



# Item 03 – GRI Sector Standards Project for Oil, Gas, and Coal – GRI 12: Coal Sector 2022

## For GSSB approval

|                    |  |
|--------------------|--|
| <b>Date</b>        | 20 January 2022  |
| <b>Meeting</b>     | 10 February 2022   |
| <b>Project</b>     | Sector Standards Project for Coal  |
| <b>Description</b> | <p>This document presents the final draft of <i>GRI 12: Coal Sector 2022</i>, for GSSB approval.</p> <p>A summary of the changes in the Standard compared to the exposure draft is presented in the explanatory note at the beginning of the document. This document reflects the final outcome and consensus of the Working Group deliberations.</p> <p>The final draft Standard is complemented by the draft GSSB Basis for Conclusions (Item 04) which summarizes the significant issues raised during the public comment period and the GSSB responses to these, as well as a report summarizing the input relevant to GRI Topic Standards collected during the development of <i>GRI 12: Coal Sector 2022</i> (Item 05). Item 04 and item 05 are provided for your information and input but do not require approval.</p> <p><b>Effective date</b></p> <p>As part of this approval, the GSSB is also asked to consider the proposed effective date of 1 January 2024 (see line 106). This effective date allows for a transition period of a full year regardless of when an organization's reporting cycle commences, ensuring sufficient time for coal organizations to incorporate <i>GRI 12</i> into their materiality considerations and start collecting data for any topics and/or disclosures they may not be reporting on yet. This also accounts for the additional time needed to translate <i>GRI 12</i> into other languages that are relevant for reporters in this sector. An effective date of 1 January 2023 was considered but for the above reasons was thought to be insufficient time for reporting organizations. As this sets the precedent for all preceding Sector Standards, there will be an opportunity for further discussion at the GSSB meeting.</p> |

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](http://www.globalreporting.org).

# Summary of key changes compared to the exposure draft

This section summarizes the key changes in *GRI 12: Coal Sector 2022*, compared to the exposure draft. These changes were performed based on the advice of the Oil, Gas, and Coal Working Group in response to significant issues raised during the public comment period or by Working Group members themselves. Additional changes have been undertaken as a result of alignment with *GRI 11: Oil and Gas Sector 2021*.

## Sector and sustainable development

- Global context and latest global commitments around the low-carbon transition and coal phasedown have been revised.
- Passage explaining just transition has been clarified and expanded, including differing transition timelines between developing and developed countries.
- Coal as a source of air pollution has been given more prominence.
- Narrative on negative economic impacts associated with resource extraction has been added.

## Topic 12.1 GHG emissions

- Role of metallurgical coal used for steelmaking has been clarified in the topic description.
- Coal mine fires as a source of GHG emissions has been added to the topic description.
- Disclosure 305-5 Reduction of GHG emissions has been moved to the topic 12.2 Climate adaptation, resilience, and transition.

## Topic 12.2 Climate adaptation, resilience, and transition

- Scenarios on future coal use have been updated as per latest forecasts from the International Energy Agency (IEA).
- Explanation and resources on transition planning has been added. Additional sector recommendation to GRI 3-3 has been added, on whether an organization has developed a transition plan and if it is an AGM item.
- Description of impacts of divesting coal assets for operation by another organization has been added. Additional sector reporting recommendations to GRI 201-2 have been added, to identify instances of divestment.
- Additional sector reporting recommendation to GRI 201-2 has been added, to understand whether an organization plans to expand current coal mines as part of its CapEx investments.
- Disclosure 305-5 and the recommendations on GHG emissions goals and targets, previously found under the topic of GHG emissions, have been moved to this topic.

## Topic 12.3 Closure and rehabilitation

- Mention of coal mine closures becoming more frequent as a result of the low-carbon transition has been added.
- Example actions for organizations to take to mitigate impacts of closure on workers have been added.
- A new sector reporting recommendation to GRI 3-3 has been added, to elaborate on how local communities were engaged on closure and post-closure planning and implementation.
- An additional sector disclosure has been revised to encompass both environmental and socioeconomic aspects when reporting the financial provisions for closure and rehabilitation. This is now also reflected in the topic description.

- 43 • An additional sector disclosure has been added to report information on non-financial  
44 provisions in place to manage the local community's social and economic transition to a post-  
45 mining economy.

46 **Topic 12.4 Air emissions**

- 47 • Relevance of economic impacts related to air pollution has been added to the topic  
48 description.
- 49 • Coal mine fires as a source of air pollutants has been added to the topic description.
- 50 • Role of certain air pollutants in causing climate change has been added to the description.
- 51 • The additional sector reporting recommendation to GRI 305-7 to report PM emissions from  
52 coal dust has been revised to trigger descriptive information on dust suppression methods to  
53 mitigate potential negative impacts on local communities and workers. The disclosure has  
54 been moved to the context of GRI 3-3.
- 55 • The additional sector reporting recommendation to GRI 305-7 to report carbon monoxide  
56 emissions was removed from the topic, as it is more relevant for health and safety topics.
- 57 • The link of coal quality and emissions has been clarified in the topic description. The  
58 disclosure to report on coal quality improvements was clarified and moved to the context of  
59 GRI 3-3. The Disclosure 416-1 has been removed.

60 **Topic 12.5 Biodiversity**

- 61 • Ground subsidence has been added as a source of impact on biodiversity.

62 **Topic 12.6 Waste**

- 63 • Explanation for 'tailings' has been added to the topic description.

64 **Topic 12.7 Water and effluents**

- 65 • The additional sector recommendation on mitigation of acid mine drainage has been moved  
66 from 303-2 to 303-1.

67 **Topic 12.8 Economic impacts**

- 68 • Positive economic impacts that can result from local procurement have been emphasized in  
69 the topic description.

70 **Topic 12.9 Local communities**

- 71 • Meaningful local engagement and inclusion of communities in decision-making has been  
72 emphasized in the topic description.
- 73 • The additional sector disclosure on disputes with local communities has been revised, to  
74 reflect an organization's use of grievance mechanisms and other remediation processes in  
75 addressing local community impacts.
- 76 • An additional sector recommendation has been added on an organization's approach to  
77 engaging vulnerable groups.

78 **Topic 12.11 Rights of indigenous peoples**

- 79 • An additional sector reporting recommendation has been added to describe identified  
80 incidents involving rights of indigenous peoples.

81 **Topic 12.13 Asset integrity and critical incident management**

- 82 • Explanation for 'tailings' has been added to the topic description.
- 83 • An additional sector disclosure has been added to report the number of critical incidents, and  
84 to describe their impacts.
- 85 • The additional sector reporting on tailings has been revised to better align with the *Global*  
86 *Industry Standard on Tailings Management (GISTM)*

- 87 • New additional sector recommendations have been added to list the organization’s tailings  
88 facilities, including the name, location, and ownership status; and to report the dates of the  
89 most recent and next independent dam safety reviews for each tailings facility.  
90 • The disclosure on emergency preparedness and response plans was removed as redundant  
91 to 3-3 Management of material topics.

92 **Topic 12.15 Employment practices**

- 93 • Content on just transition has been added, including actions coal organizations can take to  
94 mitigate impacts from the low-carbon transition on workers.

95 **Topic 12.18 Freedom of association and collective bargaining**

- 96 • The role of the right to organize and collectively bargain as an enabler of just transition has  
97 been added.

98 **Topic 12.20 Anti-corruption**

- 99 • Role of the procurement process as an enabler of corruption has been emphasized. The  
100 additional sector reporting recommendation to 3-3 has been revised, to explicitly focus on  
101 managing corruption risks from procurement practices and the supply chain.  
102 • The interlinkage between corruption and conflict has been added to the topic description.

This document does not represent an official position of the GCSB

# 103 GRI 12: Coal Sector 2022

## 104 SECTOR STANDARD

### 105 **Effective date**

106 This Standard is effective for reports or other materials published on or after 01 January 2024. Earlier  
107 adoption is encouraged.

### 108 **Responsibility**

109 This Standard is issued by the Global Sustainability Standards Board (GSSB). Any feedback on the  
110 GRI Standards can be submitted to [gssbsecretariat@globalreporting.org](mailto:gssbsecretariat@globalreporting.org) for the consideration of the  
111 GSSB.

### 112 **Due process**

113 This Standard was developed in the public interest and in accordance with the requirements of the  
114 GSSB Due Process Protocol. It has been developed using multi-stakeholder expertise, and with  
115 regard to authoritative intergovernmental instruments and widely held expectations of organizations  
116 relating to social, environmental, and economic responsibilities.

### 117 **Legal liability**

118 This document, designed to promote sustainability reporting, has been developed by the Global  
119 Sustainability Standards Board (GSSB) through a unique multi-stakeholder consultative process  
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## 139 Introduction

140 *GRI 12: Coal Sector 2022* provides information for organizations in the coal sector about their likely  
141 material topics. These topics are likely to be material for organizations in the coal sector on the basis  
142 of the sector's most significant impacts on the economy, environment, and people, including on their  
143 human rights.

144 *GRI 12* also contains a list of disclosures for organizations in the coal sector to report in relation to  
145 each likely material topic. This includes disclosures from the GRI Topic Standards and other sources.

146 The Standard is structured as follows:

- 147 • [Section 1](#) provides a high-level overview of the coal sector, including its activities, business  
148 relationships, context, and the connections between the United Nations Sustainable Development  
149 Goals (SDGs) and the likely material topics for the sector.
- 150 • [Section 2](#) outlines the topics that are likely to be material for organizations in the coal sector and  
151 therefore potentially merit reporting. For each likely material topic, the sector's most significant  
152 impacts are described and disclosures to report information about the organization's impacts in  
153 relation to the topic are listed.
- 154 • The [Glossary](#) contains defined terms with a specific meaning when used in the GRI Standards.  
155 The terms are underlined in the text and linked to the definitions.
- 156 • The [Bibliography](#) contains authoritative intergovernmental instruments and additional references  
157 used in developing this Standard, listed by topic. It also lists further resources that the  
158 organization can consult.

159 The rest of the Introduction section provides an overview of the sector this Standard applies to, an  
160 overview of the system of GRI Standards, and further information on using this Standard.

## 161 **Sector this Standard applies to**

162 *GRI 12* applies to organizations undertaking any of the following:

- 163 • Exploration, mining, and processing of thermal and metallurgical coal (i.e., lignite, subbituminous  
164 coal, bituminous coal, and anthracite) from underground or open-pit mines.
- 165 • Supply of equipment and services to coal mines, such as drilling, exploration, seismic information  
166 services, and mine construction.
- 167 • Transportation and storage of coal, such as slurry pipelines.

168 This Standard can be used by any organization in the coal sector, regardless of size, type, geographic  
169 location, or reporting experience.

170 The organization must use all applicable Sector Standards for the sectors in which it has substantial  
171 activities.

## 172 **Sector classifications**

173 Table 1 lists industry groupings relevant to the coal sector covered in this Standard in the Global  
174 Industry Classification Standard (GICS®) [4], the Industry Classification Benchmark (ICB) [3], the  
175 International Standard Industrial Classification of All Economic Activities (ISIC) [6], and the  
176 Sustainable Industry Classification System (SICS®) [5].<sup>1</sup> The table is intended to assist an  
177 organization in identifying whether *GRI 12* applies to it and is for reference only.

178 **Table 1. Industry groupings relevant to the coal sector in other classification systems**

| Classification system | Classification number | Classification name        |
|-----------------------|-----------------------|----------------------------|
| <b>GICS®</b>          | 10102050              | Coal & Consumable Fuels    |
| <b>ICB</b>            | 60101040              | Coal                       |
| <b>ISIC</b>           | B05                   | Mining of coal and lignite |
| <b>SICS®</b>          | EM-CO                 | Coal Operations            |

---

<sup>1</sup> The relevant industry groupings in the Statistical Classification of Economic Activities in the European Community (NACE) [1] and the North American Industry Classification System (NAICS) [2] can also be established through available concordances with the International Standard Industrial Classification (ISIC).



179 **System of GRI Standards**

180 This Standard is part of the GRI Sustainability Reporting Standards (GRI Standards). The GRI  
 181 Standards enable an organization to report information about its most significant impacts on the  
 182 economy, environment, and people, including impacts on their human rights, and how it manages  
 183 these impacts.

184 The GRI Standards are structured as a system of interrelated standards that are organized into three  
 185 series: GRI Universal Standards, GRI Sector Standards, and GRI Topic Standards (see [Figure 1](#) in  
 186 this Standard).

187 **Universal Standards: GRI 1, GRI 2 and GRI 3**

188 *GRI 1: Foundation 2021* specifies the requirements that the organization must comply with to report in  
 189 accordance with the GRI Standards. The organization begins using the GRI Standards by consulting  
 190 *GRI 1*.

191 *GRI 2: General Disclosures 2021* contains disclosures that the organization uses to provide  
 192 information about its reporting practices and other organizational details, such as its activities,  
 193 governance, and policies.

194 *GRI 3: Material Topics 2021* provides guidance on how to determine material topics. It also contains  
 195 disclosures that the organization uses to report information about its process of determining material  
 196 topics, its list of material topics, and how it manages each topic.

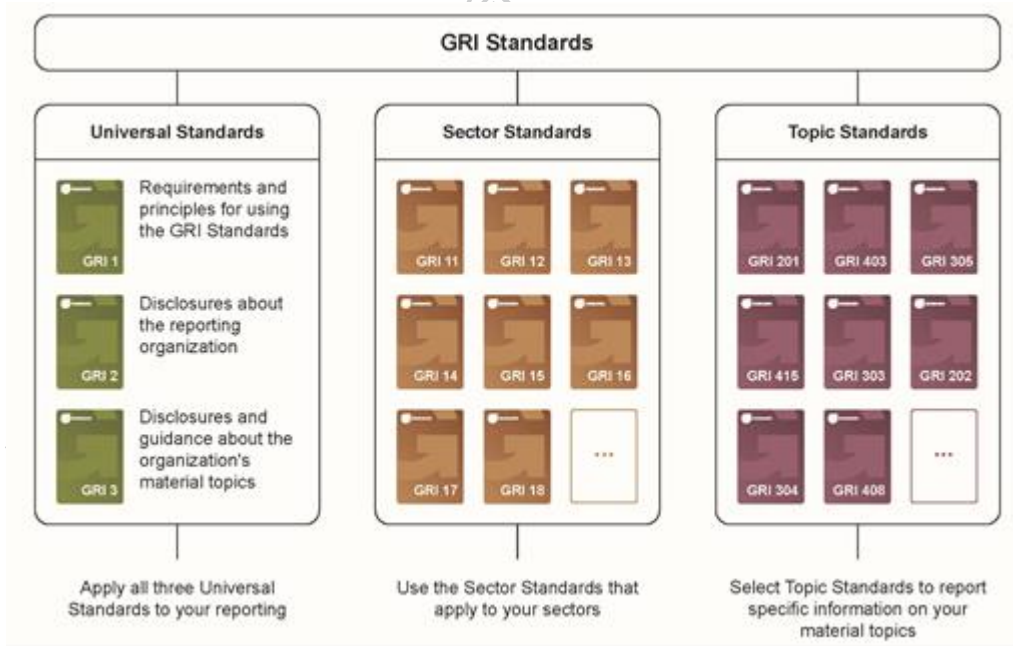
197 **Sector Standards**

198 The Sector Standards provide information for organizations about their likely material topics. The  
 199 organization uses the Sector Standards that apply to its sectors when determining its material topics  
 200 and when determining what to report for each material topic.

201 **Topic Standards**

202 The Topic Standards contain disclosures that the organization uses to report information about its  
 203 impacts in relation to particular topics. The organization uses the Topic Standards according to the list  
 204 of material topics it has determined using *GRI 3*.

205 **Figure 1. GRI Standards: Universal, Sector and Topic Standards**



## 206 Using this Standard

207 An organization in the coal sector reporting in accordance with the GRI Standards is required to use  
208 this Standard when determining its material topics and then when determining what information to  
209 report for the material topics.

### 210 Determining material topics

211 Material topics represent an organization's most significant impacts on the economy, environment,  
212 and people, including their human rights.

213 [Section 1](#) of this Standard provides contextual information that can help the organization in identifying  
214 and assessing its impacts.

215 [Section 2](#) outlines the topics that are likely to be material for organizations in the coal sector. The  
216 organization is required to review each topic described and determine whether it is a material topic for  
217 it.

218 The organization needs to use this Standard when determining its material topics. However,  
219 circumstances for each organization vary, and the organization needs to determine its material topics  
220 according to its specific circumstances, such as its business model; geographic, cultural, and legal  
221 operating context; ownership structure; and the nature of its impacts. Because of this, not all topics  
222 listed in this Standard may be material for all organizations in the coal sector. See [GRI 3: Material  
223 Topics 2021](#) for step-by-step guidance on how to determine material topics.

224 If the organization has determined any of the topics included in this Standard as not material, then the  
225 organization is required to list them in the GRI content index and explain why they are not material.

226 See [Requirement 3 in GRI 1: Foundation 2021](#) and [Box 5 in GRI 3](#) for more information on using  
227 Sector Standards to determine material topics.

### 228 Determining what to report

229 For each material topic, an organization reports information about its impacts and how it manages  
230 these impacts.

231 Once an organization has determined a topic included in this Standard to be material, the Standard  
232 also helps the organization identify disclosures to report information about its impacts relating to that  
233 topic.

234 For each topic in [section 2](#) of this Standard, a reporting sub-section is included. These sub-sections  
235 list disclosures from the GRI Topic Standards that are relevant to the topic. They may also list  
236 additional sector disclosures and recommendations for the organization to report. This is done in  
237 cases where the Topic Standards do not provide disclosures, or where the disclosures from the Topic  
238 Standards do not provide sufficient information about the organization's impacts in relation to a topic.  
239 These additional sector disclosures and recommendations may be based on other sources. [Figure 2](#)  
240 illustrates how the reporting included in each topic is structured.

241 The organization is required to report the disclosures from the Topic Standards listed for those topics  
242 it has determined to be material. If any of the Topic Standards disclosures listed are not relevant to  
243 the organization's impacts, the organization is not required to report them. However, the organization  
244 is required to list these disclosures in the GRI content index and provide 'not applicable' as the reason  
245 for omission for not reporting the disclosures. See [Requirement 6 in GRI 1: Foundation 2021](#) for more  
246 information on reasons for omission.

247 The additional sector disclosures and recommendations outline further information which has been  
248 identified as relevant for organizations in the coal sector to report in relation to a topic. The  
249 organization should provide sufficient information about its impacts in relation to each material topic,  
250 so that information users can make informed assessments and decisions about the organization. For  
251 this reason, reporting these additional sector disclosures and recommendations is encouraged,  
252 however it is not a requirement.

253 When the organization reports additional sector disclosures, it is required to list them in the GRI  
254 content index (see [Requirement 7 in GRI 1](#)).

255 If the organization reports information that applies to more than one material topic, it does not need to  
256 repeat it for each topic. The organization can report this information once, with a clear explanation of  
257 all the topics it covers.

258 If the organization intends to publish a standalone sustainability report, it does not need to repeat  
259 information that it has already reported publicly elsewhere, such as on web pages or in its annual  
260 report. In such a case, the organization can report on a required disclosure by providing a reference in  
261 the GRI content index as to where this information can be found (e.g., by providing a link to the web  
262 page or citing the page in the annual report where the information has been published).

263 See [Requirement 5 in GRI 1: Foundation 2021](#) for more information on using Sector Standards to  
264 report disclosures.

