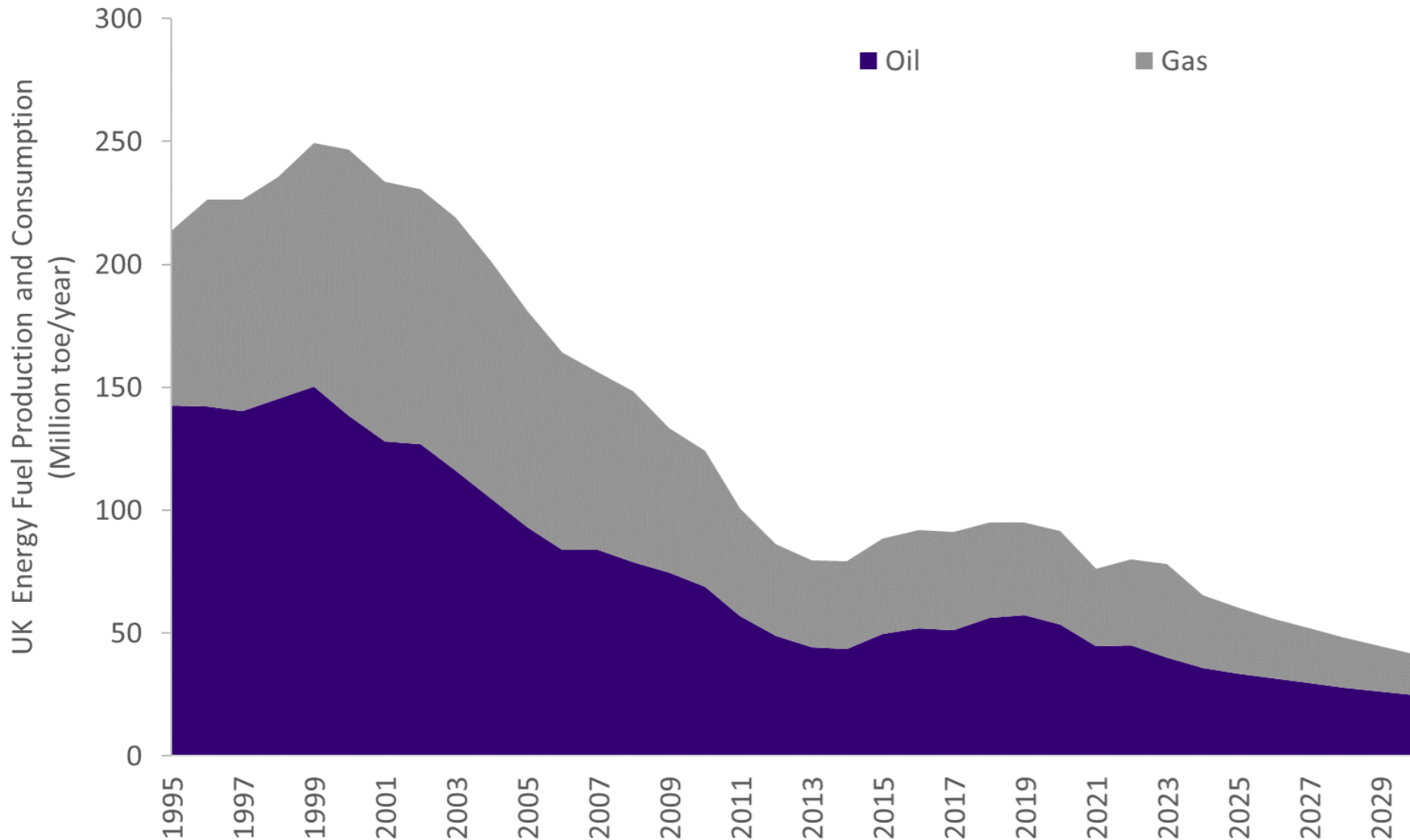
How the UK uses energy

Transport and heating are by far the UK's largest energy uses; electricity is around 20%



