

# Item 02 – Cover note to exposure draft of Sector Standard: Oil and Gas

## For GSSB information

<b>Date</b>	4 June 2020
<b>Meeting</b>	18 June 2020
<b>Project</b>	Development of GRI Sector Standard: Oil, Gas, and Coal
<b>Description</b>	<p>This document gives background information to the Global Sustainability Standards Board (GSSB) on key insights and considerations that have arisen as a through the process of developing sector contents for oil, gas, and coal.</p> <p>This cover note should be read in conjunction with the exposure draft GRI Sector Standard: Oil and Gas.</p> <p>Annexes to the cover note comprise an instruction sheet outlining contents of the Sector Standard’s ‘What to report’ section, a mapping of the topics and disclosures within the exposure draft, and suggested Public Comment questions for the GSSB’s information and feedback.</p>

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## *GRI Sector Program pilot project*

The Global Sustainability Standards Board (GSSB) initiated the GRI Sector Program to develop standards that are specific to certain sectors. The purpose of the GRI Sector Standards (Sector Standards) is to identify and describe a sector's most significant impacts from a sustainable development perspective and reflect stakeholder expectations for a sector's sustainability reporting. The intended outcome is to focus sustainability reporting on the impacts that matter most.

The project to develop contents for oil, gas, and coal has resulted in an exposure draft of GRI Sector Standard: Oil and Gas (exposure draft), which:

- Describes the sector and its context;
- Outlines topics that are likely material for an organization in the sector based on the sector's most significant impacts; and
- Lists appropriate disclosures to report on those topics.

The exposure draft as presented is intended to clarify the reporting expected of an organization in the oil and gas sector and assist it in identifying material topics and what to report for each material topic.

The work to date has also surfaced some reporting expectations that might result in recommendations to revise existing GRI Topic Standards or develop new ones.

## *Major changes since previous draft*

The Standards Division (SD) presented the GSSB with a first draft of the Sector Standard: Oil, Gas, and Coal on 26 March 2020. Major changes made since that draft are as follows:

- The scope of the Sector Standard has been revised. A dedicated discussion with the GSSB on 23 April 2020 led to the decision to separate oil and gas contents from coal contents and to continue the development in separate workstreams. Coal contents were removed to leave a draft only containing oil and gas. An overview of the proposal to develop Sector Standard: Coal is summarized later in this document.
- The application of materiality to the Sector Standard has been clarified within the introduction and emphasized as part of the 'What to report' section in each sector topic.
- Introductory sections describing the purpose and use of the Sector Standards and the structure and language of 'What to report' sections have been aligned with the revised Universal Standards exposure draft.
- Reporting on climate resilience and transition have been reorganized and clarified to better reflect complete reporting expectations.
- Text revisions have been made to ensure topic descriptions more clearly describe sector impacts and are more closely aligned to reporting included.
- Reporting expectations based on EITI disclosures in Anti-corruption and Payments to governments topics have been slightly revised.
- The 'Key terms' section has been replaced by a glossary in line with all other GRI Standards, containing terms used in the GRI Standards and three new suggested terms relevant for reporting to be included in the *GRI Standards Glossary*.

## 40 *Comments on the materiality principle*

41 The logic guiding the use of the Sector Standards is grounded in *GRI 101: Using the GRI Standards*,  
42 which requires that an organization use the Sector Standard(s) that apply to its sector(s) when  
43 identifying material topics, where available.

44 The exposure draft describes topics that have been identified by the Project Working Group for oil,  
45 gas, and coal (PWG) as likely material for an organization in the oil and gas sector. Drawing on  
46 authoritative instruments and other supporting references, it explains why the topic might be  
47 material and outlines significant impacts and how these impacts occur.

48 The exposure draft clearly states that the included list of topics is not intended to substitute an  
49 organization's own process for identifying material topics. This means that not all topics listed are  
50 material for all organizations in the sector, and factors, such as the organization's geographic  
51 location, might surface additional topics as material for the organization.

52 However, as part of the process of developing contents for oil and gas, the PWG made it clear that  
53 some topics should be considered as material for all organizations in the sector, which would mean  
54 that reporting on such topics is mandatory. In the case of the oil and gas sector, climate change  
55 related topics were identified as such, namely GHG emissions and climate resilience and transition.  
56 The PWG felt strongly that reporting on these topics should not be contingent on the materiality  
57 process, but be required throughout the sector.

58 As part of the public comment process of the revised Universal Standards, the 'comply or explain'  
59 approach is being explored in the context of the Sector Standards. That is, the public is being asked  
60 whether an organization should be required to explain why a topic is not material if the organization  
61 does not deem the topics listed in a Sector Standard to be material. The Standards Division (SD)  
62 proposes to explore this further during the Public Comment Period for the Sector Standard: Oil and  
63 Gas and solicit views from a wider group of stakeholders on whether certain topics should always be  
64 mandatory for an organization in a given sector. Questions 9 and 13 in Annex 3 are intended to  
65 elicit feedback on this matter during public comment.

66 The input of the PWG and these proposed questions will be further discussed at the meeting.

## 67 *Preliminary findings on topic and disclosure* 68 *gaps*

69 It was anticipated that the project of developing oil, gas, and coal contents would generate insight on  
70 the feasibility of developing reporting requirements, recommendations, and/or guidance for the  
71 sector. Topics identified within the project for which no corresponding GRI Standard exists were to  
72 be assessed and prioritized by the GSSB for future GRI Standards development.

73 The work to date has surfaced some reporting expectations that might result in recommendations  
74 to revise existing GRI Topic Standards (Topic Standards) or develop new ones. During content  
75 development, the PWG identified four topics for which no dedicated (or closely related) Topic  
76 Standard exists, namely:

- 77 • Asset integrity and process safety
- 78 • Climate resilience and transition
- 79 • Closure and decommissioning
- 80 • Land use and resettlement

81 The reporting for these topics has been constructed using *GRI 103: Material Topics*, applicable  
82 disclosures from related Topic Standards, and external sector-specific disclosures.