## 265 **GRI Sector Standard reference numbers**

266 GRI Sector Standard reference numbers are included for all disclosures listed in this Standard, both  
267 those from GRI Standards and additional sector disclosures. When listing the disclosures from this  
268 Standard in the GRI content index, the organization is required to include the associated GRI Sector  
269 Standard reference numbers (see [Requirement 7 in GRI 1: Foundation 2021](#)). This identifier helps  
270 information users assess which of the disclosures listed in the applicable Sector Standards are  
271 included in the organization's reporting.

## 272 **Defined terms**

273 Defined terms are underlined in the text of the GRI Standards and linked to their definitions in the  
274 [Glossary](#). The organization is required to apply the definitions in the Glossary.

## 275 **References and resources**

276 The authoritative intergovernmental instruments and additional references used in developing this  
277 Standard, as well as further resources that may help report on likely material topics and can be  
278 consulted by the organization are listed in the [Bibliography](#). These complement the references and  
279 resources listed in [GRI 3: Material Topics 2021](#) and in the GRI Topic Standards.

280 Figure 2. Structure of reporting included in each topic

| Reporting on local communities   |   |                            |
|--|---|----------------------------|
| If the organization has determined local community is a material topic, this section lists the disclosures that have been identified as relevant for reporting on the topic by the oil and gas sector. |   |                            |
| STANDARD   | DISCLOSURE  | 5<br>SECTOR STANDARD REF # |
| <b>1 Management of the topic</b>   |   |                            |
| GRI 3: Material Topics   | <p>Disclosure 3-3 Management of material topics</p> <p><b>3</b> Additional sector recommendations</p> <ul style="list-style-type: none"> <li>Describe the means for identifying stakeholders and engaging with local communities.</li> <li>List the vulnerable groups that the organization has identified.</li> <li>List any collective or individual rights that the organization has determined to be of particular concern to the local communities.*</li> <li>Describe the approach of the organization to engaging with vulnerable groups, including:                             <ul style="list-style-type: none"> <li>How it seeks to ensure engagement is meaningful, and</li> <li>How it seeks to ensure safe and equitable gender participation.</li> </ul> </li> </ul> | 11.15.1                    |
| <b>2 Topic Standards disclosures</b>   |   |                            |
| GRI 413: Local Communities 2016  | <p>Disclosure 413-1 Operations with local community engagement, impact assessments, and development programs</p> <p>11.15.2</p> <p>Disclosure 413-2 Operations with significant actual and potential negative impacts on local communities</p> <p>11.15.3</p> <p><b>3</b> Additional sector recommendations</p> <ul style="list-style-type: none"> <li>Describe impacts on the health of local communities as a result of exposure to pollution caused by the organization's operations or use of hazardous substances.</li> </ul>  |                            |
| <b>4 Additional sector disclosures</b>   |   |                            |
|  | <p>Report the number and type of grievances filed by local communities, including:</p> <ul style="list-style-type: none"> <li>the percentage of these grievances that were addressed and resolved;</li> <li>the percentage of grievances that were resolved through remediation.</li> </ul>   | 11.15.4                    |

**1 Management of the topic**

The organization is required to report how it manages each material topic using [Disclosure 3-3 in GRI 3: Material Topics 2021](#).

**2 Topic Standards disclosures**

Disclosures from the GRI Topic Standards that have been identified as relevant for organizations in the sector(s) are listed here. When the topic is determined by the organization as material, it is required to report those disclosures or explain why they are not applicable in the GRI context index. See the Topic Standard for the content of the disclosure, including requirements, recommendations, and guidance.

**3 Additional sector recommendations**

Additional sector recommendations may be listed. These complement Topic Standards disclosures and are recommended for an organization in the sector(s).

**4 Additional sector disclosures**

Additional sector disclosures may be listed. Reporting these, together with any Topic Standards disclosures, ensures the organization reports sufficient information about its impacts in relation to the topic.

**5 Sector Standard reference numbers**

GRI Sector Standard reference numbers are required to be included in the GRI Content Index. This helps information users assess which of the disclosures listed in the Sector Standards are included in the organization's reporting.

This document does not

# 281 1. Sector profile

282 Coal is a natural resource with its use dating back to ancient history. Coal extraction now represents a  
283 sizeable global sector supplying raw materials for energy generation and metallurgical processes.  
284 Thermal coal currently provides over a third of the global electricity output [22], while metallurgical  
285 coal is used primarily for steelmaking, accounting for 15% of world coal production [18]. Coal is also  
286 used to produce synthetic compounds, such as cement, dye, oil, waxes, pharmaceuticals, and  
287 pesticides.

288 Coal organizations are diverse in nature. While some focus on this sole commodity – combining  
289 extraction, distribution, and consumption channels under single ownership – others are large,  
290 diversified organizations, extracting different commodities or operating across different sectors. Some  
291 of the largest organizations in the sector are state-owned enterprises.

292 The burning of coal generates significant amounts of greenhouse gas (GHG) and other air emissions  
293 and is globally the largest single source of carbon dioxide (CO<sub>2</sub>) emissions [20]. The consumption of  
294 coal for electricity generation has declined globally since 2013 [17] due to decarbonization efforts and  
295 the falling cost of renewables, shifting the focus towards less GHG intensive energy sources.

## 296 Sector activities and business relationships

297 Through their activities and business relationships, organizations can have an effect on the economy,  
298 environment, and people, and in turn make negative or positive contributions to sustainable  
299 development. When determining its material topics, the organization should consider the impacts of  
300 both its activities and its business relationships.

### 301 Activities

302 The impacts of an organization vary according to the types of activities it undertakes. The following list  
303 outlines some of the key activities of the coal sector, as defined in this Standard. This list is not  
304 exhaustive.

305 **Prospecting and exploration:** Surveying of resources, including feasibility assessments, geologic  
306 mapping, aerial photography, geophysical measuring, and drilling.

307 **Development:** Design, planning, and construction of mines, including processing and worker  
308 facilities.

309 **Mining:** Extraction of coal using surface mining, underground mining, or *in situ* techniques.

310 **Processing:** Crushing, cleaning, and processing coal from unwanted materials; processing it into  
311 briquettes, liquids, and gas or coke for steelmaking.

312 **Closure and rehabilitation:** Decommissioning processing facilities, land reclamation and  
313 rehabilitation, and closing and sealing waste facilities.

314 **Transportation:** Moving coal to the point of consumption by barge, conveyor belt, train, truck, or ship;  
315 or when mixed with oil or water, transported as coal slurry by pipeline.

316 **Storage:** Storage of coal at mining sites or import and export terminals.

317 **Sales and marketing:** Selling of coal products for the purpose of, for example, iron and steel  
318 production, cement production, electricity production, and manufacturing.

### 319 Business relationships

320 An organization's business relationships include relationships that it has with business partners, with  
321 entities in its value chain including those beyond the first tier, and with any other entities directly linked  
322 to the organization's operations, products, or services. The following types of business relationships  
323 are prevalent in the coal sector and are relevant when identifying the impacts of organizations in the  
324 sector.



325 **Joint ventures** are common arrangements in coal mining, in which organizations share the costs,  
326 benefits, and liabilities of assets or a project. An organization in the coal sector can be involved with  
327 negative impacts as a result of a joint venture, even if it is a non-operating partner.

328 **Suppliers and contractors** are often used in the coal sector during certain project phases, such as  
329 construction, or to provide other services or products. Some of the significant impacts covered in this  
330 Standard concern the supply chain.

331 **Customers** purchase coal and use it to produce energy, heat, and materials. When combusting coal,  
332 they generate greenhouse gases (GHG) and other air emissions. While the primary responsibility for  
333 reducing and managing their emissions lies with customers, organizations extracting coal are also  
334 expected to take actions to reduce emissions from the combustion of their products and to disclose  
335 the related GHG emissions (Scope 3 GHG emissions). As such, this Standard includes not only direct  
336 (Scope 1) and indirect (Scope 2) GHG emissions, but also other indirect (Scope 3) GHG emissions.

## 337 **The sector and sustainable development**

338 Coal has been a fundamental source of the world's energy, contributing to economic growth and  
339 poverty reduction. However, coal is a major source of emissions that cause air pollution and  
340 anthropogenic climate change, which is affecting every region across the globe and causing negative  
341 impacts on the health, lives, livelihoods, and human rights of millions of people [36].

342 The majority of the world's countries have committed to combating climate change by limiting the  
343 increase in global average temperatures to well below 2°C and pursue efforts to keep the increase at  
344 1.5°C above pre-industrial levels, as outlined in the Paris Agreement [10]. However, based on the  
345 current ambitions to reduce GHG emissions communicated in the Nationally Determined  
346 Contributions (NDCs), the average temperature rise is projected to reach 2.7°C by 2100 [9]. This  
347 would lead to extreme climate and weather events occurring with increased frequency and intensity,  
348 and other long-term, irreversible impacts such as rising sea levels, melting of ice sheets, and warming  
349 and acidification of oceans.

350 The Intergovernmental Panel on Climate Change (IPCC) affirms global warming should be limited to  
351 1.5°C [16], requiring a 45% reduction in CO<sub>2</sub> emissions by 2030 as compared to 2010 levels, and  
352 reaching net-zero by 2050. Consequently, the world needs to transition to a low-carbon economy  
353 based on affordable, reliable, and sustainable energy. This transition would simultaneously address  
354 the issue of global air pollution. To achieve net-zero GHG emissions by 2050, the International  
355 Energy Agency (IEA) emphasizes the need to refrain from investments in new coal production or  
356 extensions of current mines [19]. The number of financial institutions divesting from thermal coal is  
357 steadily increasing, as climate policies, such as carbon pricing and air pollution regulations, and  
358 restrictions on public financing and subsidies, undermine the competitiveness of coal as a low-cost  
359 fuel [20].

360 The transition poses extraordinary challenges for organizations in the coal sector. As part of the  
361 Glasgow Climate Pact, nearly 200 countries have committed to “accelerating efforts towards the  
362 phasedown of unabated coal power” [8], of which 40 countries have national commitments in place to  
363 phase out existing unabated coal fired power generation [29]. As a result, the number of coal  
364 operations facing early closure will increase, as will the impacts on workers and communities.  
365 Workers’ employment opportunities in the sector and its supply chains will diminish, and mining  
366 communities dependent on coal may experience high local unemployment rates.

367 A just transition for workers and communities can be achieved if coal organizations and governments  
368 work together. A just transition is a fair and equitable process to sustainable economies that  
369 contributes to decent work, social inclusion, and poverty eradication. It integrates worker-centric  
370 public policies and programs to provide a secure and decent future for all workers, their families, and  
371 the communities that rely on them [35]. It is an integral element of the Paris Agreement, and included  
372 in the implementation plans of many countries’ NDCs submitted to date [9].

373 The time frame for a low-carbon transition will differ between countries according to their context –  
374 taking into account aspects such as level of access to and security of electricity – and differing  
375 capabilities to adapt to and mitigate the impacts of climate change. Consequently, developing  
376 economies are expected to reach net-zero later than developed economies.

377 Even as the world implements decarbonization policies, coal could remain a significant source of  
378 energy in a number of developing countries for the foreseeable future. Coal activities can provide an  
379 important source of revenue and energy independence, often bringing about local economic  
380 development, employment, infrastructure, and services. Despite bringing income on a country level,  
381 resource wealth does not always result in equal distribution of financial returns. Countries whose  
382 economies rely on non-renewable resources are sometimes economically unstable and prone to  
383 conflict. This can be due to, for example, fluctuating commodity prices, opacity over government  
384 spending, conflict over control of resources, and lower levels of economic diversification [26] [37].

385 Coal mining activities also generate numerous other impacts on the environment and people,  
386 including on their human rights. Coal projects are often large-scale, have long timeframes, and  
387 involve major investments and financial flows. Extracting coal involves removing vast amounts of land  
388 and rock from the ground and generating large waste streams. When mined in remote, protected, or  
389 pristine areas, environmental impacts can be particularly severe, outliving the commercial life of a  
390 mine. The influx of a large number of workers to the mining site, together with increased financial  
391 resources and questions regarding land rights, can trigger socioeconomic problems for local  
392 communities and indigenous peoples. Furthermore, inadequate governance of natural resources,  
393 including corruption and mismanagement of revenues, can exacerbate negative impacts and hinder  
394 the distribution of wealth to communities.

## 395 **Sustainable Development Goals**

396 The Sustainable Development Goals (SDGs), part of the 2030 Agenda for Sustainable Development  
397 adopted by the 193 United Nations (UN) member states, comprise the world's comprehensive plan of  
398 action to achieving sustainable development [11].

399 Since the SDGs and targets associated with them are integrated and indivisible, organizations have a  
400 role to play in achieving the SDGs by enhancing their positive impacts and by preventing and  
401 mitigating negative impacts on the economy, environment, and people.

402 While the coal sector contributes to meeting the world's energy demand and has played a role in  
403 achieving Goal 7: Affordable and Clean Energy, extracting and burning coal is the primary contributor  
404 to climate change. Climate change can also exacerbate other challenges, such as achieving access  
405 to clean water, food security, and poverty reduction. Ensuring access to affordable, reliable, and  
406 sustainable energy, while mitigating GHG emissions as per Goal 13: Climate Action and transitioning  
407 to a low-carbon economy, is one of the sector's greatest challenges.

408 Because the coal sector still provides an essential source of employment and income in many  
409 regions, it can make positive contributions to Goal 8: Decent Work and Economic Growth and Goal 1:  
410 No Poverty, if labor conditions and workplace hazards are adequately managed. However, the  
411 accelerated coal mine closures triggered by the transition to a low-carbon economy will diminish these  
412 contributions in the long term and instead pose potential impacts for affected workers and local  
413 communities.

414 With proper management of environmental impacts, the coal sector can contribute to Goal 11:  
415 Sustainable cities and communities and Goal 12: Responsible Consumption and Production. The  
416 sector's presence can also stimulate other economic activities that expand infrastructure and services  
417 to local communities around mining sites.

418 **Table 2** presents connections between the likely material topics for the coal sector and the SDGs.  
419 These links were identified based on an assessment of the impacts described in each likely material  
420 topic, the targets associated with each SDG, and existing mapping undertaken for the sector (see  
421 reference [34] in the Bibliography).

422 Table 2 is not a reporting tool but presents connections between the coal sector's significant impacts  
423 and the goals of the 2030 Agenda for Sustainable Development. See references [40] and [41] in the  
424 Bibliography for information on reporting progress towards the SDGs using the GRI Standards.

**Table 2. Links between the likely material topics for the coal sector and the SDGs**

| Likely material topics   | Corresponding Sustainable Development Goals     |
|--|---|
| <b>Topic 12.1 GHG emissions</b>                                  | Goal 12: Responsible Consumption and Production |
|  | Goal 13: Climate Action                         |
|  | Goal 14: Life Below Water                       |
| <b>Topic 12.2 Climate adaptation, resilience, and transition</b> | Goal 1: No Poverty                              |
|  | Goal 7: Affordable and Clean Energy             |
|  | Goal 8: Decent Work and Economic Growth         |
|  | Goal 13: Climate Action                         |
| <b>Topic 12.3 Closure and rehabilitation</b>                     | Goal 8: Decent Work and Economic Growth         |
|  | Goal 11: Sustainable Cities and Communities     |
|  | Goal 15: Life on Land                           |
| <b>Topic 12.4 Air emissions</b>                                  | Goal 3: Good Health and Well-being              |
|  | Goal 11: Sustainable Cities and Communities     |
|  | Goal 12: Responsible Consumption and Production |
|  | Goal 15: Life on Land                           |
| <b>Topic 12.5 Biodiversity</b>                                   | Goal 6: Clean Water and Sanitation              |
|  | Goal 12: Responsible Consumption and Production |
|  | Goal 14: Life Below Water                       |
|  | Goal 15: Life on Land                           |
| <b>Topic 12.6 Waste</b>  | Goal 3: Good Health and Well-being              |
|  | Goal 6: Clean Water and Sanitation              |
|  | Goal 12: Responsible Consumption and Production |
|  | Goal 15: Life on Land                           |
| <b>Topic 12.7 Water and effluents</b>                            | Goal 6: Clean Water and Sanitation              |
|  | Goal 12: Responsible Consumption and Production |
|  | Goal 14: Life Below Water                       |
|  | Goal 15: Life on Land                           |
| <b>Topic 12.8 Economic impacts</b>                               | Goal 1: No Poverty                              |
|  | Goal 5: Gender Equality                         |
|  | Goal 8: Decent Work and Economic Growth         |
|  | Goal 9: Industry, Innovation and Infrastructure |
|  | Goal 10: Reduced Inequalities                   |
| <b>Topic 12.9 Local communities</b>                              | Goal 1: No Poverty                              |
|  | Goal 3: Good Health and Well-being              |
|  | Goal 5: Gender Equality                         |
|  | Goal 6: Clean Water and Sanitation              |
|  | Goal 16: Peace, Justice and Strong Institutions |
| <b>Topic 12.10 Land and resource rights</b>                      | Goal 1: No Poverty                              |
|  | Goal 11: Sustainable Cities and Communities     |
|  | Goal 16: Peace, Justice and Strong Institutions |
| <b>Topic 12.11 Rights of indigenous peoples</b>                  | Goal 1: No Poverty                              |
|  | Goal 3: Good Health and Well-being              |
|  | Goal 5: Gender Equality                         |



|   |   |
|---|---|
|   | Goal 11: Sustainable Cities and Communities     |
|   | Goal 16: Peace, Justice and Strong Institutions |
| <b>Topic 12.12 Conflict and security</b>                            | Goal 16: Peace, Justice and Strong Institutions |
| <b>Topic 12.13 Asset integrity and critical incident management</b> | Goal 3: Good Health and Well-being              |
|   | Goal 11: Sustainable Cities and Communities     |
| <b>Topic 12.14 Occupational health and safety</b>                   | Goal 3: Good Health and Well-being              |
|   | Goal 8: Decent Work and Economic Growth         |
| <b>Topic 12.15 Employment practices</b>                             | Goal 1: No Poverty                              |
|   | Goal 5: Gender Equality                         |
|   | Goal 8: Decent Work and Economic Growth         |
|   | Goal 10: Reduced Inequalities                   |
| <b>Topic 12.16 Child labor</b>                                      | Goal 1: No Poverty                              |
|   | Goal 8: Decent Work and Economic Growth         |
|   | Goal 16: Peace, Justice and Strong Institutions |
| <b>Topic 12.17 Forced labor and modern slavery</b>                  | Goal 8: Decent Work and Economic Growth         |
|   | Goal 16: Peace, Justice and Strong Institutions |
| <b>Topic 12.18 Freedom of association and collective bargaining</b> | Goal 8: Decent Work and Economic Growth         |
|   | Goal 16: Peace, Justice and Strong Institutions |
| <b>Topic 12.19 Non-discrimination and equal opportunity</b>         | Goal 5: Gender Equality                         |
|   | Goal 8: Decent Work and Economic Growth         |
|   | Goal 10: Reduced Inequalities                   |
|   | Goal 16: Peace, Justice and Strong Institutions |
| <b>Topic 12.20 Anti-corruption</b>                                  | Goal 12: Responsible Consumption and Production |
|   | Goal 16: Peace, Justice and Strong Institutions |
| <b>Topic 12.21 Payments to governments</b>                          | Goal 1: No Poverty                              |
|   | Goal 16: Peace, Justice and Strong Institutions |
|   | Goal 17: Partnerships for the Goals             |
| <b>Topic 12.22 Public policy</b>                                    | Goal 13: Climate Action                         |
|   | Goal 16: Peace, Justice and Strong Institutions |

## 2. Likely material topics

427 This section comprises the likely material topics for the coal sector. Each topic describes the sector's  
 428 most significant impacts related to the topic and lists disclosures that have been identified as relevant  
 429 for reporting on the topic by coal organizations. The organization is required to review each topic in  
 430 this section and determine whether it is a material topic for the organization, and then to determine  
 431 what information to report for the material topics.

