



GRI

GRI 11: Oil and Gas Sector 2021 & the GRI Standards

02 March 2021

- Overview of *GRI 11: Oil and Gas Sector 2021*
- A focus on climate change- and just transition-related topics
- A quick look at some other points of interest
- Q&A



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Head, Sector Program

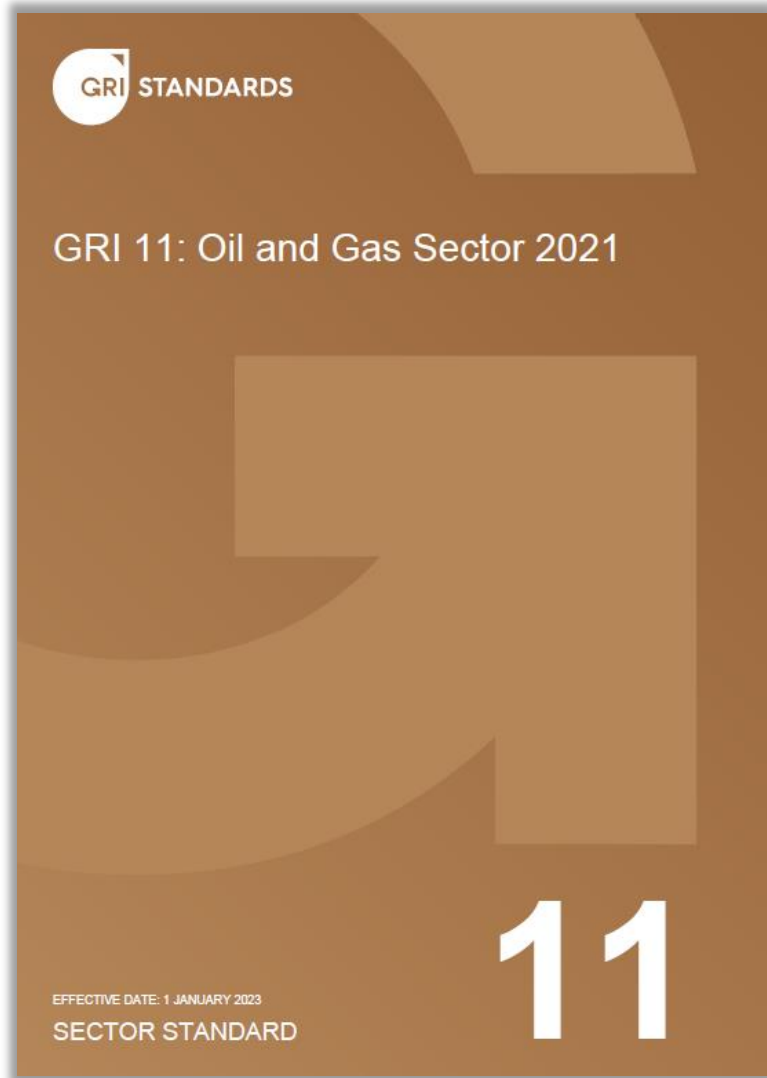


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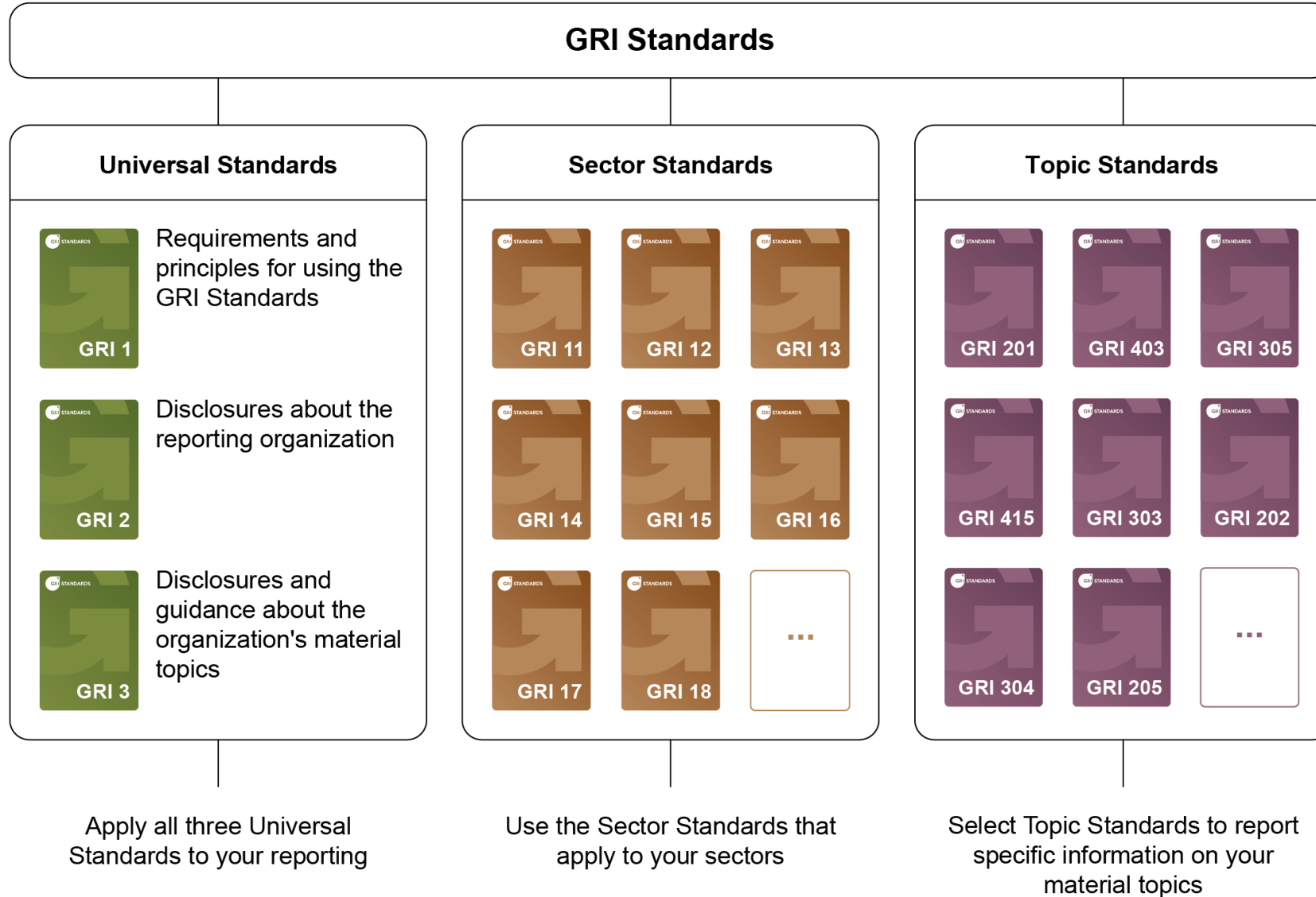