Oil and gas production will return to decline

New licenses and stable conditions can help attract investment



Source: OEUK, NSTA, BEIS

£26bn of capital investment plans to 2030

1/3 Only 1/3 of this possible spend has been committed

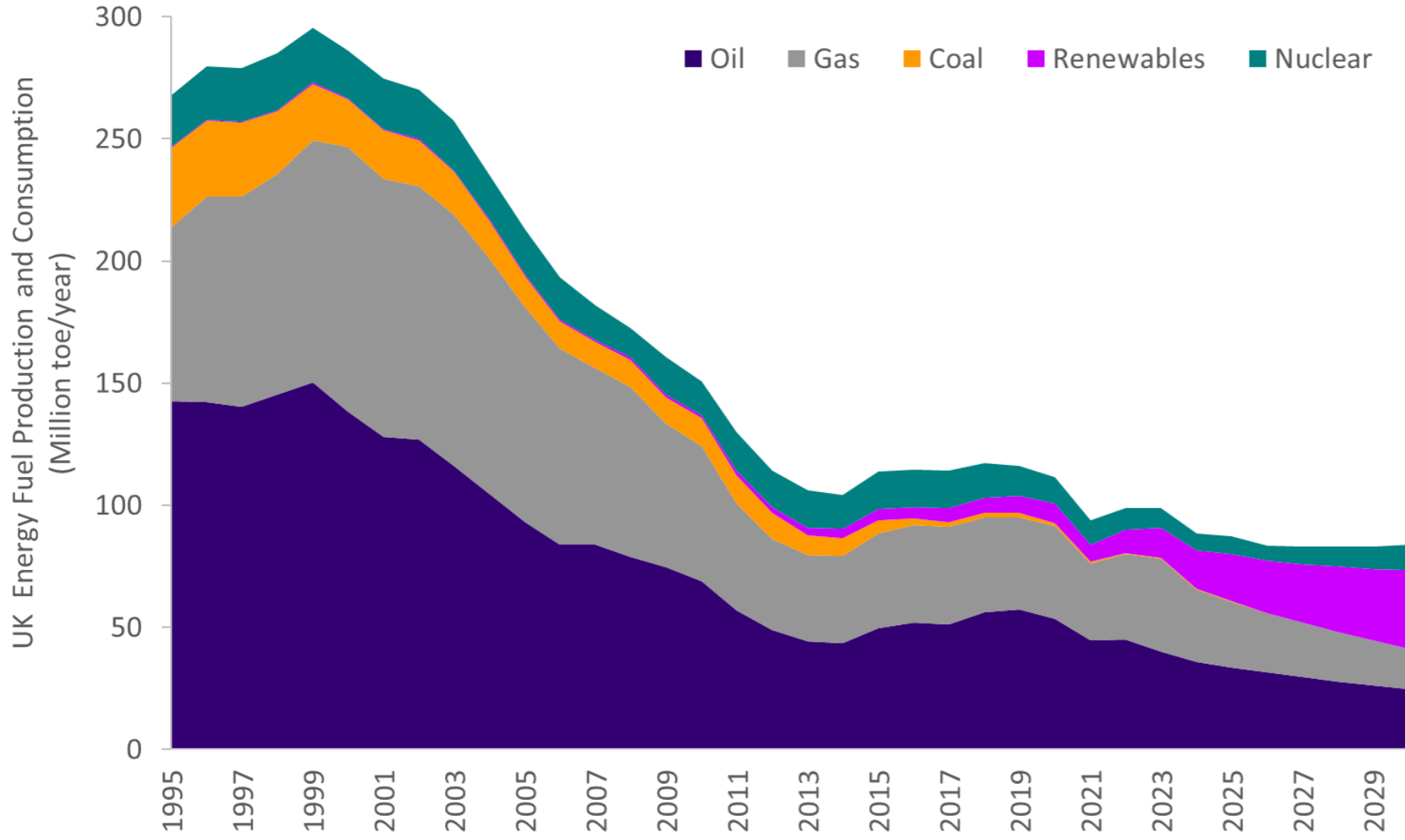
 Domestic resources could supply half of UK oil and gas demand through to 2030

Without new investment **UK gas** supplies will only meet **20%** of demand in **2030**

Without new investment **UK oil** supplies will only meet **30%** of demand in **2030**

