

Environmental Strategies in Oil and Gas Industry

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Abstract

Most countries depend on oil. Countries are interested in having an oil production capability or to be assured access to the free flow of oil. History has provided several examples in which countries were willing to go to war to obtain oil resources or in defense of an oil producing region. This trend is likely to continue in the future until a more economical resource is discovered or until the world's oil wells run dry. One problem associated with this dependence on oil is the extremely damaging effects that production, distribution, and use have on the environment. Furthermore, accidents and conflict can disrupt production or the actual oil resource, which can also result in environmental devastation. One potential solution to these problems is to have environmental strategies in petroleum industry. We will discuss about these subjects in this paper briefly.

For oil and gas corporations, sustainability has long been a top priority. The heart of existing sustainability initiatives is adherence to health, safety, and environmental requirements, as well as increasing contributions to the society in which they operate.

The growing impetus for a low-carbon transition is necessitating new standards for sustainability initiatives. Evolving government climate regulations, direct public and shareholder action, and shifting investment strategies by significant institutions are putting pressure on oil and gas corporations to cut emissions. Low carbon energies are becoming increasingly competitive with oil and gas due to

improving technologies and economics, posing both dangers and possibilities for oil and gas corporations. Companies will need to develop proactive and transparent sustainability strategies that maintain their licence to operate in their traditional business while identifying and securing new opportunities arising from the transition to a low carbon economy, as oil and gas will remain a key component of the global energy mix for the foreseeable future.

Concerns are increasing about the oil and gas industry's compatibility with a sustainable future. Many businesses profess to be concerned about sustainability and are involved in a slew of sustainability projects relating to their supply chain operations. However, it is frequently impossible to make sense of this tornado of business activity because research has failed to validate the reality of these assertions. We examined 150 annual reports from fifteen oil and gas firms in Europe, Asia, and America to see if these corporations back up their green rhetoric by pushing their supply chain toward sustainability. Content analysis was used to codify and explain what corporations value in their supply chains in terms of sustainability.

The findings show that, in addition to the disparity in supply chain sustainability emphasis in the global oil and gas industry, oil and gas companies in Asia and America were lagging behind and still have a long way to go if they are to place a comprehensive emphasis on the three dimensions of sustainability in their supply chains. We claimed that the observed emphasis of these oil corporations would not result in a more sustainable oil and gas business in the future; thus, given the nature of their operations and industry restrictions, we anticipate them to operate more sustainably.