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Oil and Gas Exposure Draft

Cover Note

Objective

- 1 To approve EFRAG SRB for the ESRS Oil and Gas Exposure Draft (ED, OG ED).
- 2 The initiation of approval with EFRAG SRB took place in three dedicated meetings on 26 June, 4 July and 4 September 2024. For details, please refer to the documents uploaded on the latest session of 4 September 2024.¹
- 3 The documents uploaded for this EFRAG SRB meeting reflect the documents from 4 September 2024 session, with changes agreed changes, adjustments and updates. With regards to the issue papers:
 - (a) The update to the *Mapping with third party standards* include further explanations to the statistics presentation, explanation of principle for datapoints identified as 'duplicates', as well as explanation of gaps and differences identified
 - (b) The update to the *Illustration of datapoints in ESRS OG ED not delivered from other standards* include reworking of the presentation of statistics and illustration how many datapoints are derived from multiple standards at the same time.
- 4 The appendices to this cover note reflect the content removed from the Exposure Draft as a result of discussions with SRB:
 - (a) Appendix D. Navigation table, which has been removed from the draft due to its redundancy with new provisions in 'Sustainability matters that are most relevant to the sector', which include applicable sub-sectors
 - (b) Appendix G. Flowchart illustrating how to apply [draft] ESRS in conjunction with sector agnostic ESRS

Question for EFRAG SRB members

- 5 Do EFRAG SRB members agree with the changes proposed in the updated version of draft?
- 6 Do EFRAG SRB approve to issue this ED in consultation, after finalization of the Basis for Conclusions?
- 7 Do EFRAG SRB members have comments on the list of consultation questions in Appendix provided earlier in the Appendix 1 to the 05-01 OG ED Cover note on 4 September 2024? This is not a full consultation questionnaire (which will be sent for written input) but focuses on the contentious points that emerged during the discussion.

¹ <https://www.efrag.org/en/news-and-calendar/meetings-calendar/efrag-srb-meeting-04-september-2024>

Next steps

- 8 Following the approval, the Secretariat will finalise the basis for conclusions that will accompany this ED and draft the consultation questionnaire and field test procedures.
- 9 Written input of EFRAG SR TEG and SRB will be sought on the Basis for Conclusions and Consultation questionnaire in advance.

Agenda papers

- 10 In addition to this cover note, agenda papers for this session are:
 - (a) Agenda paper 05-02 – ESRS Oil and Gas Exposure Draft – clean version
 - (b) Agenda paper 05-03 – ESRS Oil and Gas Exposure Draft – mark up with the previous version
 - (c) Agenda paper 05-04 – Mapping with third party standards - updated
 - (d) Agenda paper 05-05 – Illustration of datapoints in ESRS OG ED not delivered from other standards - updated

Appendix D. Navigation table

This appendix is an integral part of [draft] ESRS Oil and Gas and has the same authority as the other parts of this Standard.

This table provides application requirements to support the determination of which disclosures prescribed in this [draft] standard are material for an undertaking reflecting its specific sub-sectors of activity.

The first column refers to the pertinent disclosure in this [draft] standard; the second column illustrates the sustainability matters connected to it; the last four columns illustrate which Disclosure Requirements are applicable to undertakings that operate in a given sub-sector of activity within the sector.

Disclosure Requirement	Sustainability matter	Applicable sub-sector of activity			
		Upstream	Midstream	Downstream	Services
ESRS 2.IRO2.OG Conclusions on material matters and reported information	cross cutting	✓	✓	✓	✓
ESRS 2.SBM1.OG Activity indicators	cross cutting	✓	✓	✓	✓
ESRS 2.SBM2.OG	cross cutting	✓	✓	✓	
OG 1. Mapping of operational sites	cross cutting	✓	✓	✓	✓
OG 2. Oil and gas reserves	cross cutting	✓			
OG 3. Industrial hazards	Industrial hazards	✓	✓	✓	✓
OG 4. Closure of assets	Closure of assets	✓	✓	✓	
ESRS E1 – OG Climate change	Climate change mitigation	✓	✓	✓	✓
	Methane	✓	✓	✓	
	Energy	✓	✓	✓	✓
OG 5. Carbon capture and storage	Climate change mitigation	✓	✓	✓	✓
ESRS E2 – OG Pollution	Pollution	✓	✓	✓	✓
ESRS E3 – OG Water and marine resources	Water, marine resources	✓	✓	✓	✓
OG 6 – Water and marine resources metrics	Water, marine resources	✓	✓	✓	✓
	Marine resources	✓			✓

Disclosure Requirement	Sustainability matter	Applicable sub-sector of activity			
		Upstream	Midstream	Downstream	Services
ESRS E4 – OG Biodiversity and ecosystems	Biodiversity and ecosystems	✓	✓	✓	✓
ESRS E5 – OG. Circular economy	Resources outflows related to products and services	✓	✓	✓	✓
	Waste	✓	✓	✓	✓
ESRS S1 – OG Own workforce	All matters in ESRS S1	✓	✓	✓	✓
OG 7 – Work stoppages	Working conditions (ESRS S1)	✓	✓	✓	✓
ESRS S2 – OG. Workers in the value chain	All matters in ESRS S2	✓	✓	✓	✓
ESRS S3 – OG Affected communities	Rights of indigenous peoples	✓	✓	✓	
OG 8 – Security personnel	Security-related impacts	✓	✓	✓	
OG 9 – Engagement with affected communities and grievance mechanisms	Affected communities	✓	✓	✓	
ESRS S4 Consumers	Access to quality information and responsible marketing practices			✓	
ESRS G1 – OG. Business conduct	Management of relationship with suppliers including payment practices	✓	✓	✓	
	Political engagement and lobbying activities	✓	✓	✓	✓
OG 11. Transparency about contracts and licenses	Management of relationship with suppliers including payment practices	✓	✓	✓	
OG 12. State aid and competition	Corruption and bribery	✓	✓	✓	
OG 13. Beneficial ownership	Corruption and bribery	✓	✓	✓	✓
OG 14. Oil and gas purchased from states	Management of relationship with suppliers including payment practices	✓	✓	✓	
OG 15. Cybersecurity	Cybersecurity	✓	✓	✓	✓

APPENDIX 1

ITEMS TO BE TRANSFERRED TO SEC1 : SRB tentative decision on 4 September 2024: move to SEC 1 as common to all sectors)

Appendix G: Flow chart illustrating how to apply this [draft] ESRS in conjunction with sector agnostic ESRS

This Appendix provides a non-binding illustration of how to apply the requirements of this [draft] ESRS for a given sustainability matter in conjunction with the requirements in sector agnostic ESRS for the same sustainability matter.

