Item 05 – GSSB Work Program 2020-2022 – Public comment feedback

For GSSB approval

Date	1 September 2020
Meeting	15 September 2020
Description	This document presents the comments received on the exposure draft of the GSSB Work Program 2020-2022. The exposure draft was made available for public comment from 23 April to 23 June 2020

Comments received from:

Institutions

Private

28 Email 1

29 From: Ella Robinson, Deakin University

30 Sent on: Tuesday June 23, 2020

31 To: Standards

32 Cc: Gary Sacks; Sally Mackay; Ana Renker-Darby

33 Subject: Public Comment Revised GSSB Work Program 2020-2022

34 Dear Barbara Strozzilaan,

35 Please find attached a document outlining a submission to the 'Draft GSSB Work Program 2020-
36 2022' on behalf of INFORMAS (International Network for Food and Obesity / Non-communicable
37 Diseases (NCDs) Research, Monitoring and Action Support) and the Global Obesity Centre
38 (GLOBE), Deakin University.

39 In this submission, we make the case for the GSSB to prioritise the 'Food Processing' sector
40 (currently in Priority Group 2) in the implementation of the Sector Program and outline proposed
41 domains to be included within the sector standards.

42 This proposal is in line with strong evidence demonstrating the high impact of the Food Processing
43 sector on population health, as well as the Food Processing sector's links with overconsumption and
44 production. We note that sector disclosures for Agricultural and Fishing have recently been
45 established, and, as part of examining the important role of food systems, the Food Processing
46 sector is the next logical step to consider. Prioritising the Food Processing sector as the next focus
47 area is a sensible progression in the scheme of the GSSB work program.

48 We see the GRI's role in promoting disclosure and transparency from the Food Processing sector as
49 fundamental to increasing corporate accountability and improving corporate performance with
50 regards to nutrition and health issues. This is likely to have wide ranging implications for population
51 and environmental health and will encourage progress in achieving targets within the United Nations
52 Sustainable Development Goals.

53 Yours sincerely,

54 Ella Robinson, Sally Mackay, Ana Renker-Darby and Gary Sacks, on behalf of INFORMAS and
55 GLOBE

Barbara Strozzilaan 336
1083 HN Amsterdam
The Netherlands
gssbsecretariat@globalreporting.org

RE: Submission to the "Draft GSSB Work Program 2020-2022"

Prioritising the 'Food Processing' sector within the implementation of the GRI Sector Program

INFORMAS (International Network for Food and Obesity / Non-communicable Diseases (NCDs) Research, Monitoring and Action Support) is a global network of public-interest organisations and researchers that aims to monitor, benchmark and support public and private sector actions to increase healthy food environments and reduce obesity and NCDs and their related inequalities (www.informas.org). The Global Obesity Centre (GLOBE) is a World Health Organization Collaborating Centre for Obesity Prevention, situated within the Institute for Health Transformation at Deakin University, Melbourne, Australia. Our vision is to catalyze improvements in population health, with a focus on obesity, through innovative research that empowers people and enables healthier environments (www.globalobesity.com.au).

In this submission, INFORMAS and GLOBE make the case for the GSSB to prioritise the 'Food Processing' sector (currently in Priority Group 2) in the implementation of the Sector Program and outline proposed domains to be included within the sector standards.

Justification

Unhealthy diets and related non-communicable diseases are some of the most pressing issues facing the world's population. Recent research has indicated that unhealthy diet is the primary risk factor for global mortality and morbidity, overtaking other key risk factors such as tobacco and alcohol (1). At the same time, low- and middle-income countries (LMIC) are faced with a complex double burden of malnutrition whereby undernutrition and stunting co-exist with rising rates of obesity and related NCDs (2).

The dominant driver of unhealthy diets and related non-communicable diseases are unhealthy food environments. Over the past several decades, food environments have become increasingly dominated by processed and packaged foods which are often high in energy and risk nutrients like sodium, saturated fat and added sugar (3). This increasingly unhealthy and energy dense food supply is directly correlated with a rise in average body weight in global analyses of low, middle and high income countries (4). Moreover, processed foods may also contribute to undernutrition and stunting through replacing more nutritious food options, particularly in low- and middle-income countries where the consumption of these foods is common in young children and infants (5). The Food Processing sector is also responsible for significant food loss and waste at multiple stages along the food supply chain, including production, handling and storage, processing and packaging, and distribution of marketing.

