SASB STANDARDS

Now part of IFRS Foundation

Oil & Gas – Services

Sustainability Accounting Standard

EXTRACTIVES & MINERALS PROCESSING SECTOR

Sustainable Industry Classification System® (SICS®) EM-SV

Under Stewardship of the International Sustainability Standards Board

INDUSTRY STANDARD | VERSION 2023-12

IFRS® Sustainability

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ABOUT THE SASB STANDARDS

As of August 2022, the International Sustainability Standards Board (ISSB) of the IFRS Foundation assumed responsibility for the SASB Standards. The ISSB has committed to maintain, enhance and evolve the SASB Standards and encourages preparers and investors to continue to use the SASB Standards.

IFRS S1 *General Requirements for Disclosure of Sustainability-related Financial Information* (IFRS S1) requires entities to refer to and consider the applicability of disclosure topics in the SASB Standards when identifying sustainability-related risks and opportunities that could reasonably be expected to affect an entity's prospects. Similarly, IFRS S1 requires entities to refer to and consider the applicability of metrics in the SASB Standards when determining what information to disclose regarding sustainability-related risks and opportunities.

In June 2023, the ISSB amended climate-related topics and metrics in the SASB Standards to align them with the industry-based guidance accompanying IFRS S2 *Climate-related Disclosures*. In December 2023, the ISSB amended the non-climate-related topics and metrics in connection with the International Applicability of SASB Standards project.

Effective Date

This version 2023-12 of the Standard is effective for all entities for annual periods beginning or after January 1, 2025. Early adoption is permitted for all entities.

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INTRODUCTION

Overview of SASB Standards

The SASB Standards are a set of 77 industry-specific sustainability accounting standards ("SASB Standards" or "Industry Standards"), categorised pursuant to the Sustainable Industry Classification System® (SICS®).

SASB Standards include:

1. **Industry descriptions** – which are intended to help entities identify applicable industry guidance by describing the business models, associated activities and other common features that characterise participation in the industry.

2. **Disclosure topics** – which describe specific sustainability-related risks or opportunities associated with the activities conducted by entities within a particular industry.

3. **Metrics** – which accompany disclosure topics and are designed to, either individually or as part of a set, provide useful information regarding an entity's performance for a specific disclosure topic.

4. **Technical protocols** – which provide guidance on definitions, scope, implementation and presentation of associated metrics.

5. **Activity metrics** – which quantify the scale of specific activities or operations by an entity and are intended for use in conjunction with the metrics referred to in point 3 to normalise data and facilitate comparison.

Entities using the SASB Standards as part of their implementation of ISSB Standards should consider the relevant ISSB application guidance.

For entities using the SASB Standards independently from ISSB Standards, the *SASB Standards Application Guidance* establishes guidance applicable to the use of all Industry Standards and is considered part of the Standards. Unless otherwise specified in the technical protocols contained in the Industry Standards, the guidance in the SASB Standards Application Guidance applies to the definitions, scope, implementation, compilation and presentation of the metrics in the Industry Standards.

Historically, the *SASB Conceptual Framework* set out the basic concepts, principles, definitions and objectives that guided the SASB Standards Board in its approach to setting standards for sustainability accounting.

Use of the Standards

SASB Standards are intended to aid entities in disclosing information about sustainability-related risks and opportunities that could reasonably be expected to affect the entity's cash flows, its access to finance or cost of capital over the short, medium or long term. An entity determines which Industry Standard(s) and which disclosure topics are relevant to its business, and which associated metrics to report. In general, an entity should use the SASB Standard specific to its primary industry as identified in SICS® . However, companies with substantial business in multiple SICS® industries should refer to and consider the applicability of the disclosure topics and associated metrics in additional SASB Standards.

The disclosure topics and associated metrics contained in this Standard have been identified as those that are likely to be useful to investors. However, the responsibility for making materiality judgements and determinations rests with the reporting entity.

Industry Description

Oil & Gas - Services entities drill under contract, manufacture equipment, or provide support services. Drilling and drilling-support entities drill for oil and natural gas on-shore and off-shore on a contract basis for Exploration & Production (E&P) entities. For on-shore exploration and production, entities in the oilfield services segment manufacture equipment used in the extraction, storage and transportation of oil and natural gas. For off-shore, entities in this segment may manufacture jack-up rigs, semisubmersible rigs, drill ships and a range of other exploration equipment. They also provide support services such as seismic surveying, equipment rental, well cementing and well monitoring. These services commonly are provided on a contractual basis, and the customer purchases or leases the materials and equipment from the service provider. Oil & Gas - Services entities also may provide personnel or subject matter expertise as part of their scope of service. The contractual relationship between oil and gas services entities and their customers plays a significant role in determining the material impacts of their sustainability performance. Besides the rates charged, entities compete based on their operational and safety performance, technology and process offerings, project management performance, and reputation.