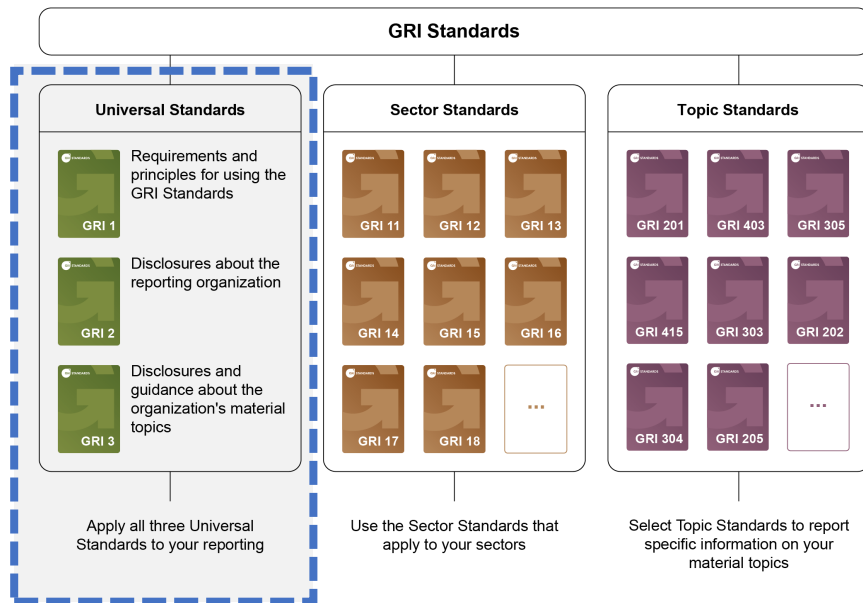
GRI 11: Oil and Gas Sector 2021

GRI 11: Oil and Gas Sector

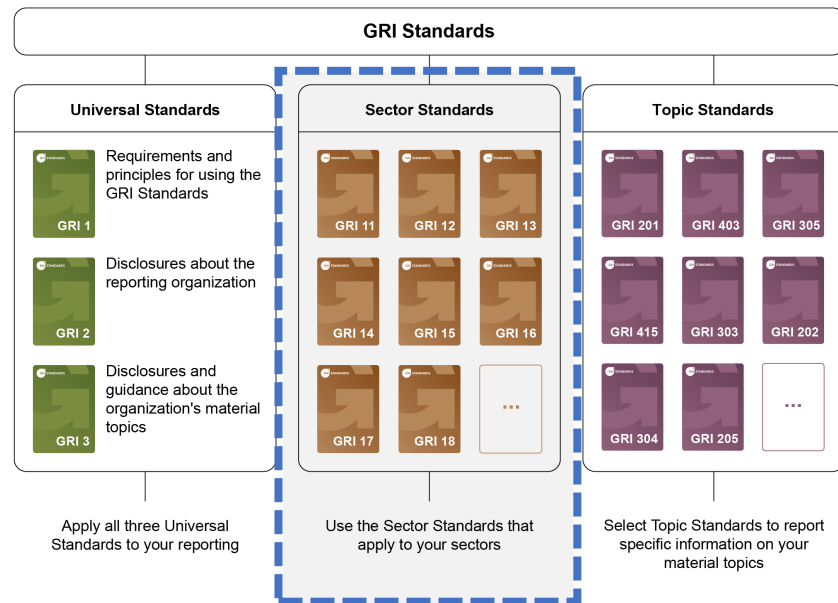


- Applies to organizations involved in oil and gas exploration, development, extraction, storage, transportation or refining
- Outlines topics that are likely to be material for organizations in the oil and gas sector and relevant disclosures to report on these topics
- Supports the assessment of an organization's reporting by information users and stakeholders
- Used by oil and gas organizations reporting in accordance with the GRI Standards 2021





- Released Oct 2021, effective 1 Jan 2023
- Revised to embed mandatory human rights-related disclosures, integrate reporting on due diligence & provide greater clarity on key concepts, reporting principles and disclosures
- **GRI 1** includes instructions on how to use the GRI Standards
- **GRI 2** contains general disclosures about the organization, including workers, governance, strategy, policies, and stakeholder engagement
- **GRI 3** includes disclosures on the process of determining material topics, the organization's list of material topics, and how it manages each topic



- Introduced to increase quality, completeness & consistency of reporting
- Describes the (sustainability) context for the sector
- Outlines topics likely to be material based on the impacts of the sector
- Lists disclosures identified as relevant for reporting on each likely material topic
- Includes a reference system which enables information users to assess an organization's reporting against the Sector Standard

How is GRI 11 used?