83 In addition, to achieve complete reporting for the sector, the PWG identified disclosure gaps or the  
84 need to add sector-specific guidance for the following topics:

- 85 • Air emissions
- 86 • Anti-corruption
- 87 • Biodiversity
- 88 • Conflict and security
- 89 • Economic impacts
- 90 • GHG emissions
- 91 • Local community impacts
- 92 • Payments to governments
- 93 • Rights of indigenous peoples
- 94 • Waste
- 95 • Water and effluents

96 These topics have been supplemented with additional disclosures from outside the GRI Standards,  
97 such as from the Extractive Industries Transparency Initiative (EITI), and/or with sector-specific  
98 guidance on aspects deemed crucial for understanding an organization's impacts.

99 An inventory of disclosures and guidance included in the draft Sector Standard can be found in  
100 Appendix 1: Sector Topics and disclosures.

101 The PWG also found that *GRI 304: Biodiversity 2016* was outdated generally and not just in relation  
102 to reporting by organizations from the oil and gas sector.

103 These findings give an indication of the recommendations that may emerge from this project.  
104 However, the need to revise existing Topic Standards or develop new ones may not be clear until  
105 there are the cumulative outputs of several projects.

## 106 *Public comment*

107 The public comment period for the exposure draft of GRI Sector Standard: Oil and Gas is proposed  
108 to commence in 6 July 2020 and run for 90 days. This will ensure an overlap of approximately 60  
109 days with the public comment period for the revised Universal Standards, which is scheduled to run  
110 from 11 June 2020 to 9 September 2020.

111 The public comment will focus on two broad objectives:

- 112 • Test the completeness and relevance of the oil and gas content presented in the exposure draft,  
113 including whether it reflects the impacts of the oil and gas sector, meets stakeholder  
114 expectations of reporting by an organization in the sector and aligns with an organization's  
115 understanding of its likely material topics.
- 116 • To receive feedback on the value, clarity and feasibility of the proposed concept for the Sector  
117 Standards, including whether the proposed format, language and approach are clear for an  
118 organization, and whether the current approach presents a useful tool for other stakeholders to  
119 engage an organization on its reporting.

120 The public comment will engage stakeholders globally across GRI's key constituencies to gather  
121 feedback on these two objectives. The engagement will mostly be based on virtual activities.

122 A list of draft public comment questions is included in Appendix 2 for GSSB feedback.

## 123 *Development of Sector Standard: Coal*

124 Following the decision to separate oil and gas contents from coal contents, the SD recommends  
125 developing two separate Sector Standards, one for oil and gas, and one for coal. The development  
126 would continue under the auspices of the Oil, Gas, and Coal Sector Standard Project Proposal with  
127 the existing PWG. The SD proposes to release exposure drafts for public comment for these two  
128 Standards separately.

129 The PWG was originally recruited to develop contents for oil, gas, and coal, and has the appropriate  
130 expertise to develop dedicated coal content. The SD has also engaged with external coal experts  
131 who have been supportive of the contents already developed. There is no indication the already  
132 identified likely material topics will have to be changed.

133 Recruiting a new PWG to develop coal contents would undermine the work done by the current  
134 PWG and peer reviewers. It would also result in a significant delay in schedule.

135 To ensure a smooth development process, the SD proposes the following management measures:

- 136 - PWG members with limited coal expertise who feel unable to contribute to the  
137 development of Sector Standard: Coal will abstain from the process. This will be noted  
138 publicly by stating their positions to the GSSB and acknowledging them on their biographies  
139 on the project webpage.
- 140 - An additional member will be nominated for membership to the PWG to replace an  
141 absentee PWG member from the coal sector. The proposed candidate previously applied to  
142 the PWG and has engaged in the process as a peer reviewer.
- 143 - The SD will manage the development processes for the two Standards with the aim to limit  
144 additional workload for the PWG as much as possible.

145 As a first step, the SD proposes to consolidate existing coal-related content and references and  
146 conduct a gap analysis assessment to identify where further content development is needed.  
147 Following this, it is anticipated that any gaps discovered can be filled by additional desk research,  
148 PWG contribution and external stakeholder consultation.

149 It's expected that an exposure draft of Sector Standard: Coal will be ready for public comment in late  
150 2020/early 2021.

# 151 Appendix I: Sector topics and disclosures

152 Table I. Summary of topics and disclosures in Sector Standard: Oil and Gas

Type of disclosure	Relevant GRI Standard	Reporting disclosure	Additional guidance
<b>GHG emissions</b>			
Required	<i>GRI 103: Material Topics</i>	<p>Disclosure MT-1 Identification of material topics and related impacts</p> <p>Disclosure MT-2 Material topics and related impacts</p> <p>Disclosure MT-3 Management of material topics and related impacts</p>	<p>The organization should report the actions taken to manage flaring and venting, and the effectiveness of these actions.</p> <p>The organization should report the following.</p> <ul style="list-style-type: none"> <li>- How the goals and targets are set;</li> <li>- Whether and how the goals and targets take into account the context in which the impacts take place and are informed by expectations in internationally recognized instruments and, where relevant, by scientific consensus;</li> <li>- Whether goals and targets are mandatory (based on legislation) or voluntary (if they are mandatory, the organization can list the relevant legislation);</li> <li>- The organization's activities or <u>business relationships</u> to which the goals and targets apply;</li> <li>- The <u>baseline</u> for the goals and targets; and</li> <li>- The timeline for achieving the goals and targets.</li> </ul>
Appropriate disclosure from Topic Standard	<i>GRI 302: Energy 2016</i>	Disclosure 302-1 Energy consumption within the organization	
Appropriate disclosure from Topic Standard	<i>GRI 302: Energy 2016</i>	Disclosure 302-3 Energy intensity	