SUSTAINABILITY DISCLOSURE TOPICS & METRICS

Table 1. Sustainability Disclosure Topics & Metrics

TOPIC	METRIC	CATEGORY	UNIT OF MEASURE	CODE
Emissions Reduction Services & Fuels Management	Total fuel consumed, percentage renewable, percentage used in: (1) on-road equipment and vehicles and (2) off-road equipment	Quantitative	Gigajoules (GJ), Percentage (%)	EM-SV-110a.1
	Discussion of strategy or plans to address air emissions-related risks, opportunities and impacts	Discussion and Analysis	n/a	EM-SV-110a.2
	Percentage of engines in service that comply with the highest level of emissions standards for non-road diesel engine emissions	Quantitative	Percentage (%)	EM-SV-110a.3
Water Management Services	(1) Total volume of water handled in operations, (2) percentage recycled	Quantitative	Thousand cubic metres (m^3), Percentage (%)	EM-SV-140a.1
	Discussion of strategy or plans to address water consumption and disposal-related risks, opportunities and impacts	Discussion and Analysis	n/a	EM-SV-140a.2
Chemicals Management	(1) Volume of hydraulic fracturing fluid used, (2) percentage hazardous	Quantitative	Thousand cubic metres (m^3), Percentage (%)	EM-SV-150a.1
	Discussion of strategy or plans to address chemical-related risks, opportunities, and impacts	Discussion and Analysis	n/a	EM-SV-150a.2
Ecological Impact Management	Average disturbed land area per (1) oil and (2) gas well site	Quantitative	Hectares (ha)	EM-SV-160a.1
	Discussion of strategy or plan to address risks and opportunities related to ecological impacts from core activities	Discussion and Analysis	n/a	EM-SV-160a.2
Workforce Health & Safety	(1) Total recordable incident rate (TRIR), (2) fatality rate, (3) near miss frequency rate (NMFR), and (4) average hours of health, safety, and emergency response training for (a) direct employees, and (b) contract employees	Quantitative	Rate	EM-SV-320a.1
	Description of management systems used to integrate a culture of safety throughout the value chain and project lifecycle	Discussion and Analysis	n/a	EM-SV-320a.2
	Number of road accidents and incidents	Quantitative	Number	EM-SV-320a.3

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TOPIC	METRIC	CATEGORY	UNIT OF MEASURE	CODE
Business Ethics & Payments Transparency	Amount of net revenue in countries that have the 20 lowest rankings in Transparency International's Corruption Perception Index	Quantitative	Presentation currency	EM-SV-510a.1
	Description of the management system for prevention of corruption and bribery throughout the value chain	Discussion and Analysis	n/a	EM-SV-510a.2
Management of the Legal & Regulatory Environment	Discussion of corporate positions related to government regulations or policy proposals that address environmental and social factors affecting the industry	Discussion and Analysis	n/a	EM-SV-530a.1
Critical Incident Risk Management	Description of management systems used to identify and mitigate catastrophic and tail-end risks	Discussion and Analysis	n/a	EM-SV-540a.1

Table 2. Activity Metrics

ACTIVITY METRIC	CATEGORY	UNIT OF MEASURE	CODE
Number of active rig sites[1]	Quantitative	Number	EM-SV-000.A
Number of active well sites[2]	Quantitative	Number	EM-SV-000.B
Total amount of drilling performed	Quantitative	Metres (m)	EM-SV-000.C
Total number of hours worked by all employees	Quantitative	Hours	EM-SV-000.D

[1] Note to **EM-SV-000.A** – 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.

[2] Note to **EM-SV-000.B** – 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.

Emissions Reduction Services & Fuels Management

Topic Summary

Although direct greenhouse gas (GHG) emissions and associated regulatory risks are relatively low for Oil & Gas - Services providers relative to other industries, emissions from the operations of their customers—the Exploration & Production (E&P) entities—can be significant. Emissions include GHGs that can contribute to climate change as well as other air pollutants that can have significant localised human health and environmental impacts. Increasing regulation and high costs of fuels associated with these emissions present substantial risk to E&P entities. Entities are seeking ways to lower their emissions, including converting pumps and engines to run on natural gas and electricity instead of diesel fuel. Oil & Gas - Services entities compete for contracts partly based on providing innovative, efficient technologies that can help E&P entities reduce operating costs and improve process efficiencies. Services entities can gain a competitive advantage, grow revenue and secure market share by providing customers with services and equipment to reduce GHG, fugitive and flared emissions and fuel consumption.

Metrics

EM-SV-110a.1. Total fuel consumed, percentage renewable, percentage used in: (1) on-road equipment and vehicles and (2) off-road equipment

1 The entity shall disclose total fuel consumed from all sources as an aggregate figure, in gigajoules (GJ).

1.1 The calculation methodology for fuel consumed shall be based on actual fuel consumed as opposed to design parameters.

1.2 Acceptable calculation methodologies for fuel consumed may include methodologies based on:

1.2.1 Adding fuel purchases made during the reporting period to beginning inventory at the start of the reporting period, less any fuel inventory at the end of the reporting period

1.2.2 Tracking fuel consumed by vehicles

1.2.3 Tracking fuel expenses

2 The entity shall disclose the percentage of the total amount of fuel consumed from all sources that is renewable.

2.1 Renewable fuel generally is defined as fuel that meets all these requirements:

2.1.1 Produced from renewable biomass

2.1.2 Used to replace or reduce the quantity of fossil fuel present in a transportation fuel, heating oil or jet fuel

2.1.3 Achieved net greenhouse gas (GHG) emissions reduction on a lifecycle basis

2.2 The entity shall disclose the standard or regulation used to determine if a fuel is renewable.

2.3 The percentage shall be calculated as the amount of renewable fuel consumed by the entity's fleet vehicles (in GJ) divided by the total amount of fuel consumed by the entity's fleet vehicles (in GJ).

