

NEWSLETTER

Issue 19





Dear Reader,

I am pleased to present the 19th issue of the WGEI Newsletter. In this edition, we delve into key topics within the extractive industries and their implications for the mandate of Supreme Audit Institutions (SAIs).

This issue features a detailed exploration of the Energy Transition and the efforts to strengthen SAIs' capacity to audit this critical area. Additionally, we discuss the role of SAIs as Independent Administrators under the Extractive Industries Transparency Initiative.

You will also find an audit on government initiatives in project-affected communities, as well as an analysis of the implications of the Global Reporting Initiative (GRI) Standards for the extractive industries.

I would like to extend my sincere thanks to the SAIs of Brazil, Egypt, Uganda, and the United States for their valuable contributions to this issue. I also take this opportunity to invite all WGEI members and stakeholders to contribute to future editions of the Newsletter.

I hope you enjoy reading this issue!

Edward Akol

Auditor General SAI-Uganda
Chair WGEI

Remain committed to the Core Mission, WGEI Chair urges Steering Committee Members

Jude Natamba – SAI Uganda

The Auditor General of the Republic of Uganda and Chair of the INTOSAI Working Group on Audit of the Extractive Industries (WGEI), Edward Akol urged member Supreme Audit Institutions to remain committed to the core mission of promoting good governance, transparency and accountability in the extractive industries sector.

Akol made this clarion call while officially opening the Annual Meeting of the WGEI Steering Committee hosted by SAI Rwanda in the Kigali from 8th -10th October, 2024. "Distinguished delegates, as we look into the future, we must remain committed to the core mission of promoting good governance, transparency and accountability in the extractive industries sector," Akol remarked.

Akol who assumed the chairmanship of the working group following his appointment as Auditor General of Uganda, implored delegates to continue focusing on promoting collaboration and knowledge sharing within their community and beyond, if the goal of the Working Group is to be achieved.

"I implore you to continue focusing on promoting collaboration and knowledge

sharing within our community and beyond," he said.

He further stressed that by working together, member SAIs can build a more sustainable and equitable future for all.

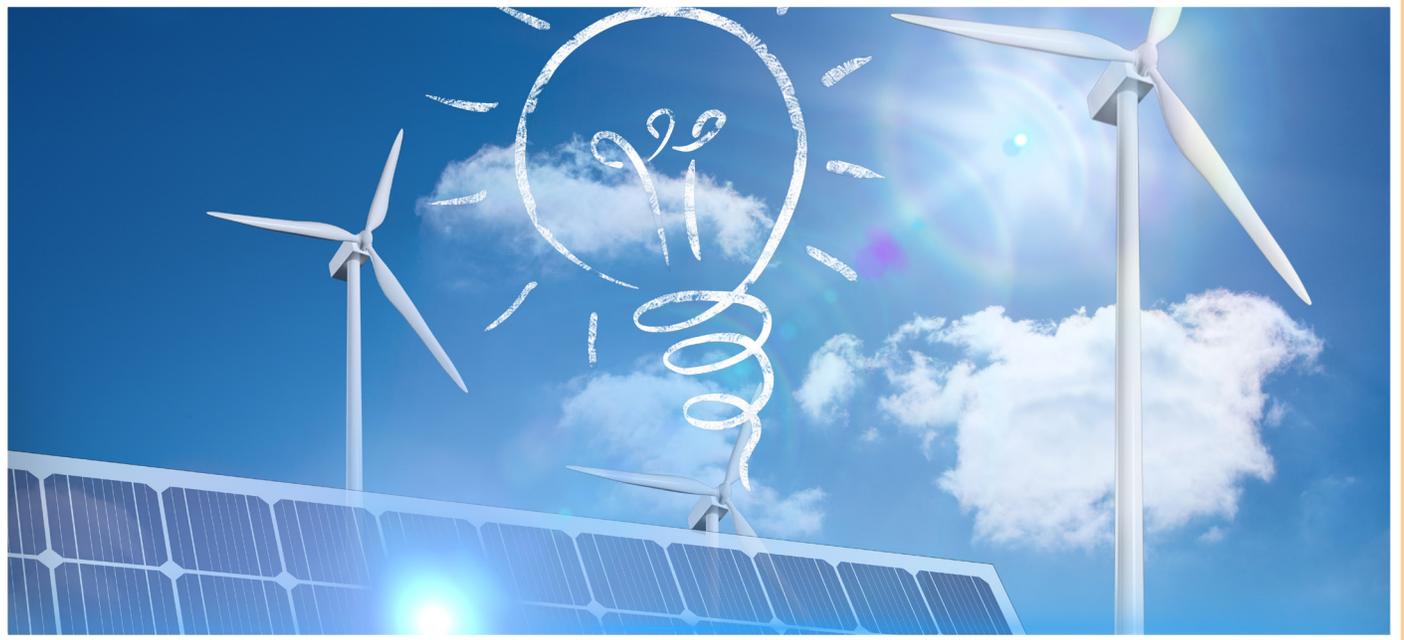
Akol used the occasion to convey warm greetings from the former WGEI- Chair, John F.S Muwanga and saluted him for his invaluable contribution to the Working Group.