Electricity supply will grow, driven by offshore wind

It is crucial that consumption evolves in line with this



Source: OEUK, NSTA, BEIS

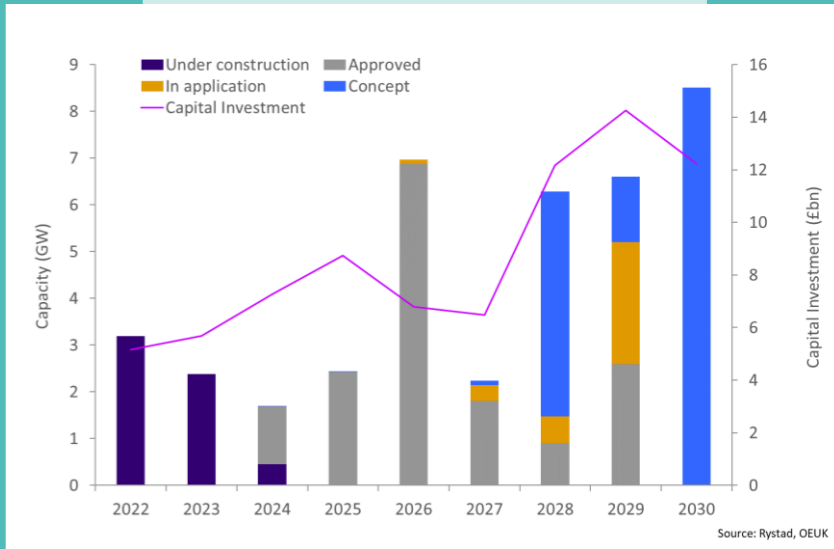
Treble nuclear power capacity

12 GW

The worlds Second largest offshore wind capacity

50 GW

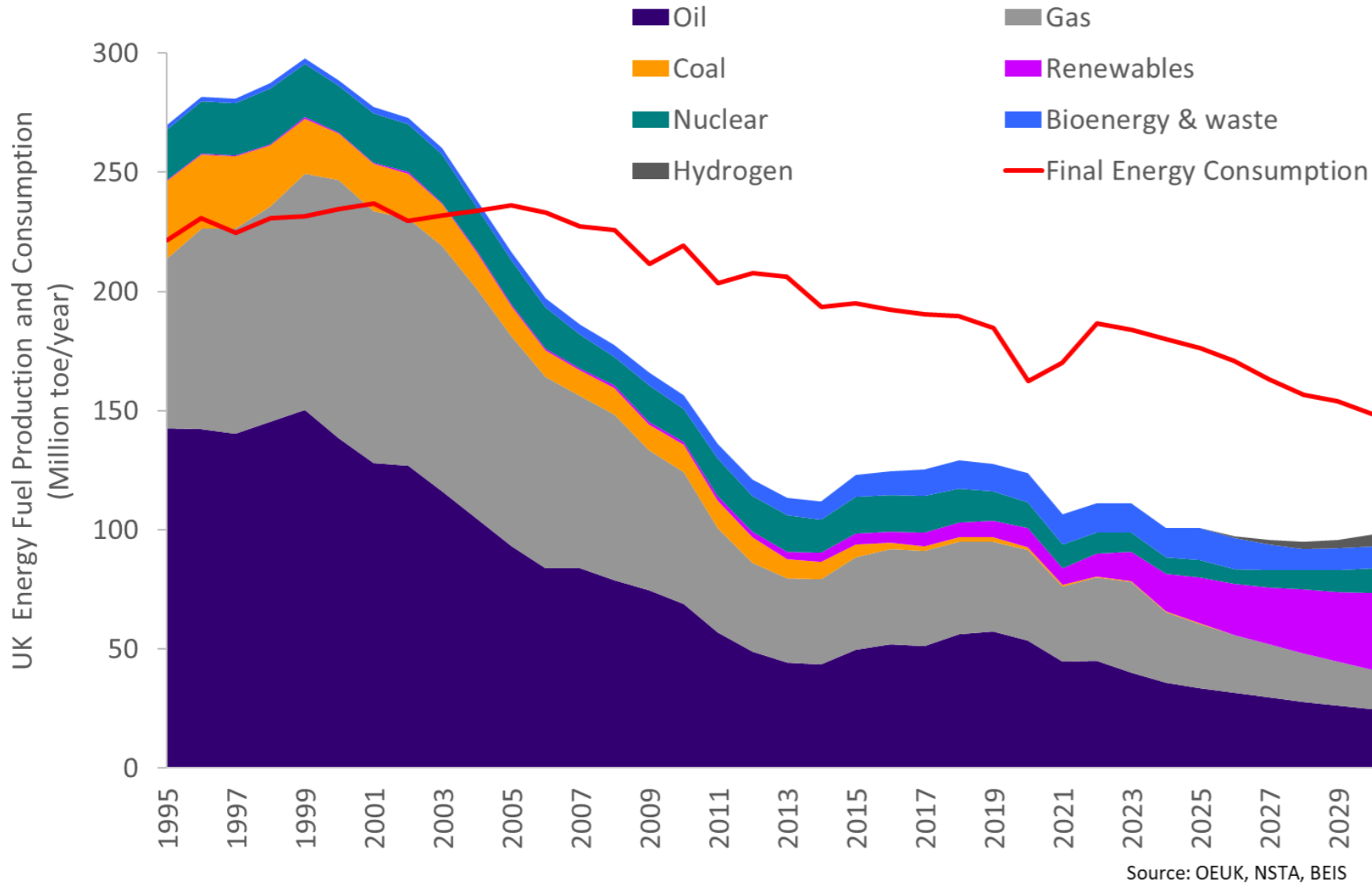
50 GW of offshore wind power capacity



Source: Rystad, OEUK

Import dependency will only fall slightly by 2030

No quick fix to energy challenges – building capacity takes time