3 The entity shall disclose the percentage of total fuel consumed by (1) on-road, mobile equipment and vehicles and (2) off-road equipment, including stationary rigs, generators and mounted equipment.

4 The scope of disclosure includes only fuel consumed by entities owned or controlled by the entity.

4.1 The scope excludes non-fuel energy sources such as purchased electricity and purchased steam.

4.2 The scope of disclosure includes combustion sources owned or operated by the entity, regardless of which entity bears the cost of fuel or considers greenhouse gas (GHG) emissions from these sources to be part of its Scope 1 inventory.

5 In calculating energy consumption from fuels and biofuels, the entity shall use higher heating values (HHV), also known as gross calorific values (GCV), which are directly measured or taken from the Intergovernmental Panel on Climate Change (IPCC).

6 The entity shall apply conversion factors consistently for all data reported under this disclosure, such as the use of HHVs for fuel usage (including biofuels).

EM-SV-110a.2. Discussion of strategy or plans to address air emissions-related risks, opportunities and impacts

1 The entity shall discuss its strategies or plans to address air-emissions-related risks, opportunities and impacts.

1.1 The scope of disclosure includes the entity's strategies, plans or emissions-reduction activities, such as how they relate to various business units, geographies or emissions sources.

1.2 The scope of disclosure includes activities and investments required to achieve the plans, and any risks or limiting factors that might affect achievement of the plans or targets.

1.3 The scope of disclosure includes the discussion of the demand for specific products, services and technologies that reduce well and field operators' fuel consumption, emissions, or create other efficiencies, and its ability to meet this demand.

2 The entity shall discuss its short- and long-term plans related to air quality management, where:

2.1 Short-term strategies may include fuel substitution (for example, drop-in biodiesel), use of dual fuel equipment or engine maintenance.

2.2 Long-term strategies may include alternative fuel equipment, process or equipment redesigns and innovations, and carbon capture and storage.

3 The scope of disclosure shall include, at a minimum, emissions from these specific sources:

3.1 Combustion emissions (for example, fuel use in gas compression, power generation)

3.2 Flaring of hydrocarbons (for example, in depressurising, start-up/shut-down, well testing and well work-over)

3.3 Process emissions (for example, vessel loading, tank storage and flushing)

3.4 Venting of hydrocarbons, defined as the intentional (or designed), controlled release of gas to the atmosphere during normal operations

3.5 Fugitive emissions of greenhouse gases (including equipment leaks)

3.6 Other non-routine events (for example, gas releases or equipment maintenance)

4 The entity shall discuss risks and opportunities relating to its ability to offer customers services, technologies or solutions that enhance energy efficiency and reduce air emissions, including of greenhouse gases.

EM-SV-110a.3. Percentage of engines in service that comply with the highest level of emissions standards for non-road diesel engine emissions

1 The entity shall disclose the percentage of its non-road diesel engines that comply with the highest level of jurisdictional emissions standards.

1.1 The scope of disclosure shall include new and in-use non-road diesel engines, which may include those used in equipment, pumps, compressors and generators.

2 The entity shall calculate the percentage as the new and in-use number of non-road diesel engines in full compliance with the highest level of jurisdictional emissions standards during the reporting period, divided by the total number of non-road diesel engines active during the reporting period, where:

2.1 An engine is considered in compliance with the standards if (1) it belongs to an engine family which has test results showing official emission results and deteriorated emission levels at or below these standards, and (2) the engine family has received confirmation from a relevant certifying or regulatory body indicating alignment with the standard used.

2.2 Engine families are defined as engine product lines expected to have similar emissions characteristics.

2.3 The highest level of jurisdictional emissions standards represent the most stringent emissions requirements applicable to the jurisdiction in which its non-road diesel engines operate.

3 Engines exempt from the jurisdictional standard, such as some marine engines, shall be exempt for the purposes of this disclosure.

4 The scope of disclosure includes all operations, regardless of jurisdiction.

5 The scope of disclosure includes non-road diesel engines manufactured, owned or operated by the entity, regardless of which entity bears the compliance obligation.

6 The entity shall disclose the jurisdictional emission standard used in its disclosure, based on the jurisdiction in which its non-road diesel engines operate.

Water Management Services

Topic Summary

Oil and gas development often requires large quantities of water, exposing producers to the risks of water scarcity, water use regulations and related cost increases, particularly in water-stressed regions. Producers also must manage wastewater disposal risks and costs. As such, service entities that develop superior technologies and processes, such as closed-loop water recycling systems to reduce customers' water consumption and disposal costs, may gain market share and increase revenue, because drilling and wastewater management can be a significant competitive factor for their customers.

Metrics

EM-SV-140a.1. (1) Total volume of water handled in operations, (2) percentage recycled

1 The entity shall disclose the volume of water, in thousands of cubic metres, handled in operations from all sources.

1.1 Water sources include surface water (including water from wetlands, rivers, lakes and oceans), groundwater, rainwater collected directly and stored by the entity, and water and wastewater obtained from municipal water supplies, water utilities or other entities.