Reducing food loss and waste can contribute to the alleviation of food insecurity and over-production globally (6).

Food Processing companies play a key role in driving unhealthy food supplies and associated malnutrition, and also contribute to poor environmental outcome through the overconsumption and over-production of food. Overconsumption is associated with environmental degradation, unsustainable water use and land use, waste and carbon emissions (7). Reducing food loss and waste can contribute to lowering greenhouse gas emissions, air and water pollution and improving biodiversity while continuing to feed the world's population (8). Furthermore, highly processed foods are dependent on an abundance of cheap raw materials, which are often farmed for exportation rather than for consumption locally, and are typically reliant on emission heavy transportation (9). These factors contribute to climate change and present a serious threat to sustainable development.

Investors are also aware of the risks associated with investment in Food Processing companies (10, 11). These include growing regulatory risks associated with intervention from governments in the area of marketing to children, labelling and taxation (particularly for sugar-sweetened beverage companies). Reputational risks to food processing companies also exist, with public advocacy and health organizations increasingly shaming companies for their poor performance in the area of health (12). Furthermore, changing consumer trends and demand for healthier products may be a risk for a number of Food Processing companies that are ill-equipped to adapt.

As the manufacturers and producers of food, the Food Processing sector clearly has an important role in shaping the health of the food supply, reducing over-production and improving the healthiness of food environments. To help improve population diets, the World Health Organization recommends the Food Processing sector implement policies and actions to limit saturated fat, trans fat, free sugars and salt in existing and new products, develop and provide affordable, healthy and nutritious products, provide consumers with adequate nutrition information and practice responsible marketing (particularly to children and adolescents) (13). Whilst companies in the food sector have taken steps to acknowledge their role in addressing unhealthy diets and obesity, there is strong evidence demonstrating that food industry policies and actions related to nutrition have been weak and inadequate to date (14-19).

As part of progressing health and environmental goals within a sustainable development agenda, it is essential that the Food Processing sector has robust sustainability reporting standards that are sector specific. Considering the wide uptake of the GRI, we see sector specific standards for Food Processing companies as playing an important role in improving company performance in the area of nutrition and health and sustainable practices.

We note that sector disclosures for Agricultural and Fishing have recently been established, and, as part of examining the important role of food systems, the Food Processing sector is the next logical step to consider. Prioritising the Food Processing sector as the next focus area is a sensible progression in the scheme of the GSSB work program.

The need for reliable and widely applied sustainability reporting

There is currently a lack of consistent disclosure around nutrition and health related metrics for food processing companies. The GRI's previous G4 sector standards for the Food Processing sector included a number of disclosure indicators related to nutrition (labelling, reformulation, marketing); however, these were superseded by the GRI standards and so the sector specific disclosure indicators no longer apply. Providing a sustainability reporting framework for food processing companies to disclose their policies and practices with regards to nutrition and health in a way that has wide uptake across the

sector will be central to increasing corporate accountability in addressing these issues. There are initiatives that are currently working to increase nutrition related disclosure and accountability of food sector companies, notably the Access to Nutrition Initiative (21) and the BIA-Obesity (Business Impact Assessment – Obesity and population nutrition) tool (20), led by INFORMAS, which benchmarks major food and beverage manufacturers (and supermarkets) on their nutrition related policies and practices. However, the lack of agreed international standards on corporate reporting regarding nutrition and health may encourage other initiatives to emerge, which is likely to lead to confusion and dilution of key messaging around nutrition and health. This is also likely to be cumbersome for Food Processing companies. We see the GRI sector standards as an opportunity for a reporting framework that has wide adoption across companies, meaning sustainability reporting in the area of nutrition and health is comparable across the Food Processing sector.

Proposed disclosures for the Food Processing sector

We propose a set of Food Processing sector standards in line with those developed by INFORMAS as part of their BIA-Obesity tool and broader program of work to monitor the food industry [1]. These are heavily informed by the methodology used by the Access to Nutrition Initiative, a global benchmarking initiative that assesses food and beverage manufacturer policy and practice with regards to nutrition (21). Additionally, the disclosure areas are based on World Health Organization recommendations (13, 22, 23) and other relevant public health evidence (24-28).