He also appreciated the Government of Rwanda in particular the Auditor General, Alexis Kamuhire for hosting this year's Steering Committee Meeting and his counterpart the Auditor General of Zambia, Dr.Ron Mwambwa for finding time to physically attend the meeting.

The three-day meeting which brought together delegates from Brazil, India, Norway, Rwanda, Uganda, Zambia and United States of America, focused on discussing the status and implementation of the WGEI three-year activity plan 2023 - 2025, sharing experience on the performance of the extractive industries and agreeing on priorities for 2024-2025.

The WGEI Steering Committee Meeting 2025 will be hosted by SAI Zambia.

Energy Transition: A Collaborative Framework for Sustainability



Alexandre Carlos Leite de Figueiredo
Secretary of the Energy and Communications
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External Control Department – SAI Brazil

Katrina Narguis
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The energy transition is one of the most pressing global challenges of our time, and the role of extractive industries in this process cannot be understated. As countries strive to reduce greenhouse gas (GHG) emissions and shift toward

renewable energy sources, the management of fossil fuel reserves, minerals, and other natural resources becomes central to the conversation. Extractive industries are not only major contributors to GHG emissions, but also vital sources of the materials required for renewable energy technologies, such as wind turbines, solar panels, and electric vehicle batteries. As such, these industries are both a significant challenge and an essential component of the energy transition.

Given the complex intersection between extractive industries and the transition to clean energy, the Working Group on Audit of Extractive Industries (WGEI) has become an essential platform for fostering dialogue and collaboration among Supreme Audit Institutions (SAIs). With its focus on

enhancing governance and accountability in the extractive sector, the WGEI is ideally positioned to advance the global discussion on how SAIs can audit governments' efforts to manage these industries in a way that fosters sustainable, low-carbon futures.

The Role of Extractive Industries in the Energy Transition

The energy transition is not just about switching from fossil fuels to renewable energy sources; it demands a rethinking of how countries manage their natural resources. Extractive industries, which include oil, gas, coal, and mining, play a dual role in this transition. They are major contributors to national economies and global carbon emissions, yet they also provide the essential materials needed to build renewable energy infrastructure.

For instance, minerals such as lithium, cobalt, and nickel, essential for battery production, are extracted through mining that bring their own environmental and social challenges. This duality - where extractive industries serve as both significant emitters and crucial suppliers—creates a complex landscape for SAIs to navigate when auditing energy transition policies.

SAIs are uniquely positioned to access how governments are managing these complexities. Through in-depth audits, SAIs can evaluate whether governments are effectively balancing the need to phase out fossil fuel dependence while ensuring



*Mr. Alexandre Carlos Leite de Figueiredo
from SAI Brazil presenting the 'Energy
Transition Audit Guide'
at the Annual WGEI Steering Committee
Meeting, 8th October 2024, Kigali, Rwanda*

the responsible extraction of critical minerals. Given its long-standing focus on governance in the extractive industries, the WGEI serves as the ideal forum for advancing the discussion on how SAs can contribute to the global energy transition through targeted audits.

Leveraging WGEI to Address Energy Transition Challenges

WGEI's focus on extractive industries positions it as the ideal platform for SAs to explore how governments can balance reducing emissions with the sustainable extraction of materials critical to the energy transition. The group provides a space for collaboration, allowing SAs to share experiences, challenges, and innovative practices in auditing this crucial sector.

In 2023, the WGEI conducted a survey led by SAI Brazil, engaging 25 countries to identify the main obstacles SAs face when auditing energy transition and extractive industries policies. The survey highlighted key challenges, such as the technical complexity of auditing policies that must address both fossil fuel dependency and the need for renewable energy technologies. Additionally, the survey revealed a need for greater technical capacity within SAs to effectively audit these interconnected issues.