1.2 Handled water is transferred to the entity from a third party as part of an entity's contractual scope of service or is obtained directly and used by the entity in its operations.

2 The entity may disclose portions of its supply by source if, for example, significant portions of withdrawals are from non-freshwater sources.

2.1 Fresh water may be defined according to the local statutes and regulations where the entity operates. Where no regulatory definition exists, fresh water shall be considered to be water that has less than 1,000 parts per million of dissolved solids.

2.2

3 The entity shall disclose the percentage of water recycled as the volume recycled divided by the volume of water handled.

4 Recycled water shall include the amount recycled in closed-loop and open-loop systems as well as recycled produced water or flowback.

4.1 Any volume of water used more than once shall be counted as recycled each time it was recycled and reused.

5 Produced water is defined as water (brine) brought up from the hydrocarbon- bearing formation strata during the extraction of oil and gas and can include formation water, injection water, and any chemicals added downhole or during the oil/water separation process.

6 Flowback is defined as the process of allowing fluids (including water) and entrained solids to flow from a well following a treatment, either in preparation for a subsequent phase of treatment or in preparation for clean-up and returning the well to production.

6.1 The term flowback also means the fluids and entrained solids that emerge from a well during the flowback process. The flowback period begins when material introduced into the well during the treatment returns to the surface following hydraulic fracturing or refracturing.

6.2 The flowback period ends when either the well is shut in and permanently disconnected from the flowback equipment or at production start-up.

6.3 The flowback period includes the initial flowback stage and the separation flowback stage.

7 The scope is limited to operations for which the entity provides hydraulic fracturing, completion, drilling or water management services (for example, water treatment for reuse in drilling or hydraulic fracturing, and reduction of unwanted water in subsurface areas).

7.1 The scope may include water used in hydraulic fracturing fluids, drilling fluids, dust control and drilling cement production.

EM-SV-140a.2. Discussion of strategy or plans to address water consumption and disposal-related risks, opportunities and impacts

1 The entity shall discuss its strategy or plans to address water consumption and disposal-related risks, opportunities and impacts.

1.1 The scope of disclosure shall include the entity's strategies, plans or reduction activities, including whether they pertain differently to different business units, geographies or water sources.

1.2 The scope of disclosure includes the activities and investments by the entity required to achieve the plans and any risks or limiting factors that might affect achievement of the plans or targets.

2 The entity shall discuss demand for specific products, services and technologies that offer well and field operators reduced water consumption, water recycling or other water impact reductions, and its ability to meet this demand.

3 The entity shall discuss its short- and long-term plans related to water management, where:

3.1 Short-term strategies may include adopting best practices in water recycling or water efficiency initiatives.

3.2 Long-term strategies may include process redesigns or technological innovations that reduce fresh water withdrawal in water constrained regions, reduce excess water production from wells, and provide water treatment or recycling systems.

4 The scope of impact reductions may relate to the following specific areas of water consumption or disposal:

4.1 Hydraulic fracturing fluids

4.2 Drilling fluids

4.3 Dust control

4.4 Cement production

4.5 Produced water or flowback

5 The entity shall discuss risks and opportunities relating to: being able to offer customers services, technologies or solutions that enhance water use efficiency, treatment and reuse, and reduce water consumption or wastewater production.

Chemicals Management

Topic Summary

Oil & Gas – Services entities produce oilfield chemicals as well as drilling and hydraulic fracturing fluids based on demand from Exploration & Production (E&P) entities. Although leaks from a properly drilled and completed well are rare, contamination of local water resources can result from contact with hydraulic fracturing fluids and produced water. Contamination may arise from issues related to poor well integrity. Public concerns about some chemicals used in hydraulic fracturing fluids have, in some regions, resulted in fracturing bans, legislative proposals and other regulations to mandate disclosure of chemicals used. The precise chemical composition of hydraulic fracturing fluids is often proprietary, and entities compete to create the most effective formulas. Because of public and regulatory attention to the potential hazards of drilling fluids, entities that effectively manage well development and asset integrity issues, the production and use of non-hazardous fracking fluids, and the per well reduction of drilling fluid volumes, may increase their market share, grow revenues and reduce the regulatory risk affecting their products.

Metrics

EM-SV-150a.1. (1) Volume of hydraulic fracturing fluid used, (2) percentage hazardous

1 The entity shall disclose (1) the total volume of hydraulic fracturing fluid, in thousands of cubic metres (m^3), including water and chemical additives used to open and enlarge fractures within the rock formation.

2 The entity shall disclose (2) the percentage hazardous, which is calculated as the volume of hazardous hydraulic fracturing fluid used divided by the total volume of hydraulic fracturing fluid used.

2.1 Hydraulic fracturing fluid shall be considered hazardous if it is subject to hazardous classification in accordance with the United Nations' *Globally Harmonized System of Classification and Labelling of Chemicals for Health and/or Environmental Hazards* (GHS).

2.2 The entity shall reference the GHS Parts 1–4 and Annexes 1–10 for the classification of hydraulic fluids as hazardous or non-hazardous.

3 The scope of the disclosure includes wells for which the entity supplies hydraulic fracturing fluids and proppant, regardless of whether it conducts the hydraulic fracturing.