Appropriate disclosure from Topic Standard	<i>GRI 305: Emissions 2016</i>	Disclosure 305-1 Direct (Scope 1) GHG emissions	When reporting on direct (Scope 1) GHG emissions, the organization should also report: <ul style="list-style-type: none"> <li>- Percentage of methane emissions from gross direct (Scope 1) GHG emissions;</li> <li>- Breakdown of direct (Scope 1) GHG emissions by type of source, including from flared gas, vented gas, and fugitive emissions.</li> </ul>
Appropriate disclosure from Topic Standard	<i>GRI 305: Emissions 2016</i>	Disclosure 305-2 Energy indirect (Scope 2) GHG emissions	
Appropriate disclosure from Topic Standard	<i>GRI 305: Emissions 2016</i>	Disclosure 305-3 Other indirect (Scope 3) GHG emissions	
Appropriate disclosure from Topic Standard	<i>GRI 305: Emissions 2016</i>	Disclosure 305-4 GHG emissions intensity	
Appropriate disclosure from Topic Standard	<i>GRI 305: Emissions 2016</i>	Disclosure 305-5 Reduction of GHG emissions	
Additional disclosure	<i>GRI 102: About the Organization</i>	ACT-1 Activities, value chain, and other business relationships	When reporting <i>ACT-1 Activities, value chain, and other business relationships in GRI 102: About the Organization</i> , the organization should report efforts to move towards less GHG-intensive operations and products.
<b>Climate resilience and transition</b>			
Required	<i>GRI 103: Material Topics</i>	Disclosure MT-1 Identification of material topics and related impacts  Disclosure MT-2 Material topics and related impacts	When reporting on actions taken to manage climate resilience and transition and related impacts, the organization should report: <ul style="list-style-type: none"> <li>- The level and function within the organization assigned responsibility for managing the impacts (this can also be reported as part of <i>GOV-3 Responsibilities for sustainable development topics and delegation in GRI 102: About the Organization</i>);</li> </ul>

	<p>Disclosure MT-3 Management of material topics and related impacts</p>	<ul style="list-style-type: none"> <li>- The internal decision-making, budget allocation, and oversight processes to enable effective actions to manage the impacts (this can also be reported as part of <i>GOV-13 Remuneration policies</i> in <i>GRI 102: About the Organization</i>); and</li> <li>- How performance criteria in the remuneration policies for highest governance body members and senior executives relate to the topic.</li> </ul> <p>When describing its policies on or commitments to the topic, the organization should report:</p> <ul style="list-style-type: none"> <li>- The policy commitments to climate change (this can be reported as part of <i>RBC-2 Policy commitments</i> in <i>GRI 102: About the Organization</i>);</li> <li>- Its approach to public advocacy on climate change; including its stance on issues related to climate change, and any differences between its lobbying positions and any stated policies, goals, or other public positions;</li> <li>- Any industry and other membership associations and national and international advocacy organizations that participate in public advocacy on climate change in which the organization has a significant role (this can also be reported as part of <i>RBC-7 Membership associations</i> in <i>GRI 102: About the Organization</i>).</li> </ul> <p>When reporting on goals and targets, the organization should report targets related to reducing Scope 3 emissions from use of sold products, including:</p> <ul style="list-style-type: none"> <li>- The strategy to achieve the targets, including through investments in renewable energy, nature-based solutions to climate mitigation, and technologies to remove CO<sub>2</sub> from the atmosphere;</li> <li>- The baseline for the targets;</li> <li>- Whether and how the goals and targets take into account the context in which the impacts take place and are informed by expectations in internationally recognized instruments and, where relevant, by scientific consensus; and</li> <li>- The timeline for achieving the goals and targets.</li> </ul> <p>(Please note: reporting on goals and targets related to Scope 1 and Scope 2 emissions is included in GHG emissions.)</p>
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Appropriate disclosure from Topic Standard	<i>GRI 201: Economic Performance 2016</i>	Disclosure 201-2 Financial implications and other risks and opportunities due to climate change	<p>When reporting on financial implications and other risks and opportunities due to climate change</p> <ul style="list-style-type: none"> <li>- Whether climate change is considered in the organization's strategy;</li> <li>- Scenarios used for outlining risks and opportunities;</li> <li>- Assumptions and/or projections used to address stranded asset risk;</li> <li>- How the concept of just transition is considered to prevent or mitigate systemic negative impacts.</li> </ul> <p>When reporting on the methods used to manage the risk or opportunity, the organization should report:</p> <ul style="list-style-type: none"> <li>- Investments in nature-based solutions to climate mitigation and technologies to remove CO<sub>2</sub>, and net captured value of CO<sub>2</sub> removed;</li> <li>- Decisions not to invest in new oil and gas developments and project divestments; and</li> <li>- Investments in exploration of new fossil fuel reserves and development of new fields (percentage of total CAPEX).</li> </ul>
Additional disclosure	<i>GRI 102: About the Organization</i>	ACT-I Activities, value chain, and other business relationships	<p>The organization should also report its business model and lines of business, including:</p> <ul style="list-style-type: none"> <li>- Oil and gas production volumes for reporting year and projected volumes for the next five years by resource type in percentages (crude oil, natural gas, oil sands, tight oil, and shale gas);</li> <li>- Energy production from renewable sources by type of energy source and investment into renewable energy, and projections for the next five years (percentage of total CAPEX and current total revenue);</li> <li>- Estimated reserves by resource type and emission potential of these reserves.</li> </ul>
Additional disclosure	-	Oil and gas production volumes for reporting year and projected volumes for the next five years by resource type in percentages (crude oil, natural gas, oil sands, tight oil, and shale gas)	

Additional disclosure	-	Estimated reserves by resource type and emission potential of these reserves	
Additional disclosure	-	Energy production from renewable sources by type of energy source and investment into renewable energy, including projections for the next five years (percentage of total CAPEX and current total revenue)	
Additional disclosure	-	Investments in exploration of new fossil fuel reserves and development of new fields (percentage of total CAPEX)	
Additional disclosure	-	Investments in nature-based solutions to climate mitigation and technologies to remove CO <sub>2</sub> , and net captured value of CO <sub>2</sub> removed	
Additional disclosure	-	Decisions not to invest in new oil and gas developments and project divestments	
<b>Air emissions</b>			
Required	<i>GRI 103: Material Topics</i>	Disclosure MT-1 Identification of material topics and related impacts  Disclosure MT-2 Material topics and related impacts  Disclosure MT-3 Management of material topics and related impacts	
Appropriate disclosure from Topic Standard	<i>GRI 305: Emissions 2016</i>	Disclosure 305-7 Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions	

