

5. Energy Institute

5.1 Aims and policies

The Energy Institute (EI) is a medium-sized professional institution with “around 20,000 members”. [1] It was formed in 2003 by the merger of the Institute of Petroleum and the Institute of Energy. The history of both these organisations dates back to the 1920s with the oldest of the founding organisations, the Institution of Petroleum Technologists, being formed in 1914.

Statement of purpose and values

According to a recent annual report, [2] the objects of the Energy Institute are:

- *“To conduct or promote the conduct of scientific and other research, to publish useful results of such research, and to provide facilities for study, research and education;*
- *To publish, produce and distribute or assist in the publication, production or distribution of films, recordings, and any form of written, printed or electronic communication and to advertise in any manner;*
- *To establish and maintain libraries and collections, and provide public access to them, and to collect information whether or not on a basis restricted by agreement with the provider thereof;*
- *To hold conferences, meetings and seminars and other events and to promote the reading of learned papers;*
- *To encourage the undertaking of voluntary work in the interests of the EI;*
- *To develop and promulgate codes of good professional practice, to prescribe standards of education, training and experience in professions or activities related to the objects and to hold examinations and other tests, and to award certificates and diplomas: provided that no such certificate or diploma shall purport to be issued by or under government authority, or purport to be a national qualification, without the prior approval of, or accreditation by, the appropriate department of Government and/or the appropriate devolved administration, or the appropriate regulatory body for qualifications;*
- *To institute, establish and promote educational and training courses, scholarships grants, awards and prizes.”*

Its strategic aims [2] are:

- *“Raising standards and driving forward energy industry good practice*
- *Developing skills and recognising the competence of energy professionals*
- *Advancing knowledge and understanding about energy.”*

Environmental policy

The EI has produced a range of resources on managing the environmental impacts of energy technologies, but we were unable to find an overarching environmental policy statement on

its website. The closest we found was a clause within the institute's 'Code of Professional Conduct' [3] which stated that:

- *“Members will have due regard for the need to protect the environment and to provide energy services in a way that is safe and sustainable. They will make a systematic assessment of environmental, health and safety risks related to their work, their individual legal liability and the requirements of the jurisdiction in which they work, and seek to manage and communicate this effectively.”*

Despite the lack of an environmental policy statement, in 2015, the EI embarked on a refurbishment of its London office, one of the aims being to improve its energy efficiency. [4]

In 2016, the EI adopted, as one of its strategic themes, “supporting the transition to a lower carbon world”, and has subsequently increased in activities in this area. [2] However, it is surprising that it had not adopted such a theme earlier.

On the EI's publications website, we found numerous technical guidance papers on controlling emissions to the environment [5] – although it was notable, at the time of writing, that very few covered emissions related to climate change. Some courses on energy and environmental management were offered, with energy efficiency being a significant aspect. [6] On the EI's main website, we found a specific section on climate change. [7]

5.2 Investments

Size and location of funds

According to a recent annual report, the Energy Institute had approximately £3.6 million of investments, with 100% of those funds being invested in the Alpha Common Investment Fund. [4] The top 10 investments held by the fund are given in table 5.1, based on data listed publicly on the asset management company's website. [8]

In summary, the publicly available information provided in this table shows where approximately 16% of the EI's portfolio was invested. Of that 16%, approximately 29% was invested in companies which were part of the fossil fuel industry and none invested in the arms industry. However, it was difficult to draw conclusions about whether this level was representative of all the investments held in the arms sector, as these corporations tend to be smaller than those in other key sectors, such as energy, finance or communications, and hence do not appear so frequently in lists of 'top' assets.

One further element of the EI's investment practice was notable. It held some shares in Petroleum Geology Conferences Limited, a company whose role was to organise conferences for the oil and gas sector. [4]

<i>Alpha Common Investment Fund – assets</i>	<i>% of total investments</i>
HSBC Holdings plc	2.1
Royal Dutch Shell plc [F]^a	2.1
Source Physical Gold	2.0
Sarasin IE	1.8
Glaxosmithkline plc	1.5
Prudential plc	1.4
Unilever plc	1.4
BP plc [F]	1.3
CF Morant Wright Nippon	1.3
Total SA [F]	1.2
<i>Total</i>	<i>16.1</i>

Table 5.1 – Top 10 investments held by the Energy Institute [8]

General investment policy

Management of the EI’s investments is carried out by its Finance and Audit Committee. [2] This has two general policies:

- *“to employ an active investment management strategy*
- *to hold funds required for the day-to-day running of the Energy Institute in interest paying bank deposit accounts.”*

Ethical investment policy

We were unable to find any mention of an ethical investment policy in any of the EI’s publicly available documents. Although the EI responded to our inquiry concerning such a policy, it provided no further details.