4 The entity may discuss how the implemented fracturing techniques influence the quantity of hydraulic fracturing fluid and hazardous fluids used, as well as factors related to hydraulic fracturing operations that may be outside the entity's control.

EM-SV-150a.2. Discussion of strategy or plans to address chemical-related risks, opportunities, and impacts

1 The entity shall discuss its strategy or plans to address chemical-related risks, opportunities and impacts.

1.1 The scope of the disclosure may include the entity's strategies, activities or management plans, including whether they vary based on business unit, geography or type of service.

1.2 The scope of the disclosure may include the entity's use of chemicals in drilling activities, well completion, well stimulation, flow assurance, and production and processing activities.

1.3 The scope of the disclosure may include the demand from well operators for the entity's products, services and technologies that specifically relate to the amount, type, legal status or hazard profile of chemicals used or sold by the entity, and the entity's ability to meet this demand.

2 The entity shall discuss its short-term and long-term plans related to chemicals management, such that:

2.1 short-term strategies may include adopting best practices in chemicals reuse, recycling or efficiency initiatives, ensuring compliance with local chemicals regulation, providing public disclosure of chemicals used and participating in initiatives such as Responsible Care and the Global Product Strategy (GPS); and

2.2 long-term strategies may include process redesigns or technological innovations that reduce or eliminate specific chemicals, replace specific chemicals with benign alternatives, or implement green chemistry principles in the development of new products and services.

3 The entity shall discuss the activities and investments required to achieve the plans or targets and any risks or factors that may limit its achievement of those plans or targets.

Ecological Impact Management

Topic Summary

Oil and gas exploration and development activities and associated services and support activities can have significant impacts on biodiversity and ecosystems. Entities operating sites in ecologically sensitive areas or that are resource-intensive operations must effectively manage the disposal of drilling and associated wastes, well decommissioning, land use, and potential fuel spills. Producers face regulatory risks and permitting barriers to protect ecosystems from potential issues related to site development, drilling, underground waste injection, well decommissioning and site remediation. Entities that offer cost-effective, efficient production and decommissioning technologies that mitigate biodiversity impacts by reducing land use, drilling wastes and spills can decrease the associated risks for their customers and gain a competitive advantage.

Metrics

EM-SV-160a.1. Average disturbed land area per (1) oil and (2) gas well site

1 The entity shall disclose the area of disturbed land per well site in hectares (ha), disaggregated by (1) oil well sites and (2) gas well sites.

1.1 Land is considered disturbed if it is associated with the scope of service provided by the entity.

1.2 If more than one entity is present at a given well site, the share of disturbed land assigned to a given entity shall be that which is associated with the siting of equipment or facilities owned by or leased directly to the entity as well as associated access roads, impoundments or other supporting infrastructure provided by, and directly associated with, the scope of service provided by the entity.

2 The scope of the disclosure includes land in the exploration, development, production or decommissioning project phases, but the scope is limited to sites where the entity is providing drilling, completion, fracturing, workover or decommissioning services.

2.1 This disclosure shall consider all currently active sites, recently decommissioned sites or sites being restored; it is not limited to land newly disturbed during the reporting period.

2.2 Land shall no longer be considered disturbed once:

2.2.1 the entity's service has been completed and all personnel and equipment owned by or leased to the entity have been removed from the site; and

2.2.2 any post-closure restoration and remediation efforts required by the service contract are substantially complete (even if monitoring is ongoing).

3 Disturbed land may result from facilities that include well pads, drilling and production facilities, pipelines, access roads, equipment storage, reserve pits, tailings, produced water impoundments, waste management facilities and aggregate pits.

EM-SV-160a.2. Discussion of strategy or plan to address risks and opportunities related to ecological impacts from core activities

1 The entity shall discuss its strategies or plans to address risks and opportunities related to ecological impacts from core activities.

1.1 The scope of the disclosure includes the entity's strategies, plans or reduction activities, including whether they vary based on business unit, geography or impact source.

1.2 The scope of the disclosure includes the activities and investments required by the entity to achieve the plans or targets and any risks or factors that may limit its achievement of those plans or targets.

2 The scope of core activities and associated impact reductions may relate to specific areas of service provision, including:

2.1 drilling or completion;

2.2 hydraulic fracturing;

2.3 water management;

2.4 decommissioning; and

2.5 chemicals management.

3 The entity shall discuss its short-term and long-term plans related to management of ecological impacts, such that:

3.1 short-term strategies may include efficient use of materials or equipment, use of multi-well pads, and increased production efficiencies that reduce drilling waste and associated wastes; and

3.2 long-term strategies may include process redesigns, new rig and equipment designs, advances in geological engineering, and advances in directional and multilateral drilling that reduce land use, noise, waste generation, natural resource consumption, hazardous chemical usage, and ecological and biodiversity impacts.

4 The entity may discuss technologies and innovations used to reduce ecological impacts that allow their customers access to sites otherwise inaccessible because of their ecological sensitivity.