Further reporting	<i>GRI 416: Customer Health and Safety 2016</i>	416-1: Efforts to improve product quality to reduce impacts of air emissions resulting from product use	The organization can also describe efforts to improve product quality to reduce air emissions.
<b>Biodiversity</b>			
Required	<i>GRI 103: Material Topics</i>	<p>Disclosure MT-1 Identification of material topics and related impacts</p> <p>Disclosure MT-2 Material topics and related impacts</p> <p>Disclosure MT-3 Management of material topics and related impacts</p>	When describing the actions taken to manage the topic and related impacts, the organization should describe whether they have implemented the mitigation hierarchy and how local community engagement is incorporated.
Appropriate disclosure from Topic Standard	<i>GRI 304: Biodiversity 2016</i>	Disclosure 304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	
Appropriate disclosure from Topic Standard	<i>GRI 304: Biodiversity 2016</i>	Disclosure 304-2 Significant impacts of activities, products, and services on biodiversity	When reporting significant impacts of activities, products, and services on biodiversity, the organization should report significant direct and indirect impacts on biodiversity with reference to habitats or ecosystems.
Appropriate disclosure from Topic Standard	<i>GRI 304: Biodiversity 2016</i>	Disclosure 304-3 Habitats protected or restored	When reporting habitats areas, the organization should give a breakdown of those protected or restored through the application of the mitigation hierarchy and/or additional conservation actions.
Appropriate disclosure from Topic Standard	<i>GRI 304: Biodiversity 2016</i>	Disclosure 304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations	

Waste			
Required	<i>GRI 103: Material Topics</i>	<p>Disclosure MT-1 Identification of material topics and related impacts</p> <p>Disclosure MT-2 Material topics and related impacts</p> <p>Disclosure MT-3 Management of material topics and related impacts</p>	
Appropriate disclosure from Topic Standard	<i>GRI 306: Waste 2020</i>	Disclosure 306-1 Waste generation and significant waste-related impacts	
Appropriate disclosure from Topic Standard	<i>GRI 306: Waste 2020</i>	Disclosure 306-2 Management of significant waste-related impacts	
Appropriate disclosure from Topic Standard	<i>GRI 306: Waste 2020</i>	Disclosure 306-3 Waste generated	<p>When reporting on waste generated, diverted from disposal, and directed to disposal, an organization should also report the composition of the waste broken down by:</p> <ul style="list-style-type: none"> <li>- Drilling waste (muds and cuttings);</li> <li>- Total amounts of overburden, rock, and sludges; and</li> <li>- Tailings waste</li> </ul>
Appropriate disclosure from Topic Standard	<i>GRI 306: Waste 2020</i>	Disclosure 306-4 Waste diverted from disposal	
Appropriate disclosure from Topic Standard	<i>GRI 306: Waste 2020</i>	Disclosure 306-5 Waste directed to disposal	
Additional disclosure for organizations with	-	<ul style="list-style-type: none"> <li>- Volume (m<sup>3</sup>) and area (m<sup>2</sup>) of tailings ponds</li> <li>- Types of tailings facilities the organization operates</li> </ul>	

oil sands mining operations			
<b>Water and effluents</b>			
Required	<i>GRI 103: Material Topics</i>	<p>Disclosure MT-1 Identification of material topics and related impacts</p> <p>Disclosure MT-2 Material topics and related impacts</p> <p>Disclosure MT-3 Management of material topics and related impacts</p>	
Appropriate disclosure from Topic Standard	<i>GRI 303: Water and Effluents 2018</i>	Disclosure 303-1 Interactions with water as a shared resource	
Appropriate disclosure from Topic Standard	<i>GRI 303: Water and Effluents 2018</i>	Disclosure 303-2 Management of water discharge-related impacts	
Appropriate disclosure from Topic Standard	<i>GRI 303: Water and Effluents 2018</i>	Disclosure 303-3 Water withdrawal	
Appropriate disclosure from Topic Standard	<i>GRI 303: Water and Effluents 2018</i>	Disclosure 303-4 Water discharge	When reporting on water discharge, the organization should also report the total volume of hydrocarbon discharged within produced water.
Appropriate disclosure from Topic Standard	<i>GRI 303: Water and Effluents 2018</i>	Disclosure 303-5 Water consumption	

<b>Closure and decommissioning</b>			
Required	<i>GRI 103: Material Topics</i>	<p>Disclosure MT-1 Identification of material topics and related impacts</p> <p>Disclosure MT-2 Material topics and related impacts</p> <p>Disclosure MT-3 Management of material topics and related impacts</p>	
Appropriate disclosure from Topic Standard	<i>GRI 402: Labor/ Management relations 2016</i>	Disclosure 402-1 Minimum notice periods regarding operational changes	The organization should describe its worker consultation practices in advance of significant operational changes
Appropriate disclosure from Topic Standard	<i>GRI 404: Training and Education 2016</i>	Disclosure 404-2 Programs for upgrading employee skills and transition assistance programs	The organization should describe labor transition plans in place to help workers manage the transition to post-closure phase of operations (which can include re-deployment, assistance with re-employment, resettlement, and redundancy).
Additional disclosure	-	A list of the active fields or facilities with decommissioning plans, fields and facilities that have been decommissioned and those that are in the process of being decommissioned.	The organization can also provide a breakdown of these by onshore and offshore locations.
Additional disclosure	-	Total amount of financial provisions made by the organization for decommissioning and closure, as well as post-decommissioning and closure monitoring and aftercare for their fields and facilities.	
<b>Asset integrity and process safety</b>			

Required	<i>GRI 103: Material Topics</i>	Disclosure MT-1 Identification of material topics and related impacts Disclosure MT-2 Material topics and related impacts Disclosure MT-3 Management of material topics and related impacts	When describing its policies or commitments for this topic, the organization should describe its emergency preparedness and response programs and plans.
Appropriate disclosure from Topic Standard	<i>GRI 306: Effluents and Waste 2016</i>	Disclosure 306-3 Significant spills	When reporting on significant spills, the organization should report the cause of spill and volume of the substance recovered.
Additional disclosure	-	Number of Tier 1 and Tier 2 process safety events per API RP 754 definitions, reported per business activity (e.g., refining, upstream)	
<b>Occupational health and safety</b>			
Required	<i>GRI 103: Material Topics</i>	Disclosure MT-1 Identification of material topics and related impacts Disclosure MT-2 Material topics and related impacts Disclosure MT-3 Management of material topics and related impacts	
Appropriate disclosure from Topic Standard	<i>GRI 403: Occupational Health and Safety 2018</i>	Disclosure 403-1 Occupational health and safety management system	
Appropriate disclosure from Topic Standard	<i>GRI 403: Occupational Health and Safety 2018</i>	Disclosure 403-2 Hazard identification, risk assessment, and incident investigation	