Six key domains are identified by INFORMAS as having the maximum impact on nutrition and health. A description of the domains and their key indicators are provided in the table below.

Domain	Description	Key indicators
Corporate strategy	Overarching policies and commitments to addressing obesity and improving population-level nutrition	- Commitment to nutrition and health in corporate strategy - Reporting against nutrition and health objectives and targets - Alignment with key international health priorities
Product formulation	Policies and commitments regarding product development and reformulation to reduce nutrients of concern (i.e., sodium, free sugars, saturated fat, trans fat) and energy content/portion size	- Targets and actions related to reduction of sodium, free sugars, saturated fat, trans fat, and portion size/energy content where relevant across the portfolio - Position in relation to government policy/initiatives on product reformulation
Nutrition labelling	Policies and commitments regarding the disclosure and presentation of nutrition information product packaging and online	- Commitment to implement front-of-pack and back-of-pack nutrition labelling - Provision of online nutrition information - Responsible use of nutrition and health claims

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[1]We note that the GRI universal standards already include topics related to Waste, Water and Effluents, Biodiversity, Emissions, Packaging and other environmental issues affecting the Food Processing sector and thus focus our proposed standards on health topics.

Product and brand promotion	Policies and commitments for reducing the exposure of children (aged <18) and adults to promotion of 'less healthy' foods/brands	- Broadcast and non-broadcast media policy - Use of marketing techniques that appeal to children (e.g., cartoon characters)
Product accessibility	Policies and commitments related to the availability and affordability of healthy compared with 'less healthy' foods	- Increasing proportion of healthy products across portfolio (e.g., % change in volume of health compared with 'less healthy' products) - Increasing availability of healthy products, across the portfolio or in certain settings (e.g., schools) - Position in relation to a tax on sugar sweetened beverages
Relationships with other organisations	Policies and commitments related to support provided to external groups (e.g., professional associations, research organisations, research organisations, community, and industry groups) related to health and nutrition	- Disclosure and transparency of relevant relationships - Accessibility of relevant information

Within each domain, companies should be asked to provide specific, measurable and time bound details on policies and actions where appropriate.

Other changes

We also suggest that as part of the development of 'Food Processing' sector standards, the name is changed to 'Food and Beverage Processing' to better reflect the sector as a whole.

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56 Email 2

57 From: Jeff Geipel, Engineers Without Borders Canada

58 Sent on: Tuesday, June 23, 2020

59 To: Standards

60 Cc: Kyela de Weerdt

61 Subject: Public Comment Revised GSSB Work Program 2020-2022

62 Hello,

63 Please see our attached submission regarding GSSB's Work Program for 2020-22.

64 Please do not hesitate to reach out if you have any questions or if you feel we can be of any help.

65 Best,

66 Jeff Geipel

Dear Global Sustainability Standards Board,

We at the Mining Shared Value initiative of Engineers Without Borders Canada greatly appreciate the opportunity to provide input on the GSSB's revised Work Program for 2020-2022.

For your background information, we are a non-profit initiative that works to improve the development impacts of mining activity through increasing local procurement of goods and services by the sector in the host countries and communities that choose to host mineral extraction. In most cases procurement spending is the single largest payment that an operating mine will make over its life cycle – often more than taxes, salaries, wages and community investment *combined*. We believe in the power of reporting to drive sustainability performance in corporations. With the German development agency GIZ we created the Mining Local Procurement Reporting Mechanism (LPRM), to standardise how mining companies report on their local procurement efforts and results. In terms of the GRI, we have been in contact with the Secretariat for several years now, and most recently have been in touch with Pamela Carpio and her team providing feedback on the Oil, Gas and Coal Sector Standard.

Our comments on the GSSB's revised Work Program for 2020-2022 are brief, but focus on the need to ensure mining is one of the first Sector Standards to be updated. We understand that with limited resources, not every sector mentioned in the Work Program's four priority groups can be addressed immediately. However, we would like to lay out the case for mining to be one of the first sectors that the GSSB prioritises in its Sector Programme.