1

When determining material topics

The organization uses *GRI 11* when determining its material topics

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GRI 11: Oil and Gas Sector 2021

Topic 11.3 Air emissions

Air emissions include pollutants that have negative impacts on air quality, ecosystems, and human and animal health. This topic covers impacts from emissions of sulfur oxides (SOx), nitrogen oxides (NOx), particulate matter (PM), volatile organic compounds (VOC), carbon monoxide (CO), and heavy metals, such as lead, mercury, and cadmium.

The activities of the oil and gas sector and the combustion of oil and gas are anthropogenic sources of other air emissions besides greenhouse gases (GHGs). These include SO_x, NO_x, PM, VOCs, hazardous air pollutants (HAP), such as benzene (C₆H₆) and hydrogen sulfide (H₂S), and ozone (O₃).^[1]

These air emissions can be released during production and processing, refining, distribution, and storage. They can result from activities such as flaring and venting; fuel combustion for powering machinery; loading; and transportation of supplies and products. Air emissions can also result from evaporation losses, fugitive emissions from equipment leaks and failures, and process-safety incidents and events. A significant number of air emissions also result from fuel combustion by end-users.

Globally, air pollution causes acute health problems and millions of deaths annually by contributing to heart and lung diseases, strokes, respiratory infections, and neurological damage [93]. Children, the elderly, and the poor are disproportionately affected by these emissions, as are local communities adjacent to operational sites.

Air emissions may lead to widespread and diverse impacts on ecosystems, while affecting other economic activities that depend on these ecosystems. For example, NO_x emissions that enter oceans, lakes, or other water bodies can alter their chemistry, negatively impacting land and aquatic life. NO_x and SO_x emissions can lead to acid rain and increase ocean acidification. These emissions can also cause damage to plant life by, for example, impairing photosynthesis and reducing growth.

Material topics



2

When determining disclosures to report on material topics

For the topics included in *GRI 11* that are material, the organization uses it to identify disclosures

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GRI 11: Oil and Gas Sector 2021

Reporting on air emissions

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

STANDARD	DISCLOSURE	SECTOR STANDARD REF #
Management of the Topic		
GRI 3: Material Topics 2021	Disclosure 3-3 Management of material topics	11.3.1
Topic Standard Disclosures		
GRI 305: Emissions 2016	Disclosure 305-7 Nitrogen oxides (NO _x), sulfur oxides (SO _x), and other significant air emissions	11.3.2
GRI 416: Customer Health and Safety 2016	Disclosure 416-1 Assessment of the health and safety impacts of product and service categories Additional sector recommendations Describe actions taken to improve product quality to reduce air emissions	11.3.3

GRI 11 - Likely materials topics

Topic 11.1	GHG emissions	Topic 11.12	Forced labor and modern slavery
Topic 11.2	Climate adaptation, resilience and transition	Topic 11.13	Freedom of association and collective bargaining
Topic 11.3	Air emissions	Topic 11.14	Economic impacts
Topic 11.4	Biodiversity	Topic 11.15	Local communities
Topic 11.5	Waste	Topic 11.16	Land and resource rights
Topic 11.6	Water and effluents	Topic 11.17	Rights of indigenous peoples
Topic 11.7	Closure and rehabilitation	Topic 11.18	Conflict and security
Topic 11.8	Asset integrity and critical incident management	Topic 11.19	Anti-competitive behavior
Topic 11.9	Occupational health and safety	Topic 11.20	Anti-corruption
Topic 11.10	Employment practices	Topic 11.21	Payments to governments
Topic 11.11	Non-discrimination and equal opportunity	Topic 11.22	Public policy