The survey findings are setting the stage for more profound collaboration within WGEI to address these challenges. Moving forward, it is crucial for SAs to join forces in

developing tools, sharing knowledge, and building capacity to improve their ability to audit energy transitions, with a particular focus on the central role of extractive industries.

A New Tool for Auditing Energy Transition

A significant outcome of these discussions is the development of an adaptable guide by SAI Brazil, designed to help SAs assess their governments' efforts in managing the energy transition. This guide acts as a starting point for a broader collaborative effort within WGEI aiming to create a comprehensive framework for auditing energy transition policies.

The guide focuses on four key pillars: governance, fair and inclusive energy transition, financing, and policy implementation. These pillars allow SAs to evaluate how well governments are managing the energy transition to support sustainable development and meet international climate commitments.

Governance: This pillar focuses on the legal and regulatory frameworks that guide and regulate energy transition efforts. It examines whether governments have established clear policies for transitioning away from fossil fuels, while also managing the extraction of critical minerals needed for renewable energy technologies.

SAls can assess how these policies align with international commitments, such as Nationally Determined Contributions (NDCs) under the Paris Agreement.

Fair and Inclusive Transition: The energy transition must be inclusive, ensuring that vulnerable populations are not disproportionately affected by the shift to clean energy. This pillar encourages SAls to audit whether governments are addressing energy poverty, creating jobs in renewable energy sectors, and supporting communities that rely on fossil fuel industries for means of living.

Financing: Adequate funding is essential for energy transition. This pillar examines whether governments have defined the financial needs of the transition and identified sustainable sources of funding. It also looks at how effectively these funds are being managed and allocated to impactful projects that support long-term sustainability goals.

Policy Implementation: Successful energy transition policies require effective execution. This pillar focuses on evaluating whether governments are meeting their short- and long-term goals for reducing emissions, phasing out fossil fuels, and promoting renewable energy projects. For extractive industries, this includes assessing the management of environmental and social risks.

Drawing from Brazil's experiences and international examples, the guide provides a framework that can be adapted to different national contexts. It aims to support the oversight of public policies related to energy transition by promoting social, economic, and environmental benefits and encouraging governments to improve their processes and strengthen public policies in alignment with sustainable development goals.

The guide includes practical steps such as defining the audit's objectives, gathering information, identifying risks, and conducting the audit. It also covers how to analyse and present the audit results and shares best practices. The guide aims to provide SAls a clear path for conducting thorough and effective audits of energy transition efforts.

A Collective Effort Through WGEI

The development of this guide is just one example of how WGEI can serve as a hub for collective action on auditing energy transition policies. The tool is not a final product but an evolving resource that SAls can contribute to and refine through shared learning and experiences. The goal is to develop a flexible global auditing framework that can be adapted to different national contexts while addressing the distinct challenges posed by extractive industries, without imposing a standard approach.

WGEI offers an ideal forum for this collaborative process. By connecting SAs that are already engaged in energy transition audits with those seeking to build capacity in this area, WGEI facilitates dialogue, training, and knowledge exchange. This collective effort ensures that all SAs, regardless of their resources or technical expertise, are equipped to audit their governments' energy transition efforts in ways that promote sustainability, a just and inclusive energy transition and transparency.

Addressing Key Challenges

The complexities of energy transition pose significant challenges for SAs. The WGEI survey revealed that many SAs lack the technical capacity needed to audit these issues effectively. Specialized knowledge in areas such as risk management, financing, and social equity is essential, particularly in countries where extractive industries play a dominant economic role.

To address these challenges, WGEI members are developing capacity-building initiatives to provide SAs with the tools and knowledge necessary to effectively audit energy transition policies. This includes fostering partnerships with international organizations and experts in climate-related auditing to ensure that SAs have access to the latest methodologies and best practices.

WGEI as a Key Forum for Energy Transition Audits

The extractive industries' role in the global energy transition presents both challenges and opportunities. SAs play a critical role in ensuring that governments manage these industries in a way that supports a sustainable and equitable transition to clean energy. Through WGEI, SAs are working together to build the capacity, tools, and frameworks needed to audit this process effectively.

The development of an energy transition audit tool within WGEI is an important step towards developing a global framework that SAs can use to assess their governments' progress. By continuing to collaborate and share knowledge, SAs can help ensure that the energy transition is managed not only effectively but also in a manner that is just, transparent, and sustainable.