### 432 Topic 12.1 GHG emissions

433 **Greenhouse gas (GHG) emissions comprise air emissions that contribute to climate change,**  
 434 **such as carbon dioxide (CO<sub>2</sub>) and methane (CH<sub>4</sub>). This topic covers direct (Scope 1) and**  
 435 **energy indirect (Scope 2) GHG emissions related to an organization's activities, as well as**  
 436 **other indirect (Scope 3) GHG emissions that occur upstream and downstream of the**  
 437 **organization's activities.**

438 GHG emissions are the single biggest contributor to climate change, the impacts of which are  
 439 occurring at an accelerating rate. Studies show that approximately half of the total anthropogenic  
 440 carbon dioxide (CO<sub>2</sub>) emissions since 1750 have occurred in the last 40 years, mostly due to the  
 441 increased use of fossil fuels, including coal [42].

442 For coal, end-use activities are responsible for the most significant GHG emissions, classified as  
 443 other indirect (Scope 3) GHG emissions. These emissions mostly originate from electricity and heat  
 444 generation, steel production, and cement manufacturing. Of all energy sources, coal has the highest  
 445 emissions intensity when combusted, and is the single largest source of global CO<sub>2</sub> emissions.  
 446 Thermal coal, which is mainly used for electricity generation, typically releases more than twice the  
 447 amount of GHGs than natural gas per unit of electricity produced [57]. Steel production uses  
 448 metallurgical coal, with three-quarters of the energy demand being met by coal [59]. Emissions from  
 449 the iron and steel industry represent around 7% of the global total CO<sub>2</sub> emissions from energy.<sup>2</sup>

450 Coal mining activities also consume significant amounts of energy. Unless renewable energy sources  
 451 provide the necessary power, mining operations generate CO<sub>2</sub> emissions. These are classified as  
 452 direct (Scope 1) GHG emissions in the case of activities owned or controlled by the organization; and  
 453 energy indirect (Scope 2) GHG emissions in the case of purchased or acquired electricity, heating,  
 454 cooling, and steam consumed by the organization.

455 The amount of energy used in coal mining and the resulting CO<sub>2</sub> emissions depend on several  
 456 factors, such as the method of mining, mine depth, geology, mine productivity, and degree of refining  
 457 required. The most energy-consuming activities include transportation, exploration, drilling,  
 458 excavation, extraction, grinding, crushing, milling, pumping, and ventilation. Extraction and  
 459 transportation in underground mines might require more energy than surface mining due to, for  
 460 example, greater requirements for hauling, ventilation, and water pumping. Closure and rehabilitation  
 461 activities, as well as incidents, such as mine fires, are also sources of GHG emissions.

462 Besides CO<sub>2</sub>, coal operations also cause the emission of methane (CH<sub>4</sub>). This GHG has a  
 463 significantly higher global warming potential than CO<sub>2</sub>; when considering its impact over 100 years,  
 464 one ton of CH<sub>4</sub> is equivalent to 28 to 36 tons of CO<sub>2</sub> [49] [61]. Coal mining is estimated to be  
 465 responsible for 11% of global anthropogenic CH<sub>4</sub> emissions [54], although recent measurements  
 466 indicate that CH<sub>4</sub> emissions from energy production could be underestimated [53].

467 CH<sub>4</sub> emissions from coal mines are released into the atmosphere during and after the mining process.  
 468 Coal mine methane (CMM) can be released via degasification systems and ventilation air from  
 469 underground coal mines. CMM can also be released through seepage from abandoned or closed  
 470 mines through vent holes or cracks in the ground, coal seams of surface mines, and fugitive  
 471 emissions from storage and transportation. Underground mines are responsible for most of direct  
 472 (Scope 1) GHG emissions from CH<sub>4</sub> due to the higher gas content of deeper seams.

<sup>2</sup> As per the International Energy Agency (IEA), CO<sub>2</sub> emissions from energy include those from combustion of fossil fuels and industrial process emissions [48].

473 Other GHG emissions related to coal extraction and use include nitrous oxide (N<sub>2</sub>O) and ozone (O<sub>3</sub>).

## 474 Reporting on GHG emissions

475 If the organization has determined GHG emissions to be a **material topic**, this sub-section lists the  
476 disclosures identified as relevant for reporting on the topic by the coal sector.

| STANDARD                           | DISCLOSURE  | SECTOR STANDARD REF # |
|------------------------------------|---|-----------------------|
| <b>Management of the topic</b>     |   |                       |
| <b>GRI 3: Material Topics 2021</b> | Disclosure 3-3 Management of material topics  | 12.1.1                |
| <b>Topic Standard disclosures</b>  |   |                       |
| <b>GRI 302: Energy 2016</b>        | Disclosure 302-1 Energy consumption within the organization   | 12.1.2                |
|                                    | Disclosure 302-2 Energy consumption outside of the organization   | 12.1.3                |
|                                    | Disclosure 302-3 Energy intensity   | 12.1.4                |
| <b>GRI 305: Emissions 2016</b>     | Disclosure 305-1 Direct (Scope 1) GHG emissions<br><i>Additional sector recommendations</i> <ul style="list-style-type: none"> <li>Report the percentage of gross <u>direct (Scope 1) GHG emissions</u> from CH<sub>4</sub>.</li> <li>Report the breakdown of gross direct (Scope 1) GHG emissions by type of source (stationary combustion, process, fugitive).<sup>3</sup></li> </ul> | 12.1.5                |
|                                    | Disclosure 305-2 Energy indirect (Scope 2) GHG emissions  | 12.1.6                |
|                                    | Disclosure 305-3 Other indirect (Scope 3) GHG emissions   | 12.1.7                |
|                                    | Disclosure 305-4 GHG emissions intensity  | 12.1.8                |

## 477 References and resources

478 [GRI 302: Energy 2016](#) and [GRI 305: Emissions 2016](#) list authoritative intergovernmental instruments  
479 and additional references relevant to reporting on this topic.

480 The additional authoritative instruments and references used in developing this topic, as well as  
481 resources that may be helpful for reporting on GHG emissions by the coal sector are listed in the  
482 [Bibliography](#).

<sup>3</sup> This additional sector recommendation is based on [clause 2.2.5.3 in GRI 305: Emissions 2016](#).

## 483 **Topic 12.2 Climate adaptation, resilience, and** 484 **transition**

485 **Climate adaptation, resilience, and transition refer to how an organization adjusts to current**  
486 **and anticipated climate change-related risks, as well as how it contributes to the ability of**  
487 **societies and economies to withstand impacts from climate change. This topic covers an**  
488 **organization's strategy in relation to the transition to a low-carbon economy and the impacts**  
489 **of that transition on workers and local communities.**

490 Signatories of the Paris Agreement have committed to keeping global warming well below 2°C above  
491 pre-industrial levels, while further pursuing efforts to limit the temperature increase to 1.5°C. However,  
492 global fossil fuel reserves currently available far exceed the maximum amount that can be consumed  
493 while remaining within this limit [83]. This puts pressure on coal organizations to set targets to reduce  
494 greenhouse gas (GHG) emissions, close operations or modify their business models to reduce the  
495 reliance on thermal coal, invest in new technologies to remove carbon from the atmosphere, and  
496 create carbon sinks.

497 Since coal emits the largest amount of CO<sub>2</sub> and has the highest intensity of emissions per unit of  
498 energy among fossil fuels (see also [topic 12.1 GHG emissions](#)), burning coal is commonly the first  
499 activity governments seek to suppress in fulfilling their commitments under the Paris Agreement.  
500 Since its peak consumption in 2013, the low-carbon transition has commenced, resulting in a decline  
501 in coal consumption. This trend is expected to continue, with an estimated 25-90% decline in coal  
502 demand by 2050, depending on the scenario used.<sup>4</sup>

503 While alternatives for electricity generation exist, steelmakers currently still lack an economically  
504 feasible alternative for coal, leading to a longer transition timeline. Technological solutions for burning  
505 coal without emitting CO<sub>2</sub> are being tested, such as carbon capture and storage. However, the  
506 technology has not progressed at the rate necessary to meet the emissions reductions needed, its  
507 environmental impacts are still to be assessed, and new investment remains scarce.

508 The energy transition presents high risks for organizations, workers, and local communities reliant on  
509 coal activities. As the market for coal shrinks, some organizations will be forced to close operations,  
510 which may have an impact on their financial viability. Organizations are at risk of owning stranded  
511 assets or pieces of physical capital that become drastically reduced in value by the transition, leading  
512 to write-offs.

513 Organizations may mitigate these risks by diversifying away from coal, investing in technological  
514 solutions, and driving innovation through collaborative sectoral partnerships, and focusing on market  
515 segments expected to remain operational for longer. However, selling existing coal assets to other  
516 entities to reduce the organization's GHG emissions, instead of closing operations, can be detrimental  
517 to climate change mitigation efforts. Offloading coal assets to organizations that continue to extract  
518 coal does not reduce overall emissions but can instead result in increased emissions. If the  
519 organization shifts closure and rehabilitation responsibilities to less accountable and inexperienced  
520 operators, this may also weaken the management of environmental and socioeconomic impacts  
521 resulting from eventual closure (see also [topic 12.3 Closure and rehabilitation](#)).

522 The transition to a low-carbon economy may affect employment, government revenues, and  
523 economic development in regions where the sector operates. More frequent closures are less likely to  
524 be counterbalanced by openings, as has been the case in the past. Workers may face issues related  
525 to employability, reskilling, and desirable re-employment opportunities. The lack of adequate  
526 provisions for closure and rehabilitation may also result in an economic burden for governments and  
527 local communities, particularly in countries where coal production provides a large percentage of  
528 revenues.

529 To achieve a just transition to a low-carbon economy, the different dependency levels of workers,  
530 local communities, and national economies on the coal sector needs to be recognized. It also calls for  
531 the creation of quality jobs for those affected. Examples of actions that organizations may take to  
532 contribute to a just transition include providing adequate advance notice of closures; collaborating

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<sup>4</sup> As per the three main scenarios laid out by the International Energy Agency (IEA): Stated Policies Scenario (STEPS), Announced Pledges Scenario (APS), and Net-Zero Emissions by 2050 scenario (NZE) [76].

533 with governments and unions; advocating for climate consistent policy (see also [topic 12.22 Public](#)  
534 [policy](#)); retraining, reskilling, and redeploying workers; and making alternative investments in the  
535 affected communities. Meaningful, early consultations with stakeholders and local communities have  
536 also been identified as crucial to achieving a just transition (see also [topic 12.3 Closure and](#)  
537 [rehabilitation](#)). The transition can also bring opportunities to reinvigorate economic activity and  
538 provide new employment opportunities and skills development.

539 **Box 2. Transition plans and scenario analysis**

540 Organizations in high-emitting sectors are increasingly expected to disclose a transition plan, which is  
541 “an aspect of an organization’s business strategy that lays out a set of targets and actions supporting  
542 its transition toward a low-carbon economy” [91]. According to the Task Force on Climate-related  
543 Financial Disclosures (TCFD), information users are looking for information on organizations’ plans to  
544 adjust their strategies or business models, and the types of actions needed to reduce the risks and  
545 increase opportunities set by the low-carbon transition. Transition planning can, for example, focus on  
546 achieving net-zero emissions.

547 Scenario analysis allows consideration of alternative forms of future states simultaneously, and can  
548 be used to explore the risks that transitioning to a low-carbon economy poses to coal organizations.  
549 Organizations typically define scenarios according to the transition speed, expressed in the resulting  
550 average global temperature changes. A scenario compatible with the Paris Agreement will require a  
551 temperature rise well below 2°C. Other scenarios can be defined according to an organization’s  
552 national context. The organization can then translate the expected reductions in GHG emissions  
553 compatible with such a temperature rise into expected revenue. For more guidance, see TCFD, *The*  
554 *Use of Scenario Analysis in Disclosure of Climate-Related Risks and Opportunities*, 2017 [92].

555 **Reporting on climate adaptation, resilience, and transition**

556 If the organization has determined climate adaptation, resilience, and transition to be a material topic,  
 557 this sub-section lists the disclosures identified as relevant for reporting on the topic by the coal sector.

| STANDARD                                  | DISCLOSURE   | SECTOR STANDARD REF # |
|---|--|-----------------------|
| <b>Management of the topic</b>            |  |                       |
| <b>GRI 3: Material Topics 2021</b>        | <p><a href="#">Disclosure 3-3 Management of material topics</a></p> <p><i>Additional sector recommendations</i></p> <ul style="list-style-type: none"> <li>• Report whether the organization has a transition plan in place. If so, report whether it is a scheduled resolution item at annual general meetings of shareholders (AGM), if applicable.</li> <li>• Describe policies, commitments, and actions of the organization to prevent or mitigate the <u>impacts</u> of the transition to a low-carbon economy on <u>workers</u> and <u>local communities</u>.</li> <li>• Report the level and function within the organization that has been assigned responsibility for managing risks and opportunities due to climate change.</li> <li>• Describe the highest governance body's oversight in managing risks and opportunities due to climate change.</li> <li>• Report whether responsibility to manage climate change-related impacts is linked to performance assessments or incentive mechanisms, including in the <u>remuneration</u> policies for <u>highest governance body</u> members and <u>senior executives</u>.</li> <li>• Describe the climate change-related scenarios used to assess the resilience of the organization's strategy, including a 2°C or lower scenario.</li> </ul> | 12.2.1                |
| <b>Topic Standard disclosures</b>         |  |                       |
| <b>GRI 201: Economic Performance 2016</b> | <p><a href="#">Disclosure 201-2 Financial implications and other risks and opportunities due to climate change</a></p> <p><i>Additional sector recommendations</i></p> <ul style="list-style-type: none"> <li>• Report the emissions potential for proven and probable reserves.<sup>5</sup></li> <li>• Report the internal carbon-pricing and coal pricing assumptions that have informed the identification of risks and opportunities due to climate change.</li> <li>• Describe how climate-change related risks and opportunities affect or could affect the organization's operations or revenue, including:                             <ul style="list-style-type: none"> <li>- development of currently proven and probable reserves;</li> <li>- potential write-offs and early closure of existing assets;</li> <li>- coal production volumes for the current <u>reporting period</u> and projected volumes for the next five years.</li> </ul> </li> <li>• Report the percentage of capital expenditure (CapEx) that is allocated to investments in:</li> </ul>   | 12.2.2                |

<sup>5</sup> The definition of reserves used by the organization for this additional sector recommendation should be the same as the definition used in its consolidated financial statements or equivalent documents.



|                                      |  |        |
|--------------------------------------|--|--------|
|                                      | <ul style="list-style-type: none"> <li>- prospection, exploration, acquisition, and development of new reserves;</li> <li>- expansion of current coal mines;</li> <li>- energy from <u>renewable sources</u> (by type of source);</li> <li>- technologies to remove CO<sub>2</sub> from the atmosphere and nature-based solutions to mitigate climate change;</li> <li>- research and development initiatives that can address the organization's risks related to climate change.</li> </ul> <ul style="list-style-type: none"> <li>• Report net mass of CO<sub>2</sub> in metric tons captured and removed from the atmosphere (CO<sub>2</sub> stored less the <u>GHG</u> emitted in the process).<sup>6</sup></li> <li>• Report planned, ongoing, or completed divestments of coal assets. For each divestment: <ul style="list-style-type: none"> <li>- describe how the organization considered its policy commitments for responsible business conduct<sup>7</sup>;</li> <li>- report whether there are provisions in place to ensure that negative impacts from closure are addressed, and that existing closure and rehabilitation plans are followed by the entity acquiring the asset(s).</li> </ul> </li> </ul> |        |
| <b>GRI 305:<br/>Emissions 2016</b>   | <p><a href="#">Disclosure 305-5 Reduction of GHG emissions</a></p> <p><i>Additional sector recommendations</i></p> <ul style="list-style-type: none"> <li>• Report how the goals and targets for GHG emissions are set, specify whether they are informed by scientific consensus, and list any authoritative intergovernmental instruments or mandatory legislation the goals and targets are aligned with.</li> <li>• Report the <u>Scopes (1, 2, 3) of GHG emissions</u>, activities, and <u>business relationships</u> to which the goals and targets apply.</li> <li>• Report the <u>baseline</u> for the goals and targets and the timeline for achieving them.</li> </ul>   | 12.2.3 |
| <b>Additional sector disclosures</b> |  |        |
|                                      | <p>Describe the organization's approach to public policy development and lobbying on climate change, including:</p> <ul style="list-style-type: none"> <li>• the organization's stance on significant issues related to climate change that are the focus of its participation in public policy development and lobbying, and any differences between these positions and its stated policies, goals, or other public positions;</li> <li>• whether it is a member of, or contributes to, any representative associations or committees that participate in public policy development and lobbying on climate change, including: <ul style="list-style-type: none"> <li>- the nature of this contribution;</li> <li>- any differences between the organization's stated policies, goals, or other public positions on significant issues related to climate change; and the positions of the representative associations or committees.<sup>8</sup></li> </ul> </li> </ul>   | 12.2.4 |

<sup>6</sup> The mass of the CO<sub>2</sub> captured using carbon capture and storage less the mass of CO<sub>2</sub> emitted as a result of or during the process, is sometimes known as 'net reduction of emissions' [71].

<sup>7</sup> Policy commitments for responsible business conduct and commitment to respect human rights are reported in [Disclosure 2-23 Policy commitments](#) in [GRI 2: General Disclosures 2021](#).

<sup>8</sup> These additional sector disclosures are based on [clauses 1.2.1 and 1.2.2](#) in [GRI 415: Public Policy 2016](#).

558 **References and resources**

559 [GRI 201: Economic Performance 2016](#) and [GRI 305: Emissions 2016](#) list authoritative  
560 intergovernmental instruments and additional references relevant to reporting on this topic.

561 The additional authoritative instruments and references used in developing this topic, as well as  
562 resources that may be helpful for reporting on climate adaptation, resilience, and transition by the coal  
563 sector are listed in the [Bibliography](#).

This document does not represent an official position of the GSSB



## 564 **Topic 12.3 Closure and rehabilitation**

565 **At the end of commercial use, organizations are expected to close assets and facilities and**  
566 **rehabilitate operational sites. Impacts can occur during and after closure. This topic covers an**  
567 **organization’s approach to closure and rehabilitation, including how the organization**  
568 **considers the impacts on the environment, local communities, and workers.**

569 Following the closure of coal mines, potential environmental impacts include soil and water  
570 contamination, changes to landforms, and disturbance of biodiversity and wildlife. Closure can also  
571 lead to lasting socioeconomic consequences for local communities (see also [topic 12.9](#)). Preparation  
572 for and implementation of responsible closure is becoming increasingly important for the coal sector  
573 due to the need to reduce greenhouse gas (GHG) emissions and the transition to a low-carbon  
574 economy (see [topic 12.2 Climate adaptation, resilience, and transition](#)). This urgency will lead to more  
575 frequent and earlier closures of coal activities.

576 Impacts from closure can differ between surface and underground mining. For example, surface  
577 mining requires more land use and substantial rehabilitation, whereas abandoned underground mines  
578 may emit coal mine methane even after active mining has ceased, making an ongoing contribution to  
579 GHG emissions (see also [topic 12.1](#)).