5 The entity may discuss specific plans or strategies to reduce ecological impacts in areas with protected conservation status, endangered species habitat or in areas of unique ecological sensitivity such as the Arctic. Relevant areas in this regard include:

5.1 International Union for Conservation of Nature (IUCN) Protected Areas (categories I–VI);

5.2 Ramsar Wetlands of International Importance;

5.3 United Nations Educational, Scientific and Cultural Organization (UNESCO) World Heritage Sites;

5.4 Biosphere Reserves recognised within the framework of UNESCO's Man and the Biosphere (MAB) Programme;

5.5 Natura 2000 sites;

5.6 sites that meet the IUCN's definition of a protected area: 'A protected area is a clearly defined geographical space, recognized, dedicated and managed, through legal or other effective means, to achieve the long-term conservation of nature with associated ecosystem services and cultural values'; or

5.6.1 These sites may be listed in the World Database of Protected Areas (WDPA) and mapped on Protected Planet.

5.7 areas where IUCN Red List of Threatened Species classified as Critically Endangered (CR) or Endangered (EN) are extant.

5.7.1 A species is considered extant in an area if it is a resident, present during breeding or non-breeding season, or if it makes use of the area for passage.

5.7.2 For the purposes of disclosure, 'passage' is defined as all areas of land or water that a migratory species inhabits, stays in temporarily, crosses or overflies at any time on its normal migration route.

6 The entity shall discuss risks and opportunities related to its ability to offer its customers services, technologies or solutions that decrease ecological impacts, including land use and biodiversity impacts.

Workforce Health & Safety

Topic Summary

Workers in the Oil & Gas – Services industry may face significant health and safety risks related to the harsh working environments and handling potentially volatile hydrocarbons and hazardous wastes. In addition to acute impacts resulting from accidents, workers may develop chronic health conditions, such as those caused by silica or dust inhalation, as well as mental health problems. A significant proportion of the workforce at oil and gas drilling sites consists of temporary workers and employees of entities in the Oil & Gas – Services industry. Health impacts on, and the safety performance of, such workers can affect entities directly by adversely affecting worker productivity and increasing costs. Entities compete based on their reputation and ability to perform activities consistently and safely. Customers evaluate accidents, spills, injuries and fatalities as important factors in awarding contracts to entities.

Metrics

EM-SV-320a.1. (1) Total recordable incident rate (TRIR), (2) fatality rate, (3) near miss frequency rate (NMFR), and (4) average hours of health, safety, and emergency response training for (a) direct employees, and (b) contract employees

1 The entity shall disclose (1) its total recordable incident rate (TRIR) for work-related injuries and illnesses.

1.1 An injury or illness is considered a recordable incident if it results in death, days away from work, restricted work or transfer to another job, medical treatment beyond first aid, or loss of consciousness. Additionally, a significant injury or illness diagnosed by a physician or other licensed health care professional is considered a recordable incident, even if it does not result in death, days away from work, restricted work or job transfer, medical treatment beyond first aid, or loss of consciousness.

1.1.1 First aid is defined as emergency care or treatment for an ill or injured person before regular medical aid can be provided.

1.1.2 The entity may use applicable jurisdictional criteria for definitions of a recordable incident and a non-recordable incident such as first aid. The entity shall disclose the legal, regulatory or industry framework used as the source for these criteria and definitions.

2 The entity shall disclose (2) its fatality rate for work-related fatalities.

3 The entity shall disclose (3) its near miss frequency rate (NMFR) for work-related near misses.

3.1 A near miss is defined as an unplanned or uncontrolled event or chain of events that has not resulted in a recordable injury, illness, physical damage or environmental damage, but had the potential to do so in other circumstances.

3.2 The entity may disclose its process for classifying, identifying and reporting near misses.

4 All disclosed rates shall be calculated as: (statistic count × 200,000) / total number of hours worked by all employees in the year reported.

4.1 The '200,000' in the rate calculation represents the total number of hours 100 full-time workers working 40 hours per week for 50 weeks per year can provide annually.

5 The entity shall disclose (4) the average number of training hours it provided to its workforce for health, safety and emergency management training.

5.1 Training shall relate to topics such as the health, safety, or emergency preparedness of employees with respect to occupational risks or hazards to which employees are reasonably likely to be exposed and specific occupational risks or hazards.

5.2 The average number of hours of health, safety and emergency response training shall be calculated as: (total qualifying training hours provided by the entity) / (total number of employees).

5.2.1 The total number of employees is number of the entity's direct and contract employees at the end of the reporting period. If the total number of employees varied widely during the reporting period, the entity should discuss those variations to provide context.

6 The scope of the disclosure includes work-related incidents only.

6.1 Work-related incidents are injuries and illnesses resulting from events or exposures in the work environment.

6.2 The work environment is the establishment and other locations where one or more employees are working or are present as a condition of their employment.

6.3 The work environment includes not only physical locations, but also the equipment or materials used by the employee during the course of work.

6.4 Incidents that occur while an employee is travelling are work-related if, at the time of the injury or illness, the employee was engaged in work activities in the interest of the employer.

6.5 A work-related incident must be a new case, not a previously recorded injury or illness being updated.

7 The entity shall disclose the rates and average hours of training for each of these employee categories:

7.1 direct employees, defined as individuals on the entity's payroll, whether they are full-time, short service, part-time, executive, labour, salary, seasonal, migrant or hourly employees; and

7.2 contract employees, defined as individuals who are not on the entity's payroll, but whom the entity supervises or manages, including independent contractors and those employed by third parties (for example, temp agencies and labour brokers).