Import dependency could fall to around one-third in 2030

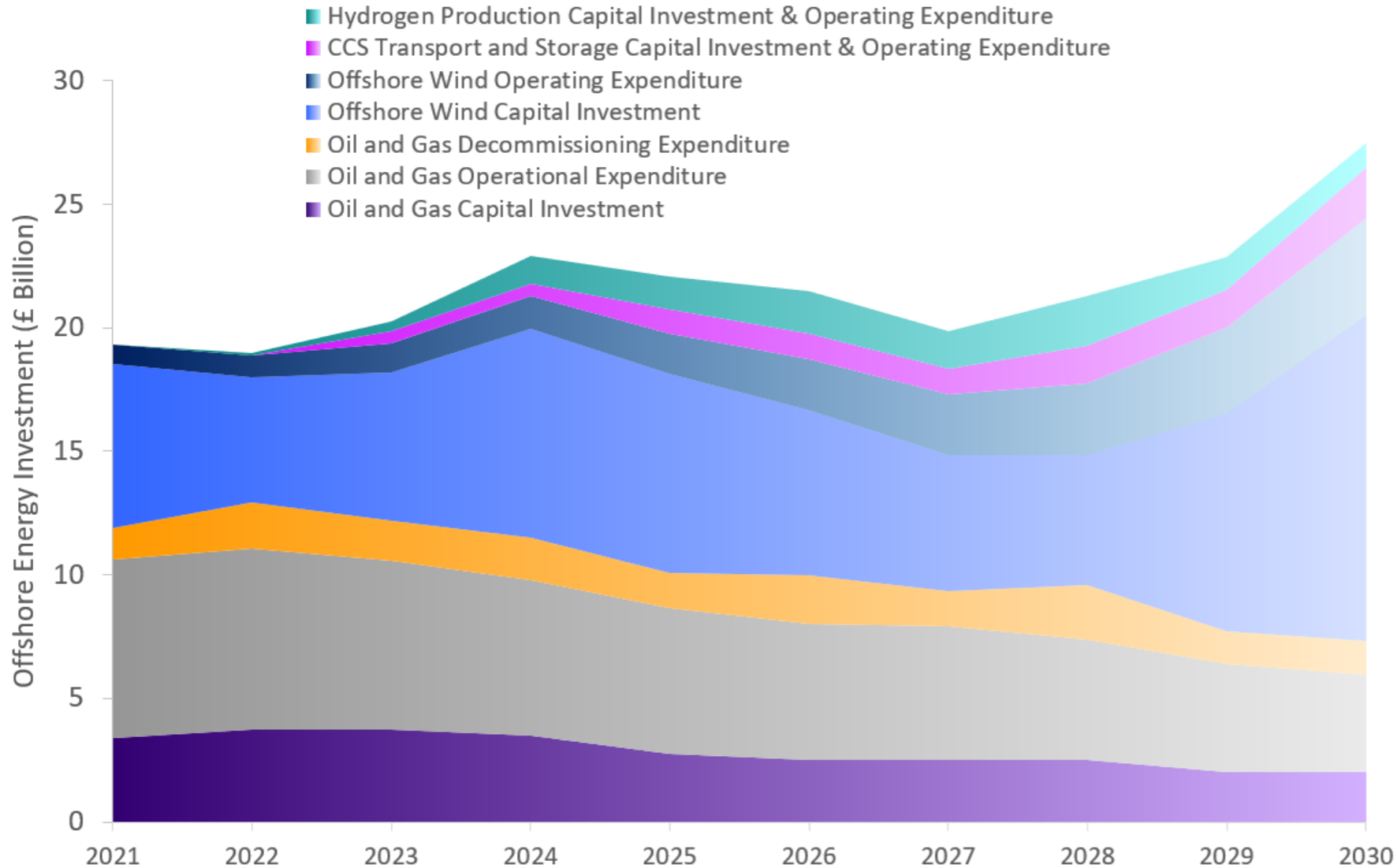
Most of these imports will still be oil and gas

Energy production emissions will continue to fall

Cost and supply chain challenges bring delivery risk

The UK's offshore sector will be at the heart of the nation's energy future

Building energy resilience, reducing emissions and supporting affordability



Source: OGUK, NSTA, Rystad

Energy Security
Accelerating energy independence.