580 Closure often requires planning already in the early phases of a project’s life cycle to anticipate  
581 potential impacts, including impacts on local communities and their livelihoods. Closure and  
582 rehabilitation activities can include:

- 583 • stabilization of open-pit or underground workings, such as landfilling to prevent subsidence;
- 584 • removal or conversion of infrastructure to ensure the safety of people;
- 585 • rehabilitation of waste rock stockpiles and tailings facilities to control erosion and land  
586 degradation;
- 587 • management of waste, surface water, and groundwater quality issues resulting from  
588 abandoned mine drainage, waste rock, and leaching from tailings (see also [topics 12.6](#)  
589 [Waste](#) and [12.7 Water and effluents](#)); and
- 590 • post-closure environmental and socio-economic monitoring.

591 Once complete, closure and rehabilitation of operational sites should result in a stable and  
592 sustainable ecosystem compatible with planned post-closure land use that considers the needs of  
593 local stakeholders. Failure to close assets and rehabilitate sites effectively can render land unusable  
594 for other productive uses and can result in health and safety hazards due to contamination or the  
595 presence of hazardous materials.

596 Impacts from closure can be exacerbated if there is insufficient notice or lack of adequate planning for  
597 economic revitalization, social protection, and labor transition. Without clearly assigned responsible  
598 parties or allocated funds, closed coal facilities can leave a legacy of environmental issues and  
599 financial burden for communities and governments.

600 However, the closure and rehabilitation phase may also offer additional employment opportunities.  
601 This can involve an influx of additional workers for an extended period, potentially exacerbating other  
602 environmental pressures. Once this phase is completed, workers may be retrenched and local  
603 communities face economic downturns and social disruption. This is especially relevant for those  
604 communities that depend on the coal sector for employment, income, taxes and other payments,  
605 community development, and other benefits.

606 A collaboration between local and national governments, coal organizations, workers, and unions is  
607 essential to mitigate negative impacts and ensure a just transition that enables decent jobs, social  
608 inclusion and economic opportunities while transitioning to a low-carbon economy [101]. Examples of  
609 actions organizations may take include offering early retirement, reskilling, retraining, worker transfer  
610 programs, and relocation assistance programs.

611 **Reporting on closure and rehabilitation**

612 If the organization has determined closure and rehabilitation to be a material topic, this sub-section  
 613 lists the disclosures identified as relevant for reporting on the topic by the coal sector.

| STANDARD   | DISCLOSURE   | SECTOR STANDARD REF # |
|--|--|-----------------------|
| <b>Management of the topic</b>   |  |                       |
| <b>GRI 3: Material Topics 2021</b>   | <p><a href="#">Disclosure 3-3 Management of material topics</a></p> <p><i>Additional sector recommendations</i></p> <ul style="list-style-type: none"> <li>Describe the approach to engaging with <u>local communities</u> and other relevant <u>stakeholders</u> on closure and post-closure planning and implementation, including post-mining land use.</li> </ul>  | 12.3.1                |
| <b>Topic Standard disclosures</b>  |  |                       |
| <b>GRI 402: Labor/Management Relations 2016</b>  | <p><a href="#">Disclosure 402-1 Minimum notice periods regarding operational changes</a></p> <p><i>Additional sector recommendations</i></p> <ul style="list-style-type: none"> <li>Describe the approach to engaging with <u>workers</u> in advance of <u>significant operational changes</u>.</li> </ul>   | 12.3.2                |
| <b>GRI 404: Training and Education 2016</b>  | <p><a href="#">Disclosure 404-2 Programs for upgrading employee skills and transition assistance programs</a></p> <p><i>Additional sector recommendations</i></p> <ul style="list-style-type: none"> <li>Describe the labor transition plans in place to help workers manage the transition to a post-closure phase of operations (e.g., redeployment, assistance with re-employment, resettlement, and redundancy payments).</li> </ul> | 12.3.3                |
| <b>Additional sector disclosures</b>   |  |                       |
| <p>List the operational sites that:</p> <ul style="list-style-type: none"> <li>have closure and rehabilitation plans in place;</li> <li>have been closed;</li> <li>are undergoing closure activities.</li> </ul>   |  | 12.3.4                |
| <p>Report the total monetary value of financial provisions made by the organization for closure and rehabilitation, including environmental and socioeconomic post-closure monitoring and aftercare for operational sites, and provide a breakdown of this total by project.</p> |  | 12.3.5                |
| <p>Describe non-financial provisions made by the organization to manage the local community's socioeconomic transition to a sustainable post-mining economy, including collaborative efforts, projects, and programs.</p>  |  | 12.3.6                |

614 **References and resources**

615 [GRI 402: Labor/Management Relations 2016](#) and [GRI 404: Training and Education 2016](#) list  
 616 authoritative intergovernmental instruments relevant to reporting on this topic.

617 The additional references used in developing this topic, as well as resources that may be helpful for  
 618 reporting on closure and rehabilitation by the coal sector are listed in the [Bibliography](#).

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## Topic 12.4 Air emissions

620 **Air emissions include pollutants that have negative impacts on air quality, ecosystems, and**  
621 **human and animal health. This topic covers impacts from emissions of sulfur oxides (SO<sub>x</sub>),**  
622 **nitrogen oxides (NO<sub>x</sub>), particulate matter (PM), volatile organic compounds (VOC), carbon**  
623 **monoxide (CO), and heavy metals, such as lead, mercury, and cadmium.**

624 In addition to greenhouse gas (GHG) emissions, coal is a significant source of anthropogenic air  
625 emissions classified as pollutants. Globally, air pollution causes acute health problems and millions of  
626 deaths annually by contributing to heart and lung diseases, strokes, respiratory infections, and  
627 neurological damage [114]. Air emissions disproportionately affect children, the elderly, and the poor,  
628 including local communities adjacent to operational sites. Air pollution also causes an economic  
629 burden on communities and governments resulting from, for example, premature mortality, increased  
630 healthcare costs, loss of productivity, and reduced crop yields [109].

631 Air emissions from coal activities include CO, NO<sub>x</sub>, PM, and SO<sub>2</sub>. These emissions can occur in the  
632 form of evaporation from tailings ponds or waste areas; fugitive dust emissions from drilling, blasting,  
633 storage, transportation, loading, and unloading; refining and processing activities; transportation of  
634 supplies and products; and incidents, such as mine fires.

635 In addition to health effects, the emission of pollutants also has impacts on ecosystems. For example,  
636 nitrogen emissions and mercury that enter the oceans or waterways can have negative impacts on  
637 marine life. NO<sub>x</sub> is also a major cause of ground-level ozone, commonly known as smog. Sulfur  
638 oxides can lead to acid rain and increase ocean acidification. Negative impacts from acid rain and  
639 ground-level ozone include the degradation of water and soil, impairing flora and fauna of their ability  
640 to function and grow. Some air pollutants, including methane, black carbon, and ozone are also short-  
641 lived climate pollutants that contribute to climate change (see also [topic 12.1 GHG emissions](#)).

642 Arsenic, cadmium, lead, mercury, selenium, and other heavy metals are other pollutants associated  
643 with coal use. The impurities and chemical components found in coal are largely responsible for the  
644 PM, SO<sub>2</sub>, and mercury emissions formed when combusted, some of which can be mitigated by coal  
645 washing [107]. The emissions from coal combustion are caused by organizations in other sectors,  
646 such as utilities and steel, but their negative impacts are directly linked to coal mining organizations.

647 **Reporting on air emissions**

648 If the organization has determined air emissions to be a material topic, this sub-section lists the  
 649 disclosures identified as relevant for reporting on the topic by the coal sector.

| STANDARD                           | DISCLOSURE   | SECTOR STANDARD REF # |
|------------------------------------|--|-----------------------|
| <b>Management of the topic</b>     |  |                       |
| <b>GRI 3: Material Topics 2021</b> | Disclosure 3-3 Management of material topics<br><br><i>Additional sector recommendations</i> <ul style="list-style-type: none"> <li>Describe actions taken by the organization to prevent or <u>mitigate</u> potential negative impacts on <u>local communities</u> and <u>workers</u> from particulate matter (PM) emissions from coal dust.</li> <li>Describe actions taken to improve coal quality to reduce harmful air emissions in the use phase.</li> </ul> | 12.4.1                |
| <b>Topic Standard disclosures</b>  |  |                       |
| <b>GRI 305: Emissions 2016</b>     | <a href="#">Disclosure 305-7 Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions</a>   | 12.4.2                |

650 **References and resources**

651 [GRI 305: Emissions 2016](#) lists authoritative intergovernmental instruments and additional references  
 652 relevant to reporting on this topic.

653 The additional references used in developing this topic, as well as resources that may be helpful for  
 654 reporting on air emissions by the coal sector are listed in the [Bibliography](#).

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## Topic 12.5 Biodiversity

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**Biodiversity is the variability among living organisms. It includes diversity within species, between species and of ecosystems. Biodiversity not only has intrinsic value, but is also vital to human health, food security, economic prosperity, and mitigation of climate change and adaptation to its impacts. This topic covers impacts on biodiversity, including on plant and animal species, genetic diversity, and natural ecosystems.**

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Coal activities typically require large-scale infrastructure development that has direct, indirect, and cumulative impacts on biodiversity in the short and long term. Biodiversity impacts from coal activities include contamination of air, soil, and water; deforestation; soil erosion; and sedimentation of waterways. Other impacts can include animal mortality or increased vulnerability to predators, habitat fragmentation and conversion, and the introduction of invasive species and pathogens.

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Impacts on biodiversity can limit the availability, accessibility, or quality of natural resources, which may affect the well-being and livelihoods of local communities and indigenous peoples (see also [topics 12.10 Local communities](#) and [12.11 Rights of indigenous peoples](#)). Impacts can be exacerbated when activities occur in protected areas or areas of high biodiversity value, and may extend well beyond the geographic boundaries of activities and the lifetime of operational sites (see also [topic 12.3 Closure and rehabilitation](#)).

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Different mining methods present distinct risks for biodiversity. Open-pit mines generate more severe impacts than underground mines due to the progressive deepening and widening of the mining site, increasing affected areas over time. Impacts on biodiversity can result from:

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- land clearance for pits, access routes, and expansion into new areas;
- habitat fragmentation from access roads and other linear infrastructure;
- ground subsidence from underground mines;
- disruption of surface water, wetland, and groundwater ecosystems; and
- effluent discharges, groundwater, or surface water contamination from acid mine drainage, tailings ponds, or overburden piles (see also [topics 12.6 Waste](#) and [12.7 Water and effluents](#)).

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The sector's activities can also contribute to cumulative impacts on biodiversity. For example, when coal activities expand and new access routes are installed, the resulting land clearance not only causes habitat fragmentation and conversion, but can also increase the area's use or encourage other sectors to establish operations in the same areas, leading to intensified impacts. Changes to land use to accommodate open-pit mining can exacerbate the effects of climate change if they result in the removal of carbon sinks. In turn, climate change is likely to affect all aspects of biodiversity, including individual organisms, populations, species distribution, and the composition and function of ecosystems, and the impacts are anticipated to worsen with increasing temperatures (see also [topics 12.1 GHG emissions](#) and [12.2 Climate adaptation, resilience, and transition](#)).

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To limit and manage impacts on biodiversity, many coal organizations use the mitigation hierarchy tool to help inform their actions. The tool presents a prioritized sequence of measures for the sustainable management of natural resources, with preventive actions taking precedence over remediation. Priority is given to avoidance and, where avoidance is not possible, to minimization of impacts. Remediation measures are only feasible after the adoption of all preventative steps. Remediation includes the rehabilitation or restoration of degradation or damage, and offsetting residual impacts after all other measures have been applied [[122](#)].

698 **Reporting on biodiversity**

699 If the organization has determined biodiversity to be a material topic, this sub-section lists the  
 700 disclosures identified as relevant for reporting on the topic by the coal sector.

| STANDARD                           | DISCLOSURE   | SECTOR STANDARD REF # |
|------------------------------------|--|-----------------------|
| <b>Management of the topic</b>     |  |                       |
| <b>GRI 3: Material Topics 2021</b> | Disclosure 3-3 Management of material topics<br><br><i>Additional sector recommendations</i> <ul style="list-style-type: none"> <li>Describe policies and commitments to achieving no net loss or a net gain to biodiversity on operational sites; and report whether these commitments apply to existing and future operations and to operations beyond <u>areas of high biodiversity value</u>.</li> <li>Report whether application of the mitigation hierarchy has informed actions to manage biodiversity-related <u>impacts</u>.</li> </ul> | 12.5.1                |
| <b>Topic Standard disclosures</b>  |  |                       |
| <b>GRI 304: Biodiversity 2016</b>  | Disclosure 304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas   | 12.5.2                |
|                                    | Disclosure 304-2 Significant impacts of activities, products and services on biodiversity<br><br><i>Additional sector recommendations</i> <ul style="list-style-type: none"> <li>Report significant impacts on biodiversity with reference to affected habitats and ecosystems.</li> </ul>   | 12.5.3                |
|                                    | Disclosure 304-3 Habitats protected or restored  | 12.5.4                |
|                                    | Disclosure 304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations  | 12.5.5                |

701 **References and resources**

702 [GRI 304: Biodiversity 2016](#) lists authoritative intergovernmental instruments and additional references  
 703 relevant to reporting on this topic.

704 The additional authoritative instruments and references used in developing this topic, as well as  
 705 resources that may be helpful for reporting on biodiversity by the coal sector are listed in the  
 706 [Bibliography](#).

## 707 **Topic 12.6 Waste**

708 **Waste refers to anything that a holder discards, intends to discard, or is required to discard.**  
709 **When inadequately managed, waste can have negative impacts on the environment and**  
710 **human health, which can extend beyond the locations where waste is generated and**  
711 **discarded. This topic covers impacts from waste, including as a result of construction and**  
712 **rehabilitation activities.**

713 Coal activities typically generate high volumes of waste, including hazardous waste. The largest  
714 waste streams derive from the extraction or processing of coal and comprise overburden, rock waste,  
715 and tailings. These waste streams can also contain toxic or noxious substances, including heavy  
716 metals. They may contaminate surface water, groundwater, seawater, and food sources, and have  
717 negative impacts on plant and animal species as well as human health. Further effects can be loss of  
718 land productivity and erosion. The severity of impacts can depend on an organization's approach to  
719 waste management, regulation, and the availability of recovery and disposal facilities near coal  
720 activities.

721 Overburden from surface mining is usually stored on adjacent land until it can backfill the pit once  
722 mining is complete. Disposal options are limited for some surface mining techniques, such as  
723 mountain-top removal since the overburden cannot be returned to the pit. In these cases, the disposal  
724 method consists of adjacent valley filling, leading to impacts such as the burial of waterways and  
725 concentration of noxious substances harmful to ecosystems and humans (see also [topics 12.5](#)  
726 [Biodiversity](#) and [12.7 Water and effluents](#)).

727 Coal tailings slurry, a residual waste generated by coal processing, is often discarded into ponds,  
728 filtered, stored in heaps, or disposed of in underground voids. Surface tailings storage facilities  
729 contained by tailings dams can cover vast areas. Tailings without harmful substances can be drained  
730 from the facility and then reshaped, covered with soil, and vegetated. However, tailings pose a health  
731 risk for local communities when they contain heavy metals, cyanide, chemical-processing agents,  
732 sulfides, or suspended solids that pollute the environment, including groundwater and surface water  
733 (see also [topics 12.9 Local communities](#) and [12.13 Asset integrity and critical incident management](#)).

734 Rock waste and coarse tailings are usually managed on heaps or disposed of in constructed waste  
735 rock dumps or former open-pit operations. Further environmental impacts from rock dumps include  
736 dust that can be carried by wind or rainwater, affecting air quality, watercourses, or lands.

737 The nature and quantity of waste generated often requires management beyond the productive phase  
738 of a mining operation. At the end of a coal exploration or extraction project, closure can yield  
739 significant waste with lasting environmental and socioeconomic impacts (see also [topic 12.3 Closure](#)  
740 [and rehabilitation](#)). Other typical wastes from coal operations include waste oils and chemicals, spent  
741 catalysts, solvents, other industrial wastes, and packaging and construction wastes.



742 **Reporting on waste**

743 If the organization has determined waste to be a material topic, this sub-section lists the disclosures  
 744 identified as relevant for reporting on the topic by the coal sector.

| STANDARD                           | DISCLOSURE   | SECTOR STANDARD REF # |
|------------------------------------|--|-----------------------|
| <b>Management of the topic</b>     |  |                       |
| <b>GRI 3: Material Topics 2021</b> | <a href="#">Disclosure 3-3 Management of material topics</a>   | 12.6.1                |
| <b>Topic Standard disclosures</b>  |  |                       |
| <b>GRI 306: Waste 2020</b>         | <a href="#">Disclosure 306-1 Waste generation and significant waste-related impacts</a>  | 12.6.2                |
|                                    | <a href="#">Disclosure 306-2 Management of significant waste-related impacts</a>   | 12.6.3                |
|                                    | <a href="#">Disclosure 306-3 Waste generated</a><br><br><i>Additional sector recommendations</i><br>When reporting the composition of the <u>waste</u> generated, include a breakdown of the following waste streams, if applicable: <ul style="list-style-type: none"> <li>• overburden;</li> <li>• rock waste;</li> <li>• tailings.</li> </ul>                           | 12.6.4                |
|                                    | <a href="#">Disclosure 306-4 Waste diverted from disposal</a><br><br><i>Additional sector recommendations</i><br>When reporting the composition of the <u>waste diverted</u> from disposal, include a breakdown of the following waste streams, if applicable: <ul style="list-style-type: none"> <li>• overburden;</li> <li>• rock waste;</li> <li>• tailings.</li> </ul> | 12.6.5                |
|                                    | <a href="#">Disclosure 306-5 Waste directed to disposal</a><br><br><i>Additional sector recommendations</i><br>When reporting the composition of the <u>waste directed to disposal</u> , include a breakdown of the following waste streams, if applicable: <ul style="list-style-type: none"> <li>• overburden;</li> <li>• rock waste;</li> <li>• tailings.</li> </ul>    | 12.6.6                |

**References and resources**

745 [GRI 306: Waste 2020](#) lists authoritative intergovernmental instruments and additional references  
 746 relevant to reporting on this topic.

747 The additional authoritative instruments and references used in developing this topic, as well as  
 748 resources that may be helpful for reporting on waste by the coal sector are listed in the [Bibliography](#).



## 749 **Topic 12.7 Water and effluents**

750 **Recognized as a human right, access to fresh water is essential for human life and well-being.**  
751 **The amount of water withdrawn and consumed by an organization and the quality of its**  
752 **discharges can have impacts on ecosystems and people. This topic covers impacts related to**  
753 **the withdrawal and consumption of water and the quality of water discharged.**

754 Coal activities can reduce water availability for local communities and other sectors that rely on water.  
755 They can have impacts on the quality of surface water, groundwater, and seawater, which can  
756 translate into long-term impacts on ecosystems and biodiversity, cause health and development  
757 problems for humans, and impair food security.

758 Water is used in coal activities for cooling and cutting; dust suppression during mining and hauling;  
759 washing to improve coal quality; re-vegetation of surface mines; and long-distance coal slurry  
760 transportation. The amount of water needed for activities depends on whether mining occurs on the  
761 surface or underground and on operational efficiency. The amount of water withdrawn also varies  
762 according to an organization's ability to substitute the use of freshwater, the quality of water required,  
763 reservoir characteristics, and recycling infrastructure.