Appropriate disclosure from Topic Standard	<i>GRI 403: Occupational Health and Safety 2018</i>	Disclosure 403-3 Occupational health services	
Appropriate disclosure from Topic Standard	<i>GRI 403: Occupational Health and Safety 2018</i>	Disclosure 403-4 Worker participation, consultation, and communication on occupational health and safety	
Appropriate disclosure from Topic Standard	<i>GRI 403: Occupational Health and Safety 2018</i>	Disclosure 403-5 Worker training on occupational health and safety	
Appropriate disclosure from Topic Standard	<i>GRI 403: Occupational Health and Safety 2018</i>	Disclosure 403-6 Promotion of worker health	
Appropriate disclosure from Topic Standard	<i>GRI 403: Occupational Health and Safety 2018</i>	Disclosure 403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	
Appropriate disclosure from Topic Standard	<i>GRI 403: Occupational Health and Safety 2018</i>	Disclosure 403-8 Workers covered by an occupational health and safety management system	
Appropriate disclosure from Topic Standard	<i>GRI 403: Occupational Health and Safety 2018</i>	Disclosure 403-9 Work-related injuries	
Appropriate disclosure from Topic Standard	<i>GRI 403: Occupational Health and Safety 2018</i>	Disclosure 403-10 Work-related ill health	

<b>Employment practices</b>			
Required	<i>GRI 103: Material Topics</i>	Disclosure MT-1 Identification of material topics and related impacts  Disclosure MT-2 Material topics and related impacts  Disclosure MT-3 Management of material topics and related impacts	
Appropriate disclosure from Topic Standard	<i>GRI 401: Employment 2016</i>	Disclosure 401-1 New employee hires and employee turnover	
Appropriate disclosure from Topic Standard	<i>GRI 401: Employment 2016</i>	Disclosure 401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	
Appropriate disclosure from Topic Standard	<i>GRI 401: Employment 2016</i>	Disclosure 401-3 Parental leave	
Appropriate disclosure from Topic Standard	<i>GRI 402: Labor/Management Relations 2016</i>	Disclosure 402-1 Minimum notice periods regarding operational changes	
Appropriate disclosure from Topic Standard	<i>GRI 404: Training and Education 2016</i>	Disclosure 404-1 Average hours of training per year per employee	
Appropriate disclosure from Topic Standard	<i>GRI 404: Training and Education 2016</i>	Disclosure 404-2 Programs for upgrading employee skills and transition assistance programs	

Appropriate disclosure from Topic Standard	<i>GRI 414: Supplier Social Assessment 2016</i>	Disclosure 414-1 New suppliers that were screened using social criteria	
Appropriate disclosure from Topic Standard	<i>GRI 414: Supplier Social Assessment 2016</i>	Disclosure 414-2 Negative social impacts in the supply chain and actions taken	
<b>Diversity and non-discrimination</b>			
Required	<i>GRI 103: Material Topics</i>	Disclosure MT-1 Identification of material topics and related impacts Disclosure MT-2 Material topics and related impacts Disclosure MT-3 Management of material topics and related impacts	
Appropriate disclosure from Topic Standard	<i>GRI 202: Market Presence 2016</i>	Disclosure 202-1 Ratios of standard entry-level wage by gender compared to local minimum wage	
Appropriate disclosure from Topic Standard	<i>GRI 202: Market Presence 2016</i>	Disclosure 202-2 Proportion of senior management hired from the local community	
Appropriate disclosure from Topic Standard	<i>GRI 404: Training and Education 2016</i>	Disclosure 404-1 Average hours of training per year per employee	
Appropriate disclosure from Topic Standard	<i>GRI 405: Diversity and Equal Opportunity 2016</i>	Disclosure 405-1 Diversity of governance bodies and employees	

Appropriate disclosure from Topic Standard	<i>GRI 405: Diversity and Equal Opportunity 2016</i>	Disclosure 405-2 Ratio of basic salary and remuneration of women to men	
Appropriate disclosure from Topic Standard	<i>GRI 406: Non-discrimination 2016</i>	Disclosure 406-1 Incidents of discrimination and corrective actions taken	
<b>Forced labor and modern slavery</b>			
Required	<i>GRI 103: Material Topics</i>	Disclosure MT-1 Identification of material topics and related impacts Disclosure MT-2 Material topics and related impacts Disclosure MT-3 Management of material topics and related impacts	
Appropriate disclosure from Topic Standard	<i>GRI 409: Forced or Compulsory Labor 2016</i>	Disclosure 409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	
Appropriate disclosure from Topic Standard	<i>GRI 414: Supplier Social Assessment 2016</i>	Disclosure 414-1 New suppliers that were screened using social criteria	

<b>Freedom of association and collective bargaining</b>			
Required	<i>GRI 103: Material Topics</i>	Disclosure MT-1 Identification of material topics and related impacts  Disclosure MT-2 Material topics and related impacts  Disclosure MT-3 Management of material topics and related impacts	
Appropriate disclosure from Topic Standard	<i>GRI 407: Freedom of Association and Collective Bargaining 2016</i>	Disclosure 407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	
<b>Economic impacts</b>			
Required	<i>GRI 103: Material Topics</i>	Disclosure MT-1 Identification of material topics and related impacts  Disclosure MT-2 Material topics and related impacts  Disclosure MT-3 Management of material topics and related impacts	
Appropriate disclosure from Topic Standard	<i>GRI 201: Economic Performance 2016</i>	Disclosure 201-1 Direct economic value generated and distributed	When reporting on direct economic value generated and distributed, the organization should report it separately at country, regional, and project levels.
Appropriate disclosure from Topic Standard	<i>GRI 202: Market Presence 2016</i>	Disclosure 202-1 Ratios of standard entry level wage by gender compared to local minimum wage	