Attracting talent
Showcasing an industry in action

Energy investment
Unlocking capital to scale opportunities

Secure, low carbon future
Working with Gov't to deliver on Net Zero



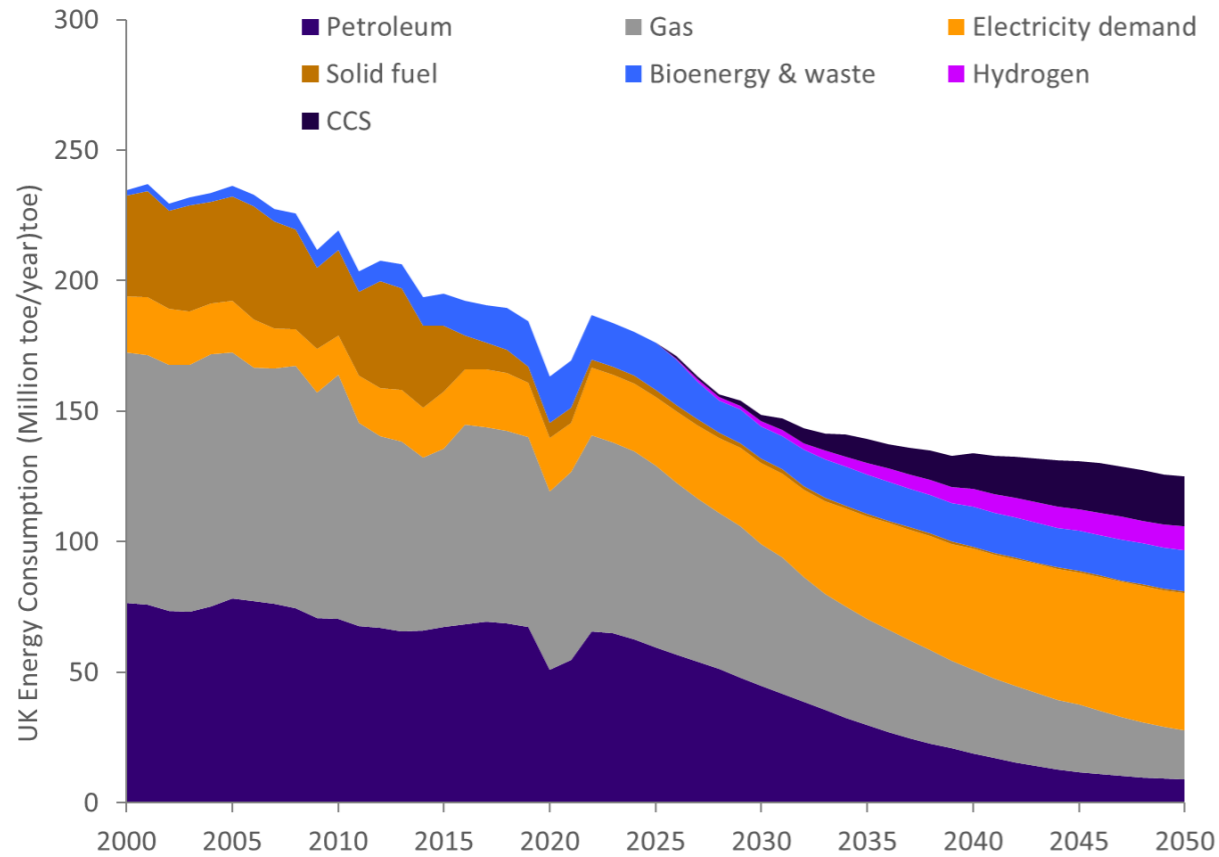
Cleanly

Supporting Net Zero

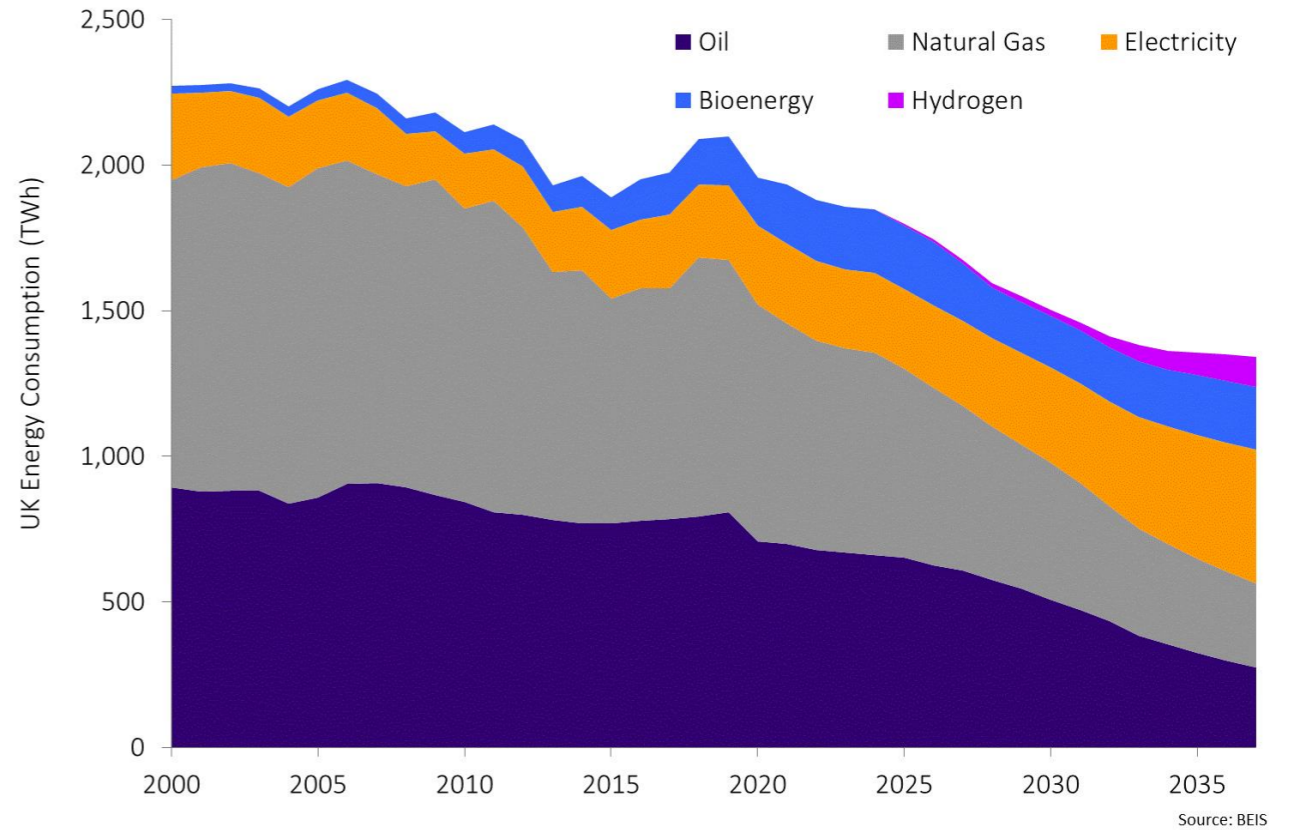
Future scenarios reinforce the ongoing need for oil and gas in the energy mix