5.3 School education programmes

In 2017, the Energy Institute was promoting via its website education materials for schools produced by its ‘industry partners’ – **BP [F]**, **ExxonMobil [F]**, **Shell [F]**, **E.ON [F]**, **SSE [F]**, EDF and Siemens – together with its own set of resources called *Discover Petroleum* for 8 to 16-year-olds. [9] The latter project involved **ExxonMobil [F]** and **ChevronTexaco [F]** and was hosted on the Association of Science Education’s School Science website. [10] However, in 2018, the EI’s website was redesigned and links to these resources were removed, the ‘Schools’ webpage being incorporated into a more general ‘Careers’ section. [11] Nevertheless, at the time of writing,^b the *Discover Petroleum* resource remained online, still incorporating the branding of the EI and oil industry supporters.

^a [A] indicates companies which, in this report, are categorised as being part of the arms industry. [F] indicates companies which are categorised as being part of the fossil fuel industry. The latter category includes companies which have a significant role in fossil fuel exploration, extraction, refining or power generation. The category also includes companies which are principally involved in providing services to support these activities, such as specialist equipment or expertise. For more details, see chapter 3 and appendix 21.

^b 5/9/19

The recent shift in the EI’s approach to providing education resources is striking, presumably driven by its recently adopted strategic theme on a lower carbon world (see section 5.1). However, the institute does not yet seem to have produced new teaching materials for school-age children – for example, on climate change and energy.

5.4 Events and sponsorship

The Energy Institute organises numerous events for which it receives sponsorship from industry and other organisations. Some of these are especially large. Key events advertised at the time of writing are listed in this section, together with their sponsors.

IP Week (International Petroleum Week)

IP Week is a large annual event with between 1,500 and 2,000 participants, including speakers from industry, government and academia. In 2017, the standard ticket price (excluding VAT) for non-EI members was £2,200 and for EI members, academics and those working in the public sector, the price was £1,700. [12] By 2019, the prices had increased by over 25%.^c

The 2018 event had many sponsors, with a full list being given in table 5.2. [7] Notable were the ‘primary’ sponsor, **ENI [F]**, the oil and gas giant based in Italy, and the Russian state-controlled petroleum corporation, **Rosneft^d [F]**, which was a ‘gold’ sponsor. 55% of the sponsors were corporations focused on fossil fuels, with a higher proportion in the more prestigious categories.

<i>Sponsorship category</i>	<i>Organisation</i>
Primary sponsor	ENI [F]
Gold sponsors	Rosneft [F] , S&P Global Platts, SAI Global, Petrocare [F] , Oando [F] , Standard Chartered, Fujairah Oil Industry Zone (FOIZ) [F] , JKX Oil And Gas [F] , ESAI Energy [F]
Silver sponsors	Aspect EnterPrise Solutions [F] , Wipro Ltd, OpenLink, Schlumberger [F] , Autodesk, Chemie Tech [F] , Dataminr, Glenstar, PWC, Dana Gas [F]

Table 5.2 – 2018 sponsors of the EI’s International Petroleum Week [7]

Energy Institute Awards

The EI Awards are “designed to celebrate and showcase the vast accomplishments in the energy sector, an industry vital to society”. The awards ceremony “is the perfect opportunity to entertain your most important clients and make new industry connections, in an exciting evening of celebration, entertainment, and fine-dining.” [13]

^c Reference [12] – accessed 11/1/19.

^d Rosneft – or Russian oil – is a company with an especially controversial history. It has been embroiled in numerous legal and political battles, received huge fines for law-breaking, has an especially poor records of oil spills, and is controlled by the currently authoritarian Russian government. [29] [28]

Awards are presented in a number of categories, including energy management, environment, and health and safety. We looked at the sponsors for the awards in 2018 and 2016. In 2018, there were eight categories, with two of the sponsors being fossil fuel corporations: **Shell [F]**; and **Aramco [F]**. [14] In 2016, there were nine categories, with five sponsors being part of the fossil fuel industry: **Repsol Sinopec [F]**; **Nexen CNOOC [F]**; **PDVSA [F]**; **Shell [F]**; and **Aramco [F]**. [15] In summary, from our brief survey, we found that over 40% of the awards sponsors were from the fossil fuel sector, especially the oil and gas industry.