As WGEI continues to lead discussions on the intersection of extractive industries and energy transition, it becomes an essential forum for advancing the collective capacity of SAs to address this pressing global challenge of our time.

Access the Guide at:

<https://sites.tcu.gov.br/transicao-energetica/media/Energy%20Transition%20Audit%20Guide.pdf>

“STRENGTHENING TRANSPARENCY IN UGANDA’S EXTRACTIVES INDUSTRY: THE ROLE OF THE SUPREME AUDIT INSTITUTION (SAI) IN IMPLEMENTATION OF THE UGANDA EXTRACTIVES INDUSTRY TRANSPARENCY INITIATIVE (UGEITI)”

Mr. Frank Byaruhanga – SAI Uganda

Ms. Magdalene Babirye – SAI Uganda

Uganda's extractives resources of mining, Oil and Gas have been designated as extractives that will accelerate the country's economic development. This is a recurring theme in all national development plans and strategies; however, these plans can only materialize if the resources and revenues generated from these resources are managed in a transparent and accountable manner.

Transparency and accountability are key principles of sustainable development; they are consistent with government of Uganda's policy choice. They form the bedrock for regulation and exploitation of extractive resources. Important to note, the extraction of natural resources in the world has presented a paradox where some nations with abundant resources remain impoverished in comparison with those lacking significant extractive resources. This in natural resources parlance is termed as the “natural resource curse”.



Nonetheless, there is empirical data to suggest that the perfect panacea to this paradox is transparency and accountability in the extractives industry. Therefore, the clarion call for implementation of these principles in the extractives sector has fostered international initiatives including the Extractives Industry Transparency Initiative (EITI) which was launched in 2002 to promote global standards for transparency and accountability in the extractives industry.

As a candidate nation, Uganda started its EITI journey in 2020; this came after Uganda's cabinet opted to join the initiative in January 2019. The Multi-stakeholder Group (MSG) oversees the implementation of the EITI standard in the Uganda Extractives Industry Transparency Initiative (UGEITI) framework and is supported by a secretariat. The MSG comprises Extractives companies, Government and Civil society. Other members can be nominated in observer capacity and the Auditor General of SAI-Uganda falls in this category.

The EITI standard stipulates the objectives and guidelines for implementation and member countries are required to publish comprehensive reports of full disclosure of government revenues and all material payments made to the government by companies operating in the extractive

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“In examining the role of the SAI in the implementation of the EITI standard reference should be made to the traditional mandate of the SAIs in the accountability cycle. The guiding concept of the mandate is accountability and transparency which falls squarely into the objectives of the EITI.”

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sector. Due to Uganda's dedication to implement the EITI standard, two reports for the FY 2019/2020 and 2020/2021 have been published.

These reports are intended to be widely circulated to the public, so as to trigger debate and understanding of the contribution of the extractive sector to the social economic development of the country.

In examining the role of the SAI in the implementation of the EITI standard reference should be made to the traditional mandate of the SAIs in the accountability cycle. The guiding concept of the mandate is accountability and transparency which falls squarely into the objectives of the EITI. The audits and recommendations of

SAI-Uganda, have amplified the need for broader aspects of transparency and accountability through building new synergies and collaborations among the industry players and civil society.

As an observer in the MSG forums, the SAI has been attending and supporting the MSG. The nomination as observer extends to working closely with the MSG and Independent Administrator appointed by the MSG in various capacities. Therefore, the SAI is a reference point for some contextual information, certification of government revenue collection reports and offering the MSG technical audit support.

These audits include; audit of the petroleum fund, all aspects of the Oil and gas value chain, cost recovery audits, auditing of the mining sector, assessment, collection and accounting of petroleum and mining revenue, award and implementation of license obligations, management of geological data and implementation of national content and all other audits considered necessary. All these audits are possible on an account of a sufficient and wide constitutional mandate.

In addition to the above, SAI-Uganda is an active member of the INTOSAI -Working Group of the Extractives Industry



Executive Director EITI International Secretariat, Mark Robinson (5th from the right) together with EITI Uganda team pay a visit to SAI Uganda during the validation follow-up mission



“ The proposed appointment of the Auditor General of SAI-Uganda as the IA is a vote of confidence, it presents an opportunity for SAIs to entrench the EITI initiatives and build national capacity to implement the EITI standards. It is also an avenue to gain more exposure and skill beneficial execution of audits in the industry and other related engagements that add value to society. ”

(WGEI) –This has tremendously contributed knowledge and expertise in the subject of transparency and accountability in the international and national extractives industries.

