Item 03 – GRI Sector Standards Project Oil, Gas, and Coal - Draft Basis for Conclusions for GRI 11: Oil and Gas Sector 2021

For GSSB review

Date	11 June 2021
Meeting	1 July 2021
Project	Sector Standard Project for Oil and Gas
Description	This document summarizes the significant issues from comments received on the exposure draft of the Oil and Gas Sector Standard, during the public comment period from 8 July 2020 to 6 October 2020. It also outlines the draft GSSB responses to the significant issues based on Working Group discussions and recommendations.
	As outlined in the Due Process Protocol, this document is not subject to voting approval, does not constitute part of the final Standard and is non-authoritative. The draft is circulated for review and comment. This document is a draft and will be updated, as needed, following the GSSB approval of *GRI 11: Oil and Gas Sector 2021*.
	The full set of comments can be downloaded from the project page on the GSSB website.

Contents

1 About this document

2 This document summarizes the significant issues from comments received on the exposure draft of
3 the Oil and Gas Sector Standard, during the public comment period from 8 July 2020 to 6 October
4 2020.

5 This document incorporates comments received through the public comment form hosted on the
6 Sector Standards Project for Oil, Gas, and Coal webpage and feedback submitted by email. Where
7 relevant, it also references comments made at stakeholder workshops held during the public
8 comment period.

9 All comments received, together with an analysis of the issues raised, were considered by the Oil,
10 Gas, and Coal Working Group. The recommendations of the Working Group were shared with the
11 Global Sustainability Standards Board (GSSB) for review and approval.

12 This document provides a summary of the GSSB responses to the significant issues raised during the
13 public comment period.

14 The full set of received comments can be downloaded from the project page on the GSSB website.

15 *GRI 11: Oil and Gas Sector 2021* can be downloaded [here].

16 Introduction

17 Objectives for the development of GRI 11: Oil and Gas Sector

18 The project proposal for an Oil, Gas, and Coal Sector Standard was approved by the Global
19 Sustainability Standards Board (GSSB), GRI's independent standard setting body, at its meeting held
20 on 25 and 26 March 2019. During the course of the project, in April 2020, the GSSB decided to
21 separate coal from the oil and gas contents. *GRI 11: Oil and Gas Sector 2021* is the first Sector
22 Standard to be published under GRI's Sector Program.

23 The GSSB initiated the GRI Sector Program in 2019 to develop standards that are specific to certain
24 sectors and increase consistency by focusing sustainability reporting on the impacts that matter most.
25 As outlined in the GRI Sector Program description, Sector Standards aim to identify and describe the
26 sectors' significant impacts and stakeholder expectations in terms of sustainable development. At the
27 same time, they aim to provide evidence and authoritative references for the impacts. As the first pilot
28 project, the style, format and implementation approach were also developed throughout the course of
29 the development of *GRI 11*.

30 The project followed the GSSB Due Process Protocol. Proposed revisions to the exposure draft of the
31 Oil and Gas Sector Standard were discussed with the Working Group over the course of two
32 meetings and several targeted conversations with individual members. Proposed revisions were also
33 discussed with the GSSB over the course of four meetings in 2020 and 2021 – two focused on the
34 general implementation approach of Sector Standards and two focused on oil and gas.

35 Scope of the public comment

36 The exposure draft of the Oil and Gas Sector Standard was open for public comment from 8 July to 6
37 October 2020.

38 This was the first GRI Sector Standard to be released for public exposure under the GRI Sector
39 Program. The public comment period served a dual purpose: to test the completeness and relevance
40 of the content on oil and gas; and to seek feedback on value, clarity, and feasibility of the proposed
41 concept for Sector Standards.

42 A range of outreach activities were carried out during the public comment period, including webinars
43 and stakeholder consultation, both group and one-on-one targeting key regions and constituencies.
44 Comments collected during these activities, though not considered official public comment
45 submissions, were also taken into account when they aided understanding of the official submissions,
46 or when they flagged a significant issue that was not raised in the official submissions. This series of
47 engagements reached approximately 1,000 participants, the majority of whom participated in the
48 public webinars.

49 Any comments outside the scope of this public comment were compiled and directed to the
50 appropriate team. Along with the developing Sector Standards, the GRI Sector Program supports the
51 enhancement and expansion of the GRI Standards by surfacing issues not previously covered by the
52 GRI Standards. Feedback on Topic Standards [link to be added] received during public comment has
53 been collated separately for consideration by the GSSB.

54 Overview of submissions

55 Respondents were asked to submit comments on the exposure draft using an online survey. The link
56 to the survey was made available on the oil and gas project page. Respondents could also submit
57 additional feedback via email to oil@globalreporting.org.

58 A total of 60 public submissions from individuals and organizations was received on the exposure
59 draft. This consisted of 10 submissions solely concerning Sector Standards in general and 50
60 submissions concerning both the Sector Standards in general and the oil and gas-specific content.
61 Six survey respondents submitted additional information offline. The submissions came from all five
62 stakeholder constituencies represented by the GSSB: business enterprise, civil society organization,
63 investment institutions, labor, and mediating institutions.

64 For more detail, see:

65 • The full set of received comments available to download from the oil and gas project page.

66 • Appendix 1 for a list of stakeholder events and overview of participation.

67 • Appendix 2 for a breakdown of public comment submissions by representation, stakeholder
68   constituency, and region.

69 Methodology for analyzing comments

70 All comments submitted by respondents were collated by the Standards Division.

71 Each comment was categorized according to the public comment objective it responded to, the
72 relevant section of the Standard, and an overarching theme when relevant. If a respondent raised
73 several different points in one comment, the points were separated as distinct comments.