The award sponsorship benefits extended further than just branding at the event. Specifically, the EI also claims that the sponsors will be able to: [13]

- Benefit from “a 12-month marketing campaign including online, email, print and face to face”;
- “Target” the Energy Institute’s individual members and company members;
- “Increase your outbound reach to an extra 30,000 energy professionals, the EI’s wider energy network”; and
- “Position your company among exclusive premier industry names, present and past sponsors”.

Cadman and Melchett Awards and Lectures

The Cadman and Melchett Awards “are among the most prestigious awards given by the Energy Institute”. The Cadman Award is presented to an individual “for their outstanding and significant service to the oil industry on an international basis.” The Melchett Award is presented for “outstanding contribution to the study or advancement of the science of fuel and energy.” [16] Recipients give a lecture to mark the presentation of the award.

Neither award appears to be sponsored by an external organisation, but the Cadman Award obviously has a very strong link to the fossil fuel industry. We note that the 2015 recipient of the award was Malcolm Brinded, a former Managing Director of Royal Dutch Shell, [17] who later went on to become President of EI’s governing council (see section 5.6).

Middle East Health, Safety and Environment (HSE) Forum

The Middle East HSE forum was a large international event hosted by the Energy Institute/ Energy Institute Middle East Branch in partnership with **ENOC (Emirates National Oil Company) [F]** and then organised by business conference organisers, IMNBI. While the event publicity said that multiple energy sectors were involved, the particular focus appeared to be on the oil and gas sector. [18]

<i>Role</i>	<i>Organisation</i>
Partner	ENOC (Emirates National Oil Company) [F]
Gold sponsor	Sphera
Exhibitor	CGE
Supporting organisations	British Safety Council, Bapco [F] , Chartered Institute of Ergonomics and Human Factors

Table 5.3 – Collaborating organisations in the EI’s Middle East HSE Forum, 2017 [18]

Smaller events

The EI also organises a number of smaller conferences, seminars and lectures, most of which take place in the UK. We carried out a brief survey of events listed on the EI website in mid-2017, and table 5.4 summarises those in which sponsors were specified.

<i>Event</i>	<i>Sponsor(s)</i>
Energy Efficiency – Embedding behaviour change to unlock efficiency potential	SSE [F] [19]
Reservoir Microbiology Forum (RMF)	Dow [F], Shell [F] [20]
UK Ministry of Defence Aviation Fuels Committee Meeting	Defence Strategic Fuels Authority [A] (EI “is hosting on behalf of” DSFA) [21]
Energy Policy Debates	CMS Law Tax [22]
Evening Lectures	Energy Technologies Institute [23]

Table 5.4 – Smaller EI events in 2017, where sponsors were known

One EI event which was especially notable from a climate change perspective was ‘Energy Efficiency – Embedding behaviour change to unlock efficiency potential’. This two-day conference/ workshop was attended by an estimated 50 people, and the cost of tickets for the whole event (excluding VAT) ranged from £160 to £460. [19] Hence, it was much smaller in scale than, for example, the IP Week events discussed above.

Concluding comments

Our review of the EI’s events highlighted a great deal of involvement from and emphasis on fossil fuels, in particular oil and gas. Of the five groups of events examined, all of them were either focused on or featured a high level of sponsorship from the oil industry. Of external sponsors, about half were from the industry. Added to this, there was a large difference between the likely income from the oil-focused conferences and those focused on renewable energy and/or energy efficiency. In particular, it is interesting to compare the revenue from ticket sales for the IP Week conference to that for the Energy Efficiency conference for the same year.^e The IP Week conference minimum ticket price^f was £1,400 and they expected to have 1,500 to 2,000 attendees whereas the Energy Efficiency conference minimum ticket price was £80 and they had an estimated 50 attendees. Hence the ticket income for the oil event would have been at least £2 million, over 500 times an equivalent figure for the energy efficiency event. When industry sponsorship is included, the difference would have been even larger.

5.5 Corporate membership

The Energy Institute has a large number of corporate members. Its website [24] states that:

^e Using figures for both events from 2017.

^f For the early bird members’ ticket.

“Company membership... demonstrates to industry and wider society that your organisation is committed to good practice and professionalism in energy – essential for success in today’s challenging economic environment. Company membership is open to all organisations across the entire energy value chain.”

At the time of writing, the Energy Institute’s company members’ directory listed about 300 organisations. [25] These members paid different rates depending on the number of employees they have in the energy sector. The rates are shown in table 5.5.