Going forward, the status of the Auditor General in the UGEITI is likely to change, taking into consideration the need to sustainably implement EITI in Uganda, the MSG and other stakeholders have unanimously proposed that the Auditor General of SAI-Uganda be appointed as the Independent Administrator (IA).

According to the EITI board, the role of the Independent Administrator may be undertaken by consultants or other relevant government entities like supreme audit institution, provided the MSG endorses the appointment and perceives this Independent administrator to be credible, trustworthy and technically competent. In the perspective of UGEITI, the IA is appointed by the MSG and given terms of reference to compile the UGEITI annual report by collecting information on

payments and receipts provided by the extractive companies and government entities. The IA also reviews disclosures of these payments and receipts with a view of ensuring transparency, integrity and accountability.

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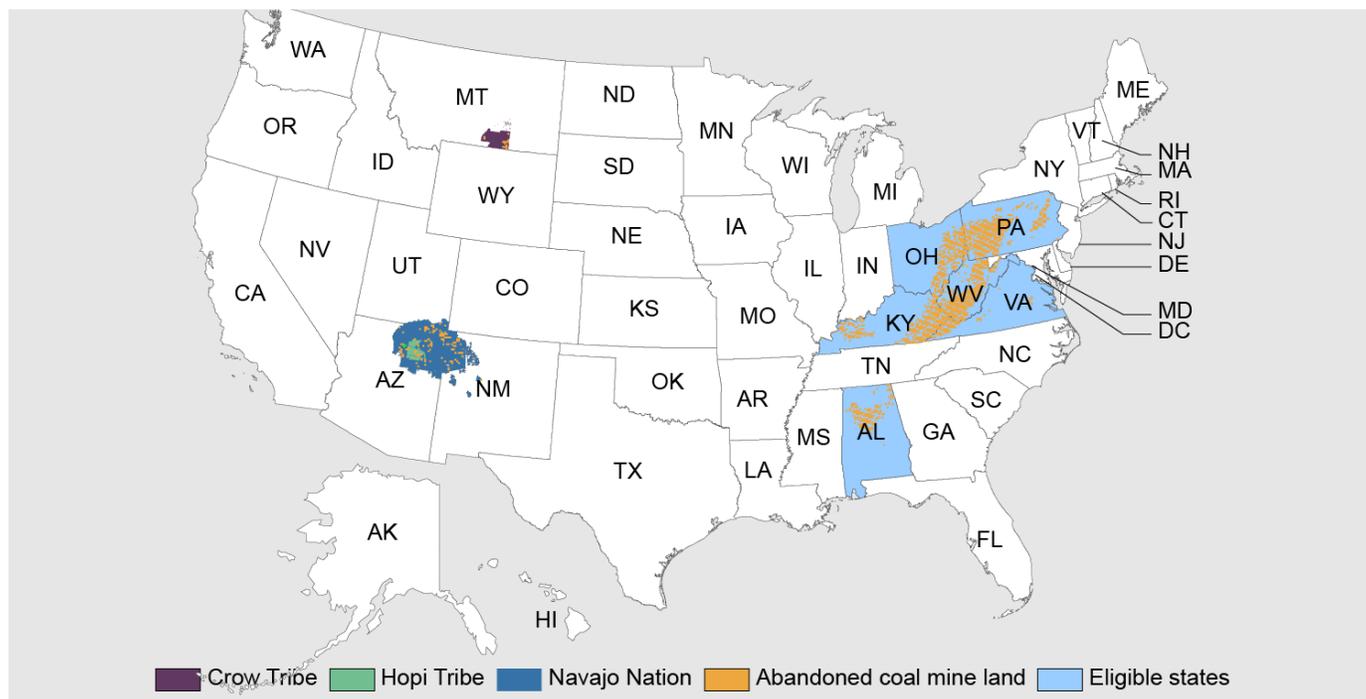
In conclusion, SAI-Uganda stands shoulder to shoulder with the UGEITI, their mandates are complementary. Both processes support each other in the quest to promote Uganda's EITI journey of transparency and accountability in the extractives sector. This positive synergy and collaboration is highly commendable and should be supported to provide value in the extractives industry and society at large.

United States of America: GAO Makes Recommendations for Interior Grant Program Benefitting Legacy Coal Communities

SAI - United States of America

Millions of people in the United States live less than 1 mile away from an abandoned mine. These sites can pose health risks and create economic challenges for nearby communities.