8 The scope includes all employees regardless of employee location or type of employment.

EM-SV-320a.2. Description of management systems used to integrate a culture of safety throughout the value chain and project lifecycle

1 The entity shall describe how it integrates a culture of safety throughout the value chain and project lifecycle.

1.1 The discussion shall include how the entity integrates a culture of safety throughout its value chain, such as through training, joint management by the workforce and leadership, rules and guidelines, and technology use.

1.2 The discussion may broadly consider the entity's safety and emergency management systems, but it shall specifically address systems used to maintain a safe working environment, including the prevention of incidents, accidents, fatalities and illnesses.

2 The entity shall include a description of how workforce safety management is coordinated among business partners (for example, contractors and subcontractors).

3 The value chain and project life cycle include geological and seismic surveys, site surveys, exploratory drilling, appraisal drilling, site development, production and decommissioning.

EM-SV-320a.3. Number of road accidents and incidents

1 The entity shall disclose the total number of road accidents and incidents involving its direct or contracted employees during hours of employment.

1.1 Direct employees are defined as individuals on the entity's payroll, whether they are full-time, short service, part-time, executive, labour, salary, seasonal, migrant or hourly employees.

1.2 Contract employees are defined as individuals who are not on the entity's payroll, but who are supervised by the entity on a regular basis, including independent contractors and those employed by third parties (for example, temp agencies and labour brokers).

1.3 An accident is defined as an occurrence involving a commercial vehicle operating on a road and engaging in commercial activities that results in one or more vehicles incurring disabling damage because of the accident, requiring the vehicle(s) to be transported away from the scene by a tow truck or another vehicle or to be abandoned.

1.4 An accident does not include:

1.4.1 an occurrence involving only boarding and alighting from a stationary vehicle; or

1.4.2 an occurrence involving only the loading or unloading of cargo.

1.5 An incident is defined as any event involving a licensed vehicle while on business use resulting in a recordable incident, vehicle damage, or other property damage.

1.5.1 An injury or illness is considered a recordable incident if it results in death, days away from work, restricted work or transfer to another job, medical treatment beyond first aid or loss of consciousness. Additionally, a significant injury or illness diagnosed by a physician or other licensed health care professional is considered a recordable incident, even if it does not result in death, days away from work, restricted work or job transfer, medical treatment beyond first aid, or loss of consciousness.

1.5.2 First aid is defined as emergency care or treatment for an ill or injured person before regular medical aid can be provided.

1.5.3 The entity may use applicable jurisdictional criteria for definitions of recordable incident and first aid.

2 The minimum scope of disclosure includes accidents and incidents reported to a relevant jurisdictional authority.

Business Ethics & Payments Transparency

Topic Summary

With operations around the world, entities in the Oil & Gas – Services industry interact with many government and local officials, either directly or through agents, to secure contracts with state-owned oil entities and multinational corporations. Bribery, corruption and the transparency of payments to governments may be significant issues, depending on the region and jurisdiction. Anti-corruption, anti-bribery, and payments transparency laws and initiatives create regulatory mechanisms to reduce the risk of misconduct. Violations of these could result in significant one-time costs or higher compliance costs, whereas successful compliance with such regulations could avoid adverse outcomes. Entities are under pressure to ensure their governance structures and practices can monitor and manage the risks associated with corruption, wilful or unintentional participation in illegal or unethical payments, or with gifts to government officials or private individuals.

Metrics

EM-SV-510a.1. Amount of net revenue in countries that have the 20 lowest rankings in Transparency International's Corruption Perception Index

1 The entity shall disclose its net revenue from activities located in the countries with the 20 lowest rankings in Transparency International's Corruption Perception Index (CPI).

1.1 The 20 lowest numerical ranks shall be used to generate the scope of countries. Because more than one country can share a single rank, the scope may include more than 20 countries.

2 The entity shall use the most current version of the CPI.

3 The entity may discuss its operations located in countries with low rankings in the index but that present low business ethics risks; and may provide similar discussion for operations located in countries that do not have one of the 20 lowest rankings in the index but that present unique or high business ethics risks.

EM-SV-510a.2. Description of the management system for prevention of corruption and bribery throughout the value chain

1 The entity shall describe its management system and due diligence procedures for assessing and managing corruption and bribery risks within the scope of its own operations and those associated with business partners in its value chain.

1.1 Business partners may include customers, suppliers, contractors, subcontractors and joint arrangement partners.

1.2 Relevant aspects of a management system include, if relevant:

1.2.1 employee awareness programmes;

1.2.2 internal mechanisms for reporting and following up on suspected violations;

1.2.3 anti-corruption policies; and

1.2.4 application of the Extractive Industry Transparency Initiative (EITI) Standard, which may include provisions related to beneficial ownership and politically exposed persons, licences and contracts, social expenditures, project-level payments, subnational payments, data accessibility, and multi-stakeholder engagement.