Requirement 3 in GRI 1: Determine material topics

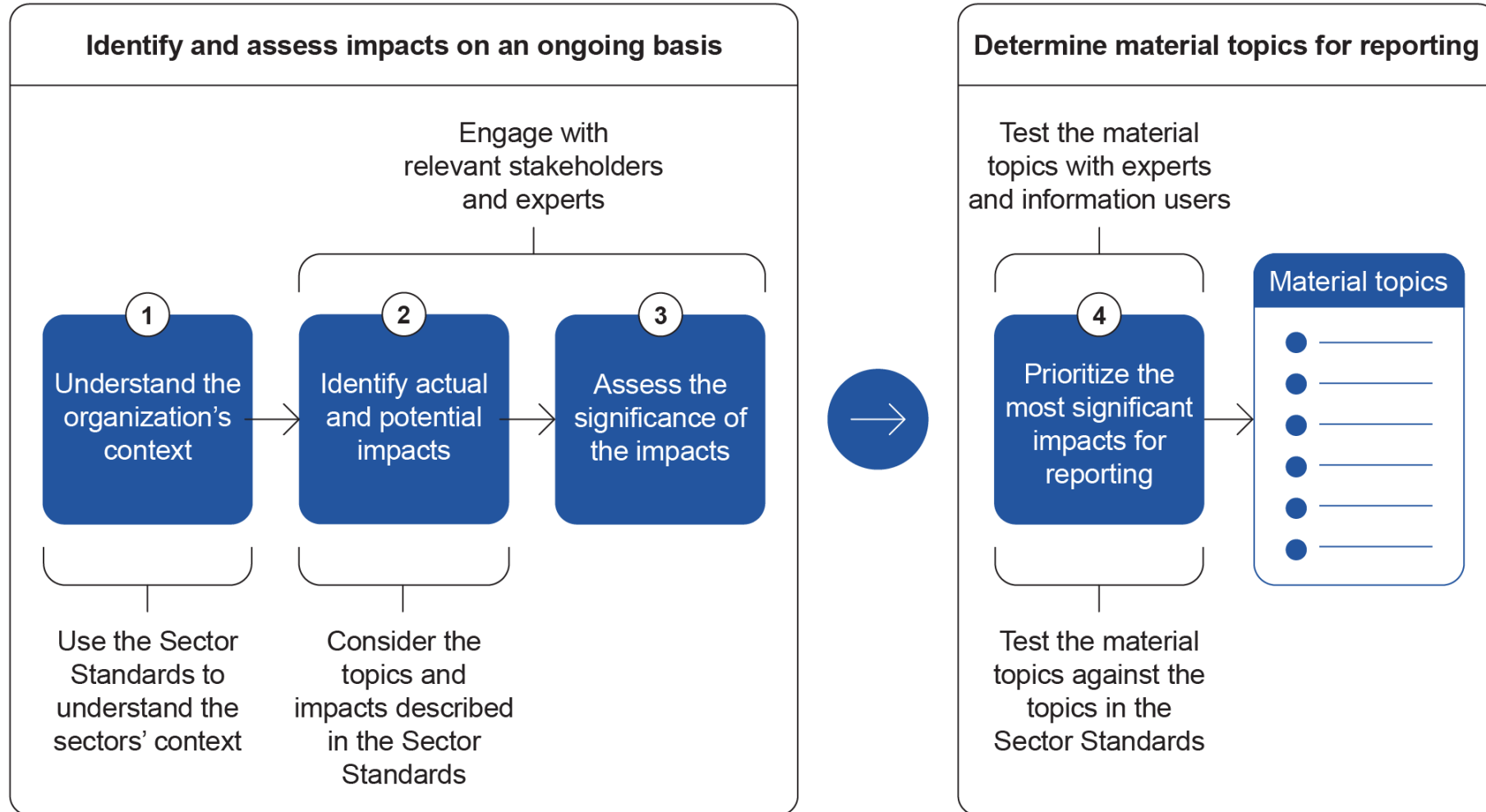
...determine whether each topic in the applicable Sector Standard(s) is material

...list in the GRI content index any topics determined as not material and explain why

For example

Guidance to determine material topics

GRI 3: Material Topics 2021



For example

Topic 11.1	GHG emissions	Topic 11.12	Forced labor and modern slavery
Topic 11.2	Climate adaptation, resilience and transition	Topic 11.13	Freedom of association and collective bargaining
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Requirement 3 in GRI 1: Determine material topics

...determine whether each topic in the applicable Sector Standard(s) is material
...list in the GRI content index any topics determined as not material and explain why

For example

- Topic 11.12 Forced labor and modern slavery
- Topic 11.13 Freedom of association and collective bargaining
- Topic 11.14 Economic impacts

Topics in the applicable GRI Sector Standards determined as not material	
TOPIC	EXPLANATION
[Title of GRI Sector Standard]	
[Topic]	[Explanation]
[Topic]	[Explanation]

How is GRI 11 used?

2

Material topics

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When determining disclosures to report on material topics

For the topics included in *GRI 11* that are material, the organization uses it to identify disclosures

23 GRI 11: Oil and Gas Sector 2021

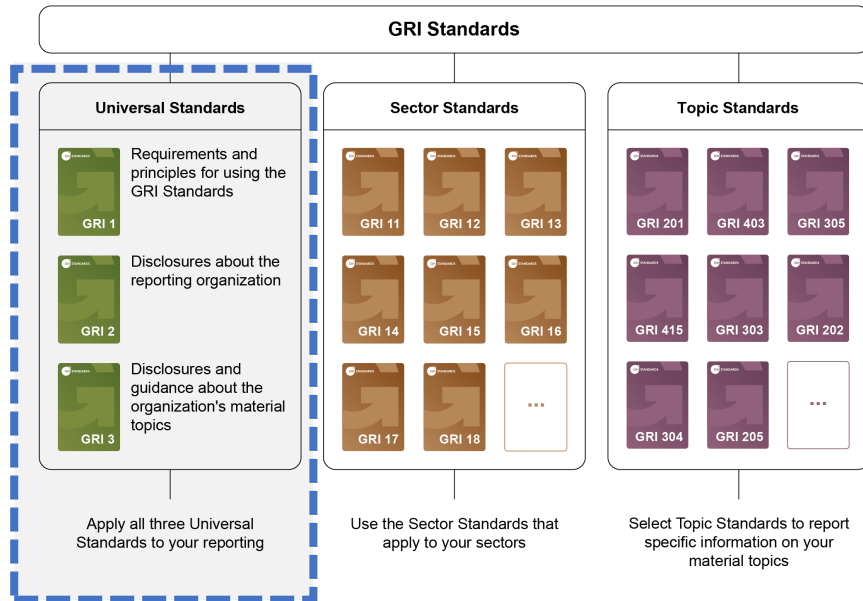
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	<i>Additional sector recommendations</i> Describe actions taken to improve product quality to reduce air emissions	