74 The qualifiers in Table 1 indicate the percentage of respondents who provided feedback on
75 a significant issue. Because the survey asked mostly open questions to encourage respondents to
76 provide feedback on sections of interest to themselves, not all respondents provided comments on all
77 sections of the exposure draft. Consequently, certain sections or disclosures have a lower number of
78 comments relative to the overall number of respondents.

79 **Table 1. Qualifiers indicating the percentage of respondents who provided feedback**

Qualifier	Respondents
Majority	> 50 %
Many	30-50%
Some	10-30%
A few	< 10 %
One	1

Significant issues and GSSB responses

80 In line with the GSSB Due Process Protocol, this section summarizes the significant issues raised by
81 respondents during the public comment, outlines proposed changes to the exposure draft of the Oil
82 and Gas Sector Standard, and explains why changes suggested by respondents were or were not
83 accepted by the GSSB.

84 Identified significant issues have been organized into the following sections:

85   I.   Issues regarding the proposed structure and implementation model of Sector Standards

    II.   Issues regarding the oil and gas sector specific content of the exposure draft

86 **Notes for the reader:**

87 Only topics for which significant issues were identified have been included in this document. Minor
88 comments were received on Air emissions, Employment practices, Forced labor, Freedom of
89 association and collective bargaining, Land use and resource rights, and Anti-competitive behavior,
90 but these are not included in this document.

91 This document includes references to the exposure draft of the Oil and Gas Sector Standard and the
92 final version of *GRI 11: Oil and Gas Sector 2021*. When referring to the content in the exposure draft,
93 the names of the sections and topics as they were in the exposure draft are used.

I. Issues regarding the proposed implementation model of Sector Standards

94
95

96   ***a)   Identifying topics as material for a sector and requiring reporting on these from***
97   ***organizations in the sector***

98 Many respondents expressed support for identifying topics that are material for all organizations in a
99 sector and therefore requiring reporting on them. Respondents suggested that this model can:

100 • Increase transparency by inducing a better quality or volume of information;
101 • Increase consistency in reporting, building comparability across a sector;
102 • Decrease likelihood of organizations cherry-picking or evading reporting on material topics;
103 • Raise ambition from organizations to manage impacts related to those topics, leading to
104   accelerated action;
105 • Increase the credibility and authority of Sector Standards.

106 A few respondents considered requiring reporting on all or most topics in a Sector Standard to
107 be reasonable given that Sector Standards reflect consensus on what is considered material for a
108 sector.

109 A few respondents, who expressed support for requiring reporting on topics identified as material for
110 the sector, also specified that there should be the option of making a statement of omission in the
111 case an organization does not report on a topic.

112 In relation to the exposure draft of the Oil and Gas Sector Standard, some respondents indicated that
113 GHG emissions, in particular, should be considered mandatory for reporting by all organizations in the
114 oil and gas sector.

115 A few respondents expressed opposition to identifying topics that are material for organizations in a
116 sector without consideration of an organization's unique circumstances. They stated that this model
117 does not:

118 • Take into account the wide variety of activities organizations in a sector undertake;
119 • Allow for flexibility for those organizations with varying levels of reporting experience;

120 • Ensure quality of information (e.g., when data is not available or is difficult to access
121   organizations may feel pressure to fill gaps with less reliable information);
122 • Encourage use of GRI Standards, due to the increased time, resources, and costs associated
123   with meeting a higher threshold set by requiring reporting on some topics.

124 A few respondents suggested it would be instead preferable for Sector Standards to identify a small
125 set of indicators required for reporting by organizations in a sector.

126 *GSSB response: Material topics represent an organization's most significant impacts on the economy,*
127 *environment, and people, including impacts on their human rights. In the GRI Standards, impact*
128 *refers to the effect an organization has or could have as a result of the organization's activities or*
129 *business relationships. The topics an organization determines as material may vary according to its*
130 *specific circumstances, such as its business model; sectors; geographic, cultural, and legal operating*
131 *context; ownership structure; and the nature of its impacts.*

132 *Determining material topics based solely on the characteristics and shared impacts of a sector would*
133 *limit the ability of organizations to consider their own specific circumstances and disregard the*
134 *influence these could have on impacts in which it is involved and the severity of these impacts.*

135 *The approach of identifying likely material topics for organizations in a sector, based on the sector's*
136 *significant impacts, has been maintained for Sector Standards. This means that all topics listed in a*
137 *Sector Standard are considered likely to be material for an organization in the sector. However, any*
138 *topic from the applicable Sector Standard that the organization has determined as not material is*
139 *required to be listed in the GRI content index, along with an explanation of why it is not material. This*
140 *is specified in Requirement 3-b in GRI 1: Foundation 2021.*

141 **b) Providing an explanation if topics listed in a Sector Standard are not deemed material by**
142 **the organization**

143 Many respondents expressed support for requiring an organization to provide an explanation when a
144 topic listed as likely material in the applicable Sector Standard is determined as not material by the
145 organization. Some respondents opposed this approach.

146 Respondents suggested this approach is of value because it can:

147 • Increase transparency by inducing better quality reporting;
148 • Increase consistency in reporting, enhancing the ability of information users to evaluate and
149   compare organizations' performance;
150 • Decrease the likelihood of organizations cherry-picking or evading reporting on material
151   topics;
152 • Demonstrate that the topics included in applicable Sector Standards have been considered,
153   substantiating the credibility of an organization's process for determining material topics
154   and avoiding incorrect assumptions about why topics were not reported on.

155 One respondent suggested that organizations clearly identifying which topics included in a Sector
156 Standard have been determined as not material can provide insights useful for improving the Sector
157 Standard in the future.