Appropriate disclosure from Topic Standard	<i>GRI 202: Market Presence 2016</i>	Disclosure 202-2 Proportion of senior management hired from the local community	
Appropriate disclosure from Topic Standard	<i>GRI 203: Indirect Economic Impacts 2016</i>	Disclosure 203-1 Infrastructure investments and services supported	The organization should report the extent to which different communities or local economies are impacted by the organization's infrastructure investments and services supported.
<b>Local community impacts</b>			
Required	<i>GRI 103: Material Topics</i>	Disclosure MT-1 Identification of material topics and related impacts  Disclosure MT-2 Material topics and related impacts  Disclosure MT-3 Management of material topics and related impacts	The organization should report: <ul style="list-style-type: none"> <li>- the means by which <u>stakeholders</u> are identified and engaged with;</li> <li>- which vulnerable groups have been identified;</li> <li>- any collective or individual rights have been identified that are of particular concern for the community in question;</li> <li>- how it engages with stakeholder groups that are particular to the community; and</li> <li>- the means by which it addresses risks and impacts or supports independent third parties to engage with stakeholders and address risks and impacts.</li> </ul>
Appropriate disclosure from Topic Standard	<i>GRI 413: Local Communities 2016</i>	Disclosure 413-1 Operations with local community engagement, impact assessments, and development programs	
Appropriate disclosure from Topic Standard	<i>GRI 413: Local Communities 2016</i>	Disclosure 413-2 Operations with significant actual and potential negative impacts on local communities	The organization should report <u>exposure</u> of the local community to its operations resulting from volume and type of pollution released; or the use of hazardous substances that impact the environment and human health.
Additional disclosure	-	Number and description of significant disputes with local communities and indigenous peoples, including actions taken and outcomes	

<b>Land use and resettlement</b>			
Required	<i>GRI 103: Material Topics</i>	<p>Disclosure MT-1 Identification of material topics and related impacts</p> <p>Disclosure MT-2 Material topics and related impacts</p> <p>Disclosure MT-3 Management of material topics and related impacts</p>	When reporting actions taken to manage land use and resettlement and related impacts, the organization should report approaches taken to prevent or mitigate systemic negative impacts.
Appropriate disclosure from Topic Standard	<i>GRI 413: Local Communities 2016</i>	Disclosure 413-1 Operations with local community engagement, impact assessments, and development programs	The organization should report how communities' reliance on natural resources and ecosystem services is measured and valued.
Appropriate disclosure from Topic Standard	<i>GRI 413: Local Communities 2016</i>	Disclosure 413-2 Operations with significant actual and potential negative impacts on local communities	The organization should report the locations of fields or facilities where involuntary resettlements took place or are ongoing and how resettled peoples' livelihoods were affected and restored (e.g., customary rights, economic impact, access to services, and cultural impacts).
<b>Rights of indigenous peoples</b>			
Required	<i>GRI 103: Material Topics</i>	<p>Disclosure MT-1 Identification of material topics and related impacts</p> <p>Disclosure MT-2 Material topics and related impacts</p> <p>Disclosure MT-3 Management of material topics and related impacts</p>	When describing actions taken to manage the topic and related impacts, the organization should explain how its commitment to manage the topic incorporates the right to free, prior, and informed consent and other rights as set out in the United Nations Declaration on the Rights of Indigenous Peoples and the International Labour Organization Convention 169 'Indigenous and Tribal Peoples'.
Appropriate disclosure from Topic Standard	<i>GRI 411: Rights of Indigenous Peoples 2016</i>	Disclosure 411-1 Incidents of violations involving rights of indigenous peoples	

Appropriate disclosure from Topic Standard	<i>GRI 413: Local Communities 2016</i>	Disclosure 413-1 Operations with local community engagement, impact assessments, and development programs	When reporting on operations with local community engagement, impact assessments, and development programs, the organization should report: <ul style="list-style-type: none"> <li>– engagement strategies and processes in place aimed to avoid, minimize, <u>mitigate</u>, or compensate negative impacts on indigenous peoples; and</li> <li>– how it identifies and implements development benefits for indigenous peoples, such as access to jobs, supply opportunities, and benefit-sharing.</li> </ul>
Appropriate disclosure from Topic Standard	<i>GRI 413: Local Communities 2016</i>	Disclosure 413-2 Operations with significant actual and potential negative impacts on local communities	When reporting on operations with significant actual and potential negative impacts on local communities, the organization should report operations where indigenous peoples are present or affected by its activities.
<b>Conflict and security</b>			
Required	<i>GRI 103: Material Topics</i>	Disclosure MT-1 Identification of material topics and related impacts Disclosure MT-2 Material topics and related impacts Disclosure MT-3 Management of material topics and related impacts	When reporting how it has identified and prioritized impacts for reporting, an organization should report whether they have fields or facilities in areas of conflict.
Appropriate disclosure from Topic Standard	<i>GRI 410: Security Practices 2016</i>	Disclosure 410-1 Security personnel trained in human rights policies or procedures	
<b>Anti-competitive behavior</b>			
Required	<i>GRI 103: Material Topics</i>	Disclosure MT-1 Identification of material topics and related impacts Disclosure MT-2 Material topics and related impacts Disclosure MT-3 Management of material topics and related impacts	

Appropriate disclosure from Topic Standard	<i>GRI 206: Anti-competitive Behavior 2016</i>	Disclosure 206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	
<b>Anti-corruption</b>			
Required	<i>GRI 103: Material Topics</i>	Disclosure MT-1 Identification of material topics and related impacts  Disclosure MT-2 Material topics and related impacts  Disclosure MT-3 Management of material topics and related impacts	
Appropriate disclosure from Topic Standard	<i>GRI 205: Anti-corruption 2016</i>	Disclosure 205-1 Operations assessed for risks related to corruption	
Appropriate disclosure from Topic Standard	<i>GRI 205: Anti-corruption 2016</i>	Disclosure 205-2 Communication and training about anti-corruption policies and procedures	
Appropriate disclosure from Topic Standard	<i>GRI 205: Anti-corruption 2016</i>	Disclosure 205-3 Confirmed incidents of corruption and actions taken	
Additional disclosure	-	A description of the company's policy on contract transparency and a link to publicly available contracts and licenses, in line with EITI Requirement 2.4. If a contract or license is not publicly available, an explanation of the reasons why, as well as a description of any actions taken	

