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Oil and Gas Exposure Draft

Mapping with existing standards

Objective

1 To provide a high-level overview of the extent to which existing frameworks and standards for Oil and Gas sector were leveraged in the ESRS [draft] Oil and Gas (ESRS OG ED).

Background

2 Consistent with requirements of CSRD to align the content of ESRS with the existing frameworks and standards, the OG drafts leverage to the maximum extent possible on existing reporting standards. The key sources of disclosures, alongside with IPIECA (for OG) are: SASB Standards - which are maintained by the ISSB and which have already been included in ESRS Set 1 (sector agnostic) for a significant proportion - and GRI . Next to it, to comply with the mandate that EFRAG has received with the CSRD to produce sustainability reporting standards that are coherent with other Union law, EFRAG has to incorporate in the draft sector ESRS the disclosures stemming from European regulations, including EBA Pillar 3 disclosures.

3 Consistent with the CSRD ("to the maximum extent possible"), the objective has not been to systematically incorporate in ESRS OG ED all the datapoints from the third party standards. Consideration has been paid to the fact that GRI and IPIECA are voluntary frameworks. As such the undertaking applying those standards may choose a selection of disclosures to report. On the contrary, including a datapoint in ESRS means making it mandatory. As already done for ESRS Set 1, where only a subset of the universe of GRI datapoints has been incorporated in ESRS, also in this case a subset is included in ESRS.

4 The current practice shows that all these sources (IPIECA, GRI, SASB) are used jointly on a voluntary basis and this confirms that none of them is sufficient in isolation to cover all the relevant information.

5 Attention was given to consolidating and harmonising different framework practices which, despite relying on similar conceptual principles, each introduced slightly different definitions of metrics, or granularity of disclosure. In such cases, to accommodate provisions of Set 1 and all third-party frameworks, EFRAG Secretariat is proposing a disclosure that is consistent to the maximum extent with the existing standards, while avoiding to multiply datapoints of a similar nature.

6 To illustrate the extent of alignment, EFRAG Secretariat performed a mapping of the following third-party standards:

(a) SASB Oil and Gas - Exploration and Production (including disclosures of Volume 11 of Industry-based guidance on implementing IFRS S2 Climate-related disclosures)

(b) SASB Oil and Gas - Midstream (including disclosures of Volume 12 of Industry-based guidance on implementing IFRS S2 Climate-related disclosures)

(c) SASB Oil and Gas - Refining and Marketing (including disclosures of Volume 13 of Industry-based guidance on implementing IFRS S2 Climate-related disclosures)

(d) SASB Oil and Gas - Services (including disclosures of Volume 14 of Industry-based guidance on implementing IFRS S2 Climate-related disclosures)

(e) GRI 11 Oil and Gas Sector, together with referenced GRI Sector agnostic disclosures

(f) IPIECA Sustainability reporting guidance for the oil and gas industry.

7 As GRI sector-specific standard (e.g. GRI 11) refers to GRI sector-agnostic standard as a mandatory disclosure, (e.g. GRI 302), the GRI sector-agnostic standard disclosure was subject to mapping as well.

Methodology for interoperability mapping

8 The disclosure requirements from third-party standards were transferred into the Excel file and disaggregated into datapoints on a consistent basis. Since the digital reporting taxonomy for some of these third-party standards is still under development, for the purposes of this mapping exercise the datapoints are established based on the usual practice of EFRAG and will be further verified in upcoming discussions with the standard setters. In particular, at the date of preparation of this paper (28 August 2024) the review of this mapping by the staff of the relevant standard setters has not been completed. The interoperability activity will continue in all the next phases.

9 Disclosures/metrics (indicators) which were the same across one or more third-party standards, were not counted multiple times and considered as one disclosure/metric (indicator) instead.

10 For each identified datapoints, the mapping introduced different alignment indicators to the analysis:

(a) Set 1 alignment: this indicate that the third-party content is fully aligned with existing requirements of ESRS Set 1

(b) OG alignment: corresponding to full alignment of the third-party content with the content of the ESRS OG ED

(c) Granularity difference (1a), whenever the third-party standard datapoint requires further or less breakdowns/granularity than the ESRS OG ED

(d) Data type difference (1b), whenever third-party standard datapoint requires quantitative disclosure and ESRS requires qualitative disclosure, or vice versa

(e) Scope difference (2a/2b), whenever the content of ESRS OG ED shares the same disclosure objective with the content of the third-party standard disclosure but there is a difference in how datapoints are formulated (ESRS OG ED datapoint is either broader or more specific than or differ).

(f) Definition difference (3), when there is a difference in the definition between the third-party standard and the OG [draft] ESRS of a term used in a specific datapoint.

(g) Gap, whenever the third-party datapoint is left out from ESRS, i.e. not addressed by ESRS Set 1 nor the ESRS OG ED.

11 When a third-party datapoint is left out, the mapping further categorises between gaps that are due to incompatibility with the concepts in ESRS or that are due to sector boundaries (‘Category 1 Gap’) and gaps deriving from Secretariat analysis or TEG/Board suggestions (‘Category 2 Gap’).