158 Being required to provide an explanation for topics listed in an applicable Sector Standard, but not
159 determined as material by the organization, was not favored as an approach for the following
160 reasons:

161 • The list of likely material topics in a Sector Standard may not be comprehensive or applicable
162   to all organizations in the sector;
163 • Such a requirement fails to acknowledge the growing number of regulatory requirements
164   related to sustainability reporting, which should define what is reported;
165 • Organizations should be given discretion to identify which topics should be reported on;
166 • In most cases, the reason will be obvious to the reader based on the nature of
167   the organization. A better option is to require explanation of the process for
168   deciding which topics are not considered material.

169 A few respondents expressed concern that it was unclear to what degree an organization would have
170 to describe why a topic is not material.

171 Some respondents suggested a number of variations of this approach could be considered,
172 including an aggregated explanation that applies to a group of topics. One respondent
173 suggested that an organization should demonstrate why a topic is not material by outlining technical
174 considerations, as well as historical and projected data and statements from stakeholders confirming
175 that a topic is not material.

176 *GSSB response: An organization reporting in accordance with the GRI Standards will be required*
177 *to determine whether each topic in the applicable Sector Standards is a material topic for the*
178 *organization. Any topic from the applicable Sector Standard that the organization has determined as*
179 *not material is required to be listed in the GRI content index along with an explanation of why it is not*
180 *material. This is specified in Requirement 3-b in GRI 1: Foundation 2021. An example table and*
181 *guidance about how to prepare the GRI content index has also been added to GRI 1.*

182 *Note: this response also takes into account public comments collected on the exposure draft of the*
183 *GRI Universal Standards.*

c)   Role of Sector Standards in focusing sustainability reporting

185 A few respondents indicated that Sector Standards, based on the example of the exposure draft of
186 the Oil and Gas Sector Standard, include too many topics and/or request too much information. They
187 expressed concern that the format and approach fail to respond to stakeholders' desire to streamline
188 and simplify reporting and instead can potentially contribute to a proliferation of reporting
189 requirements. A few respondents expressed similar concerns regarding the alignment of Sector
190 Standards with sector-developed guidance and likely future regulatory requirements.

191 A few respondents suggested that agreeing to identify a small set of indicators would be a better
192 approach than the currently suggested format of the Sector Standards.

193 On the other hand, a few respondents noted that they considered the topics listed reasonable for
194 reporting on by the sector.

195 *GSSB response: The aim of Sector Standards is to increase the quality and completeness of*
196 *reporting by organizations. Sector Standards do this by articulating the topics that are likely to be*
197 *material for most organizations in that sector and the reporting considered relevant for an organization*
198 *from the sector for each of those topics. These topics and the associated reporting are identified*
199 *based on available evidence, authoritative international instruments, and the recommendations of a*
200 *multi-stakeholder working group. Guidance and frameworks developed by the sector and other*
201 *standards setters are considered in the development of Sector Standards.*

202 *If topics or disclosures are not relevant for an organization, on the basis of its unique*
203 *circumstances, the organization is not required to report them.*

II. Issues regarding the oil and gas sector specific content of the exposure draft

Cross-cutting issues

d) List of topics likely to be material to the oil and gas sector

The majority of respondents confirmed that the exposure draft was representative of the oil and gas sector's most significant impacts and considered it useful for identifying topics likely to be material to organizations in the sector. No clear objections were raised to any topic currently included as likely to be material, but a few respondents indicated that some topics were not material to some types of organizations or activities.

Individual respondents suggested including the following additional topics as likely material:

- Methane
- Emissions to sea
- Soil pollution
- Cyber security and data privacy

Individual respondents also suggested the following modifications to the current list of topics:

- Merge closure and decommissioning[1] with waste because of similar impacts;
- Merge employment practices with freedom of association and collective bargaining because of overlapping contents.

GSSB response: Specific recommendations for reporting on methane have been maintained and a reference to the Oil and Gas Methane Partnership (OGMP) has been added under the topic GHG emissions. Impacts from emissions to sea and soil pollution have been further detailed in water and effluents, and waste.

The topic of cyber security and data privacy was not considered to rise to the threshold of being likely material to most organizations in the sector.

Merging the topics suggested by respondents could have resulted in excluding important elements described in each topic.

e) Scope of the Standard

A few respondents requested further detail on which organizations *GRI 11* applies to.

GSSB response: The description of the sector the Standard applies to has been revised for clarity. Oil and gas organizations that perform trading activities have also been listed explicitly in the scope.

In addition, a sector key has been included, mapping the sector to prominent classification systems i.e., the Global Industry Classification Standard® (GICS®), the Industry Classification Benchmark (ICB), the International Standard Industrial Classification (ISIC), and the Sustainable Industry Classification System® (SICS®).

f) Perceived negative bias

Some respondents expressed concern that the exposure draft had a negative bias towards the oil and gas sector. These respondents stated that the exposure draft:

- contains negative language; and
- primarily describes negative impacts, with minimal recognition of positive impacts.

GSSB response: In some instances that were identified as having the potential to be interpreted as unnecessarily negative, the wording has been revised. Where appropriate, further descriptions of positive impacts have been included, for example in relation to access to energy.

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[1] The title of this topic has been updated to Closure and rehabilitation in *GRI 11: Oil and Gas Sector 2021.*

GSSB

246 *A Sector Standard outlines the significant impacts of a given sector, these can be negative or positive.*
247 *The Sector Standards approach the identification of a sector's significant impacts in the same way as*
248 *defined for all GRI Standards. The way that impacts are managed, including improvements or*
249 *effective actions taken to address negative impacts, can be disclosed by the organization as part of*
250 *their reporting.*

251 **g) Impacts on vulnerable groups**

252 A few respondents remarked that the Sector Standard failed to describe how women and indigenous
253 peoples are likely to be disproportionately affected by some of the sector's impacts. Revisions related
254 to this concern were suggested across non-discrimination and equal opportunity, local community
255 impacts, land use and resettlement, and rights of indigenous peoples. Respondents suggested the
256 following:

257 • Describing impacts that affect women more specifically;
258 • Mentioning that some sector activities and working arrangements can exacerbate pre-existing
259   gender disparities;
260 • Including specific reporting regarding the equitable and safe participation of the women in project
261   consultation and decision-making processes.