2 The entity may discuss its implementation of the following organisational guidelines:

2.1 Organization for Economic Co-operation and Development (OECD) anti-corruption guidelines;

2.2 International Chamber of Commerce (ICC) *Rules of Conduct and Recommendations to Combat Extortion and Bribery*;

2.3 Transparency International *Business Principles for Countering Bribery*;

2.4 United Nations Global Compact 10th Principle; and

2.5 World Economic Forum (WEF) Partnering Against Corruption Initiative (PACI).

3 The entity may discuss laws or regulations related to payments transparency to which it is subject.

Management of the Legal & Regulatory Environment

Topic Summary

The Oil & Gas – Services industry is subject to numerous sustainability-related regulations and a rapidly changing regulatory environment. Entities in the industry regularly participate in the regulatory and legislative process on a wide variety of environmental and societal issues, and they may do so directly or through representation by an industry association. Entities may participate in these processes to ensure industry views are represented in the development of regulations affecting the industry, as well as to represent shareholder interests. However, such attempts to influence environmental laws and regulations may have an adverse effect on entities' reputations with stakeholders and ultimately affect the entity's social licence to operate. Entities that can balance these tensions may be better positioned to respond to medium-to-long-term regulatory developments.

Metrics

EM-SV-530a.1. Discussion of corporate positions related to government regulations or policy proposals that address environmental and social factors affecting the industry

1 The entity shall identify risks and opportunities related to legislation, regulation or rule-making (hereafter referenced collectively as the 'legal and regulatory environment') associated with environmental and social factors that may have significant financial consequences.

1.1 The scope shall include existing, emerging and known future risks and opportunities.

1.2 The scope shall include risks and opportunities that exist domestically and internationally.

1.3 The regulatory environment related to relevant environmental and social factors includes those factors related to greenhouse gas emissions, other air emissions, water withdrawals and effluents, chemical use, ecological impacts, employee health and safety, natural resource governance, and business ethics and payments transparency.

2 Relevant risks to an entity may include risk of increased compliance costs, risk of policy reversal, risk of loss of financial incentives (for example, reduction or elimination of tax deductions associated with oil and gas exploration and production), risk to reputation because of the entity's stance and actions related to the legal and regulatory environment, risk that long-term strategy might be misaligned with the legal and regulatory environment, and risk of misalignment with the expectations of customers, investors and other stakeholders.

3 Relevant opportunities may include improved financial conditions (for example, through policies that incentivise oil and gas exploration and production activities), improved community relations because of the entity's stance and actions related to the legal and regulatory environment, and other benefits resulting from the entity's long-term strategic alignment with the legal and regulatory environment.

4 The entity shall discuss its efforts to manage risks and opportunities associated with each aspect of the legal and regulatory environment outlined in the SASB Oil & Gas - Services Standard that are relevant to the entity's business and may have significant financial consequences.

5 The entity shall discuss its strategy to manage risks and opportunities associated with each aspect of the legal and regulatory environment it has identified, such as:

5.1 any changes it has made or plans to make to its business structure or business model;

5.2 the development of new technologies or services;

5.3 any changes it has made or plans to make to its operational processes, controls or organisational structures; and

5.4 influencing regulatory or legislative processes and outcomes through interactions with regulators, regulatory agencies, legislators, policymakers and any others involved in the regulatory or legislative process.

6 The entity may describe whether its stance aligns with or differs from the official stance of its industry organisations and discuss any relevant reasons for alignment or divergence.

Critical Incident Risk Management

Topic Summary

Entities in the Oil & Gas – Services industry are subject to significant risks associated with low-probability, high-consequence events associated with oil and gas exploration, development and production activities. Such events may result in multiple fatalities, significant property damage or significant adverse effects on the environment. Entities may be affected indirectly through safety incidents or emergencies affecting their Exploration & Production (E&P) industry clients. Significant incidents can have wide-ranging negative social and environmental consequences, for which both E&P and Services entities may be held liable. Entities compete based on their reputation and ability to perform activities on a consistently safe basis. In addition to effective process safety management practices, many entities prioritise developing a strong culture of safety to reduce the probability of accidents and other health and safety incidents. If accidents and other emergencies do occur, entities with a strong safety culture are often able to detect and respond to such incidents more effectively. A culture that engages and empowers employees and contractors to work with management and entities in the E&P industry to safeguard their own health, safety and well-being, and to prevent accidents, is likely to help entities reduce risks to their financial value.

Metrics

EM-SV-540a.1. Description of management systems used to identify and mitigate catastrophic and tail-end risks

1 The entity shall describe its management systems used to identify and mitigate catastrophic and tail-end risks.

1.1 The scope of catastrophic and tail-end risks shall include low-probability, high-impact accidents and emergencies that could have catastrophic effects on human health, local communities and the environment.

1.2 The scope of the disclosure shall include how the entity integrates a culture of safety as well as management systems and technical controls to manage and mitigate catastrophic and tail-end risks.

1.3 The description may include employee training, the use of operating procedures, hot work permitting, pre-start-up safety reviews, mechanical integrity programmes, management of change, incident investigation, emergency planning and response, audits and other management systems.

2 The entity shall include a description of how critical incident risk management is coordinated among business partners (for example, contractors and subcontractors).

3 The scope of the disclosure includes all stages of a project's lifecycle, which may include geological and seismic surveys, site surveys, exploratory drilling, appraisal drilling, site development, production and decommissioning.

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