The United States Congress appropriated nearly \$1 billion from fiscal years 2016 to 2023 for the Department of the Interior's Abandoned Mine Land Economic Revitalization (AMLER) program. This program focuses on funding grants for economic and community development near abandoned coal mine land. Six U.S. states and three Tribes are eligible for grant funding (see participating states and Tribes below).



Source: GAO analysis of U.S. Census data and the Department of the Interior's Enhanced Abandoned Mine Land Inventory System (e-AMLIS); Map Resources. | GAO-24-106680

On June 20, 2024, the Government Accountability Office issued a report which found that AMLER program participants had spent about 29 percent of funds due to challenges, such as how long Interior

took to review and approve projects. The audit team also found that the agency had not documented internal policies and procedures—such as the roles and responsibilities of its staff—which led to

duplication in some instances. To address these challenges, the audit team made four recommendations, including that Interior should:

- Track how long it takes to review and approve projects,
- Provide clearer and more timely guidance to states and Tribes, and
- Document roles and responsibilities of its staff.

The report describes (1) the key steps the agency, states, and Tribes took to implement the program; (2) the status of funding and applications; (3) information the agency collected on the performance of the program; and (4) the challenges the agency, states, Tribes, and others faced with the program. The team reviewed agency guidance and reports, interviewed participants—including state and tribal officials—and toured several projects funded by the program.

The report can be accessed here: Abandoned Mine Land: [Opportunities Exist to Improve Interior's Economic Revitalization Program for Coal Communities](#)

For further information, please contact Cardell D. Johnson, Director, Natural Resources and Environment at JohnsonCD1@gao.gov.

Upcoming Events

FIFTH INTERNATIONAL TRAINING PROGRAMME ON AUDIT OF EXTRACTIVE INDUSTRIES

Part I: 6th to 10th January 2025

Online

Part II: 3rd to 7th March 2025

Onsite (Jaipur, India)

Registration Link

<https://wgei.intosaicommunity.net/5th-itp-on-audit-of-extractive-industries/>

Send filled registration documents to: iced@cag.gov.in

Deadline for registration: 27th December 2024

The Role of Global Reporting Initiative in Extractive Industries Sustainability

SAI - Egypt

The Global Reporting Initiative (GRI) is an international non-profit organization that aims to develop and issue sustainability standards and reports that help companies and organizations measure and report on their economic, environmental and social impacts. The GRI was established in 1997 as a joint initiative between investors and civil society which aims to improve transparency and accountability in companies reports. Over the years, the GRI standards have developed to become a global reference when developing sustainability reports issued by companies, governmental and non-governmental institutions around the world, which contribute to enhancing transparency and building trust with stakeholders.

Objectives of the Global Reporting Initiative (GRI):

GRI aims to improve companies' performance in the areas of sustainability and enhance their commitment to international standards and legislative requirements through:

- Improving transparency: GRI aims to enhance transparency in companies' reports by providing an integrated and comprehensive framework and providing clear and accurate information about the performance

of those companies in the areas of sustainability and trust building between companies, investors, customers and local communities.

- Enhancing accountability: GRI encourages companies to clearly report their environmental, social and economic impacts to keep pace with stakeholders' expectations and legal requirements related to sustainability.
- Supporting sustainability: GRI helps companies to evaluate and improve their performance in the field of sustainability by developing strategies that contribute to achieving the global goals (SDGs).

GRI standards classification:

GRI standards are classified into several categories that help companies and institutions develop sustainability reports in an organized and comprehensive manner. These standards cover a wide range of environmental, social and economic aspects, and provide a framework for transparent and reliable reporting on companies' performance. GRI standards classifications include:

1- Global Standards

- **GRI 1: Foundation:** This standard provides general principles that should be followed when developing reports according to GRI standards. This standard includes guidance on how to identify the important topics and report on them.

- **GRI 2: General Disclosures:** This standard focuses on the general disclosures that a company should apply, such as governance structure, business ethics and institutional affiliations.

- **GRI 3: Material Topics:** This standard guides companies in how to identify topics that are important to stakeholders and their impact on the company.

2-Specified Topic Standards

They are divided into three main areas:

- **Economic Topics' Standards (GRI 200):** Related to economic performance, such as economic growth and other economic topics. They are seven standards from GRI 201 to GRI 207.