262 *GSSB response: Non-discrimination and equal opportunity, local communities, land and resource*
263 *rights, and rights of indigenous peoples have been revised to expand on the sector's impacts on*
264 *women and indigenous peoples, including in relation to existing gender disparities. The additional*
265 *sector recommendations for the topics of local communities, land and resource rights, and rights of*
266 *indigenous peoples have been revised to include explicit reporting on how organizations seek to*
267 *ensure safe and equitable participation of vulnerable groups in stakeholder engagement processes.*

268 # Oil and gas likely material topic-specific issues

269 **h) GHG emissions**

270 In addition to suggesting methane emissions should be a standalone topic, a few respondents
271 suggested discussing methane emissions in more detail. Suggested revisions to the reporting of
272 methane emissions included:

273 • Further disaggregation of methane emissions by net equity base, absolute emissions, and
274   intensity ratio, while applying adequate global warming potential (GWP20) for this greenhouse
275   gas (GHG);
276 • Adding guidance for reporting methane emissions for service providers;
277 • Aligning methane emissions measurement on the Oil and Gas Methane Partnership's new
278   methane reporting framework (OGMP 2.0) to enable more credible estimates of methane
279   emissions for the sector.

280 A few respondents suggested detailing energy efficiency and energy saving measures as part of a
281 broader discussion describing GHG emissions reductions. These respondents also suggested that
282 organizations be asked to provide more disaggregated information on sources of flaring and venting,
283 namely whether it is by organizations or service providers, and the type of intervention in which it
284 occurred, for example, preventive actions versus corrective actions.

285 Some respondents recommended that the Sector Standard clearly acknowledge that other indirect
286 (Scope 3) GHG emissions (scope 3 emissions) result from consumer use and are not within an
287 organization's direct responsibility or control. These respondents suggested to further emphasize that
288 generating or tackling scope 3 emissions involve all organizations throughout the value chain as well
289 as customers (e.g., organizations involved in transportation, plastics, utilities, agriculture).

290 A few respondents suggested the following revisions to reporting on scope 3 emissions:

291 • Further disaggregation of emissions per segment of the business, operational control
292   (operators versus service providers), or category of scope 3 emissions;
293 • Further guidance on the process for calculating, coordinating, and resolving overlaps between
294   value chain organizations for reporting scope 3 emissions.

295　A few respondents also disagreed with the inclusion of reporting on scope 3 emissions, especially for
296　oil and gas producers, because it would risk producing inaccurate data on the basis of assumptions
297　and inconsistencies between reporting organizations.

298　*GSSB response: Specific recommendations for reporting on methane have been included under the*
299　*topic of GHG emissions. A reference to the Oil and Gas Methane Partnership (OGMP 2.0) has also*
300　*been included in the resources for this topic. Further details on energy efficiency have been included.*

301　*The disclosures on direct (scope 1) GHG emissions and energy indirect (scope 2) GHG emissions as*
302　*well as for emissions related to flaring and venting have been retained. Organizations can provide*
303　*contextual information on operations, business partners or entities flaring and/or venting using*
304　*Disclosure 3-3 Management of material topics in* GRI 3: Material Topics 2021.

305　*No additional recommendations have been added to report GHG emissions on an equity or*
306　*operational control basis. Organizations can clarify on which basis they are reporting using the*
307　*disclosures included under this topic, based on the guidance outlined in* GRI 305: Emissions 2016.
308　GRI 11 *describes business relationships of particular relevance to assessing the impacts of*
309　*organizations in the oil and gas sector, such as joint ventures, for additional consideration by reporting*
310　*organizations.*

311　*Reporting on scope 3 emissions has been maintained as it is considered that this information is*
312　*essential for organizations in the oil and gas sector to report on. Scope 3 emissions from the oil and*
313　*gas sector represent a large majority of GHG emissions attributable to oil and gas organizations. No*
314　*further disaggregation on reporting scope 3 emissions has been added. Disclosure 305-3 Other*
315　*indirect (Scope 3) GHG emissions requires organizations to report all or specific categories of scope 3*
316　*emissions. This disclosure also contains guidance and links to resources for reporting this*
317　*information, in addition to the resources listed in the Sector Standard.*

318　*Reporting GHG emissions reduction efforts has been strengthened and moved to Climate adaptation,*
319　*resilience, and transition. GHG emissions reduction efforts are of specific relevance to transition*
320　*efforts so grouping this reporting under this topic is considered to reflect established reporting*
321　*practice.*

322　**i)　Climate resilience and transition[2]**

323　This topic received comments from the majority of respondents. A few respondents expressed
324　concern that the description included negative language or disproportionally focused on risks rather
325　than opportunities related to climate change.

326　Individual respondents suggested changes to enhance the completeness and accuracy of the topic
327　description, including:
- Removing or reframing the mention of carbon budgets for organizations, which were seen as
  highly subjective measures and of little use for reporting.
- Stating clearly that a phase-out of fossil fuel energy production is needed without carbon
  capture and storage, as raised in authoritative references from e.g. the United Nations
  Environment Programme and the Intergovernmental Panel on Climate Change.
- Emphasizing the risks related to advocacy by organizations or membership organizations that
  undermine climate science.

335　A few respondents considered the 'what to report' sub-section hard to follow. One respondent found
336　that the listed disclosures did not enable understanding of an organization's business model
337　and viability under various climate-constrained scenarios.

338　One respondent suggested clarifying the implications of reporting on just transition for organizations,
339　arguing it is a concept intended to apply to governments as signatories of the Paris Agreement[3].