764 A coal organization's impacts on water also depend on the quantity of local water resources. A large  
765 proportion of the world's coal resources are found in areas that are arid or experience water stress. In  
766 such areas, the sector's activities are likely to increase competition for water. This may exacerbate  
767 tensions between, as well as within, sectors or local communities. Droughts, floods, and other  
768 extreme weather events due to climate change will likely pose more frequent challenges to water  
769 availability and quality in the future.

770 Coal activities' impacts on water quality can be due to leaching from tailings, failure of tailings  
771 facilities, and acid mine drainage containing acidic water and heavy metals. Certain mining methods  
772 can involve substantive vegetation clearance and land-use changes, leading to erosion and sediment  
773 flows (see also [topic 12.5 Biodiversity](#)), which together with alterations in water flows can affect water  
774 quality and aquatic and terrestrial habitats. Underground operations might also disrupt or contaminate  
775 aquifers.

776 Transportation accidents and related coal spills can contaminate waterways and wetlands with  
777 harmful materials, such as arsenic, lead, mercury, and sulfur compounds (see also [topic 12.13 Asset](#)  
778 [integrity and critical incident management](#)).

779 **Reporting on water and effluents**

780 If the organization has determined water and effluents to be a material topic, this sub-section lists the  
 781 disclosures identified as relevant for reporting on the topic by the coal sector.

| STANDARD                                 | DISCLOSURE  | SECTOR STANDARD REF # |
|--|---|-----------------------|
| <b>Management of the topic</b>           |   |                       |
| <b>GRI 3: Material Topics 2021</b>       | <a href="#">Disclosure 3-3 Management of material topics</a>  | 12.7.1                |
| <b>Topic Standard disclosures</b>        |   |                       |
| <b>GRI 303: Water and Effluents 2018</b> | <a href="#">Disclosure 303-1 Interactions with water as a shared resource</a><br><i>Additional sector recommendations</i><br><ul style="list-style-type: none"> <li>Describe actions taken to prevent or <u>mitigate</u> negative impacts from acid mine drainage.</li> </ul> | 12.7.2                |
|  | <a href="#">Disclosure 303-2 Management of water discharge-related impacts</a>  | 12.7.3                |
|  | <a href="#">Disclosure 303-3 Water withdrawal</a>   | 12.7.4                |
|  | <a href="#">Disclosure 303-4 Water discharge</a>  | 12.7.5                |
|  | <a href="#">Disclosure 303-5 Water consumption</a>  | 12.7.6                |

782 **References and resources**

783 [GRI 303: Water and Effluents 2018](#) lists authoritative intergovernmental instruments and additional  
 784 references relevant to reporting on this topic.

785 The additional references used in developing this topic, as well as resources that may be helpful for  
 786 reporting on water and effluents by the coal sector are listed in the [Bibliography](#).

## 787 **Topic 12.8 Economic impacts**

788 **An organization's impacts on the economy refers to how the value it generates affects**  
789 **economic systems, for example, as a result of its procurement practices and employment of**  
790 **workers. Infrastructure investments and services supported by an organization can also have**  
791 **impacts on a community's well-being and long-term development. This topic covers economic**  
792 **impacts at local, national, and global levels.**

793 Coal activities can be an important source of investment and income for local communities, countries,  
794 and regions. Impacts can vary according to the scale of operations, stimulation of other economic  
795 activity, and effectiveness of management of coal-related revenues by local governments. In some  
796 resource-rich countries, investments in the development of coal resources and revenues from mining  
797 contribute significantly to the gross domestic product. However, mismanagement of these revenues  
798 can harm economic performance and lead to macroeconomic instability and distortions (see also  
799 [topics 12.21 Payments to governments](#) and [12.20 Anti-corruption](#)). Economies dependent on coal can  
800 also be vulnerable to commodity price and production fluctuations.

801 The coal sector can make positive contributions by providing revenues derived from paying taxes and  
802 royalties, through local procurement, and providing local employment. Local procurement of goods  
803 and services can support supplier development and have a significant economic impact. Local  
804 employment, in turn, can lead to increased purchasing power in the community and therefore  
805 stimulate local businesses. Coal organizations can further generate benefits by investing in  
806 infrastructure, such as power utilities that improve access to energy, or public services.

807 The extent to which local communities stand to benefit from coal activities depends on the  
808 communities' existing development and industrialization levels, their capacity to offer qualified workers  
809 for the new employment opportunities, and the commitment of organizations in the coal sector to train  
810 local workers. The net employment impact also depends on how the coal sector employment affects  
811 existing jobs in other sectors, as well as coal organizations' employment practices (see also [topic](#)  
812 [12.15](#)). For example, a fly-in fly-out work arrangement can offset pressures associated with influxes of  
813 people in small communities while still supplying the necessary workers. However, this arrangement  
814 reduces the employment opportunities available to local communities, detracting from the potential  
815 economic benefits.

816 The introduction of coal activities can generate negative impacts on local communities, such as  
817 economic disparity, with vulnerable groups often being disproportionately affected (see also [topics](#)  
818 [12.10 Local communities](#) and [12.11 Rights of indigenous peoples](#)). An influx of external workers can  
819 increase pressure on housing, infrastructure, and public services. Local communities may also have  
820 to deal with environmental legacy costs related to contamination or lack of proper rehabilitation after  
821 closure (see also [topic 12.3 Closure and rehabilitation](#)).

822 The transition to a low-carbon economy continues to decrease activity in the coal sector, making  
823 communities and countries that depend on the sector for revenues or employment vulnerable to the  
824 resulting economic downturn (see also [topic 12.2 Climate adaptation, resilience, and transition](#)). To  
825 ensure a just transition, collaboration between local and national governments and coal organizations  
826 is essential to enable decent jobs, social inclusion, and economic opportunities.

827 **Reporting on economic impacts**

828 If the organization has determined economic impacts to be a material topic, this sub-section lists the  
 829 disclosures identified as relevant for reporting on the topic by the coal sector.

| STANDARD                                       | DISCLOSURE   | SECTOR STANDARD REF # |
|--|--|-----------------------|
| <b>Management of the topic</b>                 |  |                       |
| <b>GRI 3: Material Topics 2021</b>             | <p>Disclosure 3-3 Management of material topics</p> <p><i>Additional sector recommendations</i></p> <ul style="list-style-type: none"> <li>Describe the <u>community development programs</u> in place that are intended to enhance positive economic <u>impacts</u> for <u>local communities</u>, including the approach to providing employment, procurement, and training opportunities.</li> </ul> | 12.8.1                |
| <b>Topic Standard disclosures</b>              |  |                       |
| <b>GRI 201: Economic Performance 2016</b>      | <p>Disclosure 201-1 Direct economic value generated and distributed</p> <p><i>Additional sector recommendations</i></p> <ul style="list-style-type: none"> <li>Report direct economic value generated and distributed (EVG&amp;D) by project.</li> </ul>   | 12.8.2                |
| <b>GRI 202: Market Presence 2016</b>           | Disclosure 202-2 Proportion of senior management hired from the local community  | 12.8.3                |
| <b>GRI 203: Indirect Economic Impacts 2016</b> | Disclosure 203-1 Infrastructure investments and services supported   | 12.8.4                |
|  | Disclosure 203-2 Significant indirect economic impacts   | 12.8.5                |
| <b>GRI 204: Procurement Practices 2016</b>     | Disclosure 204-1 Proportion of spending on local suppliers   | 12.8.6                |

830 **References and resources**

831 [GRI 201: Economic Performance 2016](#) and [GRI 202: Market Presence 2016](#) list authoritative  
 832 intergovernmental instruments and additional references relevant to reporting on this topic.

833 The additional authoritative instruments and references used in developing this topic, as well as  
 834 resources that may be helpful for reporting on economic impacts by the coal sector are listed in the  
 835 [Bibliography](#).

## 836 **Topic 12.9 Local communities**

837 **Local communities comprise individuals living or working in areas that are affected or that**  
838 **could be affected by an organization's activities. An organization is expected to conduct**  
839 **community engagement to understand the vulnerabilities of local communities and how they**  
840 **may be affected by the organization's activities. This topic covers socioeconomic, cultural,**  
841 **health, and human rights impacts on local communities.**

842 Coal organizations can have positive impacts on local communities through employment and local  
843 procurement, taxes or other payments to local governments, community development programs, and  
844 investments in infrastructure or public services (see also [topic 12.8 Economic impacts](#), [topic 12.15](#)  
845 [Employment practices](#), and [topic 12.21 Payments to governments](#)).

846 Activities of the coal sector can also lead to negative impacts on local communities. Negative impacts  
847 can result from, for example, land use requirements for the sector's activities, an influx of people  
848 seeking employment and economic opportunities, environmental degradation, exposure to hazardous  
849 substances, and use of natural resources. Coal activities can also trigger conflict when negative  
850 impacts from coal activities are not addressed, or intensify pre-existing conflicts (see also [topic 12.12](#)  
851 [Conflict and security](#)). Vulnerable groups, including women and indigenous peoples, may be  
852 disproportionately affected by these impacts.

853 The sector's land use can compete with other land use demands, such as for agriculture, fishing, or  
854 recreation. In addition, it can disrupt traditional livelihoods and increase the risk of impoverishment. It  
855 can eventually lead to displacement, resulting in additional impacts such as restrictions on access to  
856 essential services and human rights (see also [topic 12.10 Land and resource rights](#)). The sector's  
857 activities can also result in damage to cultural heritage sites, potentially leading to loss of tradition,  
858 culture, or cultural identity, especially among indigenous peoples (see also [topic 12.11 Rights of](#)  
859 [indigenous peoples](#)).

860 The influx of workers from the surrounding areas or as a result of fly-in fly-out work arrangements  
861 during the construction, maintenance, expansion, and closure and rehabilitation phases of coal  
862 activities might lead to greater economic inequality within the local community. A large-scale influx of  
863 workers can place local services and resources under pressure, induce inflation, and introduce new  
864 communicable diseases. Higher housing costs may lead to an increase in homelessness, especially  
865 among vulnerable groups. There may also be an increase in activities that compromise social order,  
866 such as substance abuse, gambling, and prostitution. The influx of predominantly male workers can  
867 change the gender balance of local communities. This can have impacts on women in particular, as it  
868 can lead to a rise in sexual violence and trafficking. Documented cases have also shown the  
869 presence of domestic and gender-based violence on operational sites and in local communities.

870 Other negative impacts from coal activities on local communities can result from air, soil, and water  
871 pollution; dust; increased levels of traffic, noise, and light; and waste streams. Activities may also  
872 cause catastrophic incidents such as explosions, fires, mine collapses, spills, and tailings facility  
873 failures (see also [topic 12.13 Asset integrity and critical incident management](#)).

874 Meaningful local community engagement with access to inclusive decision making, effective  
875 grievance mechanisms, and other remediation processes can help organizations in the coal sector  
876 prevent and mitigate the impacts of their activities and increase a community's ownership. In their  
877 absence, the community's concerns might not be understood or addressed, which can create  
878 negative impacts or exacerbate existing problems, such as gender inequality. Establishing or  
879 participating in grievance mechanisms and other remediation processes that are tailored to the  
880 specific needs of local communities can also help organizations address actual or potential negative  
881 impacts.

882 **Reporting on local communities**

883 If the organization has determined local communities to be a material topic, this sub-section lists the  
 884 disclosures identified as relevant for reporting on the topic by the coal sector.

| STANDARD                               | DISCLOSURE  | SECTOR STANDARD REF # |
|--|---|-----------------------|
| <b>Management of the topic</b>         |   |                       |
| <b>GRI 3: Material Topics 2021</b>     | <p data-bbox="435 512 979 546"><a href="#">Disclosure 3-3 Management of material topics</a></p> <p data-bbox="435 575 855 609"><i>Additional sector recommendations</i></p> <ul data-bbox="435 616 1305 927" style="list-style-type: none"> <li>• Describe the approach to identifying <u>stakeholders</u> within <u>local communities</u> and to engaging with them.</li> <li>• List the <u>vulnerable groups</u> that the organization has identified within local communities.</li> <li>• List any collective or individual rights that the organization has identified that are of particular concern for local communities.<sup>9</sup></li> <li>• Describe the approach to engaging with vulnerable groups, including:               <ul data-bbox="483 869 1305 927" style="list-style-type: none"> <li>- how it seeks to ensure meaningful engagement; and</li> <li>- how it seeks to ensure safe and equitable gender participation</li> </ul> </li> </ul> | 12.9.1                |
| <b>Topic Standard disclosures</b>      |   |                       |
| <b>GRI 413: Local Communities 2016</b> | <a href="#">Disclosure 413-1 Operations with local community engagement, impact assessments, and development programs</a>   | 12.9.2                |
|  | <a href="#">Disclosure 413-2 Operations with significant actual and potential negative impacts on local communities</a>   | 12.9.3                |
| <b>Additional sector disclosures</b>   |   |                       |
|  | <p data-bbox="196 1296 1219 1330">Report the number and type of <u>grievances</u> from local communities identified, including:</p> <ul data-bbox="244 1337 1115 1395" style="list-style-type: none"> <li>- percentage of the grievances that were addressed and resolved;</li> <li>- percentage of the grievances that were resolved through <u>remediation</u>.</li> </ul>  | 12.9.4                |

885 **References and resources**

886 [GRI 413: Local Communities 2016](#) lists authoritative intergovernmental instruments and additional  
 887 references relevant to reporting on this topic.

888 The additional authoritative instruments and references used in developing this topic, as well as  
 889 resources that may be helpful for reporting on local communities by the coal sector are listed in the  
 890 [Bibliography](#).

<sup>9</sup> These additional sector recommendations are based on the guidance to [clause 1.1](#) in [GRI 413: Local Communities 2016](#).

## 891 **Topic 12.10 Land and resource rights**

892 **Land and resource rights encompass the rights to use, manage and control land, fisheries,**  
893 **forests, and other natural resources. An organization's impacts on the availability and**  
894 **accessibility of these can affect local communities and other users. This topic covers impacts**  
895 **from an organization's use of land and natural resources on human rights and tenure rights,**  
896 **including from resettlement of local communities.**

897 Coal activities require access to land for prospecting, exploration, mining, coal and waste storage,  
898 processing, transportation, and distribution. This can sometimes lead to displacement of other land  
899 users, restricted access to resources and services, and involuntary resettlement of local communities.  
900 Impacts from land use vary according to the extraction method, resource location, processing  
901 required, and transportation methods. For example, displacement is more often associated with  
902 surface mining than when activities take place underground.

903 Unclear rules regarding tenure rights to access, use, and control land often lead to disputes,  
904 economic and social tensions, and conflict. Insufficient consultation with and inadequate  
905 compensation to affected communities can also exacerbate tensions and conflict. For example, the  
906 relationship between mineral rights and land rights might be unclear; formal statutory tenure rules  
907 might overlap or conflict with traditional customary rules; legitimate rights may not be recognized or  
908 enforced; or people may lack formal documentation of their rights to land.

909 Involuntary resettlement of local communities can involve physical displacement (e.g., relocation or  
910 shelter loss) and economic displacement (e.g., loss of or access to assets), having impacts on  
911 people's livelihoods and human rights. In such cases, organizations in the coal sector may provide  
912 local communities with monetary compensation or land that is equivalent to the lost assets. However,  
913 determining the value of local communities' access to the natural environment is complex. It includes  
914 consideration of income-generating activities, human health, and non-material aspects of quality of  
915 life, such as the loss of cultural or recreational opportunities. The amount of compensation provided  
916 may therefore not be equivalent to the loss borne. In some cases, customary titleholders to the land  
917 may not be compensated at all or only for crops they were cultivating on the land rather than for the  
918 land itself.

919 Community members resisting resettlement may also face threats and intimidation, as well as violent,  
920 repressive, or life-threatening removal from lands (see also [topic 12.12 Conflict and security](#)).

921 Addressing impacts on land and resource rights typically requires extensive and meaningful  
922 engagement between organizations in the coal sector and local communities, including with  
923 vulnerable groups who often experience impacts more severely. In cases of ineffective community  
924 consultation or in the absence of free, prior, and informed consent, impacts on resettling communities  
925 or existing problems within a community can be exacerbated by an inadequate resettlement process  
926 or lack of transparency (see also [topics 12.9 Local communities](#) and [12.11 Rights of indigenous peoples](#)).  
927 Community consultations may also fail to include all affected members. Women, for  
928 example, are often excluded from decision-making processes related to the development of a new  
929 project.



930 **Reporting on land and resource rights**

931 If the organization has determined land and resource rights to be a material topic, this sub-section  
 932 lists the disclosures identified as relevant for reporting on the topic by the coal sector.

| STANDARD                             | DISCLOSURE  | SECTOR STANDARD REF # |
|--------------------------------------|---|-----------------------|
| <b>Management of the topic</b>       |   |                       |
| <b>GRI 3: Material Topics 2021</b>   | <p data-bbox="432 521 979 555"><a href="#">Disclosure 3-3 Management of material topics</a></p> <p data-bbox="432 584 855 613"><i>Additional sector recommendations</i></p> <ul data-bbox="432 624 1315 938" style="list-style-type: none"> <li>• Describe the approach to engaging with affected <u>vulnerable groups</u>, including:                             <ul data-bbox="480 685 1294 779" style="list-style-type: none"> <li>- how the organization seeks to ensure meaningful engagement;</li> <li>- how the organization seeks to ensure safe and equitable gender participation.</li> </ul> </li> <li>• Describe the policies or commitments to providing <u>remediation</u> to <u>local communities</u> or individuals subject to involuntary resettlement, such as the process for establishing compensation for loss of assets or other assistance to improve or restore standards of living or livelihoods.</li> </ul> | 12.10.1               |
| <b>Additional sector disclosures</b> |   |                       |
|                                      | List the locations of operations that caused or contributed to involuntary resettlement or where such resettlement is ongoing. For each location, describe how peoples' livelihoods and <u>human rights</u> were affected and restored.   | 12.10.2               |

933 **References and resources**

934 The authoritative instruments and references used in developing this topic, as well as resources that  
 935 may be helpful for reporting on land and resource rights by the coal sector are listed in the  
 936 [Bibliography](#).



937

## Topic 12.11 Rights of indigenous peoples

938 **Indigenous peoples are considered a vulnerable group and are at higher risk of experiencing**  
939 **negative impacts more severely as a result of an organization's activities. Indigenous peoples**  
940 **have both collective and individual rights, as set out in the United Nations Declaration on the**  
941 **Rights of Indigenous Peoples and other authoritative international human rights instruments.**  
942 **This topic covers impacts on the rights of indigenous peoples.**

943 The presence of the coal sector in proximity to indigenous communities can present economic  
944 opportunities and benefits for indigenous peoples through employment, training, and community  
945 development programs (see also [topic 12.8 Economic impacts](#)). However, it can also disrupt  
946 indigenous peoples' cultural, spiritual, and economic ties to their lands or natural environments,  
947 compromise their rights and well-being, and cause displacement (see also [topic 12.10 Land and](#)  
948 [resource rights](#)). It can have further impacts on the availability of and access to water, which is a key  
949 concern for many indigenous communities.

950 The collective and individual rights of indigenous peoples are recognized in authoritative international  
951 instruments. Indigenous peoples also often have a special legal status in national legislation, and can  
952 be customary or legal owners of lands to which organizations in the coal sector are granted use rights  
953 by governments. Before initiating development or other activities that could have impacts on lands or  
954 resources that indigenous peoples use or own, organizations are expected to seek free, prior, and  
955 informed consent (FPIC) from indigenous peoples. This right is recognized in the United Nations  
956 Declaration on the Rights of Indigenous Peoples and allows indigenous peoples to give or withhold  
957 consent to a project that may affect them or their territories and to negotiate project conditions [185].  
958 However, some national governments may not recognize or enforce indigenous land rights or  
959 indigenous peoples' right to consent.