- **Environmental Topics' Standards (GRI 300):** Related to environmental performance, such as resources utilization, the management of waste, emissions, energy, water and sanitation, biodiversity and other environmental topics. They are eight standards from GRI 301 to GRI 308.

- Social Topics' Standards (GRI 400):

Related to social performance, such as human rights, labor practices, community impacts as well as occupational health and safety, they are 18 standards from GRI 401 to GRI 418.

3- Specified Sector Standards

The Global Reporting Initiative (GRI) plans to develop specific standards for 40 sectors, prioritizing sectors that have the greatest impact on sustainable development such as oil and gas sector, agriculture sector, and fishing sector. Taking into account the importance of sector impacts, as well as the size of the sector and the number of sector organizations that could use the GRI Standards.

Recent trends in GRI

The principles and standards of the Global Reporting Initiative (GRI) are constantly evolving to keep pace with changes in the field of sustainability and the needs of companies and stakeholders for obtaining more comprehensive and transparent reports that reflect companies' commitment to sustainability and enhance their ability to provide reliable and useful information to stakeholders. The following are the most prominent recent trends in GRI:

1. Greater focus on environmental, social and economic impact and assessing the long-term impact of strategic activities rather than focusing only on daily operational aspects.

2. Integration with SDGs: by providing guidance on how to set appropriate goals and align with the SDGs and develop standards that help companies in reporting on their contributions to achieving these goals.

3. Enhancing transparency and accountability: by improving the level of transparency in reporting and guiding companies towards reporting on anti-corruption measures and ethical practices.

4. Using technology and digitalization: to improve data collection and analysis, which contributes to providing more accurate and comprehensive reports.

5. Updates of reporting standards: to reflect changes in sustainability practices and global best practices. This update includes setting new standards to address increasingly important issues such as climate change, water management and biodiversity.

6. Emphasizing human rights: highlighting companies' practices in protecting the rights of workers and local communities.

7. Enhancing stakeholders' engagement and responsiveness: contributing to improving the quality of reports and ensuring that they meet stakeholders' needs and expectations.

Global Reporting Initiative (GRI) and Extractive Industries:

Extractive industries are industries that involve the extraction of natural resources from the earth or sea, such as oil, natural gas, minerals and coal. These industries include all activities related to the exploration, extraction, processing and refining of natural resources, until they are ready for utilization or sale. These industries are considered one of the main pillars of economy in many countries, as they constitute a main source of energy and raw materials used in many other industries. Hence, extractive industries have significant environmental and social impacts on the environment and local communities.

- The Importance of the Global Reporting Initiative (GRI) for the Extractive Industries Sector:

GRI helps companies operating in the field of extractive industries to identify and manage environmental and social risks through accurate and comprehensive data. It also ensures that companies comply with environmental and social laws and regulations, which reduces legal and financial risks. The GRI framework also provides tools and indicators to help those companies to improve their sustainability performance, reduce their negative impacts and develop effective strategies for resource management and environmental conservation, which enhance the sustainability of operations and the optimal utilization of resources. By

providing comprehensive and transparent reports, extractive companies could build trust and improve their relationships with the local community, investors and regulatory bodies, as well as meet the expectations of stakeholders by reporting on performance in areas that interest them, such as environmental safety and working conditions.

GRI Standards Related to Extractive Industries

GRI provides standards that represent a framework that helps these industries in clearly reporting their environmental and social impacts, such as emissions, resource consumption, and impacts on local communities. The Environmental Topics' Standards (GRI 300) include indicators related to environmental impact management, such as emissions, pollutants, and waste management, which are important aspects in extractive industries.

The Social Topics' Standards (GRI 400) include indicators related to enhancing transparency and social responsibility, which build the trust with local communities and stakeholders. These standards are of particular importance in industries that could affect the rights of workers and surrounding communities.

In addition to the sector standards being developed and created related to the extractive industries sector, which are: -

GRI 14: Mining Sector Standard 2024 which is a standard for reporting the economic, social and environmental impacts of mining activities. The key topics covered by this standard are 25 topics related to environmental issues, local community impacts, workers, transparency about payments and ethical business. New important topics and the impact they cover and how to report on them were also addressed, including waste, closure and rehabilitation, land and resources' rights, artisanal and small-scale mining, conflict-affected areas and high risks. These standards is planned to come into effect starting from the 1st of January 2026.

