

Next steps to energy transition goals

The complexity of the energy transition requires collaboration among many players but with a defined strategy and clear objectives in the short, medium and long-term – reducing emissions and moving to net zero can be a reality. Below is an overview of what oil and gas companies should be considering as they consider the future of energy.

Next steps to energy transition			
	Short-term	Medium-term	Long-term
Value chain	<ul style="list-style-type: none"> Quantify emissions released at different stages of production. Identify emission-intensive processes across the value chain. 	<ul style="list-style-type: none"> Engage with suppliers and downstream consumers to reduce scope 3 emissions. 	<ul style="list-style-type: none"> Address residual carbon emissions through offsets and CCUS.
Policy and regulatory environment	<ul style="list-style-type: none"> Leverage existing regulatory environment to invest in clean energy and alternative feedstocks. Disclose category-wise emissions by following established standards. 	<ul style="list-style-type: none"> Collaborate with companies and associations to develop robust climate strategies. 	<ul style="list-style-type: none"> Scanning the long-term policy horizon and implementing transition plans accordingly.
Technology	<ul style="list-style-type: none"> Adopt mature and cost-effective technologies such as RE power generation, use of biomass feedstocks, LDAR. Switching from coal to natural gas in the near term, along with CCUS and blue hydrogen. 	<ul style="list-style-type: none"> Technological partnerships with key industry players. Deploying clean technologies being implemented at commercial scales. 	<ul style="list-style-type: none"> Embedding emerging low-carbon emitting technologies like CCUS, green hydrogen, etc. into climate strategy as well as improving their commercial viability.
Wider ESG considerations	<ul style="list-style-type: none"> Embed wider ESG considerations into transition planning approach. 	<ul style="list-style-type: none"> Strategically implement ESG initiatives into transition plan. 	<ul style="list-style-type: none"> Horizon scanning to address climate risks and impacts on workers and communities.
Levers and tipping points	<ul style="list-style-type: none"> Leverage existing government incentives for a clean transition. 	<ul style="list-style-type: none"> Develop infrastructure for business model innovation, e.g., development of sustainable fuels. 	<ul style="list-style-type: none"> Develop adaptation strategies addressing long-term climate change.
Metrics & targets	<ul style="list-style-type: none"> Set ambitious medium term targets aligned to a 1.5 degree scenario. 	<ul style="list-style-type: none"> Refine metrics as data availability evolves. Scenario analysis impacts of physical risks of climate change on business operations. 	<ul style="list-style-type: none"> Ensure that the Net Zero target includes emissions beyond Scope 1 & 2.

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