Approach to disclosures in Sector Standards

STANDARD	DISCLOSURE	SECTOR STANDARD REF #
Management of the Topic		
GRI 3: Material Topics 2021	<p>Disclosure 3-3 Management of material topics</p> <p><i>Additional sector recommendations</i></p> <ul style="list-style-type: none"> Describe the approach to identifying <u>stakeholders</u> within <u>local communities</u> and to engaging with them. List the <u>vulnerable groups</u> that the organization has identified within local communities. List any collective or individual rights that the organization has identified that are of particular concern for local communities¹¹. Describe the approach to engaging with vulnerable groups, including: <ul style="list-style-type: none"> how it seeks to ensure meaningful engagement; and how it seeks to ensure safe and equitable gender participations. <p>[11] These additional sector recommendations are based on the guidance to clause 1.1 in GRI 413: Local Communities 2016.</p>	11.15.1
Topic Standard Disclosures		
GRI 413: Local Communities 2016	Disclosure 413-1 Operations with local community engagement, impact assessments, and development programs	11.15.2
	<p>Disclosure 413-2 Operations with significant actual and potential negative impacts on local communities</p> <p><i>Additional sector recommendations</i></p> <ul style="list-style-type: none"> Describe <u>impacts</u> on the health of local communities as a result of <u>exposure</u> to pollution caused by operations or use of hazardous substances. 	11.15.3
Additional Sector Disclosures		
	<p>Report the number and type of <u>grievances</u> from local communities identified, including:</p> <ul style="list-style-type: none"> percentage of the grievances that were addressed and resolved; percentage of the grievances that were resolved through <u>remediation</u>. 	11.15.4



Reporting in accordance



! Disclosures from GRI 2 and GRI 3 are reported in addition to the disclosures listed in Sector Standards

Disclosures for likely materials topics

Topic 11.1	GHG emissions	Topic 11.12	Forced labor and modern slavery
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Topic 11.3	Air emissions	Topic 11.14	Economic impacts
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Land and resource rights

Topic with no corresponding Topic Standard

Topic
11.16

Land and resource rights

STANDARD	DISCLOSURE	SECTOR STANDARD REF #
Management of the Topic		
GRI 3: Material Topics 2021	<p>Disclosure 3-3 Management of material topics</p> <p><i>Additional sector recommendations</i></p> <ul style="list-style-type: none">Describe the approach to engaging with affected <u>vulnerable groups</u>, including:<ul style="list-style-type: none">how the organization seeks to ensure engagement is meaningful;how the organization seeks to ensure safe and equitable gender participation.Describe the approach to providing <u>remediation</u> to local communities 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.	11.16.1
Additional Sector Disclosures		
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.		11.16.2



Anti-corruption

Disclosures aligned with other instruments

Topic
11.20

Anti-corruption

STANDARD	DISCLOSURE	SECTOR STANDARD REF #
Management of the Topic		
GRI 3: Material Topics 2021	Disclosure 3-3 Management of material topics	11.20.1
	<p>Additional sector recommendations</p> <ul style="list-style-type: none">Describe how potential impacts of <u>corruption</u> or risks of corruption are managed in the organization's <u>supply chain</u>.Describe the whistleblowing and other mechanisms in place for individuals to raise concerns about corruption.	
Topic Standard Disclosures		
GRI 205: Anti-corruption 2016	Disclosure 205-1 Operations assessed for risks related to corruption	11.20.2
	Disclosure 205-2 Communication and training about anti-corruption policies and procedures	11.20.3
	Disclosure 205-3 Confirmed incidents of corruption and actions taken	11.20.4

Additional Sector Disclosures	
Describe the approach to contract transparency, including: <ul style="list-style-type: none"> whether contracts and licenses are made publicly and, if so, where they are published; if contracts or licenses are not publicly available, the reason for this and actions taken to make them public in the future.¹⁴ 	11.20.5
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> . ¹⁵	11.20.6

¹⁴ 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* [366].

¹⁵ This additional sector disclosure is based on Requirement 2.5. Beneficial ownership c., d., and f. in the *EITI Standard 2019* [366].



Climate change related topics



Two likely material topics in GRI 11

Topic 11.1

GHG Emissions

The organization GHG emissions, including Scope 1, 2 and 3

- Flaring and venting
- Methane

Topic 11.2

Climate adaptation, resilience and transition

The organization's strategy in relation to the transition to a low- carbon economy and the impacts of that transition on workers and local communities.

- GHG Reduction targets and performance
- Oil and gas current and expected production
- Capex allocated to oil and gas vs capex allocated to mitigation
- Approach to public policy and lobbying

Climate change related topics



TCFD Alignment

TCFD Recommendations		GRI 11 Disclosures
Governance	A) Board's oversight	S11.2.1 *
	B) Management's role	S11.2.2 *
Strategy	A) Risks and opportunities	S11.2.2
	B) Impact of risks and opportunities	S11.2.2
	C) Climate-related scenarios.	S11.2.1 *
Risk Management	A) Processes for identifying and assessing risks.	3.1
	B) Processes for managing risks.	S11.2.1
	C) Integration into overall risk management.	
Metrics and targets	A) Disclose the metrics	S11.2.1
	B) Scope 1, Scope 2, and Scope 3 emissions	S11.1.5 S11.1.6 S11.1.7
	C) Targets and performance against targets.	S11.2.3

* Additional sector recommendations

NOTE: this is presented for illustrative purposes, is not an official position of GRI or TCFD, and should not be relied upon for reporting purposes