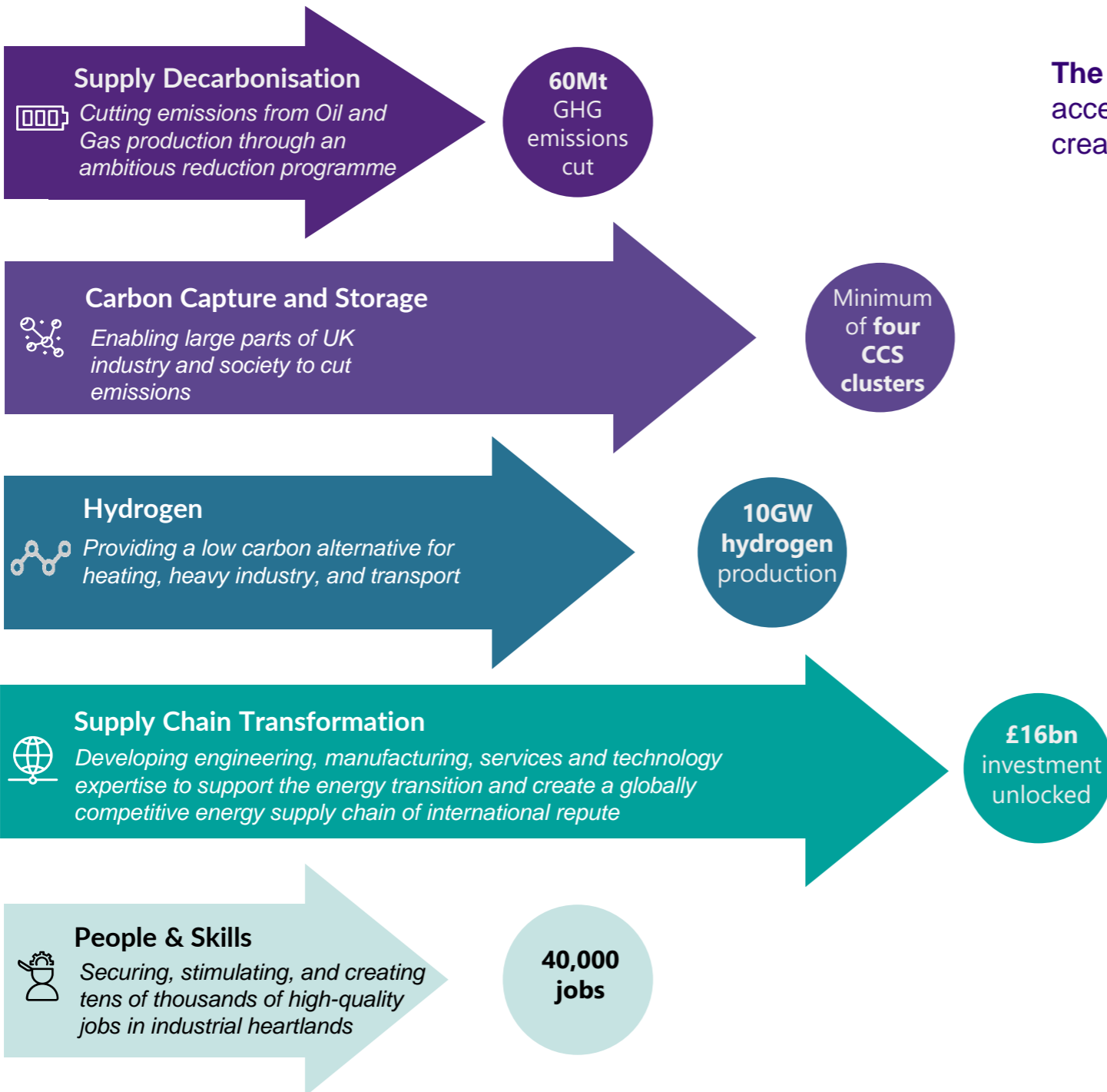
They remain the UK's largest energy source into the 2030's, and are still part of 2050 mix

Climate Change Committee Balanced Pathway



BEIS Net Zero Scenario





The UK North Sea Transition Deal: the first by a G7 country, accelerating the energy transition, reducing UK emissions, creating new jobs across the UK



