

The following comments were submitted through an online questionnaire designed to collect feedback on draft revisions to the Global Reporting Initiative (GRI) [Oil and Gas Sector Standards](#). The GRI Standards are intended to help organizations publicly disclose their “most significant impacts” and management of impacts.

Question: Is it clear how a Sector Standard should be used within the GRI Standards system? If not, please explain what is unclear and how it could be improved.

It is unclear whether organizations reporting either in accordance with or in reference to the GRI standards must both report on disclosure requirements under GRI-102 and sector specific standards. The substance of our comments below relates to concerns that important disclosures on grievance redress mechanisms (RBC-4) are not referenced in the sector standards. Sector specific standards should provide a platform for more in depth or nuanced reporting on accountability than what is presently required of the universal standards.

Question: While developing the exposure draft, it was suggested that reporting on some topics listed in a Sector Standard should be mandatory for organizations in that sector (e.g., GHG emissions for the oil and gas sector). What value or challenges do you see in requiring reporting on some topics included in a Sector Standard?

When organizations seek to distinguish themselves as competitors in a market for responsible businesses, accountability for organizational disclosures is important. The best proven way to verify that reporting is accurate is through mechanisms for stakeholder feedback. To that end, disclosure requirements concerning the availability, structures, and use of effective grievance mechanisms are essential to ensure the accuracy of organizational reporting on material topics and, correspondingly, the integrity of the GRI Standards. We therefore recommend expressly requiring disclosures under RBC-4 (“Grievance Mechanisms and Other Remediation Processes”) and RBC-5 (“Mechanisms for Seeking Advice and Raising Concerns”), from GRI 102 (About the Organization), across all sector standards.

GENERAL COMMENT

To the Global Sustainability Standards Board:

As a legal non-profit organization that works to amplify the voices of communities harmed by internationally financed projects, including in the extractives sector, Accountability Counsel submits this comment on the exposure draft of the Global Reporting Initiative (GRI) Sector Standards for the Oil and Gas Industry.

Last month, we submitted a comment on the fourth disclosure requirement for responsible business conduct with respect to grievance mechanisms and other remediation processes (RBC-4) of the draft GRI Universal Standards (GRI 102: About the Organization). In our submission, we commended GRI for recognizing the importance of effective grievance redress

mechanisms for understanding the true material impacts of investments and activities. The unfiltered perspective of community stakeholders and the documented organizational responses to their concerns can offer direct insight into whether an organization holds itself accountable to environmental and social policies intended to achieve sustainable outcomes.

Communities working at and living near oil and gas projects bear the most risk yet often have the least opportunity to influence decisions. Lines 1207-1209 of the draft sector standards recognize that “[i]f community engagement is flawed or overlooked, community concerns might not be understood or addressed, which can exacerbate existing impacts or create new ones.” A minimum way to ensure that the sector guidance reflects this reality is by requiring disclosures related to effective grievance mechanisms. The reason reporting on a grievance mechanism is different from what is included in the draft guidance is that disclosing issues raised to an effective grievance mechanism requires a company to reflect the communities’ own voices as opposed to reporting on issues on their behalf.

Accountability mechanisms are also governance tools. Reporting on RBC-4 and RBC-5 under GRI 102 would therefore improve the integrity of the sector standards with respect to disclosures on transparency and governance (lines 1402-1627). As recognized by Principle 31 of the UNGPs, the presence of grievance mechanisms alone does not satisfy an organization’s responsibility to provide a means of redress for individuals and communities adversely impacted by organizational activities. Instead, organizations must ensure that grievance mechanisms are actually effective by demonstrating that they are, among other things, legitimate, equitable, and transparent.

We are concerned to see that the draft oil and gas sector standards do not include disclosures related to RBC-4 and RBC-5 (“Mechanisms for seeking advice and raising concerns”). Disclosures of the effectiveness of grievance mechanisms should be expressly referenced and required with respect to reporting on material topics related to “Communities” and “Transparency and Governance.” We therefore recommend the following language changes:

COMMUNITIES

CURRENT LANGUAGE (lines 1210-1214):

“What to Report

If an organization in the oil and gas sector has identified local community impacts as a material topic, this section helps it determine what to report on this topic.

1. The organization is required to report on this topic and how it is managed using GRI 103: Material Topics”

SUGGESTED LANGUAGE:

1. The organization is required to report on this topic and how it is managed using GRI 103: Material Topics”

- *When describing systems for managing local community impacts, the organization should provide details on the availability, structure, and use of effective grievance redress mechanisms, as part of RBC-4 Grievance mechanisms and other remediation processes, as well as RBC-5 Mechanisms for seeking advice and raising concerns, under GRI 102: About the Organization.*

CURRENT LANGUAGE (lines 1234-1237):

3. The following additional disclosures have also been identified as appropriate and should be reported on this topic:
 - Number and description of significant disputes with local communities and indigenous peoples, including actions taken and outcomes

SUGGESTED LANGUAGE:

3. The following additional disclosures have also been identified as appropriate and should be reported on this topic:
 - Number and description of significant disputes with local communities and Indigenous peoples, including actions taken and outcomes
 - *Number and description of grievances filed by local communities and Indigenous peoples to the organization's grievance redress mechanism(s), including actions taken and outcomes*

TRANSPARENCY AND GOVERNANCE

CURRENT LANGUAGE (lines 1501-1511):

3. The following additional disclosures have also been identified as appropriate and should be reported on this topic:
 - A description of the company's policy on contract transparency and a link to publicly available contracts and licenses, in line with EITI Requirement 2.4. If a contract or license is not publicly available, an explanation of the reasons why along with a description of any actions taken by the company to overcome any barriers to publication.
 - A description of the organization's corporate structure and beneficial owners and a description of how the organization identifies the beneficial owners of business partners, including joint ventures and suppliers, in line with EITI Requirement 2.5. Publicly listed companies should report the stock exchange where they have made filings that include beneficial ownership information and a link to those filings.

SUGGESTED LANGUAGE:

3. The following additional disclosures have also been identified as appropriate and should be reported on this topic:

- A description of the company's policy on contract transparency and a link to publicly available contracts and licenses, in line with EITI Requirement 2.4. If a contract or license is not publicly available, an explanation of the reasons why along with a description of any actions taken by the company to overcome any barriers to publication.
- A description of the organization's corporate structure and beneficial owners and a description of how the organization identifies the beneficial owners of business partners, including joint ventures and suppliers, in line with EITI Requirement 2.5. Publicly listed companies should report the stock exchange where they have made filings that include beneficial ownership information and a link to those filings.
- *A description of the independence, transparency, reporting structure, and oversight of the organization's grievance redress mechanisms and mechanisms for seeking advice and raising concerns, as part of RBC-4 Grievance mechanisms and other remediation processes, as well as RBC-5 Mechanisms for seeking advice and raising concerns, under GRI 102: About the Organization.*