



Item 05 – GRI Sector Standards Project for Oil, Gas, and Coal – Input on GRI Topic Standards

For GSSB information

Date	20 January 2022
Meeting	10 February 2022
Project	GRI Sector Standard Project for Coal
Description	This document summarizes the input relevant to GRI Topic Standards collected during the development of <i>GRI 12: Coal Sector 2022</i> . This document includes the preliminary opinion of the Standards Division based on the outcomes of the Oil, Gas, and Coal Project to date. However, recommendations to the GSSB work program will be made by the Standards Division on the basis of cumulative input from multiple Sector Standards projects.

This document has been prepared by the GRI Standards Division and is made available to observers at meetings of the Global Sustainability Standards Board (GSSB). It does not represent an official position of the GSSB. Board positions are set out in the GRI Sustainability Reporting Standards. The GSSB is the independent standard setting body of GRI. For more information visit www.globalreporting.org.

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This document does not represent an official position of the GSSB

1 Background

2 Along with the developing GRI Sector Standards, as outlined in the [Program Description](#), the GRI
3 Sector Program is to support the enhancement and expansion of the GRI Standards by surfacing
4 issues not previously covered in the GRI Standards.

5 The Standards Division will make proposals to the Global Sustainability Standards Board (GSSB) to
6 develop new or revise existing Standards, which the GSSB will consider and prioritize during the
7 regular reviews of the GSSB work program per the [Due Process Protocol](#).

8 Feedback on GRI Topic Standards was collected throughout the GRI Sector Standards Project for Oil,
9 Gas, and Coal. This document focuses on feedback relevant for coal, collected during research
10 activities, from project working group input and public comment submissions.

11 The document also includes the preliminary opinion of the Standards Division based on the project's
12 outcomes. The Standards Division will make recommendations to the GSSB work program on the
13 basis of cumulative input from numerous Sector Standards projects.

14 Some of the GRI Topic Standards feedback triggered by working group discussions has already been
15 [communicated to the GSSB](#) when delivering the first Sector Standard, *GRI 11: Oil and Gas Sector*
16 *2021*. The feedback applicable to both sectors is referenced here with a hyperlink and not repeated in
17 full.

18 Input on Topic Standards

19 Based on the Sector Standard

20 Similar to *GRI 11*, the *GRI 12: Coal Sector 2022* contains four topics for which no dedicated (or
21 closely related) Topic Standard exists, namely:

- 22 • Asset integrity and critical incident management
- 23 • Climate adaptation, resilience, and transition
- 24 • Closure and rehabilitation
- 25 • Land and resource rights

26 In addition, to achieve complete reporting for the sector, the working group identified disclosure gaps
27 for the following topics which necessitated additional sector reporting:

- 28 • Air emissions
- 29 • Anti-corruption
- 30 • Biodiversity
- 31 • Conflict and security
- 32 • Economic impacts
- 33 • GHG emissions
- 34 • Local communities
- 35 • Payments to governments
- 36 • Public policy
- 37 • Rights of Indigenous peoples
- 38 • Waste
- 39 • Water and effluents

40 The topics without a dedicated GRI Standard and the disclosure gaps listed above were identified as
41 relevant for the oil and gas sector as well as for coal. The additional reporting included the topics of
42 anti-corruption, biodiversity, conflict and security, economic impacts, local communities, payments to
43 governments, rights of indigenous peoples, waste, and water and effluents, which are expected to be
44 highly relevant for all extractives sectors. It is unclear if the additional reporting for the other topics will
45 be relevant for non-extractive sectors.

46 Further feedback from the Working Group

47 Feedback from the working group focused on the following key areas:

- 48 • Enhanced reporting related to climate change and low-carbon transition, especially for sectors
49 involved with fossil fuel production;
- 50 • Inadequate scope of reporting on rights of Indigenous Peoples in *GRI 411: Rights of*
51 *Indigenous Peoples 2016*;
- 52 • Insufficient scope of reporting on biodiversity in *GRI 304: Biodiversity 2016*;
- 53 • Gaps in reporting payments and contractual arrangements between organizations and
54 governments.

55 More details on these recommendations can be found in the *GRI 11* [Topic Standards input report](#).

56 Input received during public exposure

57 Some responses received during public exposure are directly relevant to Topic Standards. The
58 complete comments are listed in Appendix 1 and logged on the GRI website.