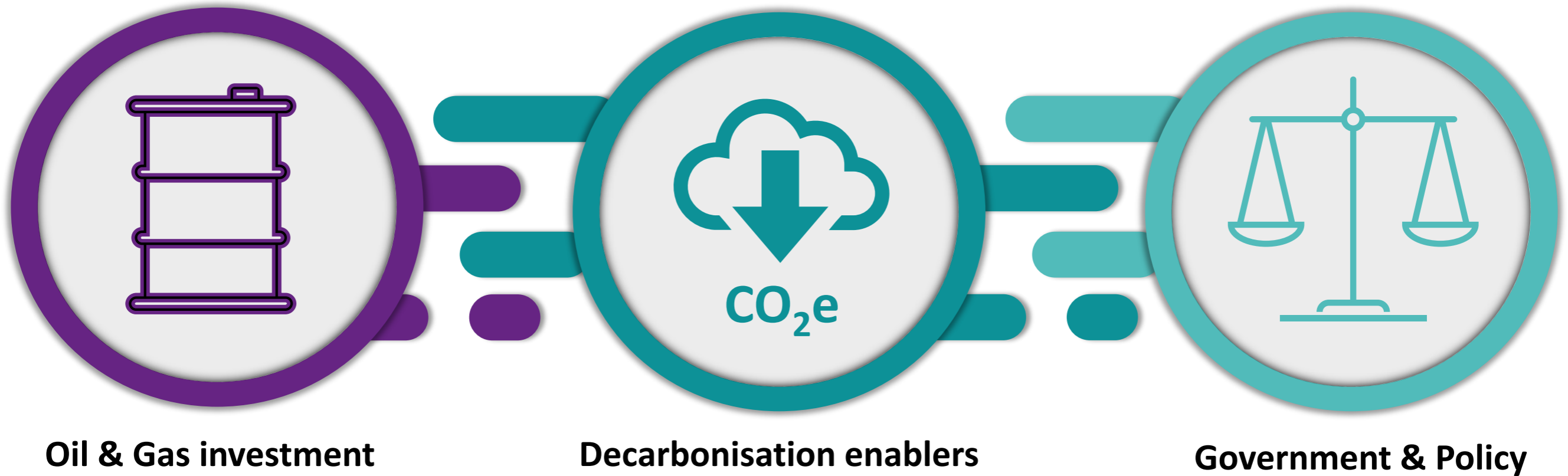
North Sea Transition Deal – supply decarbonisation commitment

Delivering on emission reductions



Investment and policy levers support the operational aspects

Applies across Net Zero & NSTD target delivery



Safely

Play your part via prevention

Safety Performance

Principles of Process Safety Leadership

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Signed:



Martin Temple OBE
Chair

Wendy Kennedy OBE
Chief Executive

Denise Michie OBE
Chief Executive

Steve Rios
Executive Director

Matthew Brindley
Chair North Sea Chapter

Health & Safety Executive
Offshore Petroleum Regulator for Environment & Decommissioning

HSE

OGUK
Offshore Petroleum Regulator for Environment & Decommissioning

STEP CHANGE IN SAFETY
Step Change in Safety

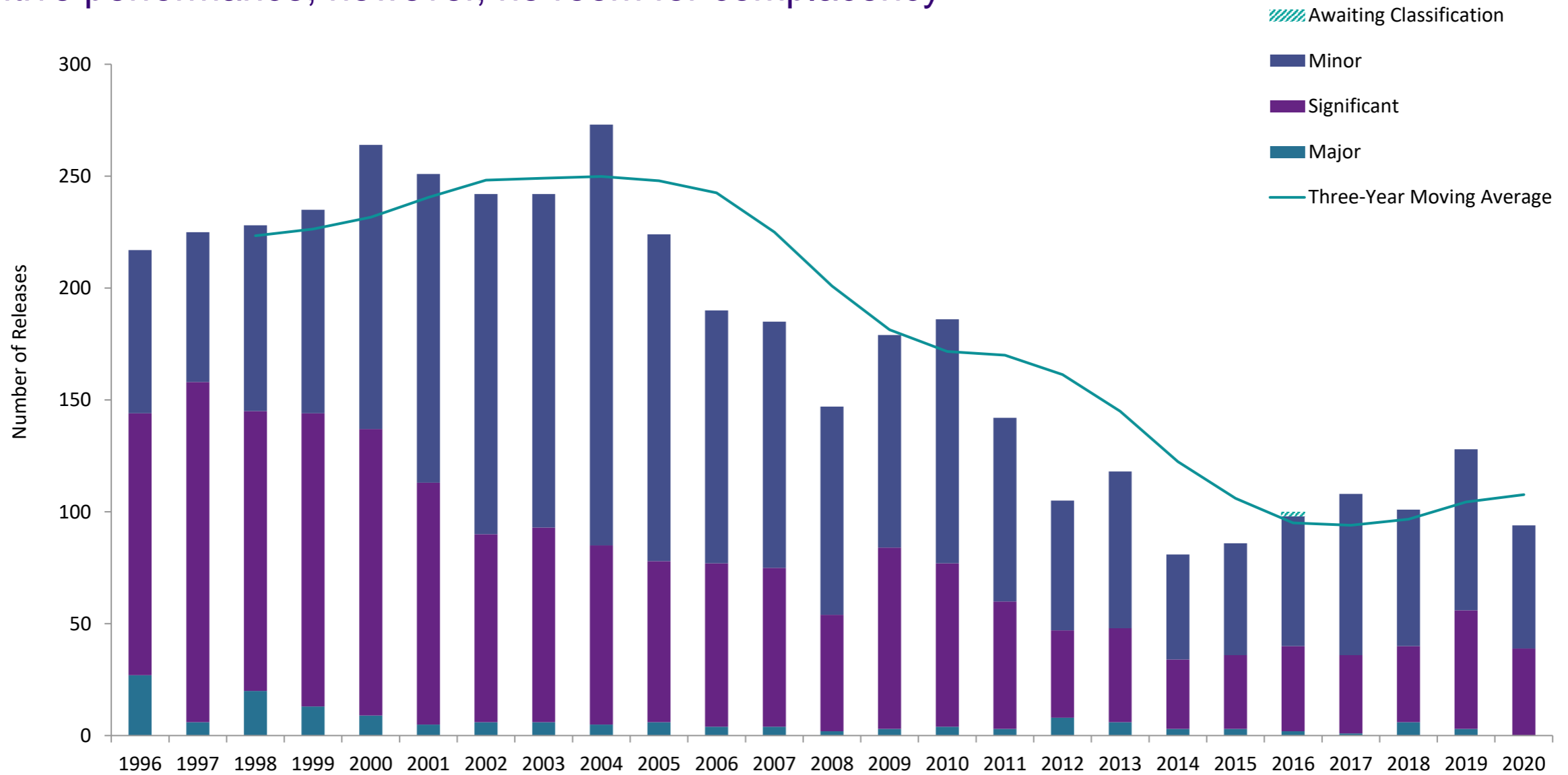
IADC
International Association of Drilling Contractors