The GRI 12: Coal Sector Standard 2022 which is a standard that helps companies to understand and mitigate sustainability impacts while ensuring a just energy transition for all through reporting on policies, commitments and measures to mitigate the impacts of the low-Carbon transition and restricting work in mines on local communities and workers. It also encourages to take care of comprehensive human rights through reporting on child labor, forced labor, engagement with vulnerable groups and resettlement as well as supports leading practice in waste management. The Coal Sector Standard consists of 22 potentially material topics that represent significant impacts on the coal sector, divided into

seven groups: climate, communities, employment, termination, environment, health and safety, and ethical business. It became effective starting from the 1st of January 2024.

GRI 11: Oil and Gas Sector Standard 2021

This standard identifies 22 topics that are likely to be of importance to organizations in the Oil and Gas Sector based on the sector's impacts on economy, environment and individuals. They are formed by tools that support expectations of responsible business conduct for the oil and gas sector, such as the Paris Agreement, the Extractive Industries Transparency Initiative and the Voluntary Principles on Security and Human Rights. It also includes disclosures on current operations, the transition to low-Carbon energy, the potential for a "just" energy transition and its impact on workers and communities. It also highlights the sector's essential role in combating climate change and relevant reports - from emissions to governance, strategy and investment. It became effective starting from 1st of January 2023.

Some examples of companies in the extractive industries field that have adopted GRI Standards including BP and Chevron in the oil and gas sector and Rio Tinto in the mining sector.

Steps for Applying GRI Standards in the Extractive Industries Field:

In order to obtain transparent and comprehensive sustainability reports that are compatible with GRI Standards, the steps below should be followed:

1. Identifying standards relevant to extractive industries and identifying priority topics such as natural resources management, emissions, human rights and working conditions.
2. Developing a reporting strategy: Includes the company's goals and commitments in the field of sustainability in relation to improving environmental and social performance, such as reducing emissions or enhancing the health and safety of workers.
3. Collecting and Analyzing Data about the company's environmental, social and economic performance, such as data on resources use, waste management, impact on communities, and working conditions.
4. Developing the report, which includes comprehensive disclosure on environmental and social performance as well as the company's commitment to environmental and social laws and standards in accordance with the requirements of the Global Reporting Initiative (GRI) Standards.
5. Communicating with stakeholders: such as investors, local communities, and regulatory bodies as well as sharing reports with them and interacting with their comments to improving sustainability strategies and future reports.

6. Reviewing and updating: through assessing the extent to which the specified goals have been achieved and updating reports based on best practices in the field of sustainability.

7. Promoting environmental and social practices: By using reports information to improving environmental and social practices, such as enhancing resources' efficiency, improving working conditions, and reducing environmental impacts.

Future Trends for Applying GRI Standards in Extractive Industries: aim to enhancing sustainability and transparency, and keep pace with the environmental and social challenges associated with these industries. The following are the most prominent future trends:

1. Enhancing the focus on climate change: through companies disclosure of the impact of their operations on climate change and related carbon emissions and mitigation measures.

2. Improving water and biodiversity management: through companies' disclosure of the impact of their operations on water resources, biodiversity and measures to preserve them.

3. Having a greater focus on human rights and labor practices: through companies' disclosure of their commitment to protecting the rights of workers and

communities affected by extraction activities and achieving safe working conditions at work sites.

4. Enhancing transparency and accountability: through disclosure of economic, social and environmental impacts as well as improving corporate accountability with regard to their sustainability performance.

5. Integrating with other frameworks and standards such as the SDGs and Environmental, Social and Governance (ESG) standards.

6. Technological innovation and data analysis: by leveraging digital analysis and artificial intelligence technologies and developing interactive reports that contribute to providing clearer and more detailed information.

7. Improving engagement with stakeholders: by improving sustainability reporting and better meeting their needs and expectations.

8. Adapting to regulatory changes in environmental and social legislation and laws to ensure full commitment and compliance and adherence to reporting requirements.

Through GRI and its recent and future trends, companies in the extractive industries field would continue to improve their sustainability performance and enhance transparency and accountability, which will enhance their ability to adapting to future challenges and innovating in their practices in line with the SDGs to achieve well-being for current and future generations.

Sources

- Global Reporting Initiative website:
<https://www.globalreporting.org>
- Annual AFROSAI-E Workshop on Extractive Industries, Tanzania - July 2024
- Journal of Environmental and Energy Research / Menoufia University / Analytical study of sustainability indicators in light of the Global Reporting Initiative / Volume 13 / Issue 22 / January 2024

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