59 Key feedback received from respondents includes the following:

- 60 • Further guidance needed on how to assess indirect economic impacts.
- 61 • Indicators on managing corruption risks in procurement processes to be incorporated in *GRI*
62 *205: Anti-corruption*.
- 63 • Additional compliance indicators related to waste incidents or surpassing air pollution
64 regulations.
- 65 • Details of due diligence or impact assessments conducted on biodiversity.
- 66 • Further guidance needed to calculate/report Scope 3 emissions.
- 67 • Disclosures to report on due diligence processes and impact assessments on rights of
68 indigenous peoples and expansion of the right to 'free, prior, and informed consent'.

69 Preliminary opinion

70 The four topics without a dedicated or closely related Topic Standard - asset integrity and critical
71 incident management; climate adaptation, resilience, and transition; closure and rehabilitation; and
72 land and resource rights – all appear to have a high potential for being likely material for other
73 sectors. Spills and leaks appear to be part of the topic of asset integrity and critical incident
74 management, which also includes reporting on tailings, a key element for organizations with mining
75 activities.

76 Consistent disclosure on climate change is increasingly critical, and a consensus is growing on how
77 this issue should be reported on. The GRI Standards were considered to lack a structure for reporting
78 on all relevant aspects of managing and responding to risks and opportunities posed by climate
79 change, necessary for understanding an organization's strategy and resilience in the face of the
80 growing challenge.

81 In addition, biodiversity, local communities, rights of indigenous people, and the Topic Standards
82 related to local economic impacts were considered insufficient or difficult to interpret. It is anticipated
83 that this input will arise again in the future development of Standards for other sectors. Finally, issues
84 related to managing corruption risks and transparency over resource governance are likely to arise in
85 all extractive sectors projects.



Appendix 1. Public comments on Topic Standards collected during the exposure period for the Coal Sector Standard

No.	Comments (extracted from more detailed responses received)	Name of organization or individual	Country	Stakeholder group	Submission type
Topics with no corresponding Topic Standard or relevant disclosures					
1	Supplier management should be a stand-alone topic, especially looking at the way a mining company is managed.	PT Indo Tambangraya Megah Tbk	Indonesia	Business enterprise	On behalf of an organization, group, or institution
GRI 202: Market presence 2016					
2	Economic Impacts: Rather than disclosing senior management from the local community, shouldn't the Standard also ask for the proportion of local workers as part of job creation?	PT Life Cycle Indonesia	Indonesia	Mediating institution	On behalf of an organization, group, or institution
GRI 203: Indirect economic impacts 2016					
3	<i>GRI 203: Indirect Economic Impacts 2016</i> ; Disclosure 203-1 Infrastructure investments and services supported - More clarity is required on how to quantify, assess and report on this indicator.	Teck Resources Limited	Canada	Business enterprise	On behalf of an organization, group, or institution
GRI 205: Anti-corruption 2016					
4	Ideally, <i>GRI 205 Anti-Corruption 2016</i> will eventually be updated to ensure that it explicitly asks companies to report on how they avoid corruption in procurement processes. For now, one option would be to add this procurement issue as a bullet under "The following additional disclosures	Engineers Without Borders Canada	Canada	Civil society organization	On behalf of an organization, group, or institution

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	have also been identified as appropriate and should be reported on this topic:" (page 53, line 1501). Draft language could be: "A description of the organization's procurement processes and how it ensures corruption and other problematic practices do not occur through the procurement of goods and services".				
5	I suggest including this recommendation, 'especially those countries where activities in the mining and energy sectors are contracted with the government' also in Disclosure 205-1 Operations assessed for risks related to corruption.	Energía Renovada 2050	Chile	Mediating institution	On behalf of an organization, group, or institution
6	Rather than 'anti-corruption' it should be scaled up to 'business ethics' as a topic. And corruption is only part of the bigger business ethics context.	PT Indo Tambangraya Megah Tbk	Indonesia	Business enterprise	On behalf of an organization, group, or institution
GRI 207: Tax 2019					
7	It would be useful to add an explicit requirement to report on operated Joint Ventures.	ISS ESG	Sweden	Investment institution	On behalf of an organization, group, or institution
8	I suggest including this recommendation, 'especially those countries where activities in the mining and energy sectors are contracted with the government' in Disclosure 207-4 Country-by-country reporting.	Energía Renovada 2050	Chile	Mediating institution	On behalf of an organization, group, or institution
9	Disclosure 207-1 Approach to tax: commitment to comply with spirit and letter of the law, and avoid tax heavens.	Energía Renovada 2050	Chile	Mediating institution	On behalf of an organization, group, or institution
GRI 303: Water and effluents 2018					
10	Disclosure 303-4 Water discharge: Disclosure of quality and destination (both together, inclusively – not one or the other).	Energía Renovada 2050	Chile	Mediating institution	On behalf of an organization, group, or institution
11	Disclosure 303-5 Water consumption: Disclosure of investment in water recycling infrastructure/technology or optimization of existent infrastructure/technology.	Energía Renovada 2050	Chile	Mediating institution	On behalf of an organization, group, or institution
GRI 304: Biodiversity 2016					
12	Details on due diligence/impact assessment conducted in areas neighboring international (World Heritage Site, Ramsar site, Natura 2000) or national protected sites.	ISS ESG	Sweden	Investment institution	On behalf of an organization, group, or institution