340　A few respondents provided suggestions aimed at clarifying additional sector recommendations linked
341　to Disclosure 201-2 Financial implications and other risks and opportunities, including:

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[2] The title of this topic has been updated to Climate resilience, adaptation, and transition in *GRI 11: Oil and Gas Sector 2021.*

[3] United Nations Framework Convention on Climate Change (UNFCCC), Paris Agreement, 2015.

342   • Requesting information on the carbon pricing assumptions used (e.g., internal shadow pricing
343   or other prices used, whether they have been applied to all emission scopes, different
344   scenarios, and the corresponding analysis of business impacts);
345   • Requesting information on investment and revenue related to low-carbon technology, beyond
346   just renewable energy, to better demonstrate portfolio diversification and progress towards
347   GHG emission reduction targets;
348   • Requesting information on the level of planned investment tied to petrochemical
349   plastic feedstocks to demonstrate decisions to invest in activities with high climate and other
350   environmental impacts;
351   • Including a description of an organization's efforts to promote research and development of
352   technology that contributes to more sustainable business models (e.g., through innovation
353   partnerships).

354 A few respondents supported the inclusion of disclosures related to public advocacy and suggested
355 clarifying reporting related to discrepancies between their stated positions and their policies on the
356 same topic.

357 A few respondents disagreed with the inclusion of additional sector recommendations for reporting on
358 projections related to production volumes, energy from renewables, and investments in renewables
359 and reserves. They raised the following concerns:

360   • Reporting on this risks producing inaccurate information, given the variables for determining
361   such projections (e.g., oil price and demand, regulatory context, project approvals and costs,
362   available technology).
363   • Providing this information could lead to inaccurate assumptions about the organization and
364   undermine comparison within the sector.
365   • Requesting this information is inappropriate given its possible confidential nature and could
366   represent a breach to European competition law.
367   • Reporting oil and gas volumes for the reporting year, and projections for the next five years, is
368   redundant as it is already disclosed in financial reporting.

369 A few respondents disagreed with the inclusion of the additional sector recommendation on budget
370 allocation or on the formulation of this recommendation. Those opposing its inclusion considered it
371 unrealistic, too detailed, or confidential when related to decisions on mergers and acquisitions. Other
372 respondents suggested replacing it with a broader recommendation on how climate-related risk is
373 embedded in business strategy and in internal decision-making and oversight.
374
375 A few respondents suggested the topic of climate resilience and transition should be mandatory to
376 report on by all organizations in the sector.

377 *GSSB response: The decline in oil and gas demand has been further elaborated on in climate*
378 *adaption, resilience, and transition with references to the International Energy Agency's (IEA) 'Stated*
379 *Policies Scenarios' and 'Net Zero by 2050' report added. Opportunities for positive contributions to the*
380 *transition to a low-carbon economy have been further described.*

381 *Most of the proposed additional sector recommendations have been maintained, as they are*
382 *considered to be of key relevance for reporting on this topic. Those that have been changed include*
383 *the additional sector recommendation regarding just transition, which has now been revised to*
384 *request organizations report policies, commitments, and actions to mitigate impacts of transition to a*
385 *low-carbon economy. Similarly, the recommendation on budget allocation and oversight processes to*
386 *enable effective actions to manage the impacts, has been removed to avoid duplication with the*
387 *requirements of Disclosure 3-3 Management of material topics. The recommendation on decisions not*
388 *to invest in new oil and gas developments and project divestments has been reformulated and*
389 *replaced by a recommendation to report on CapEx allocation.*

390 *Some recommendations, linked to Disclosure 201-2 Financial implications and other risks and*
391 *opportunities, have been grouped to clarify how to report impacts on operations or revenue and*
392 *CapEx allocation. An additional sector recommendation to report on climate change-related scenarios*
393 *used to assess the resilience of the organization's strategy, including a 2°c -or-lower scenario has*
394 *been added and aligned with the TCFD Recommendations. Content on scenarios has also been*
395 *added to the description.*

396 *Reporting on forward-looking information has been maintained. Despite possible challenges, this*
397 *information is considered crucial to understanding an organization's resilience to climate-change*
398 *related risks. Resources have been added in the bibliography to assist this type of reporting.*

399 *Disclosure 305-5 Other indirect (Scope 3) emissions has been placed under the topic Climate*
400 *adaptation, resilience, and transition, along with the recommendations related to goals and targets for*
401 *reduction of GHG emission. This grouping was confirmed to be more logical and to reflect established*
402 *normative reporting practice.*

403 *No further edits have been undertaken regarding end-of-life emissions of plastic feedstocks. Specific*
404 *topics that fall outside of the scope of the Standard will be catalogued and considered as part of the*
405 *relevant Sector Standard project.*

406 *In cases where information is subject to confidential constraints, an organization may provide the*
407 *relevant reason for omission. Requirement 6 in* GRI 1: Foundation 2021 *contains more information on*
408 *reasons for omission.*

409 **j) Biodiversity**

410 A few respondents suggested adding a description of the biodiversity mitigation hierarchy.

411 A few respondents recommended aligning the additional sector recommendations with oil and gas
412 sector specific reporting tools for more clarity and to enhance consistency in reporting. These
413 respondents recommended to:

- 414 • add an additional sector recommendation linked to 'Disclosure 304-1 Operational sites
  415 owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity
  416 value outside protected areas' on whether an organization has a no-go commitment and
  417 what areas it covers;
- 418 • clarify the overlap between Disclosure 304-3 Habitats protected or restored, and the
  419 mitigation hierarchy steps, as well as what 'additional conservation actions' refers to in
  420 the additional sector reporting recommendation.