<i>Employees involved in the energy sector</i>	<i>Cost (£) per annum (excluding VAT)</i>
1-15	915
16-25	1,685
26-49	2,955
50+	4,875

Table 5.5 – EI company membership rates, 2019 [24]

Our examination of this list indicated that approximately 40% of company members were mainly focused on fossil fuels – either directly working in extraction or exploration, or indirectly in areas such as electricity generation, fuel transportation systems, consultancy for oil and gas, or microbial fuel testing. These members included some of the largest and most controversial oil and gas corporations such as **Aramco [F]**, **BP [F]**, **Chevron [F]**, **ExxonMobil [F]** and **Shell [F]**. About one-quarter of members were academic institutions – although some of these were strongly focused on work with the fossil fuel sector. The remainder included businesses which worked across the energy industry, as well as some that were more specialised. It was notable that only a few percent of company members were businesses focused on renewable energy.

5.6 Other corporate links

Governing council

The President of EI’s governing council up until mid-2019 was Malcolm Brinded, former Managing Director of **Royal Dutch Shell [F]**. A brief survey of the other members of the council serving in 2019 showed a high proportion also having a background in the oil and gas industry. [26] We estimated that nearly half of the council had strong links to fossil fuel industries. Many of these members held senior positions in fossil fuel companies or worked in the industry – including providing consultancy or in another supporting role – for an extensive period of time. Notably the fossil fuel sub-sector represented here was almost entirely oil and gas. It is also worth noting that a significant proportion of council members had backgrounds in the renewable energy sector. About a quarter either worked in renewable energy companies or as academics in the area. [26]

Shell ‘Hearts and Minds’ toolkit

According to a recent annual report, the EI sold a health and safety toolkit, called ‘Hearts and Minds’, on behalf of **Shell Exploration and Production Ltd [F]**. This was generating

income of over £100,000 a year and “any surplus is held for future investment in the development of the toolkit and related Human Factors projects.” [2]

Advertisements in in-house publications

The Energy Institute has two main publications, *Energy World* and *Petroleum Review*. [27] For both of these magazines, all editions from 2016 were available to us for review.

Energy World is described as a magazine for energy professionals. [27] In our review of 12 editions from 2016, excluding sponsored EI events (which made up 40% of the adverts in the magazine and are covered in section 5.4 above), the large majority of the advertisements were for multi-industry services such as safety systems or business services. There were some adverts for services aimed at the oil and gas industry, such as fuel treatment technologies, but these were not large in number.

Petroleum Review is described as a magazine for oil and gas professionals. [27] In the same vein as *Energy World*, we noted that a large proportion of the adverts in the 2016 editions were for EI events. We estimated that these comprised around two-thirds of all adverts. The remaining third were made up of industry services. Of that third, 38% appeared to be explicitly petroleum-focused businesses or external events.

5.7 Overall assessment

Reviewing the information in this case study, we have given the Energy Institute the assessment as shown in tables 5.6a and b.

In terms of transparency, the EI publicly published a large amount of information on its financial links to external organisations, including industry. Its main shortcoming in this area was the fact that the identity of over 80% of its investments were not available, although this problem was due to practice of its financial managers rather than the EI itself.

In the EI’s publicly published materials, we were unable to find an ethical investment policy or overarching environmental policy. However, its code of professional practice included a clause on environmental issues and it did run some training courses on elements of energy and environmental management and publish some technical guidance briefings.

	<i>Investments</i>	<i>School education programmes</i>	<i>Events</i>	<i>Other</i>
Involvement with arms corporations	Medium	None	Low	None
Involvement with fossil fuel corporations	Very high	High	Very high	Very high

Table 5.6a – Corporate involvement ratings for the Energy Institute

	<i>Ethical issues covered in this study</i>
Positives	<ul style="list-style-type: none"> • No financial links with arms/ military sector in most areas • Some professional guidance on environmental and climate issues • Higher levels of transparency over financial links in a number of key areas
Negatives	<ul style="list-style-type: none"> • Very high level of financial links to fossil fuel industry in virtually all areas covered in this study • No ethical investment policy • Significant investments in arms industry likely • Some gaps in environmental policies

Table 5.6b – Positives and negatives for the Energy Institute

We found major financial links between the EI and the fossil fuel industry, especially the oil and gas sector. In virtually every area in which we were able to obtain data – investments, school education programmes, events, corporate membership and other corporate links – these links were at a very high level (as defined in the main report – see chapter 3). However, there was some recent evidence that the institute was reducing its financial links to the industry in the area of school education programmes.

Regarding financial links to the arms industry and military sector, we found only one example (see table 5.4). However, a lack of published data on the EI’s investments, coupled with the lack of an ethical investment policy, meant that it was highly likely that at least some of its investments would be in this sector.

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