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Sustainability plans to aid OGSE firms in energy transition

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KUALA LUMPUR: The Economic Planning Unit (EPU) of the Prime Minister's Department is optimistic that the newly introduced National OGSE Sustainability Plans (NOSP) will provide value to oil and gas, services and equipment (OGSE) companies in identifying specific pathways for the industry to tackle energy transition.

EPU deputy director-general (sectoral) Datuk Yatimah Sarjiman said the NOSP will also play its role as a guide to companies on the expectation regarding sustainability practices for the industry going forward.

"In view of the urgent need to embrace sustainable development, the EPU is pleased to be working on the OGSE sustainability initiative with Malaysia Petroleum Resources Resources (MPRC), with the completion of NOSP marking the first milestone in this journey," she said at the National OSGE Sustainability Forum yesterday.

She hoped that OGSE companies will adapt to changes in systems, business models, economic assumptions, market rules and governance frameworks to ensure the OGSE industry is not left behind amid the energy transition.

The NOSP, introduced yesterday, put

forward 11 recommendations to better guide companies towards embarking on the journey to sustainability to address challenges confronting the sector.

Looking ahead, she said the government's plans for OGSE sustainability will be further outlined in the National OGSE Sustainability Roadmap to be developed in 2023 and the National OGSE Sustainability Framework in 2024.

"The way we are developing the OGSE sustainability agenda will also allow us to respond to the evolving oil and gas and energy industries to ensure we produce guidelines that are timely and relevant for the OGSE sector," she said.

Yatimah noted that it is crucial for all stakeholders that they come to a mutual agreement on future goals, especially taking into account the kind of world they want to leave behind while meeting consumers' expectations for reliable, affordable and sustainable products and services.

At the same event, MPRC president and CEO Mohd Yazid Ja'afar said NOSP resulted from a rigorous analysis of the sustainability landscape globally, regionally and in Malaysia.

"We then studied sustainability trends

among Malaysia's top 100 OGSE companies by revenue, from a list curated and analysed by MPRC every year, known as the OGSE100," he said

He said MPRC engaged with OGSE ecosystem stakeholders including ministries and government agencies, Petronas, Shell, industry associations and OGSE companies to gain a deeper understanding of the issues and challenges faced by the sector as well as explore initial opportunities for the sector to comply with sustainability requirements.

"OGSE companies, made up mainly of small and medium enterprises (SME), find it challenging to adopt sustainability practices due to resource constraints and they will more often than not, have to prioritise their short-term survivability over the implementation of sustainability practices," he pointed out.

Among the recommendations outlined in the NOSP were climate-related risk and potential pathway identification, OGSE-focused sustainability knowledge and training hub, subsidies for SME training, grants or soft loans for decarbonisation initiatives and simplified environmental, social and governance reporting standards for OGSE SME. - Bernama