421 *GSSB response: An additional sector recommendation on commitments to no net loss or a net gain to*
422 *biodiversity on operational sites (as well as what areas and operations they cover) has been added to*
423 *Disclosure 3-3 Management of material topics.*

424 *An overview of the mitigation hierarchy has been added to the topic. The additional sector*
425 *recommendation presented with Disclosure 304-3 Habitats protected or restored has been adjusted to*
426 *provide linkage between protected or restored areas and relevant measures of the mitigation*
427 *hierarchy, including offsets. This recommendation refers to avoidance rather than no-go zones for*
428 *better alignment with the mitigation hierarchy.*

429 **k) Waste**

430 A few respondents suggested revisions to the topic including:

- 431 • Avoiding the use 'toxic' to qualify some types of waste and instead referring to 'hazardous' or
  432 'non-hazardous' waste.
- 433 • Clarifying whether produced water and fracking flowback should be reported under this topic
  434 or under Water and effluents.
- 435 • Emphasizing that tailings are a significant liability which justify the need for aggressive
  436 treatment and reclamation activities.
- 437 • Emphasizing the importance of management measures for discharge and treatment and
  438 circularity opportunities.

439 One respondent suggested that oil and gas organizations involved in the plastic lifecycle should be
440 held accountable for impacts linked to end-of-life emissions of plastic feedstocks.

441 A few respondents disagreed with the inclusion of the additional sector recommendations for reporting
442 separate information on waste composition, or they found it too extensive. These respondents
443 suggested a breakdown be requested only when significant.

444 *GSSB response: The description has been revised to refer to management measures such as reuse*
445 *or recycling measures and their importance in avoiding or minimizing impacts related to waste.*

446 *'Toxic waste' has been replaced by 'hazardous waste', which is defined in the GRI Glossary.*

447 *Waste no longer refers to produced water, which has instead been included in Water and effluents.*
448 *This is more closely aligned with* GRI 303 Water and Effluents 2018 *which covers produced water.*

449 *The additional sector recommendation to provide a breakdown on the composition of waste has been*
450 *adjusted to support reporting on waste streams that are significant for different organizations and, for*
451 *consistency, has been included for all relevant disclosures: Disclosure 306-3 Waste generated,*
452 *Disclosure 306-4 Waste diverted from disposal, Disclosure 306-5 Waste directed to disposal.*

453 *Impacts related to tailings have been further detailed in this topic as well as in Asset integrity and*
454 *critical incident management.*

455 *No further edits have been undertaken regarding end-of-life emissions of plastic feedstocks.*
456 *Reporting on scope 3 GHG emissions is already included sufficiently under the topic of GHG*
457 *emissions. No further edits have been undertaken regarding end-of-life emissions of plastic*
458 *feedstocks. specific topics that fall outside of the scope of the Standard will be catalogued and*
459 *considered as part of the relevant Sector Standard project.*

460 **l) Water and effluents**

461 A few respondents suggested clarifying that produced water should be considered and reported under
462 this topic rather than Waste. It was also raised that produced water was not the only type of
463 wastewater that may be relevant to report on, for example while oil sands mining does not involve
464 produced water, it does produce process-affected water.

465 A few respondents suggested including the option to report separately on produced water and
466 methods of calculating water discharge. This was considered useful for highlighting the efforts of
467 organizations in pursuing environmentally sound practices and for supporting the organization's
468 decision-making process towards environmental stewardship. One respondent suggested clarifying
469 how to report hydrocarbon discharged within produced water as included in the additional sector
470 recommendation presented with Disclosure 303-4 Water discharge.

471 A few respondents suggested describing best practices, such as water efficiency and
472 other management options for water rather than focusing on negative impacts.

473 *GSSB response: Reporting on produced water has been maintained and the option to report other*
474 *wastewaters, such as process-affected water, has been highlighted.*

475 *The management of produced water and process-related wastewaters has been described in more*
476 *detailed in the topic, including references to reusing, recycling, discharge and treatment of*
477 *wastewater.*

478 *An additional sector recommendation to report the volume of produced water and process wastewater*
479 *discharged has been included. While no specific guidance has been included on reporting the*
480 *concentration of hydrocarbons discharged within produced water, as per Disclosure 303-4 Water*
481 *discharge, an organization can provide any contextual information necessary to understand how the*
482 *data has been compiled. In addition, Disclosures 303-1 Interactions with water as a shared resource,*
483 *and 303-2 Management of water discharge-related impacts, offer the opportunity to describe the*
484 *organization's interactions with water, impacts, how those impacts are addressed, associated goals*
485 *and targets, and the management of effluents.*

486 **m) Closure and decommissioning**

487 A few respondents suggested outlining the circularity measures organizations may use during this
488 phase: namely, the practice of recycling materials from dismantled structures or repurposing disused
489 structures.

490 A few respondents suggested describing practices organizations may use to save costs associated
491 with closure and rehabilitation, for example, the practice of offloading, where organizations sell nearly
492 depleted assets to smaller and sometimes less solvent organizations. Respondents argued that this
493 was a growing trend and may constitute a strategy from organizations to avoid costs associated with
494 closure and rehabilitation and poses liability issues in many jurisdictions.

495 Other respondents suggested to specify that international conventions require organizations to
496 decommission and remove offshore structures and that leaving them in place also leaves in place

497 materials, such as plastics, chemicals and metals that are potentially harmful to marine ecosystems
498 and species. As such, it was suggested that in cases where organizations leave structures in place, a
499 rationale and justification for this decision should be reported.

500 *GSSB response: A description of the possibilities for extending the life of disused assets have been*
501 *included. References to the offshore decommissioning requirements of international conventions have*
502 *been added, as has details on the complexity associated with decommissioning offshore structures.*
503 *Further research on the practice of offloading was inconclusive and has therefore not described in the*
504 *topic. Reporting on the plans and financial provisions for closing the fields and facilities owned by an*
505 *organization has been clarified and grouped for more coherent reporting.*

n) Asset integrity and process safety[4]

507 One respondent suggested including an option to report on quality assurance and maintenance. This
508 respondent argued this would balance the reporting which was focused on emergency preparedness
509 and response and seemed to exaggerate the value of responding to critical incidents over the value of
510 preventing them.