		by the company to overcome any barriers to publication.	
Additional disclosure	-	A description of the organization's corporate structure and beneficial owners and a description of how the organization identifies the beneficial owners of <u>business partners</u> , including joint ventures and suppliers, in line with EITI Requirement 2.5.	Publicly listed companies should report the stock exchange where they have made filings that include beneficial ownership information and a link to those filing/s.
<b>Payments to governments</b>			
Required	<i>GRI 103: Material Topics</i>	Disclosure MT-1 Identification of material topics and related impacts  Disclosure MT-2 Material topics and related impacts  Disclosure MT-3 Management of material topics and related impacts	
Appropriate disclosure from Topic Standard	<i>GRI 201: Economic Performance 2016</i>	Disclosure 201-1 Direct economic value generated and distributed	
Appropriate disclosure from Topic Standard	<i>GRI 201: Economic Performance 2016</i>	Disclosure 201-4 Financial assistance received from government	
Appropriate disclosure from Topic Standard	<i>GRI 207: Tax 2019</i>	Disclosure 207-1 Approach to tax	

Appropriate disclosure from Topic Standard	<i>GRI 207: Tax 2019</i>	Disclosure 207-2 Tax governance, control, and risk management	
Appropriate disclosure from Topic Standard	<i>GRI 207: Tax 2019</i>	Disclosure 207-3 Stakeholder engagement and management of concerns related to tax	
Appropriate disclosure from Topic Standard	<i>GRI 207: Tax 2019</i>	Disclosure 207-4 Country-by-country reporting	
Additional disclosure	-	Payments to governments broken down by revenue stream and project, in line with the EITI Requirement 4.1 and EITI Requirement 4.7	
Additional disclosure	-	Volumes and type of oil and gas purchased from the state or third parties appointed by the state to sell on their behalf, the full name of the buying entity, the payments made for the purchase, and the recipient of the payment, in line with the EITI Requirement 4.2 and the EITI guidelines for buying companies	
Additional disclosure for State-owned Enterprises	-	The level of state ownership in the organization and the financial relationship between the government and the SOE, in line with the EITI Requirement 2.6	-

<b>Public policy and lobbying</b>			
Required	<i>GRI 103: Material Topics</i>	<p>Disclosure MT-1 Identification of material topics and related impacts</p> <p>Disclosure MT-2 Material topics and related impacts</p> <p>Disclosure MT-3 Management of material topics and related impacts</p>	<p>The organization should report:</p> <ul style="list-style-type: none"> <li>- the significant issues that are the focus of its participation in public policy development and lobbying;</li> <li>- its stance on these issues, and any differences between its lobbying positions and any stated policies, goals or other public positions.</li> </ul>
Appropriate disclosure from Topic Standard	<i>GRI 415: Public policy 2016</i>	Disclosure 415-1 Political contributions	
Additional disclosure	<i>GRI 102: About the Organization</i>	RBC-7 Membership associations	In addition to disclosures listed above, when reporting RBC-7 Membership associations from <i>GRI 102: About the Organization</i> , the organization should also report its memberships or contributions to organizations that participate in public advocacy on climate change

# 154 Appendix 2: Draft public comment 155 questions

156 The following sets out the context and draft questions proposed for inclusion in the public comment  
157 form for the exposure draft of GRI Sector Standard: Oil and Gas. The questions are grouped under  
158 sections of the document and are intended to gather feedback on the format and application of the  
159 Sector Standard.

160 **Please note:** further changes might also be made according to the phrasing and type of questions  
161 asked in the public comment for the exposure draft of the Universal Standards.

## 162 General questions

163 The GRI Standards enable an organization to publicly disclose its most significant impacts and how it  
164 manages these impacts, in accordance with globally accepted standards. This also allows information  
165 users to make informed assessments and decisions about the organization.

166 The Sector Standards provide information on the most likely material topics for an organization in a  
167 given sector. The Sector Standard also helps it determine what to report for that topic.

168 1. *[General Sector Standard] Is it clear how the Sector Standards should be used and by which  
169 organizations? For example, is the relationship clear between the Sector Standards, the Universal  
170 Standards, and Topic Standards is, and how to navigate the GRI Standards system? If not, please  
171 explain what could be improved.*

172 2. *[Oil & Gas specific]*  
173 a. *For reporting organizations: Do you think the exposure draft of the Sector Standard as it is  
174 presented will assist in identifying your organization's most material topics? If not, please explain  
175 what could be improved.*

176 b. *For information users: Do you think the exposure draft of the Sector Standard as presented  
177 reflects stakeholder expectations for the sector's public disclosure and helps to focus reporting on  
178 the most significant impacts? If not, please explain what could be improved.*

## 179 Sector description

180 This section provides an overview of the sector, including its activities, business relationships and  
181 context. It is intended to help users understand the scope of the Sector Standard, the sector's key  
182 activities, and the context of the sector, including the sector's linkages with the UN Sustainable  
183 Development Goals.

184 3. *[Oil & Gas specific] Does the sector description accurately describe the key activities of the oil and  
185 gas sector? If not, please explain what could be improved.*

186 4. *[Oil & Gas specific] Does the sector context provide an accurate description of the wider context of  
187 sustainable development related to the oil and gas sector? If not, please explain what could be  
188 improved. For example. What additional international instruments or other authoritative resources  
189 would be useful to mention in this section that help frame responsible business conduct in the  
190 sector?*

191 5. *[General Sector Standard] Is the type of content included in the sector context helpful in describing  
192 a sector's role with relation to sustainable development? Is it useful to include such information to  
193 help an organization identify its material topics or to help information users when examining an  
194 organization's report? If so, please list such resources or suggestions on what could be improved in  
195 the section.*

196 6. *[General Sector Standard] Is the inclusion of the SDGs as presented useful in understanding the*  
197 *global context of sustainable development related to a sector and outlining the related transparency*  
198 *expectations? Is the provided mapping of relevant SDGs to the broader themes helpful for*  
199 *understanding the connection of the SDGs to the sector’s activities? If not, please explain what could*  
200 *be improved.*

## 201 Sector topics

202 This section describes topics that have been identified as likely material for an organization in the  
203 sector and therefore potentially merit inclusion in the organization’s reporting. Topics are organized  
204 under themes (e.g. *Climate change, Employment*) in order to understand the broader impact areas and  
205 topics’ interconnections. Each topic describes significant impacts related to the sector’s activities and  
206 lists disclosures identified as appropriate for reporting on that topic.