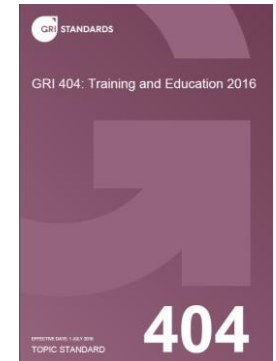
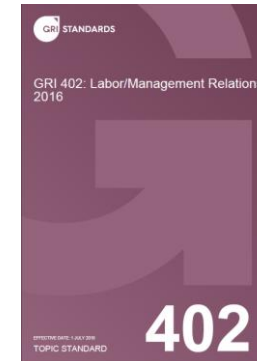
Other 'just transition' related topics



Topic 11.7

Closure and rehabilitation

STANDARD	DISCLOSURE	SECTOR STANDARD REF #
Management of the Topic		
GRI 3: Material Topics 2021	Disclosure 3-3 Management of material topics	11.7.1
Topic Standard Disclosures		
GRI 402: Labor/Management Relations 2016	Disclosure 402-1 Minimum notice periods regarding operational changes <i>Additional sector recommendations</i> <ul style="list-style-type: none"> Describe the approach to engaging <u>workers</u> in advance of <u>significant operational changes</u>. 	11.7.2
GRI 404: Training and Education 2016	Disclosure 404-2 Programs for upgrading employee skills and transition assistance programs	11.7.3
Additional Sector Disclosures		
List the operational sites that: <ul style="list-style-type: none"> Have closure and rehabilitation plans in place; have been closed; are in the process of being closed. 		11.7.4
List the decommissioned structures left in place and describe the rationale for leaving them in place.		11.7.5
Report the total monetary value of financial provisions for closure and rehabilitation made by the organization, including post-closure monitoring and aftercare for operational sites.		11.7.6

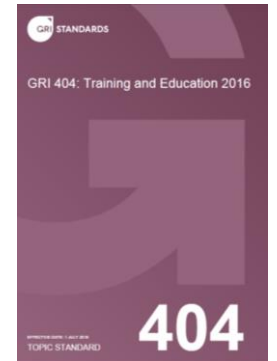


Other 'just transition' related topics



Topic 11.10 Employment practices

STANDARD	DISCLOSURE	SECTOR STANDARD REF #
Management of the topic		
GRI 3: Material Topics 2021	Disclosure 3-3 Management of material topics	11.10.1
Topic Standard disclosures		
GRI 401: Employment 2016	Disclosure 401-1 New employee hires and employee turnover	11.10.2
	Disclosure 401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	11.10.3
	Disclosure 401-3 Parental leave	11.10.4
GRI 402: Labor/Management Relations 2016	Disclosure 402-1 Minimum notice periods regarding operational changes	11.10.5
GRI 404: Training and Education 2016	Disclosure 404-1 Average hours of training per year per employee	11.10.6
	Disclosure 404-2 Programs for upgrading employee skills and transition assistance programs	11.10.7
GRI 414: Supplier Social Assessment 2016	Disclosure 414-1 New suppliers that were screened using social criteria	11.10.8
	Disclosure 414-2 Negative social impacts in the supply chain and actions taken	11.10.9



For example

Requirement 5 in GRI 1: Report disclosures from the GRI Topic Standards for each material topic

...for each material topic covered in the applicable Sector Standard(s):

...report the disclosures from the GRI Topic Standards listed, or

...provide the 'not applicable' reason for omission and the required explanation in the GRI content index

GRI 402: Labor/Management Relations 2016	Disclosure 402-1 Minimum notice periods regarding operational changes	11.10.5
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Table 11: Permitted reasons for omission and required explanations

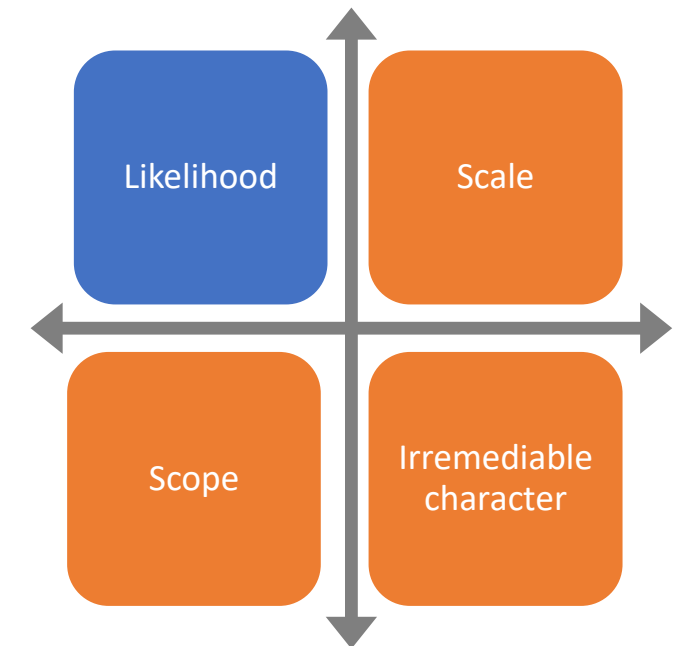
REASON FOR OMISSION	REQUIRED EXPLANATION
Not applicable	Explain why the disclosure or the requirement is considered not applicable.