960 Organizations in the sector and indigenous peoples regularly have disputes and conflicts over land  
961 ownership and rights. Documented cases show an absence of good faith consultations and undue  
962 pressure on indigenous peoples to accept projects, with opposition to such projects sometimes  
963 leading to violence or death (see also [topic 12.12 Conflict and security](#)).

964 An influx of workers from other areas can result in discrimination toward indigenous peoples regarding  
965 access to jobs and opportunities. It can further undermine social cohesion, well-being, and safety.  
966 Indigenous women can be more exposed to risks of prostitution, forced labor, violence, and  
967 communicable diseases than indigenous men (see also [topic 12.9 Local communities](#)).

968 The contribution of the coal sector to climate change can also exacerbate negative impacts on  
969 indigenous peoples, given their unique relationship with and, at times, their dependence on the  
970 natural environment (see also [topic 12.1 GHG emissions](#)).

971 **Reporting on rights of indigenous peoples**

972 If the organization has determined rights of indigenous peoples to be a material topic, this sub-section  
 973 lists the disclosures identified as relevant for reporting on the topic by the coal sector.

| STANDARD   | DISCLOSURE   | SECTOR STANDARD REF # |
|--|--|-----------------------|
| <b>Management of the topic</b>   |  |                       |
| <b>GRI 3: Material Topics 2021</b>   | <p data-bbox="432 521 979 555"><a href="#">Disclosure 3-3 Management of material topics</a></p> <p data-bbox="432 584 855 613"><i>Additional sector recommendations</i></p> <ul data-bbox="432 622 1294 927" style="list-style-type: none"> <li>• Describe the <u>community development programs</u> that are intended to enhance positive <u>impacts</u> for <u>indigenous peoples</u>, including the approach to providing employment, procurement, and training opportunities.</li> <li>• Describe the approach to engaging with indigenous peoples, including:               <ul data-bbox="480 824 1294 927" style="list-style-type: none"> <li>– how the organization seeks to ensure meaningful engagement;</li> <li>– how the organization seeks to ensure safe and equitable gender participation.</li> </ul> </li> </ul> | 12.11.1               |
| <b>Topic Standard disclosures</b>  |  |                       |
| <b>GRI 411: Rights of Indigenous Peoples 2016</b>  | <p data-bbox="432 1034 1251 1099"><a href="#">Disclosure 411-1 Incidents of violations involving rights of indigenous peoples</a></p> <p data-bbox="432 1128 855 1158"><i>Additional sector recommendations</i></p> <ul data-bbox="432 1173 1270 1238" style="list-style-type: none"> <li>• Describe the identified incidents of violations involving the rights of indigenous peoples.</li> </ul>   | 12.11.2               |
| <b>Additional sector disclosures</b>   |  |                       |
| List the locations of operations where indigenous peoples are present or affected by activities of the organization.   |  | 12.11.3               |
| <p data-bbox="193 1444 1294 1536">Report if the organization has been involved in a process of seeking free, prior, and informed consent (FPIC) from indigenous peoples for any of the organization’s activities, including, in each case:</p> <ul data-bbox="240 1541 1307 1659" style="list-style-type: none"> <li>• whether the process has been mutually accepted by the organization and the affected indigenous peoples;</li> <li>• whether an agreement has been reached, and if so, if the agreement is publicly available.</li> </ul> |  | 12.11.4               |

974 **References and resources**

975 [GRI 411: Rights of Indigenous Peoples 2016](#) lists authoritative intergovernmental instruments and  
 976 additional references relevant to reporting on this topic.

977 The additional authoritative instruments and references used in developing this topic, as well as  
 978 resources that may be helpful for reporting on rights of indigenous peoples by the coal sector are  
 979 listed in the [Bibliography](#).

## 980 **Topic 12.12 Conflict and security**

981 **An organization's activities may trigger conflict or, in cases of existing conflict, intensify it.**  
982 **The use of security personnel to manage conflict can play an essential role in allowing an**  
983 **organization to operate safely and productively but also has the potential to impact on**  
984 **people's human rights. This topic covers the organization's security practices and its**  
985 **approach to operating in areas of conflict.**

986 Many organizations in the coal sector operate in locations and situations of conflict, including, for  
987 example, countries characterized by political and social instability. The risk of human rights abuses is  
988 heightened in areas of conflict.<sup>10</sup>

989 Conflict can also be caused by the presence of coal activities. It can be triggered by negative  
990 environmental impacts; inadequate engagement with stakeholders and indigenous peoples in  
991 decision-making processes; uneven distribution of economic benefits or provision of benefits deemed  
992 disproportionate to impacts created; and disputes over the use of land and natural resources (see  
993 also [topic 12.10 Land and resource rights](#)). The perceived mismanagement of funds at the expense of  
994 local interests can also trigger conflict (see also [topic 12.20 Anti-corruption](#)). Such conflicts can  
995 heighten the need to use security personnel, thereby increasing the potential for violations of human  
996 rights.

997 Security personnel engaged by organizations in the coal sector or public security directed by the host  
998 government may be present to protect organizations' assets or ensure workers' safety and security.  
999 Actions taken by security personnel against local community members, including during protest  
1000 activities against the development of coal resources or to protect their land and resources, can violate  
1001 human rights, such as rights to freedom of association and freedom of speech, as well as lead to  
1002 violence, injuries, or deaths. Security contractors may also be connected to military or paramilitary  
1003 groups.

1004 When coal activities are endorsed by the government but remain disagreeable to local communities,  
1005 the presence of public security forces can increase tensions between communities, government, and  
1006 organizations in the sector. This can, in turn, exacerbate local power imbalances and, potentially, the  
1007 use of force.

1008 In cases where public or other third-party security forces, such as paramilitary groups, are active,  
1009 organizations in the coal sector still have a responsibility to take steps to ensure security practices are  
1010 consistent with the protection of human rights. This involves assessing security-related risks,  
1011 identifying situations in which impacts on human rights are likely to occur, and working with security  
1012 providers to ensure human rights are respected.

1013 Organizations in the coal sector may also contribute more broadly to the safety and security of local  
1014 communities, for example, by facilitating communication between communities and public security  
1015 forces or supporting efforts to address other sources of conflict.

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<sup>10</sup> Organisation for Economic Co-operation and Development (OECD) defines areas of conflict by the presence of armed conflict or widespread violence, or areas with high risk of conflict or widespread serious abuses and human right violations [\[206\]](#).

1016 **Reporting on conflict and security**

1017 If the organization has determined conflict and security to be a material topic, this sub-section lists the  
 1018 disclosures identified as relevant for reporting on the topic by the coal sector.

| STANDARD                                | DISCLOSURE   | SECTOR STANDARD REF # |
|---|--|-----------------------|
| <b>Management of the topic</b>          |  |                       |
| <b>GRI 3: Material Topics 2021</b>      | <p data-bbox="432 521 979 555"><a href="#">Disclosure 3-3 Management of material topics</a></p> <p data-bbox="432 584 855 613"><i>Additional sector recommendations</i></p> <ul data-bbox="432 622 1305 719" style="list-style-type: none"> <li data-bbox="432 622 1075 651">• List the locations of operations in areas of conflict.</li> <li data-bbox="432 656 1305 719">• Describe the approach to ensuring respect for <u>human rights</u> by public and private security providers.</li> </ul> | 12.12.1               |
| <b>Topic Standard disclosures</b>       |  |                       |
| <b>GRI 410: Security Practices 2016</b> | <p data-bbox="432 828 1273 891"><a href="#">Disclosure 410-1 Security personnel trained in human rights policies or procedures</a></p>   | 12.12.2               |

1019 **References and resources**

1020 [GRI 410: Security Practices 2016](#) lists additional references relevant to reporting on this topic.

1021 The additional authoritative instruments and references used in developing this topic, as well as  
 1022 resources that may be helpful for reporting on conflict and security by the coal sector are listed in the  
 1023 [Bibliography](#).

1024 **Topic 12.13 Asset integrity and critical incident**  
1025 **management**

1026 **Asset integrity and critical incident management deal with the prevention and control of**  
1027 **incidents that can lead to fatalities, injuries or ill health, environmental impacts, and damage to**  
1028 **local communities and infrastructure. This topic covers impacts from such incidents and an**  
1029 **organization's approach to managing them.**

1030 Critical incidents in the coal sector can have catastrophic consequences for workers, local  
1031 communities, the environment, and cause damage to the organization's assets. In addition to fatalities  
1032 and injuries, these incidents can cause air, soil, and water contamination. These impacts have the  
1033 potential to disrupt other economic activities that depend on these natural resources, such as  
1034 agriculture and fishing, affecting livelihoods and compromising food safety and security. Other  
1035 impacts include ecosystem and habitat degradation and animal mortality.

1036 Critical incidents related to the coal sector include mine collapses, poisonous gas leaks, dust  
1037 explosions, stope collapses, ground subsidence, fires, mining-induced seismicity, floods, vehicle  
1038 collisions, and mechanical errors due to improperly operated or malfunctioning equipment (see also  
1039 [topic 12.14 Occupational health and safety](#)). Coal fires can release fly ash and smoke containing toxic  
1040 chemicals that enter food chains. Fires and other events involving greenhouse gas (GHG) emissions,  
1041 such as coal dust explosions, also contribute to climate change (see also [topic 12.1 GHG emissions](#)).

1042 Other critical incidents involve failures related to tailings management. Tailings are a residual waste  
1043 generated by coal processing, usually in slurry form. Poor management or design of tailings facilities  
1044 can lead to leaks or collapses, with serious impacts on local communities, livelihoods, infrastructure,  
1045 and the environment. Failures can result from inadequate water management, overtopping,  
1046 foundation or drainage failure, erosion, and earthquakes. Impacts become more severe when tailings  
1047 contain high levels of bioavailable metals or hazardous chemicals. Incidents related to spills and leaks  
1048 of coal slurry ponds and tailings pipelines can also cause significant damage.

1049 Critical incident risks can be identified and anticipated by implementing a critical control management  
1050 approach, which addresses the sources or factors likeliest to lead to potential incidents. Organizations  
1051 can mitigate their negative impacts through measures that ensure emergency preparedness and  
1052 response. This includes effective communication with local communities to limit exposure to pollution  
1053 and other hazards during emergencies (see also [topic 12.9 Local communities](#)). Effective critical  
1054 control management can also limit impacts associated with extreme weather events, which will  
1055 increase in frequency and intensity due to the effects of climate change.

1056 **Reporting on asset integrity and critical incident management**

1057 If the organization has determined asset integrity and critical incident management to be a material  
 1058 topic, this sub-section lists the disclosures identified as relevant for reporting on the topic by the coal  
 1059 sector.

| STANDARD   | DISCLOSURE  | SECTOR<br>STANDA<br>RD REF # |
|--|---|------------------------------|
| <b>Management of the topic</b>   |   |                              |
| <b>GRI 3: Material Topics 2021</b>   | <p data-bbox="416 555 962 589"><a href="#">Disclosure 3-3 Management of material topics</a></p> <p data-bbox="416 618 836 651"><i>Additional sector recommendations</i></p> <ul data-bbox="416 658 1305 752" style="list-style-type: none"> <li>• Report whether the organization complies with the Global Industry Standard on Tailings Management (GISTM) and, if so, provide a link to the most recent information disclosed in line with GISTM Principle 15.</li> </ul> | 12.13.1                      |
| <b>Topic Standard disclosures</b>  |   |                              |
| <b>GRI 306: Effluents and Waste 2016</b>   | <p data-bbox="416 864 842 898"><a href="#">Disclosure 306-3 Significant spills</a> <sup>11</sup></p> <p data-bbox="416 904 836 938"><i>Additional sector recommendations</i></p>  | 12.13.2                      |
| <b>Additional sector disclosures</b>   |   |                              |
| Report the number of critical incidents in the reporting period and describe their impacts.  |   | 12.13.3                      |
| <ul data-bbox="196 1128 1334 1435" style="list-style-type: none"> <li>• List the organization’s tailings facilities, and report the name, location, and ownership status.</li> <li>• For each tailings facility:               <ul data-bbox="244 1189 1206 1346" style="list-style-type: none"> <li>– describe the tailings facility;</li> <li>– report whether the facility is active, inactive, or closed;</li> <li>– report the Consequence Classification;</li> <li>– report the date and main findings of the most recent risk assessment;</li> <li>– report the dates of the most recent and next independent technical reviews.<sup>12</sup></li> </ul> </li> <li>• Describe actions taken to:               <ul data-bbox="244 1375 1254 1435" style="list-style-type: none"> <li>– manage <u>impacts</u> from tailings facilities, including during closure and post-closure;</li> <li>– prevent catastrophic failures of tailings facilities.<sup>13</sup></li> </ul> </li> </ul> |   | 12.13.4                      |

1060 **References and resources**

1061 [GRI 306: Effluents and Waste 2016](#) lists authoritative intergovernmental instruments and additional  
 1062 resources relevant to reporting on this topic.

1063 The additional references used in developing this topic, as well as resources that may be helpful for  
 1064 reporting on asset integrity and critical incident management by the coal sector are listed in the  
 1065 [Bibliography](#).

<sup>11</sup> The effluents-related content of the GRI Standard *GRI 306: Effluents and Waste 2016* has been superseded by GRI Standard *GRI 303: Water and Effluents 2018*, and the waste-related content has been superseded by *GRI 306: Waste 2020*. The spills-related content in *GRI 306: Effluents and Waste 2016* remains in effect.

<sup>12</sup> For more guidance, see Principle 15, Requirement 15.1 in the *Global Industry Standard on Tailings Management (GISTM)* [222].

<sup>13</sup> Definitions for terms used in the tailings disclosures can be found in the GISTM [222].



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## Topic 12.14 Occupational health and safety

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**Healthy and safe work conditions are recognized as a human right. Occupational health and safety involves the prevention of physical and mental harm to workers and promotion of workers' health. This topic covers impacts related to workers' health and safety.**

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Despite efforts to eliminate work-related hazards and improve workers' health and well-being, work-related injuries and ill health, including fatalities, are still prevalent in the coal sector. Activities with potential hazards include working with heavy machinery and exposure to or handling of explosive, flammable, poisonous, or harmful substances. Hazards can also be associated with working in confined spaces or isolated locations, long working hours, and the physical and often repetitive labor involved. Hazards vary according to the extraction method, and workers in underground mines often experience additional risks.

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Hazards associated with the activities of the coal sector have the potential to result in high-consequence work-related injuries. Transportation incidents, which can occur when workers and equipment are transported to and from mining sites, are a common source of fatalities and injuries in the sector. Other major hazards include fires and explosions, originating from coal dust and flammable gases during coal extraction, transportation, and processing, and electrical hazards associated with high-voltage systems used in exploration and production facilities or equipment (see also [topic 12.13 Asset integrity and critical incident management](#)). Falling structures, faulty handling of heavy machinery, or malfunctioning electrical, hydraulic, or mechanical installations can result in incidents categorized as 'struck-by', 'caught-in', or 'caught-between'. Workers may also be at risk of injuries from slips, trips, and falls when accessing working areas and equipment high above the ground or via underground walkways.

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Hazards associated with the coal sector that have the potential to result in ill health can be biological, chemical, ergonomic, or physical in origin. Commonly reported chemical hazards include respirable dust, released during processes that use or produce sand, for example, and can cause lung illnesses such as asthma, cancer, and pneumoconiosis. The sector's activities also involve working in confined spaces, which may contain a high concentration of gases, such as carbon monoxide, methane, and nitrogen, that can lead to poisoning or asphyxiation. In addition, exposure to hydrogen sulfide released by coal seams can lead to incapacitation or death. Physical and ergonomic hazards in the sector include extreme temperatures, harmful levels of radiation, and harmful levels of machinery noise or vibration, which can cause hearing impairment or loss and musculoskeletal disorders. Biological hazards prevalent in the sector include communicable diseases present in the local community or diseases due to poor hygiene and poor quality of food or water.

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Hazards related to common employment practices (see also [topic 12.15](#)) in the coal sector can increase the risk of fatigue, strain, or stress and have negative impacts on physical, psychological, and social health. These practices include fly-in fly-out work arrangements, working and living in different locations, rotational work, long shifts, long travel times, living in the workplace, interrupted rest, irregular working hours, and solitary work. Workers may also experience psychological reactions, such as post-traumatic stress disorder following a major incident. In addition, workplaces characterized by gender imbalance can contribute to increased stress, discrimination, or sexual harassment (see also [topic 12.19 Non-discrimination and equal opportunity](#)).

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The coal sector makes extensive use of suppliers, some of which may undertake activities considered among the most dangerous. Occupational health and safety management systems may not cover suppliers' workers in the same way employees are covered. Suppliers' workers operating on the premises of organizations in the sector may be less familiar with the workplace and the organization's health and safety practices or less committed to those practices. Other workers in the organization's supply chain may be subject to lower occupational health and safety standards.



1113 **Reporting on occupational health and safety**

1114 If the organization has determined occupational health and safety to be a material topic, this sub-  
 1115 section lists the disclosures identified as relevant for reporting on the topic by the coal sector.

| STANDARD                                     | DISCLOSURE   | SECTOR STANDARD REF # |
|--|--|-----------------------|
| <b>Management of the topic</b>               |  |                       |
| GRI 3: Material Topics 2021                  | Disclosure 3-3 Management of material topics   | 12.14.1               |
| <b>Topic Standard disclosures</b>            |  |                       |
| GRI 403: Occupational Health and Safety 2018 | Disclosure 403-1 Occupational health and safety management system  | 12.14.2               |
|  | Disclosure 403-2 Hazard identification, risk assessment, and incident investigation  | 12.14.3               |
|  | Disclosure 403-3 Occupational health services  | 12.14.4               |
|  | Disclosure 403-4 Worker participation, consultation, and communication on occupational health and safety                       | 12.14.5               |
|  | Disclosure 403-5 Worker training on occupational health and safety   | 12.14.6               |
|  | Disclosure 403-6 Promotion of worker health  | 12.14.7               |
|  | Disclosure 403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships | 12.14.8               |
|  | Disclosure 403-8 Workers covered by an occupational health and safety management system  | 12.14.9               |
|  | Disclosure 403-9 Work-related injuries   | 12.14.10              |
|  | Disclosure 403-10 Work-related ill health  | 12.14.11              |

1116 **References and resources**

1117 *GRI 403: Occupational Health and Safety 2018* lists authoritative intergovernmental instruments and  
 1118 additional references relevant to reporting on this topic.

1119 The additional authoritative instruments and references used in developing this topic, as well as  
 1120 resources that may be helpful for reporting on occupational health and safety by the coal sector are  
 1121 listed in the [Bibliography](#).

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## Topic 12.15 Employment practices

1123 **Employment practices refer to an organization’s approach to job creation, terms of**  
1124 **employment and working conditions for its workers. This topic also covers the employment**  
1125 **and working conditions in an organization’s supply chain.**

1126 The coal sector generates employment opportunities across the value chain. This can have positive  
1127 socioeconomic impacts on communities, countries, and regions. The sector can offer well-paid  
1128 opportunities for skilled workers, however, the employment practices are also associated with  
1129 negative impacts. Examples include working conditions and disparities in working conditions for  
1130 contract workers, ineffective labor-management consultations, and job insecurity.