### 207 List and overview of likely material topics

208 The section ‘Overview of likely material topics’ lists the topics identified by a multi-stakeholder  
209 project working group as likely being material for an organization in a given sector.

210 7. *[Oil & Gas specific] Are any topics missing from the exposure draft of the Sector Standard that*  
211 *would be essential to include in order to understand and communicate the sector’s most significant*  
212 *impacts and how it addresses them? Are there included topics included that are not considered as*  
213 *likely material for an organization in the sector? If so, please share your suggestion and the rationale*  
214 *for inclusion/exclusion.*

215 8. *[General Sector Standard] Is it clear that the list of likely material topics is not a) exhaustive or b)*  
216 *applicable for every organization in the sector? That is, an organization will still need to conduct its*  
217 *own materiality process after reviewing the topic described in the section. If not, please explain what*  
218 *could be improved or suggest an alternative solution.*

219 9. *[General Sector Standard] If there are topics listed in a GRI Sector Standard that an organization in*  
220 *that sector does not deem to be material, should the organization be required to explain why these*  
221 *topics are not material? If so, what is the value of this explanation? If no, please explain why.*

222 10. *[General Sector Standard] Does it add value or enhance understanding of the sector’s impacts to*  
223 *have sector topics grouped under more general themes (e.g. ‘Communities’, ‘Climate change’,*  
224 *‘Employment’)? If not, please explain what could be improved or suggest an alternative solution.*

### 225 Sector topic descriptions

226 The topic descriptions detail the sector’s most significant impacts related to the identified likely  
227 material topics. The impacts are evidenced using publicly available authoritative instruments and  
228 other relevant references and validated by the Project Working Group

229 Topic descriptions are intended to help an organization in the sector identify and report on its  
230 impacts and assist information users examining an organization’s reporting. An organization to which  
231 the Sector Standard applies needs to review each topic described in the Standard and determine  
232 whether it is material for itself.

233 11. *[General Sector Standard] Are the topic descriptions clear and thorough enough to understand why*  
234 *a topic would be likely to be material for an organization in the sector? Is the level of detail provided*  
235 *adequate to understand where and how the impacts occur? Please explain for which topics this is*  
236 *not the case and what is missing or unclear.*

237

## 238 **Using the Sector Standard to identify what to report**

239 After reading the topic description in the Sector Standard and identifying a topic as material, the  
240 'What to report' section helps a reporting organization determine which disclosures to report for  
241 the topic. These represent the current, normative expectations of disclosure by organizations in the  
242 sector and have been validated through a multi-stakeholder process.

243 This section specifies disclosures largely from GRI Topic Standards, but might also include additional  
244 appropriate disclosures and sector-specific guidance, specifically when the Topic Standards do not  
245 provide disclosures that sufficiently capture the impacts associated with a sector. Each topic  
246 description also lists resources that assist an organization with reporting.

247 *12. [General Sector Standard] Are these sections useful to help understand what an organization in the  
248 sector is expected to report on a topic if identified as material? If not, please explain what is unclear  
249 and what could be improved to aid understand what to report.*

250 *13. [General Sector Standard] During the development of the exposure draft of the Sector Standard,  
251 feedback was received that reporting on some topics listed in a Sector Standard should be  
252 mandatory for organizations in that sector (e.g. GHG emissions for oil and gas). What value or  
253 challenges do you see to making some reporting on some topics mandatory?*

254 *14. [Oil & Gas specific] Are any disclosures missing from the draft Sector Standard: Oil and Gas that  
255 would be essential to understand and communicate the sector's most significant impacts and how it  
256 addresses them? Are there specific disclosure(s) or guidance listed for the topics that you don't find  
257 relevant or clear enough, or that would be challenging to report? If so, please mention for which  
258 topics this is the case and provide a rationale along with your comments.*

259 *15. [General Sector Standard] Besides GRI 103: Material Topics, which is always required for an  
260 organization to report how it manages each material topic and related impacts, is it clear that an  
261 organization only needs to report disclosures that adequately capture its impacts? That is, an  
262 organization is able to determine that if some disclosures listed for a topic do not adequately  
263 capture the impacts it has identified as relevant for its context, it does not need to report them. If  
264 not, please explain what could be improved.*

265 *16. [Oil & Gas specific] Are the resources included in the 'Further resources' section helpful for an  
266 organization in the oil and gas sector to report on the topic? Are any key resources missing? Please  
267 explain why and include your suggestion(s) for additional resource(s).*

## 268 **Reporting on climate change: GHG emissions and Climate resilience and transition**

269 Climate change was identified as a central issue for the oil and gas sector, which is discussed under  
270 the topics 'GHG emissions' and 'Climate resilience and transition'. These topic descriptions are  
271 accompanied by extensive reporting metrics on how the organizations approaches and performs  
272 against the need to mitigate the impacts of climate change and transition towards low-carbon  
273 economies. The listed disclosures represent stakeholder expectations for the sector's disclosure on  
274 climate change.

275 *[Oil & Gas specific] Are the listed disclosures in GHG emissions and Climate resilience and transition helpful  
276 in surfacing and understanding the most significant impacts of an organization in this sector related to  
277 climate change? Are there gaps or redundancies? Are there disclosures that a reporting organization would  
278 find challenging to report on? If so, please explain what these are, provide a rationale along with your  
279 comments, and suggest any wording revisions or guidance.*

280 **Glossary**

281 *17. [Oil & Gas specific] Do you have any comments on the proposed new terms and definitions? Are*  
282 *there any additional terms in the exposure draft of the Sector Standard that need to be defined? If*  
283 *so, please provide a suggested definition or reference to an appropriate existing definition for the*  
284 *term(s).*

285 **Bibliography**

286 *18. [General Sector Standard] Are there additional references, besides those listed in the bibliography*  
287 *that should be considered in describing and understanding the sector's impacts?*

288 **Other questions**

289 **Additional questions and comments**

290 *19. For any additional comments on the exposure draft of the Sector Standard, please provide your*  
291 *comments below and indicate relevant page and line numbers.*