Other items of interest

Materiality in the GRI Standards

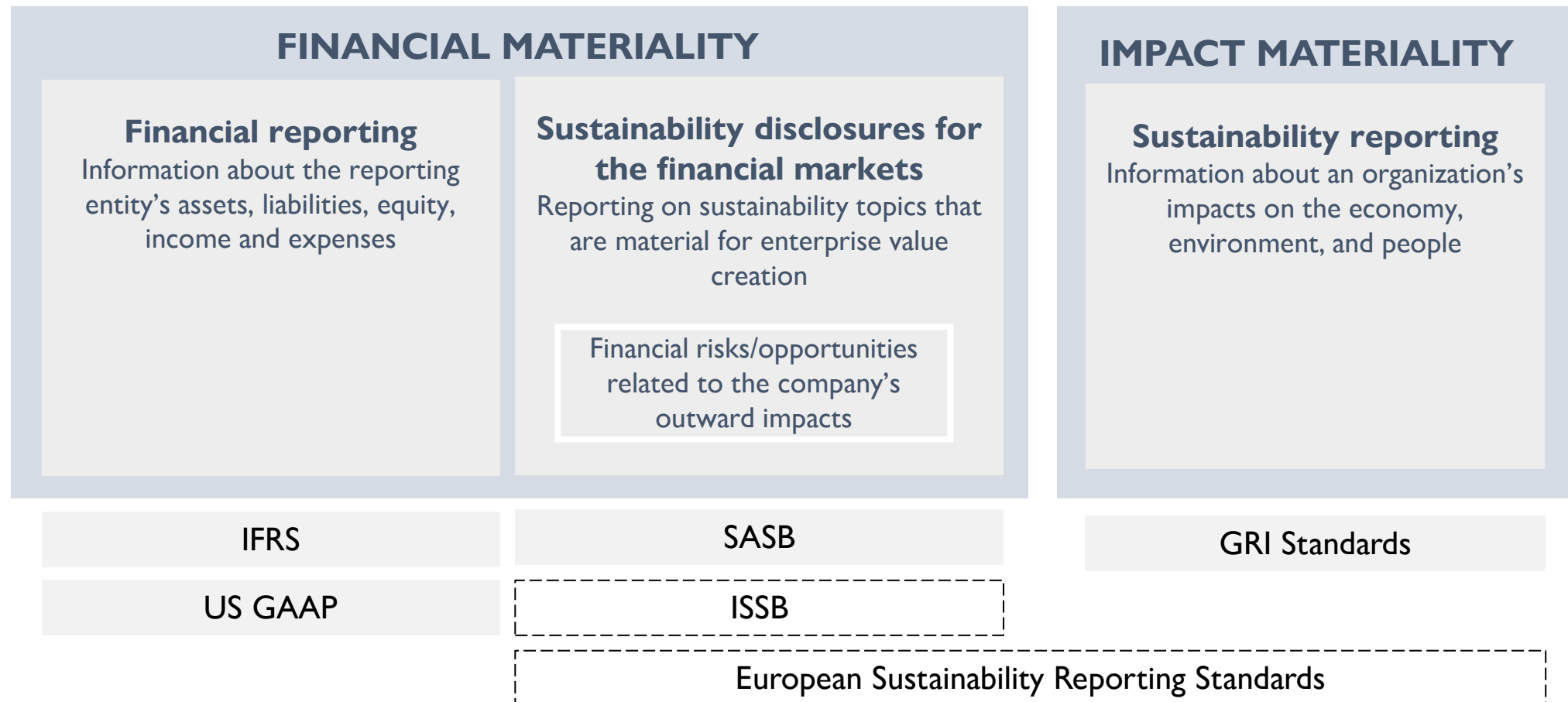
- Those topics that represent the organization's most significant impacts on the economy, environment, and people, including impacts on their human rights
- ⇒ The **significance of an impact** is determined by severity, and for a potential impact, likelihood
- For negative impacts, severity is determined by scale, scope & irremediable character
 - For positive impacts, scale & scope are considered
 - Significance of an impact is assessed in relation to other impacts
- ⇒ Organizations can be involved with negative impacts through its **activities** or as a result of its **business relationships**
- ⇒ To facilitate prioritization & reporting, **impacts are grouped** into topics