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Hydrocarbon Releases

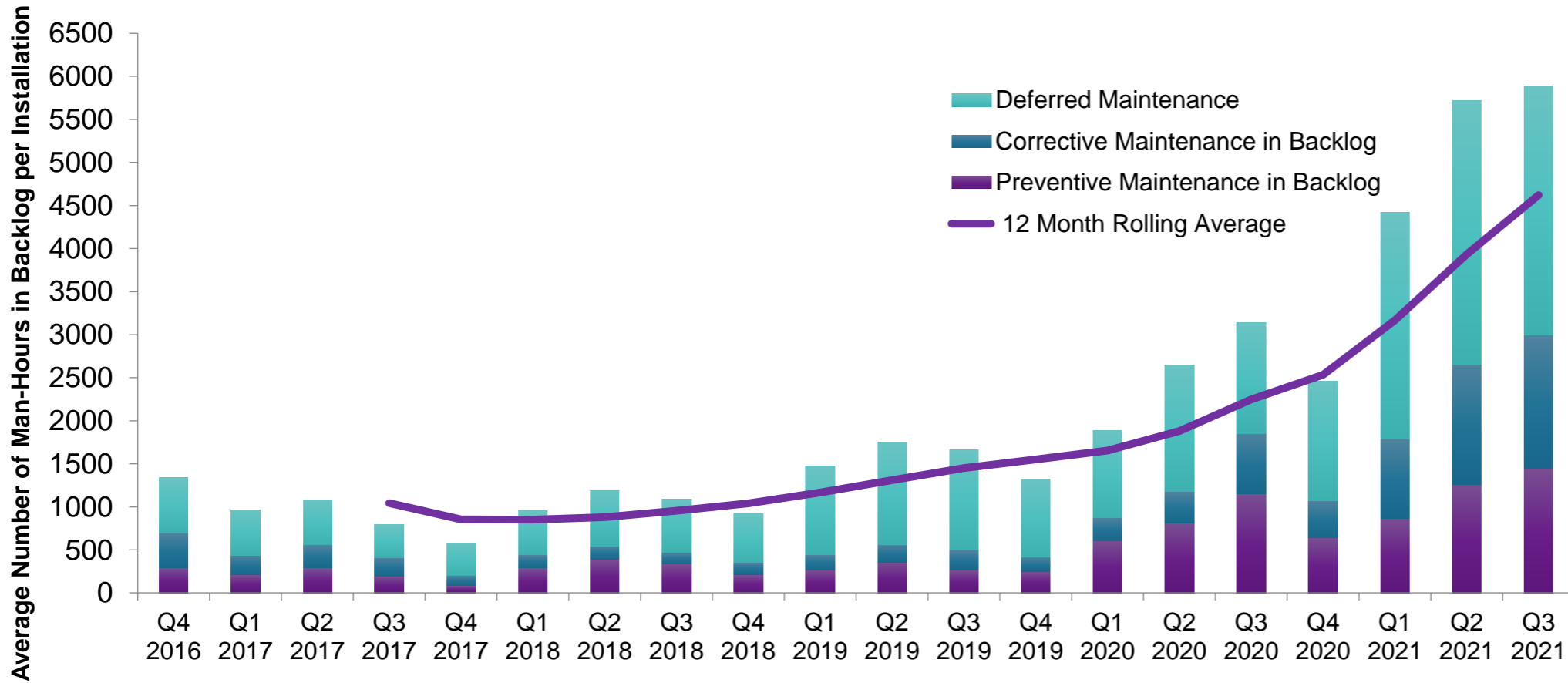
Positive performance, however, no room for complacency



Source: Health and Safety Executive, 2021

Maintenance Backlog

2022 trend is expected to show decline in backlog



oEUK

Maintenance Backlog Measurement, Interpretation and Management Guideline

Guidelines

Issue 02
March 2022

Summary

An important part of the UK economy

The UK offshore energy industry produces homegrown energy supplies which power the nation and add value to the economy



**Affordable
energy**



**Supporting
jobs**



**Economic
contribution**



Innovation

Join us today
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