GRI 305: Emissions 2016					
13	Number of incidents of non-compliance or infractions resulting in fines.	ISS ESG	Sweden	Investment institution	On behalf of an organization, group, or institution
14	Information on emissions reporting requirements submitted regularly to regulating authorities.	ISS ESG	Sweden	Investment institution	On behalf of an organization, group, or institution
15	Describe the number of incidents where the local (or international) standard limit for NOx, Sox, and PM emissions has been surpassed (usually a daily or hourly limit) and corrective actions taken.	Energía Renovada 2050	Chile	Mediating institution	On behalf of an organization, group, or institution
16	Apart from the absolute value on sulfide, perhaps you could consider adding sulfide emission per 10,000 production volume to measure productivity rather than total volume.	Shaanxi Coal and Chemical Industry Group Co. Ltd	China	Business enterprise	On behalf of an organization, group, or institution
17	GHG Emissions, b. Report breakdown of gross Scope 1 GHG emissions by type of source (stationary combustion, process, fugitive). Suggested improvement: instead of reporting by type of combustion process, align with the GHG protocol and require reporting on the source of emissions (e.g., diesel, venting, etc.).	Glencore	Australia	Business enterprise	On behalf of an organization, group, or institution
18	If we use life cycle assessment, the GHG emissions will be required down to the end-users. It would be useful to provide guidance for companies to report using an estimation (along with the methodology) to report GHG Scope 3.	PT Life Cycle Indonesia	Indonesia	Mediating institution	On behalf of an organization, group, or institution
GRI 306: Waste 2020					
19	Reporting regarding Waste could be simplified when this standard is reviewed, and this may have some flow on impacts on the additional sector requirements for the reporting of waste.	Glencore	Australia	Business enterprise	On behalf of an organization, group, or institution
20	Details on the alignment of the organization's waste strategies with applicable local legislation on waste management.	ISS ESG	Sweden	Investment institution	On behalf of an organization, group, or institution
21	Report the number of 'Incidents' related to waste management (Different from Disclosure 306-2 "impacts" and other than tailing spills).	Energía Renovada 2050	Chile	Mediating institution	On behalf of an organization, group, or institution

Waste and effluents 2016					
22	in addition to 'Disclosure 306-3 Significant spills': include a confidential or anonymous (grievance) mechanism for employees or community stakeholders to report tailings incidents.	Energía Renovada 2050	Chile	Mediating institution	On behalf of an organization, group, or institution
GRI 401: Employment 2016					
23	Incorporation of an indicator in Employment Practices (p.43) or in Conflict and security (p. 37). SASB includes in Labor Practices "Number and duration of strikes and lockouts". This would be an interesting piece of information to report by companies in the field.	AG Sustentable	Argentina	Mediating institution	On behalf of an organization, group, or institution
GRI 410: Security Practices 2016					
24	We recommend adding in 2.12 Conflict and security (p37), in the Management Approach: the provisions of the Responsible Mining Foundation - Reporting Framework 2020: Point D.02 Security and Conflict-Affected Areas "The company tracks, reviews, and acts to improve its performance on preventing and remedying human rights abuses related to its security management, in line with the Voluntary Principles on Security and Human Rights (Number and nature of incidents related to security management, and remedies provided, across successive time periods, throughout company's operations).	AG Sustentable	Argentina	Mediating institution	On behalf of an organization, group, or institution
GRI 413: Local communities 2016					
25	Engaging with local communities: policy/commitment in place involving informed consent/consultation (FPIC), with the community (not exclusively to Indigenous peoples), for instance, before the development of new projects or changes in operations which may affect them.	Energía Renovada 2050	Chile	Mediating institution	On behalf of an organization, group, or institution