1131 Many jobs in the coal sector have complex shift patterns, involving long shifts and night shifts, to  
1132 ensure continuity of operations around the clock. This can cause high levels of fatigue and augment  
1133 risks related to health and safety (see also [topic 12.14 Occupational health and safety](#)). Organizations  
1134 in the coal sector can also use fly-in fly-out work arrangements, in which workers are flown to  
1135 operational sites for several weeks at a time and often required to work extended shifts. Irregular work  
1136 shifts and schedules and time spent away from families can have further impacts on workers’  
1137 physical, psychological, and/or social health.

1138 Various activities in the coal sector are outsourced to suppliers. This is common during peak periods,  
1139 such as during construction or maintenance works, or for specific activities, such as catering, drilling,  
1140 security, and transportation. Outsourcing activities and using workers employed by suppliers, could  
1141 allow organizations in the coal sector to reduce their labor costs or to bypass collective agreements  
1142 that are in place for employees (see also [topic 12.18 Freedom of association and collective](#)  
1143 [bargaining](#)).

1144 Compared to employees, workers employed by suppliers commonly have less favorable employment  
1145 conditions, lower remuneration, less training, higher accident rates, and less job security. They often  
1146 lack social protection and access to grievance mechanisms. Workers beyond the first tiers of  
1147 business relationships in organization’s supply chain may also be subject to low standards for working  
1148 conditions, exposing organizations in the coal sector to human rights violations through their business  
1149 relationships.

1150 Employment terms can vary between local workers, migrant workers, and contractors. Remuneration  
1151 for these groups of workers may be unequal, and benefits, such as bonuses, housing allowances, and  
1152 private insurance plans, may only be offered to expatriate employees. Lack of relevant skills,  
1153 knowledge, or accessible training programs can also restrict local communities from accessing  
1154 employment opportunities created by the coal sector (see also [topic 12.8 Economic impacts](#)).

1155 Job security is also a concern in the coal sector. Mine closures or coal price drops can occur  
1156 suddenly, leading to job losses and increasing pressure on remaining workers. Low job security is  
1157 further compounded by automation and changing business models, such as changes triggered by the  
1158 transition to a low-carbon economy (see also [topic 12.2 Climate adaptation, resilience, and transition](#)).  
1159 Organizations in the sector can support workers by planning for a just transition, including  
1160 implementing timely measures that aim to develop their skills and improve their employability in other  
1161 sectors.

1162 **Reporting on employment practices**

1163 If the organization has determined employment practices to be a material topic, this sub-section lists  
 1164 the disclosures identified as relevant for reporting on the topic by the coal sector.

| STANDARD  | DISCLOSURE  | SECTOR STANDARD REF # |
|---|---|-----------------------|
| <b>Management of the topic</b>                  |   |                       |
| <b>GRI 3: Material Topics 2021</b>              | <a href="#">Disclosure 3-3 Management of material topics</a>  | 12.15.1               |
| <b>Topic Standard disclosures</b>               |   |                       |
| <b>GRI 401: Employment 2016</b>                 | <a href="#">Disclosure 401-1 New employee hires and employee turnover</a>   | 12.15.2               |
|   | <a href="#">Disclosure 401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees</a> | 12.15.3               |
|   | <a href="#">Disclosure 401-3 Parental leave</a>   | 12.15.4               |
| <b>GRI 402: Labor/Management Relations 2016</b> | <a href="#">Disclosure 402-1 Minimum notice periods regarding operational changes</a>   | 12.15.5               |
| <b>GRI 404: Training and Education 2016</b>     | <a href="#">Disclosure 404-1 Average hours of training per year per employee</a>  | 12.15.6               |
|   | <a href="#">Disclosure 404-2 Programs for upgrading employee skills and transition assistance programs</a>                          | 12.15.7               |
| <b>GRI 414: Supplier Social Assessment 2016</b> | <a href="#">Disclosure 414-1 New suppliers that were screened using social criteria</a>   | 12.15.8               |
|   | <a href="#">Disclosure 414-2 Negative social impacts in the supply chain and actions taken</a>                                      | 12.15.9               |

1165 **References and resources**

1166 [GRI 401: Employment 2016](#), [GRI 402: Labor/Management Relations 2016](#), [GRI 404: Training and](#)  
 1167 [Education 2016](#), and [GRI 414: Supplier Social Assessment 2016](#) list authoritative intergovernmental  
 1168 instruments and additional references relevant to reporting on this topic.

1169 The additional authoritative instruments and references used in developing this topic, as well as  
 1170 resources that may be helpful for reporting on employment practices by the coal sector are listed in  
 1171 the [Bibliography](#).

1172 **Topic 12.16 Child labor**

1173 **Child labor is defined as work that deprives children of their childhood, their potential, and**  
 1174 **their dignity, and that is harmful to their development, including by interfering with their**  
 1175 **education. It is a violation of human rights and can lead to lifelong negative impacts. Abolition**  
 1176 **of child labor is a fundamental principle and right at work.**

1177 Around one million children between ages five and 17 are estimated to be engaged in artisanal and  
 1178 small-scale mining and quarrying activities, and the use of child labor in coal mining has been  
 1179 documented in several countries [244] [249]. Risks of child labor in the coal sector are higher when  
 1180 the work is taking place on an informal basis or in remote areas.

1181 Coal mining activities are dangerous to children in various ways. Children face multiple hazards in  
 1182 coal mines, such as falling rocks, explosions, fires, and collapse of mine walls, leading to serious  
 1183 accidents and injuries (see also [topic 12.14 Occupational health and safety](#)). Other impacts can result  
 1184 from working in remote areas with limited access to schools and social services. In the absence of  
 1185 family or community support, the conditions may also foster alcohol abuse, drugs, and prostitution.

1186 Coal organizations interact with a high number of suppliers, including in countries with low  
 1187 enforcement of human rights. Coal organizations may be involved with incidences of child labor  
 1188 because of their business relationships with suppliers, for example, during construction of operational  
 1189 sites. Child labor has a higher prevalence in areas affected by armed conflict (see also [topic 12.12](#)  
 1190 [Conflict and security](#)).

1191 The coal sector's impacts on local communities and organizations' employment practices can affect  
 1192 children's rights and well-being, for example, parents' working conditions, including irregular working  
 1193 hours, shift work, and fly-in fly-out arrangements (see also [topic 12.15 Employment practices](#)).

1194 **Reporting on child labor**

1195 If the organization has determined child labor to be a material topic, this sub-section lists the  
 1196 disclosures identified as relevant for reporting on the topic by the coal sector.

| STANDARD  | DISCLOSURE   | SECTOR STANDARD REF # |
|---|--|-----------------------|
| <b>Management of the topic</b>                  |  |                       |
| <b>GRI 3: Material Topics 2021</b>              | <a href="#">Disclosure 3-3 Management of material topics</a>   | 12.16.1               |
| <b>Topic Standard disclosures</b>               |  |                       |
| <b>GRI 408: Child labor 2016</b>                | <a href="#">Disclosure 408-1 Operations and suppliers at significant risk for incidents of child labor</a> | 12.16.2               |
| <b>GRI 414: Supplier Social Assessment 2016</b> | <a href="#">Disclosure 414-1 New suppliers that were screened using social criteria</a>                    | 12.16.3               |

1197 **References and resources**

1198 [GRI 408: Child labor 2016](#) and [GRI 414: Supplier Social Assessment 2016](#) list authoritative  
 1199 intergovernmental instruments and additional references relevant to reporting on this topic.

1200 The additional authoritative instruments and references used in developing this topic, as well as  
 1201 resources that may be helpful for reporting on child labor by the coal sector are listed in the  
 1202 [Bibliography](#).

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## Topic 12.17 Forced labor and modern slavery

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**Forced labor is defined as all work or service which is exacted from any person under the menace of penalty and for which a person has not offered themselves voluntarily. Freedom from forced labor is a human right and a fundamental right at work. This topic covers an organization’s approach to identifying and addressing forced labor and modern slavery.**

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Coal is a product at risk of being mined using forced labor or modern slavery in several countries [252] [259]. Additionally, coal organizations may be involved with human rights violations and other instances of exploitation via interaction with suppliers, which may include those operating in countries with low rates of enforcement of human rights. Coal organizations may also be involved with incidences of forced labor and modern slavery as a result of their joint ventures and other business relationships, including those with state-owned enterprises in countries where international human rights violations are documented. Conducting due diligence within the large and complex supply chains common in the sector may also pose difficulties for detecting and addressing incidents of forced labor and modern slavery.

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There are documented cases of human rights violations throughout the supply chain concerning activities such as coal shipping and construction. Migrant workers can face higher risks of modern slavery when dealing with third-party employment agencies, such as those found to overcharge workers for visas and flights or demand recruitment costs be paid by workers rather than employers.

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As part of a global effort, several governments have issued legislation requiring public reporting on addressing traditional and emerging forced labor practices, including modern slavery. Such legislation applies to many organizations in the coal sector.

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### Reporting on forced labor and modern slavery

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If the organization has determined forced labor and modern slavery to be a material topic, this sub-section lists the disclosures identified as relevant for reporting on the topic by the coal sector.

| STANDARD  | DISCLOSURE  | SECTOR STANDARD REF # |
|---|---|-----------------------|
| <b>Management of the topic</b>                  |   |                       |
| <b>GRI 3: Material Topics 2021</b>              | <a href="#">Disclosure 3-3 Management of material topics</a>  | 12.17.1               |
| <b>Topic Standard disclosures</b>               |   |                       |
| <b>GRI 409: Forced or Compulsory Labor 2016</b> | <a href="#">Disclosure 409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor</a> | 12.17.2               |
| <b>GRI 414: Supplier Social Assessment 2016</b> | <a href="#">Disclosure 414-1 New suppliers that were screened using social criteria</a>                                   | 12.17.3               |

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### References and resources

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[GRI 409: Forced or Compulsory Labor 2016](#) and [GRI 414: Supplier Social Assessment 2016](#) list authoritative intergovernmental instruments and additional references relevant to reporting on this topic.

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The additional authoritative instruments and references used in developing this topic, as well as resources that may be helpful for reporting on forced labor and modern slavery by the coal sector are listed in the [Bibliography](#).

1234 **Topic 12.18 Freedom of association and collective**  
1235 **bargaining**

1236 **Freedom of association and collective bargaining are human rights and fundamental rights at**  
1237 **work. They include the rights of employers and workers to form, join, and run their own**  
1238 **organizations without prior authorization or interference, and to collectively negotiate working**  
1239 **conditions and terms of employment. This topic covers an organization’s approach and**  
1240 **impacts related to freedom of association and collective bargaining.**

1241 Workers’ rights to organize and to take collective action are critical for supporting and improving  
1242 working conditions in the coal sector, including conditions relating to occupational health and safety,  
1243 wages, and job security. These rights can also enable public debate about the sector’s governance  
1244 and practices, enhance collaboration towards a just transition, as well as aid in reducing social  
1245 inequality.

1246 Many jobs associated with the coal sector have traditionally been represented by trade unions and  
1247 covered by collective bargaining agreements. However, some coal resources are located in countries  
1248 where these rights are restricted. Workers in such locations face risks when seeking to join trade  
1249 unions and engage in collective bargaining. Even in countries where unions are legal, restrictions that  
1250 prevent effective worker representation might exist, and workers who join unions may face  
1251 intimidation or unfair treatment.

1252 Documented cases of interference with freedom of association and collective bargaining in the sector  
1253 include detention of managers and other employees, invasion of privacy, not adhering to collective  
1254 agreements, and preventing trade union access to workplaces to assist workers. Other documented  
1255 cases include refusal to bargain in good faith with workers’ chosen trade unions; threats, harassment,  
1256 forced disappearance, violence, and deaths; unfair dismissal of trade union members and leaders;  
1257 and unilateral cancellation of collective bargaining agreements.

1258 Widely used in the coal sector, contract workers are often excluded from the scope of collective  
1259 bargaining agreements. As a result, contract workers commonly have less favorable employment  
1260 conditions and lower remuneration and benefits compared to employees (see also [topic 12.15](#)  
1261 [Employment practices](#)).

1262 **Box 3. Freedom of association and civic space**

1263 Freedom of association and peaceful assembly are human rights. These rights give workers, through  
1264 their trade unions, and citizens, through independent civil society, the freedom to speak about the  
1265 coal sector’s policies and organizations’ practices without interference.

1266 Restrictions imposed on civic space, the environment that enables civil society to contribute to  
1267 decisions that affect individual lives, can limit citizens’ ability to engage in public debate about the  
1268 sector’s policies and organizations’ practices.

1269 **Reporting on freedom of association and collective bargaining**

1270 If the organization has determined freedom of association and collective bargaining to be a material  
 1271 topic, this sub-section lists the disclosures identified as relevant for reporting on the topic by the coal  
 1272 sector.

| STANDARD  | DISCLOSURE  | SECTOR STANDARD REF # |
|---|---|-----------------------|
| <b>Management of the topic</b>  |   |                       |
| <b>GRI 3: Material Topics 2021</b>                                    | <a href="#">Disclosure 3-3 Management of material topics</a>  | 12.18.1               |
| <b>Topic Standard disclosures</b>                                     |   |                       |
| <b>GRI 407: Freedom of Association and Collective Bargaining 2016</b> | <a href="#">Disclosure 407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk</a> | 12.18.2               |

1273 **References and resources**

1274 [GRI 407: Freedom of Association and Collective Bargaining 2016](#) lists authoritative intergovernmental  
 1275 instruments relevant to reporting on this topic.

1276 The additional authoritative instruments and references used in developing this topic, as well as  
 1277 resources that may be helpful for reporting on freedom of association and collective bargaining by the  
 1278 coal sector are listed in the [Bibliography](#).



1279 **Topic 12.19 Non-discrimination and equal**  
1280 **opportunity**

1281 **Freedom from discrimination is a human right and a fundamental right at work. Discrimination**  
1282 **can impose unequal burdens on individuals or deny fair opportunities on the basis of**  
1283 **individual merit. This topic covers impacts from discrimination and practices related to**  
1284 **diversity, inclusion, and equal opportunity.**

1285 The conditions, locations, necessary skills, and types of work associated with the coal sector can be a  
1286 barrier for entry, hinder employee diversity, and result in discrimination. Discriminatory practices can  
1287 impede access to jobs and career development, as well as lead to inequalities in treatment,  
1288 remuneration, and benefits.

1289 Documented cases of discrimination in the coal sector concern race, color, sex, gender, religion,  
1290 national extraction, and worker status. For example, jobseekers from local communities may be  
1291 excluded from the hiring process because of a recruitment system bias that favors a dominant ethnic  
1292 group or utilizes migrant workers. Local workers may receive significantly lower pay for equal work  
1293 than expatriate employees. The sector's widespread use of contract workers, often with differing  
1294 terms of employment, can also be conducive to discrimination.

1295 The coal sector is characterized by a significant gender imbalance. In many countries, the percentage  
1296 of women working in this sector is significantly lower than the percentage of women working overall  
1297 nationwide. Women are also significantly underrepresented in senior management positions. One  
1298 cause of this imbalance may be that fewer women graduate with degrees pertinent to the sector, such  
1299 as in science, technology, engineering, and mathematics. Other barriers for women and primary  
1300 caregivers include fly-in fly-out work arrangements, long hours, and limited parental leave  
1301 arrangements and childcare facilities at mining sites (see also [topic 12.15 Employment practices](#)).  
1302 Social or cultural customs, beliefs, and biases can also limit women's access to jobs in this sector or  
1303 prevent them from taking on specific roles. In addition, some resource-rich countries have laws that  
1304 prevent women from working in hazardous or arduous occupations.

1305 The coal sector has also been linked to domestic and gender-based violence, both at operational  
1306 sites and within local communities adjacent to the organization's operations. Male-dominated cultures,  
1307 imbalanced gender distribution, and gendered organizational norms have been identified as  
1308 contributing to the likelihood of sexual harassment (see also [topic 12.14 Occupational health and](#)  
1309 [safety](#)).

1310 Understanding how specific groups may be subject to discrimination across different locations where  
1311 coal organizations operate can help organizations in effectively address discriminatory practices.  
1312 Other measures, such as providing specific training to workers on preventing discrimination can help  
1313 address impacts related to discrimination and create a respectful workplace.

1314 **Reporting on non-discrimination and equal opportunity**

1315 If the organization has determined non-discrimination and equal opportunity to be a material topic, this  
 1316 sub-section lists the disclosures identified as relevant for reporting on the topic by the coal sector.

| STANDARD   | DISCLOSURE  | SECTOR STANDARD REF # |
|--|---|-----------------------|
| <b>Management of the topic</b>                       |   |                       |
| <b>GRI 3: Material Topics 2021</b>                   | <a href="#">Disclosure 3-3 Management of material topics</a>  | 12.19.1               |
| <b>Topic Standard disclosures</b>                    |   |                       |
| <b>GRI 202: Market Presence 2016</b>                 | <a href="#">Disclosure 202-1 Ratios of standard entry level wage by gender compared to local minimum wage</a> | 12.19.2               |
|  | <a href="#">Disclosure 202-2 Proportion of senior management hired from the local community</a>               | 12.19.3               |
| <b>GRI 401: Employment 2016</b>                      | <a href="#">Disclosure 401-3 Parental leave</a>   | 12.19.4               |
| <b>GRI 404: Training and Education 2016</b>          | <a href="#">Disclosure 404-1 Average hours of training per year per employee</a>                              | 12.19.5               |
| <b>GRI 405: Diversity and Equal Opportunity 2016</b> | <a href="#">Disclosure 405-1 Diversity of governance bodies and employees</a>                                 | 12.19.6               |
|  | <a href="#">Disclosure 405-2 Ratio of basic salary and remuneration of women to men</a>                       | 12.19.7               |
| <b>GRI 406: Non-discrimination 2016</b>              | <a href="#">Disclosure 406-1 Incidents of discrimination and corrective actions taken</a>                     | 12.19.8               |

1317 **References and resources**

1318 [GRI 202: Market Presence 2016](#), [GRI 401: Employment 2016](#), [GRI 404: Training and Education](#)  
 1319 [2016](#), [GRI 405: Diversity and Equal Opportunity 2016](#), and [GRI 406: Non-discrimination 2016](#) list  
 1320 authoritative intergovernmental instruments relevant to reporting on this topic.

1321 The additional references used in developing this topic, as well as resources that may be helpful for  
 1322 reporting on non-discrimination and equal opportunity by the coal sector are listed in the [Bibliography](#).

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## Topic 12.20 Anti-corruption

1324 **Anti-corruption refers to how an organization manages the potential of being involved with**  
1325 **corruption. Corruption is practices such as bribery, facilitation payments, fraud, extortion,**  
1326 **collusion, money laundering, or the offer or receipt of an inducement to do something**  
1327 **dishonest or illegal. This topic covers impacts related to corruption and an organization’s**  
1328 **approach related to contract and ownership transparency.**

1329 Corruption in the coal sector can occur throughout the value chain and has been linked to various  
1330 negative impacts, such as misallocation of resource revenues, damage to the environment, abuse of  
1331 democracy and human rights, and political instability. In addition, corruption can divert resource  
1332 revenues to private beneficiaries, at the expense of, for example, investments in infrastructure or  
1333 services. This can be particularly critical in countries with high poverty levels, where it can increase  
1334 inequalities and conflicts over coal resources. Likelihood of corruption can be higher in areas of  
1335 conflict, where increased pressure on the supply of resources and instability might be exploited.  
1336 Corruption can in turn foster conflict and lead to instability (see also [topic 12.12 Conflict and security](#)).