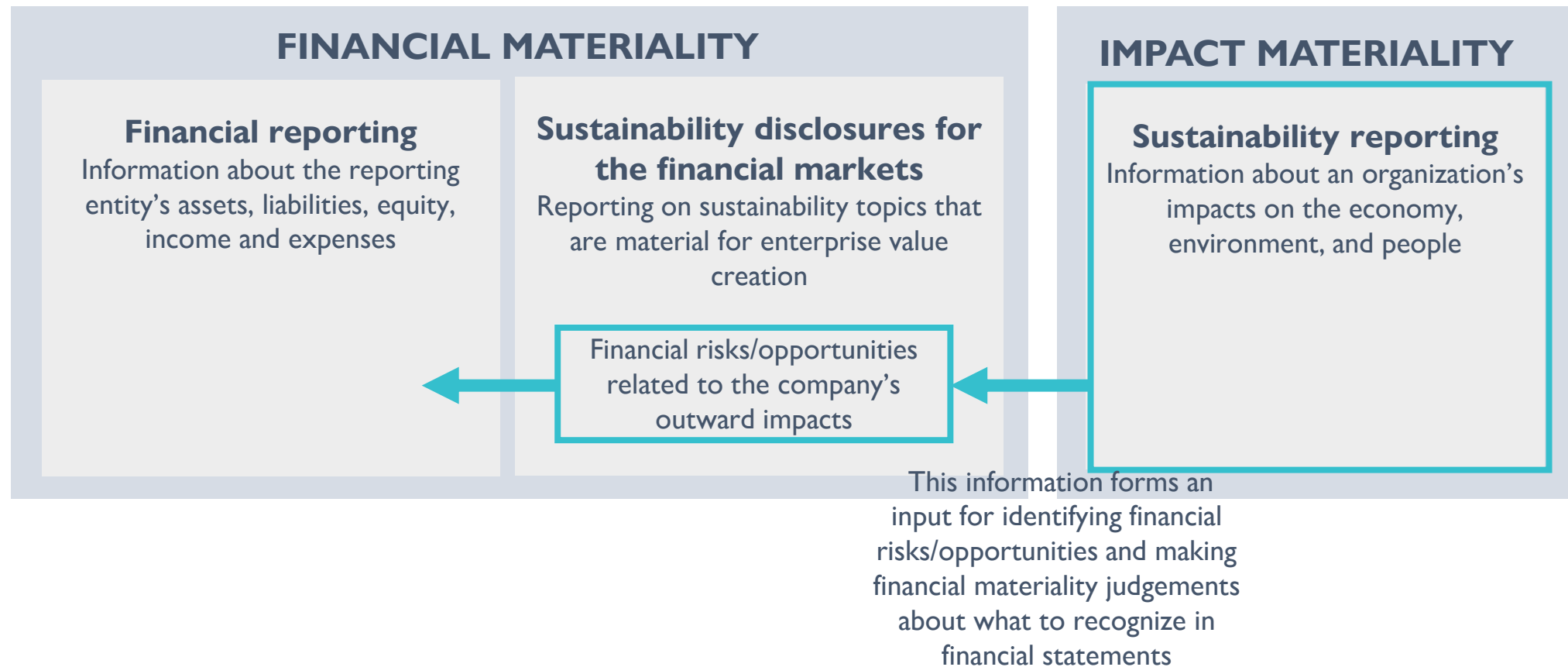
The GRI Standards in the reporting landscape



Often known as sustainability disclosures



Double materiality



GRI		SASB		
GRI 11	SASB Oil and gas - Exploration and Production	SASB Oil & gas - midstream	SASB Oil & gas - refining & marketing	SASB Oil & gas - services
GHG emissions	GHG emissions	GHG emissions	GHG emissions	Emissions reduction services & fuels management
Climate adaptation, resilience and transition	Reserves valuation & capital expenditure			
Air emissions	Air quality	Air quality	Air quality	
Biodiversity	Biodiversity impacts	Ecological impacts		Ecological impact management
Waste			Hazardous materials management	Chemicals management
Water and effluents	Water management		Water management	Water management services
Closure and rehabilitation				
Asset integrity and critical incident management	Critical incident risk management	Operational safety, emergency preparedness & response	Critical incident risk management	Critical incident risk management
Occupational health and safety	Workforce health & safety		Workforce health & safety	Workforce health & safety
Employment practices				
Non-discrimination & equal opportunity				
Forced labor and modern slavery				
Freedom of association and collective bargaining				
Economic impacts				
Local communities	Community relations			
Land and resource rights	Community relations			
Rights of indigenous peoples	Security, HR & Rights of			
Conflict and security	Security, human rights & rights of indigenous peoples			
Anti-competitive behavior		Competitive behaviour	Pricing integrity & transparency	
Anti-corruption	Business ethics & transparency			
Payments to governments	Business ethics & transparency			Business ethics & transparency
Public policy	Management of the legal &		Management of the legal &	Management of the legal &
			Product specifications & clean fuel blends	

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SDG focus and activities at global level

GRI is committed to:

- Enable businesses to identify and communicate their contribution to the SDGs
- engage more businesses to report as a response to the SDGs
- support reporting aligned with the SDGs

Focus on private sector

- [SDGs Mapping Service](#)
- [SDGs Module/ GRI Academy](#)
- [SDGs Reporting tools \(with UNGC\)](#)
- [Case Studies](#) and workshops
- [Business Leadership Forum on the SDGs](#)
- [GRI-Enel Forum and reports](#)
- [SDGs Podcast Series](#)
- [State of Progress: Business Contributions to the SDGs](#) report

Focus on government and other stakeholders

- SDG Corporate tracker and other business data for Voluntary National Review (VNR) processes
- SDG 12.6 implementation
- Engagement with relevant international organizations (UNGC, UNDP (BCtA), WBA, UNDESA, UNCTAD, UNSD, etc)
- SDGs for investors

State of Progress: Business Contributions to the SDGs



- Report developed by GRI and Supports the Goals investigates:
 - how (a sample of) GRI reporters are disclosing information on the SDGs
 - highlighting current trends in the SDGs reporting, and
 - providing recommendations on how to strengthen the SDGs communication and performance.
- Key findings include:
 - 83% of companies state that they support the SDGs;
 - 69% of companies articulate which Goals are most relevant to their business, with 61% specifying how their actions support the SDGs;
 - 40% of companies set measurable commitments for how they will help achieve the SDGs, while 20% include evidence to assess their positive impacts.
- Recommendations include:
 - Providing targets on how they support the SDGs
 - Deepen reporting on their positive contributions to the SDGs and respond to stakeholder demands for transparency on negative impacts;
 - Make data on their SDG performance easily accessible by using internationally recognized frameworks, such as the GRI Standards
 - Collaborate on SDG reporting, sharing practices both up and down the value chain

Full report and all seven recommendation (p. 26) can be found [here](#)

THANK YOU



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