511 *GSSB response: Content on effective process safety management systems has been added to*
512 *reinforce its importance for asset integrity and preventing critical incidents. Information on process*
513 *safety management can be disclosed using Disclosure 3-3 Management of material topics.*

514 *An extended explanation of the potential impacts of oil sand tailings related to waste, asset integrity,*
515 *and critical incidents has been added to the topic and an additional sector disclosure for organizations*
516 *with oil sands mining operations has been included.*

o) Occupational health and safety

518 A few respondents suggested including a disclosure on the number of workers working more than 168
519 hours over a two-week period (i.e., 12 hour shifts over 14 days). These respondents raised the point
520 that workers on oil and gas platforms and supply vessels routinely work under this arrangement but
521 must subsequently be given a substantial rest period. These respondents also suggested including a
522 disclosure on whether organizations have any workers on vessels in their supply chains who have
523 been working for longer than nine months, as this is the maximum length a worker can be at sea
524 according to the Maritime Labour Convention.

525 *GSSB response: The topic has been revised to include a reference to the risk of insufficient rest time*
526 *for workers, and that remaining at sea for excessive periods of time can result in fatigue and impact*
527 *their physical, psychological, and social health. A reference to the Maritime Labour Convention has*
528 *also been included in the bibliography.*

p) Diversity and non-discrimination[5]

530 A few respondents raised the concern that the barriers to women working in the sector were not
531 sufficiently covered, including the impact of inadequate parental leave.

532 *GSSB response: The topic has been revised to include barriers for women and caregivers to working*
533 *in the sector, including limited parental leave arrangements. Additionally, Disclosure 401-3 Parental*
534 *leave from GRI 401: Employment 2016 has been included.*

535 *Content on the role of training to help organizations address discriminatory practices has been*
536 *included. This can be reported using Disclosure 3-3 Management of material topics.*

q) Economic impacts

538 Some respondents found that the role of procurement, both in relation to benefits generated and
539 challenges for local suppliers, was not sufficiently covered in this topic. They suggested revising
540 content and disclosures to explicitly refer to procurement.

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[4] The title of this topic has been updated to Asset integrity and critical incident management in *GRI 11: Oil and Gas Sector 2021.*

[5] The title of this topic has been updated to Non-discrimination and equal opportunity in *GRI 11: Oil and Gas Sector 2021.*

541 A few respondents suggested clarifying that training can benefit local workers. It was also suggested
542 that reporting on training be included in order to indicate that organizations in the sector are expected
543 to provide local workers with training.

544 *GSSB response: The topic has been revised to clarify impacts from the sector related to local*
545 *procurement. The additional sector recommendations have revised to explicitly cover procurement*
546 *and training in local communities.*

547 *The additional sector recommendations have also been refined to avoid duplication of content already*
548 *covered in existing GRI Topic Standards.*

549 **r)   Local community impacts[6]**

550 One respondent raised the concern that the role of effective grievance mechanisms was not clearly
551 covered in this topic and suggested making explicit reference to grievance mechanisms in the
552 disclosures.

553 One respondent suggested adding a disclosure on agreements reached with local communities and
554 confirmation of the communities' consent.

555 *GSSB response: The topic has been revised to specify the role of effective grievance mechanisms*
556 *and other remediation processes in addressing local community impacts. The additional sector*
557 *disclosure has been revised to focus on the effectiveness of grievance mechanisms.*

558 *The role of processes to reach agreements with local communities has been addressed through the*
559 *addition of an additional sector recommendation requesting information on how the organization*
560 *seeks to ensure meaningful engagement and safe and equitable gender participation. A similar*
561 *recommendation has also been included in Land use and resource rights, as well as Rights of*
562 *indigenous peoples.*

563 **s)   Rights of indigenous peoples**

564 One respondent suggested including a disclosure on the mutually accepted process between the
565 organization and affected indigenous communities for obtaining free, prior, and informed consent and
566 public documentation of agreements reached under such processes.

567 *GSSB response: The additional sector disclosure has been revised to explicitly cover whether any*
568 *processes in which the organization has been involved for seeking free, prior, and informed consent*
569 *are mutually accepted.*

570 *As outlined in the 'Cross-cutting issues' section, the topic has been revised to further outline the*
571 *sector's impacts on indigenous peoples, including consideration of gender disparities. The additional*
572 *sector recommendations for this topic have been revised to more clearly cover how organizations*
573 *seek to ensure safe and equitable participation of indigenous peoples and, specifically, indigenous*
574 *women in stakeholder engagement processes.*

575 **t)   Conflict and security**

576 A few respondents raised concerns that the disclosures for this topic were limited and would not elicit
577 information on the relationship of the organization with private and public security providers, or
578 relevant risk management approaches, for example, due diligence, memorandum of understanding
579 procedures, implementation of security management systems, or how companies influence the
580 implementation of good practices among security forces. They also suggested aligning the content
581 with the Voluntary Principles on Security and Human Rights.

582 *GSSB response: The topic has been revised to clarify the role of risk assessments in avoiding or*
583 *managing impacts related to conflict and security and the interaction with security providers. An*
584 *additional sector recommendation on how the organization works with security providers has been*
585 *included and reference to the Voluntary Principles on Security and Human Rights and other relevant*
586 *resources have been included in in the bibliography.*

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[6] The title of this topic has been updated to Local communities in *GRI 11: Oil and Gas Sector 2021.*

587 ***u) Anti-corruption***

588 A few respondents suggested including details and reporting on corruption risks related to
589 procurement through local content arrangements, transfer pricing activities, and shell companies.