1337 Characteristics of the coal sector that contribute to the potential for corruption include frequent  
1338 interaction between coal organizations and politically exposed persons,<sup>14</sup> such as government officials  
1339 for licenses and other regulatory approvals. Other relevant sector characteristics include the complex  
1340 financial transactions and the international reach of the sector.

1341 State-owned enterprises (SOEs) face specific challenges in relation to corruption because they may  
1342 have less effective internal controls and be subject to partial independent oversight. In addition to  
1343 driving profit, SOEs may also pursue broader objectives such as community development. However,  
1344 without adequate oversight, measures for community development may be abused for corrupt  
1345 purposes. Organizations in the coal sector partnering with SOEs in joint ventures may face additional  
1346 risks related to corruption as a result of this business relationship.

1347 Corruption can occur during bidding processes for exploration and production licenses, for example,  
1348 with the aim to obtain confidential information, influence decision-making, or avoid environmental or  
1349 local content requirements. This may result in licenses being awarded to less qualified organizations,  
1350 jeopardizing public investments, or negatively impacting the environment and local communities.  
1351 Opaque licensing procedures may also obstruct public scrutiny of investments and transactions that  
1352 could result in reduced public revenue.

1353 Corrupt practices can also be aimed at blocking or shaping policies and regulations or to influence  
1354 their enforcement. This might include land and resource rights regulations, taxes and other  
1355 government levies, or environmental protection.

1356 A lack of transparency in procurement procedures in the coal sector can also create a risk of  
1357 corruption and fraud. Examples of this can include paying bribes to get regulations or quality  
1358 requirements waived, receiving kickbacks for securing contracts at inflated prices, profiting from  
1359 inflated prices charged by an entity established as a front organization, and favoring companies  
1360 connected to local regulators.

1361 To combat corruption and prevent the negative impacts that stem from it, organizations in the coal  
1362 sector are expected by the marketplace, international norms, and stakeholders to demonstrate their  
1363 adherence to integrity, governance, and responsible business practices.

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<sup>14</sup> Politically exposed person is defined by the Financial Action Taskforce (FATF) as “an individual who is or has been entrusted with a prominent public function” [271].

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**Box 4. Transparency about contracts and ownership structures**

Publication of government contracts is a growing practice. It is endorsed by organizations such as the United Nations (UN), International Monetary Fund (IMF), International Finance Corporation (IFC), the International Bar Association (IBA), and the Organisation for Economic Co-operation and Development (OECD).

Contracts governing the extraction of coal resources are commonly devised by organizations in the sector and governments on behalf of citizens or local communities without public oversight. Fair terms for sharing risks and rewarding benefits, including those related to a just transition, are particularly relevant because of the long-term time horizons and widespread impacts of projects. Contract transparency helps local communities hold governments and organizations accountable for their negotiated terms and obligations. It also reduces information asymmetries between governments and coal organizations and helps level the playing field in negotiations.

Lack of transparency about ownership structures can make it difficult to determine who benefits from financial transactions. Beneficial ownership transparency has been identified as a significant opportunity to deter conflicts of interest, corruption, tax avoidance, and evasion.

See references [268] and [276] in the [Bibliography](#).

1380 **Reporting on anti-corruption**

1381 If the organization has determined anti-corruption to be a material topic, this sub-section lists the  
 1382 disclosures identified as relevant for reporting on the topic by the coal sector.

| STANDARD                             | DISCLOSURE   | SECTOR STANDARDS REF # |
|--------------------------------------|--|------------------------|
| <b>Management of the topic</b>       |  |                        |
| <b>GRI 3: Material Topics 2021</b>   | <p><a href="#">Disclosure 3-3 Management of material topics</a></p> <p><i>Additional sector recommendations</i></p> <ul style="list-style-type: none"> <li>Describe how potential impacts of corruption or risks of corruption are managed in the organization’s procurement practices and throughout the supply chain.</li> </ul>   | 12.20.1                |
| <b>Topic Standard disclosures</b>    |  |                        |
| <b>GRI 205: Anti-corruption 2016</b> | <a href="#">Disclosure 205-1 Operations assessed for risks related to corruption</a>   | 12.20.2                |
|                                      | <a href="#">Disclosure 205-2 Communication and training about anti-corruption policies and procedures</a>  | 12.20.3                |
|                                      | <a href="#">Disclosure 205-3 Confirmed incidents of corruption and actions taken</a>   | 12.20.4                |
| <b>Additional sector disclosures</b> |  |                        |
|                                      | <ul style="list-style-type: none"> <li>Describe the approach to contract transparency, including:               <ul style="list-style-type: none"> <li>whether contracts and licenses are made publicly available and, if so, where they are published;</li> <li>if contracts or licenses are not publicly available, the reason for this and actions taken to make them public in the future.<sup>15</sup></li> </ul> </li> </ul> | 12.20.5                |
|                                      | List the organization’s beneficial owners and explain how the organization identifies the beneficial owners of <u>business partners</u> , including joint ventures and <u>suppliers</u> . <sup>16</sup>  | 12.20.6                |

1383 **References and resources**

1384 [GRI 205: Anti-corruption 2016](#) lists authoritative intergovernmental instruments and additional  
 1385 references relevant to reporting on this topic.

1386 The additional authoritative instruments and references used in developing this topic, as well as  
 1387 resources that may be helpful for reporting on anti-corruption by the coal sector are listed in the  
 1388 [Bibliography](#).

<sup>15</sup> This additional sector disclosure is based on Requirement 2.4. Contracts in the *EITI Standard 2019*. Definitions for contracts and licenses can be found in the *EITI Standard 2019* [278].

<sup>16</sup> This additional sector disclosure is based on Requirement 2.5. Beneficial ownership c., d., and f. in the *EITI Standard 2019* [278].

## 1389 **Topic 12.21 Payments to governments**

1390 **Lack of transparency about payments to governments can contribute to inefficient**  
1391 **management of public funds, illicit financial flows, and corruption. This topic covers impacts**  
1392 **from an organization's practices related to payments to governments and the organization's**  
1393 **approach to transparency of such payments.**

1394 Organizations in the coal sector deal with a large number of complex financial transactions and make  
1395 a variety of payments to governments. These include commodity trading revenues, exploration and  
1396 production licensing fees, taxes and royalties, signature, discovery, and production bonuses.

1397 Transparency of payments to governments can help distinguish the economic importance of the coal  
1398 sector to countries, enable public debate, and inform government decision-making. It can also provide  
1399 insights into the terms of contracts, increase government accountability, and strengthen revenue  
1400 collection and management. Insufficient transparency of these payments, on the other hand, can  
1401 impede detection of misallocation of revenues and corruption (see also [topic 12.20 Anti-corruption](#)).

1402 Taxes, royalties, and other payments from organizations in the coal sector are an important source of  
1403 investment and revenue for [local communities](#), countries, and regions (see also [topic 12.15 Economic](#)  
1404 [impacts](#)). However, aggressive tax practices or tax non-compliance can lead to diminished tax  
1405 revenues in countries where coal organizations operate. This can be particularly damaging for  
1406 developing countries that may lack or have high needs for public revenue.

1407 The sector receives substantial subsidies from governments in many countries, despite commitments  
1408 to phase out financial support by 2018.<sup>17</sup> Excessive subsidies for the sector can result in commodity  
1409 prices that do not reflect coal's total environmental or social costs, and impede the transition to a low-  
1410 carbon economy (see also [topic 12.2 Climate adaptation, resilience, and transition](#)).

1411 When disclosing information on payments to governments, organizations in the coal sector often  
1412 report aggregate payments at an organizational level. However, this can provide limited insight into  
1413 payments made in each country or related to a project. Reporting country-level and project-level  
1414 payments enables a comparison of the payments made to those stipulated in fiscal, legal, and  
1415 contractual terms as well as to assess the financial contribution of coal activities to host countries and  
1416 communities. It can also enable governments to address tax avoidance and evasion, correct  
1417 information asymmetry, and level the playing field for governments when negotiating contracts.

### 1418 **Box 5. State-owned enterprises**

1419 A state-owned enterprise (SOE) is, according to the Extractives Industries Transparency Initiative  
1420 (EITI), 'a wholly or majority government-owned company that is engaged in extractive activities on  
1421 behalf of the government' [283]. SOEs often have special status, which can involve financial  
1422 advantages and preferential treatment.

1423 In some major coal producing countries the largest coal organizations are state-owned enterprises.  
1424 As direct customers, SOEs are also highly relevant for the sector. Of all power plants burning coal,  
1425 40% belong to SOEs, with the figure rising to 56% when including joint ventures.

<sup>17</sup> In the European Union, subsidies to coal producers added up to €9.7 billion in 2012 [281] and remained at similar levels in the following years [287].

1426 **Reporting on payments to governments**

1427 If the organization has determined payments to governments to be a material topic, this sub-section  
 1428 lists the disclosures identified as relevant for reporting on the topic by the coal sector.

| STANDARD                                  | DISCLOSURE   | SECTOR STANDARDS REF # |
|---|--|------------------------|
| <b>Management of the topic</b>            |  |                        |
| <b>GRI 3: Material Topics 2021</b>        | Disclosure 3-3 Management of material topics   | 12.21.1                |
| <b>Topic Standard disclosures</b>         |  |                        |
| <b>GRI 201: Economic Performance 2016</b> | Disclosure 201-1 Direct economic value generated and distributed   | 12.21.2                |
|   | Disclosure 201-4 Financial assistance received from government<br><br><i>Additional sector recommendations</i><br>For state-owned organizations (SOEs):<br><ul style="list-style-type: none"> <li>Report the financial relationship between the government and the SOE.<sup>18</sup></li> </ul>  | 12.21.3                |
| <b>GRI 207: Tax 2019</b>                  | Disclosure 207-1 Approach to tax   | 12.21.4                |
|   | Disclosure 207-2 Tax governance, control, and risk management  | 12.21.5                |
|   | Disclosure 207-3 Stakeholder engagement and management of concerns related to tax  | 12.21.6                |
|   | Disclosure 207-4 Country-by-country reporting<br><br><i>Additional sector recommendations</i><br><ul style="list-style-type: none"> <li>Report a breakdown of the payments to governments levied at the project-level, by project and the following revenue streams, if applicable:               <ul style="list-style-type: none"> <li>The host government's production entitlement;</li> <li>National state-owned company production;</li> <li>Royalties;</li> <li>Dividends;</li> <li>Bonuses (e.g., signature, discovery, and production bonuses);</li> <li>License fees, rental fees, entry fees; and other considerations for licenses or concessions;</li> <li>Any other significant payments and material benefits to government.<sup>19</sup></li> </ul> </li> </ul> | 12.21.7                |

<sup>18</sup> This additional sector recommendation is based on Requirement 2.6 State participation in the *EITI Standard 2019* [289].

<sup>19</sup> This additional sector recommendation is based on Requirement 4.1 Comprehensive disclosure of taxes and revenues and Requirement 4.7. Level of disaggregation in the *EITI Standard 2019*. A definition for project can be found in the *EITI Standard 2019* [289].



|                                      |  |         |
|--------------------------------------|--|---------|
|                                      | <ul style="list-style-type: none"> <li>Report the value of any thresholds<sup>20</sup> that have been applied and any other contextual information necessary to understand how the project-level payments to governments reported have been compiled.</li> </ul>   |         |
| <b>Additional sector disclosures</b> |  |         |
|                                      | <p>For coal purchased from the state or from third parties appointed by the state to sell on their behalf, report:</p> <ul style="list-style-type: none"> <li>volumes and types of coal purchased;</li> <li>full names of the buying entity and the recipient of the payment;</li> <li>payments made for the purchase.<sup>21</sup></li> </ul> | 12.21.8 |

1429 **References and resources**

1430 [GRI 201: Economic Performance 2016](#) and [GRI 207: Tax 2019](#) list authoritative intergovernmental  
 1431 instruments and additional references relevant to reporting on this topic.

1432 The additional authoritative instruments and references used in developing this topic, as well as  
 1433 resources that may be helpful for reporting on payments to governments by the coal sector are listed  
 1434 in the [Bibliography](#).

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<sup>20</sup> The *EITI Standard 2019* specifies that in countries implementing the EITI, the multi-stakeholder group for the country agree which payments and revenues are material, including appropriate thresholds [289]. The organization can use the relevant threshold set by the EITI multi-stakeholder group. If there is no relevant threshold set, the organization can use a threshold equivalent to that established for the European Union, which specifies that 'Payments, whether a single payment or a series of related payments, below EUR 100,000 within the reporting period can be excluded' [279].

<sup>21</sup> This additional sector disclosure is based on Requirement 4.2 Sale of the state's share of production or other revenues collected in kind in the *EITI Standard 2019* [289] and *EITI Reporting Guidelines for companies buying oil, gas and minerals from governments* [288].

1435

## Topic 12.22 Public policy

1436 **An organization can participate in public policy development, directly or through an**  
1437 **intermediary organization, by means of lobbying or making financial or in-kind contributions**  
1438 **to political parties, politicians, or causes. While an organization can encourage the**  
1439 **development of public policy that benefits society, participation can also be associated with**  
1440 **corruption, bribery, undue influence, or an imbalanced representation of the organization's**  
1441 **interests. This topic covers an organization's approach to public policy advocacy and the**  
1442 **impacts that can result from the influence an organization exerts.**

1443 In regions where coal generates significant revenue for governments, organizations in the sector may  
1444 get better access to, and representation in meetings with, government representatives, which may  
1445 lead to increased influence over public policy decisions.

1446 Lobbying by the coal sector can obstruct sustainable development, for example, by misaligning policy,  
1447 regulation, and subsidies with the transition to a low-carbon economy. The coal sector has advocated  
1448 against ambitious climate policies through individual organizations in the sector and industry bodies.  
1449 These activities have often been targeted against enforcing meaningful carbon pricing, carbon  
1450 budgets, or other measures to reduce greenhouse gas (GHG) emissions that could leave coal assets  
1451 and resources stranded. These efforts have sometimes contradicted publicly stated corporate  
1452 strategies and positions that support policies addressing climate change (see also [topic 12.2 Climate](#)  
1453 [adaptation, resilience, and transition](#)). The coal sector has also lobbied for government subsidies,  
1454 contributing to increased dependence on fossil fuels and discouraging investment in renewable  
1455 energy and energy efficiency.

1456 While lobbying activities may aim to safeguard existing jobs and the livelihoods of communities living  
1457 adjacent to coal mining areas, advocacy and lobbying activities by the coal sector have also  
1458 contributed to hindering environmental policies; blocking or amending legislation on environmental  
1459 and social assessments of projects, or fair participation of all stakeholders; overturning restrictions on  
1460 resource development; and lowering labor standards, corporate taxes, and resource royalties.

1461 **Reporting on public policy**

1462 If the organization has determined public policy to be a material topic, this sub-section lists the  
 1463 disclosures identified as relevant for reporting on the topic by the coal sector.

| STANDARD                           | DISCLOSURE  | SECTOR STANDAR<br>RD REF # |
|------------------------------------|---|----------------------------|
| <b>Management of the topic</b>     |   |                            |
| <b>GRI 3: Material Topics 2021</b> | <p data-bbox="416 517 962 551"><a href="#">Disclosure 3-3 Management of material topics</a></p> <p data-bbox="416 577 836 611"><i>Additional sector recommendations</i></p> <ul data-bbox="416 622 1337 981" style="list-style-type: none"> <li>• Describe the organization’s stance on significant issues that are the focus of its participation in public policy development and lobbying; and any differences between these positions and its stated policies, goals, or other public positions.</li> <li>• Report whether the organization is a member of, or contributes to, any representative associations or committees that participate in public policy development and lobbying, including:               <ul data-bbox="464 853 1337 981" style="list-style-type: none"> <li>– the nature of this contribution;</li> <li>– any differences between the organization’s stated policies, goals, or other public positions on significant issues related to climate change, and the positions of the representative associations or committees.<sup>22</sup></li> </ul> </li> </ul> | 12.22.1                    |
| <b>Topic Standard disclosures</b>  |   |                            |
| <b>GRI 415: Public Policy 2016</b> | <a href="#">Disclosure 415-1 Political contributions</a>  | 12.22.2                    |

1464 **References and resources**

1465 [GRI 415: Public Policy 2016](#) lists authoritative intergovernmental instruments relevant to reporting on  
 1466 this topic.

1467 The additional references used in developing this topic, as well as resources that may be helpful for  
 1468 reporting on public policy by the coal sector are listed in the [Bibliography](#).

<sup>22</sup> These additional sector recommendations are based on [reporting recommendations 1.2.1 and 1.2.2](#) in [GRI 415: Public Policy 2016](#).

1469

# Glossary

1470 This glossary provides definitions for terms used in this Standard. The organization is required to  
1471 apply these definitions when using the GRI Standards.

1472 The definitions included in this glossary may contain terms that are further defined in the complete  
1473 [GRI Standards Glossary](#). All defined terms are underlined. If a term is not defined in this glossary or in  
1474 the complete *GRI Standards Glossary*, definitions that are commonly used and understood apply.

- 1475 • **area of high biodiversity value**
- 1476 • **area protected**
- 1477 • **area restored**
- 1478 • **baseline**
- 1479 • **basic salary**
- 1480 • **benefit**
- 1481 • **business partner**
- 1482 • **business relationships**
- 1483 • **carbon dioxide (CO<sub>2</sub>) equivalent**
- 1484 • **child**
- 1485 • **collective bargaining**
- 1486 • **community development program**
- 1487 • **conflict of interest**
- 1488 • **corruption**
- 1489 • **direct (Scope 1) GHG emissions**
- 1490 • **discrimination**
- 1491 • **disposal**
- 1492 • **effluent**
- 1493 • **employee**
- 1494 • **energy indirect (Scope 2) GHG emissions**
- 1495 • **exposure**
- 1496 • **forced or compulsory labor**
- 1497 • **freedom of association**
- 1498 • **freshwater**
- 1499 • **global warming potential (GWP)**
- 1500 • **governance body**
- 1501 • **greenhouse gas (GHG)**
- 1502 • **grievance mechanism**
- 1503 • **groundwater**
- 1504 • **highest governance body**
- 1505 • **human rights**
- 1506 • **impact**
- 1507 • **indigenous peoples**
- 1508 • **infrastructure**
- 1509 • **local community**
- 1510 • **material topics**
- 1511 • **mitigation**
- 1512 • **occupational health and safety management system**
- 1513 • **other indirect (Scope 3) GHG emissions**
- 1514 • **parental leave**
- 1515 • **remedy / remediation**
- 1516 • **recycling**
- 1517 • **remuneration**
- 1518 • **renewable energy source**
- 1519 • **reporting period**
- 1520 • **Scope of GHG emissions**
- 1521 • **security personnel**
- 1522 • **senior executive**

- 1523 • **services supported**
- 1524 • **severity (of an impact)**
- 1525 • **significant air emission**
- 1526 • **significant operational change**
- 1527 • **spill**
- 1528 • **stakeholder**
- 1529 • **supplier**
- 1530 • **supply chain**
- 1531 • **surface water**
- 1532 • **sustainable development/sustainability**
- 1533 • **value chain**
- 1534 • **vulnerable group**
- 1535 • **waste**
- 1536 • **waste disposal method**
- 1537 • **water consumption**
- 1538 • **water withdrawal**
- 1539 • **water stress**
- 1540 • **worker**
- 1541 • **work-related hazard**
- 1542 • **work-related incident**

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1544 This section lists authoritative intergovernmental instruments and additional references used in  
1545 developing this Standard, as well as resources that can be consulted by the organization.

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