Disclaimer: quality control ongoing

12 The mapping exercise presented in this meeting is still ongoing further quality control and will be subject to review of the third party staff in the coming weeks and months (including during the future public consultation). This work is currently in progress and is yet to be validated by third party standard setters. It may be subject to revisions and improvements based on feedback received.

13 A revised mapping will be produced in the next phases. In the meanwhile the EFRAG Secretariat considers it reasonably robust to support the EFRAG SRB approval.

Results

14 The table below shows the resulting extent of alignment of ESRS OG ED:

Standard	Total in consideration[1]	Set 1 alignment	OG alignment	Difference [2]	Gap
GRI 11 referencing GRI agnostic	165	138	19	8	0
GRI 11 sector disclosures	19	1	11	6	1
GRI 11 sector recommendations	50	19	25	6	0
IPIECA core	136	86	27	16	7
SASB Exploration and Production	48	16	18	13	1
SASB Midstream	14	1	6	6	1
SASB Refining and Marketing	18	3	9	1	5
SASB Services	20	7	4	4	5
Grand Total	**470**	**271**	**119**	**60**	**20**
		58%	25%	13%	4%

[1] Total in consideration: total number of datapoints analysed, net of indicators deemed as GRI agnostic and voluntary (64 indicators).

[2] Difference: aggregated number of datapoints identified as granularity, data type, scope or definition difference. They may be considered as a refinement of the corresponding datapoint in the third-party standard.

15 The list of indicators identified as gap is provided below.

No.	Third party datapoint	Description	ESRS topical reference
SASB datapoints			
1	EM-EP-320a.1	near miss frequency rate (NMFR) for (a) direct employees and (b) contract employees	S1
2	EM-MD-520a.1	Total amount of monetary losses as a result of legal proceedings associated with pipeline and storage regulations	G1

3	EM-RM-000.B*	Refining operating capacity. Note: – Operating (or operable) capacity is the amount of capacity that, at the beginning of the period, is: in operation; not in operation and not under active repair, but capable of being placed in operation within 30 days; or not in operation but under active repair that can be completed within 90 days. Operable capacity is the sum of the operating and idle capacity and is measured in barrels per calendar day.	CC
4	EM-RM-150a.2	and (3) percentage [of UST releases] in jurisdictions states with UST financial assurance funds	CC
5	EM-RM-120a.2	number of refineries in or near areas of dense population	E2
6	EM-RM-140a.2	Number of incidents of non-compliance associated with water quality permits, standards, and regulations	E3
7	EM-RM-520a.1	Total amount of monetary losses as a result of legal proceedings associated with price fixing or price manipulation (note: The entity shall briefly describe the nature, context and any corrective actions taken because of monetary losses.)	G1
8	EM-SV-000.A*	Number of active rig sites. Rigs that are on location and involved in drilling, completions, cementing, fracturing, workovers and decommissioning are considered active. Rigs in transit from one location to another, or are otherwise idled, are inactive	CC
9	EM-SV-000.B*	Number of active well sites. The number of well sites for which the entity has provided or is providing (on an ongoing basis) drilling, completion, fracturing, workover or decommissioning services	CC
10	EM-SV-000.C*	Total amount of drilling performed	CC
11	EM-SV-110a.1*	percentage [of total fuel consumption] used in: (1) onroad equipment and vehicles and	E1
12	EM-SV-110a.3*	Percentage of engines in service that comply with the highest level of emissions standards for non-road diesel engine emissions	E1
GRI datapoints			

13	11.7.5	List the decommissioned structures left in place and describe the rationale for leaving them in place.	CC
IPIECA datapoints			
14	ENV-6 C3	Provide case studies or examples of significant spills, as determined by the company, which may include descriptions of the following: • your response measures to address immediate and long-term effects; • any secondary effects on local communities and stakeholders; • your stakeholder engagement; • incident investigation findings, if available, including root-causes; and • actions you are taking to prevent recurrence and share lessons.	CC
15	GOV-4 C1	Provide a general overview of your policies and programmes on revenue transparency	G1
16	SHS-1 C3	Discuss the coverage of your safety, health and security engagement programmes and the extent to which you include contractors.	S1
17	SOC-3 C3	Describe communication efforts to implement your commitments on security and human rights with host governments and authorities, contractors and subcontractors, in your supply chain and civil society	S3
18	SHS-4 C2	Describe how you communicate product HSE hazards and risk controls to your customers and the general public, including information on transportation and handling of products	S4
19	SHS-5 C1	For petroleum consumer products, such as fuels, petrochemicals and hydrocarbon-derived polymers and lubricants, discuss your approach to product assessments, for new and existing products and how you address any findings.	S4
20	SHS-5 C3	Describe your approach to health, safety and environmental management of products.	S4

The indicators marked with asterisk (*) are reflected in IFRS S2 Industry-based guidance