590 One respondent suggested clarifying that organizations are not always just exposed to corruption, but
591 rather can be actively involved. This respondent argued that several examples of active involvement
592 were demonstrated by documented cases where organizations have been found guilty of corruption.
593 One respondent also suggested to clarify that corruption occurs equally in developed and developing
594 countries.

595 One respondent suggested that a disclosure regarding whistleblowing mechanisms appeared to be
596 missing. While one respondent disagreed with the inclusion of a disclosure on beneficial owners and
597 considered it unreasonable as it is beyond an organization's control. This respondent also argued that
598 making this information available should be a matter of law governing the stock markets on which
599 organizations are listed rather than a matter for voluntary reporting.

600 *GSSB response: The topic has been adjusted to refer more equally to the potential for corruption to*
601 *occur in developed and developing countries. Corruption risks and schemes related to procurement*
602 *have also been described on the basis of documented cases.*

603 *An additional sector recommendation to report on the approach of the organization to avoiding*
604 *corruption in procurement processes has been added. Another additional sector recommendation*
605 *regarding whistleblowing mechanisms has also been added as it is considered a common reporting*
606 *expectation for this sector in relation to this topic.*

607 *The additional sector disclosures on whether contracts and licenses and beneficial owners have been*
608 *maintained. However, the recommendation to report the stock exchanges where organizations have*
609 *made filings that include beneficial ownership information and a link to those filings has been*
610 *removed. A more precise reference to the relevant EITI Requirements[7] has been included for these*
611 *additional disclosures.*

612 ***v) Payments to governments***

613 One respondent suggested emphasizing the proven prevalence of corporate tax avoidance and
614 evasion within this sector as a key source of impacts. Another respondent recommended
615 emphasizing that country-level and project-level payment information are not interchangeable, and
616 both are needed for disclosures to be maximally useful and to enable further transparency in
617 resource-rich countries.

618 A few respondents provided comments on the additional disclosure based on EITI requirement 4.2(c),
619 including that:

620 • The EITI requirement encourages but does not require supporting organizations to report
621 oil and gas purchases from states;
622 • Reporting this information is not normative for the sector nor an appropriate request given
623 the commercial confidentiality that could be involved, or that this information could be
624 subject to competition law.

625 One respondent suggested that reporting Disclosure 207-4 Country-by-country reporting should be
626 mandatory while another respondent suggested replacing this disclosure by with EITI requirements to
627 report payments to governments for upstream oil and gas operations.

628 *GSSB response: Corporate tax avoidance and the importance of country-level and project-level*
629 *information have been given additional emphasis in the topic.*

630 *The additional sector disclosure for State-owned enterprises (SOEs) have been maintained, and a*
631 *clearer reference to the relevant EITI Requirements has been included. Transparency challenges for*

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[7] These additional sector disclosures are based on Requirement 2.4.Contracts and Requirement 2.5.
Beneficial ownership c,. d., and f. in the EITI Standard 2019. Extractives Industries Transparency
Initiative (EITI), The EITI Standard, 2019.

632 *SOEs have been confirmed as being of key relevance and a clear reporting expectation for this topic*
633 *and organizations in this sector.*

634 *An additional sector recommendation for reporting payments to governments by project, based on*
635 *EITI Requirements has been added. This takes into account the reporting required by Disclosure 207-*
636 *4 Country-by-country reporting and references payments made to governments at the project level*
637 *only. This type of reporting is widespread for this sector as a result of the EITI Standard 2019 and a*
638 *related European Union directive.*

639

Appendix 1. Participation in regional events and webinars

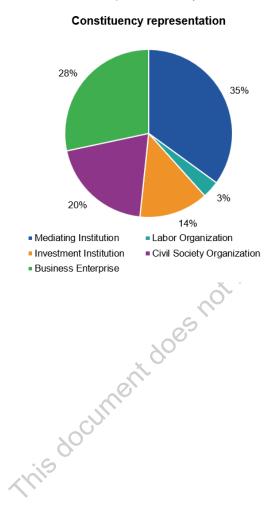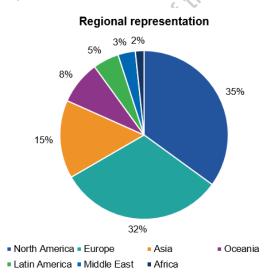| Event	Date	Number of attendees
GRI live webinar and Q&A	23 July	188
GRI live webinar and Q&A	23 July	158
GRI Community Universal Standards & Sector webinar	18 August	80
GRI live webinar and Q&A	20 August	156
GRI live webinar and Q&A	20 August	313
Business consultation session in collaboration with IPIECA	3 September	27
Investor consultation session in collaboration with FTSE Russell	15 September	13
Regional workshop Latin America	17 September	32
Regional workshop Africa	22 September	12
Civil society consultation session in collaboration with Publish What You Pay	23 September	29
Total participants		1008

Appendix 2. Public comment submissions by stakeholder constituency and region

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645 A total of 60 submissions from individuals and organizations was received on the exposure draft of
646 Sector Standard: Oil and Gas. The names of these individuals and organizations are listed in the table
647 of comments, p.1 (note: zooming in may be required).

The charts break down submissions by stakeholder constituency and region. All constituencies were represented, with business and mediating institutions being the most represented. Submissions came from 25 countries, predominantly in North America, Europe, and Asia.

Constituency representation

- 35% Mediating Institution
- 3% Labor Organization
- 14% Investment Institution
- 20% Civil Society Organization
- 28% Business Enterprise

Regional representation

- 35% North America
- 32% Europe
- 15% Asia
- 8% Oceania
- 5% Latin America
- 3% Middle East
- 2% Africa

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