First, since the launch of the last Mining & Metals Sector Supplement, other reporting systems in use by mining companies have arrived or expanded in scope. The Extractive Industries Transparency Initiative (EITI) launched its 2019 Standard last year which has expanded to include issues such as gender-disaggregated employment data, and environmental impacts. In addition, the Sustainability Accounting Standards Board (SASB) now has a Metals and Mining Standard, launched in 2018. There are also other sustainability frameworks gaining prominence such as the Initiative for Responsible Mining Assurance (IRMA) Standard, and the Responsible Mining Index (RMI). The Responsible Mining Foundation, which makes the RMI, relies heavily on public reporting in its assessment of companies. For these reasons, there is a real need for the GRI to both adjust its mining standard to meet current sector developments, but also to ensure it is collaborating with other institutions guiding reporting to avoid a scattered set of conflicting standards. As the most commonly used reporting framework across the mining industry, there is a genuine risk that if the GRI waits too long to update its reporting guidance in mining, opportunities to harmonise reporting across so many standards and industry associations will be missed.

365 Bloor Street East, Suite 2000
Toronto, ON M4W 3L4
Canada

Phone +1.416.481.3696
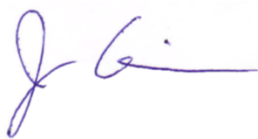Web www.miningsharedvalue.com
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11

In addition, the impact of the COVID-19 pandemic will position mining to become an even greater proportion of the economic activity of many developing countries, particularly in Africa. Regrettably, the negative economic impacts of the pandemic and the travel restrictions that have come with it, mean that sectors like tourism will have reduced activity for years. As such, mining as a sector should be prioritised due to its disproportionate importance in many of the world's least developed countries at this challenging time.

Finally, while the world is currently focussing on one crisis above all else, the climate crisis continues to escalate. While reducing consumption needs to be the ultimate goal, minerals are required in large volumes for the production of technologies required in the green transition. These technologies include power generation such as wind power, and batteries. The World Bank's report "Minerals for Climate Action: The Mineral Intensity of the Clean Energy Transition" provides useful background on the scale of mining that will be required for this transition.

For all reasons listed here, we argue that mining as a sector should be one of the most prioritised sectors in the GSSB's workplan. Finally, having also provided feedback on the Oil, Gas and Coal standard, we would also like to reiterate the position that if the coal standard is to be focused on the *extraction* of coal, rather than its burning for electricity, or use in steel manufacturing for example, that this mining-specific aspect of coal activity should be covered in a general mining standard, rather than a separate coal mining standard. Because the mining process for coal is similar to that of other minerals, creating a separate standard would cause confusion.

Thank you for the chance to contribute to this important work and we look forward to hearing about the next steps in finalising the Work Program. Do not hesitate to reach out if we can provide further information, or suggested contacts. We look forward to hearing from you.

Sincerely,

Jeff Geipel
Managing Director – Mining Shared Value
Engineers Without Borders Canada
jeffgeipel@ewb.ca

365 Bloor Street East, Suite 2000
Toronto, ON M4W 3L4
Canada

Phone +1.416.481.3696
Web   www.miningsharedvalue.com
Twitter @ewb_msv

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Email 3

68 From: Simon Pitsillides, FBRH Consultants

69 Sent on: Wednesday, May 13, 2020

70 To: Standards

71 Cc: Shivani Rajpal; Training and Coaching

72 Subject: Proposed focus for GSSB - Accelerating positive change

73 Dear GRI Standards Division Team,

74 Thank you for inviting me to help determine the areas that the Global Sustainability Standards Board
75 (GSSB) should focus on over the next three years.

76 My name is Simon Pitsillides of FBRH Consultants, a GRI Certified Training partner for the UK.
77 Besides sustainability I have a strong background in strategy and I am a Fellow of the Chartered
78 Institute of Marketing. The reason I mention this is because I firmly feel that the GSSB should take a
79 strategic approach with the GRI Standards to help tackle the many serious challenges we are facing
80 in our world.

81 What is material for every company/ organisation in our world today?

82 "Around 90% of global economic activity is the result of small and medium enterprises, so we know
83 we cannot achieve our goal of sustainable development without them".

84 Tim Mohin, GRI's new Chief Executive, Interview - SustainCase

85 In view of the above percentage we should all focus on ensuring that the SMEs start taking solid
86 focused sustainability action.

87 Proposed solution - GRI should provide a reporting option that Accelerates Positive Change (ACP)

88 A GRI Standards reporting option that is designed to accelerate positive change will go a long way in
89 helping companies understand and take action on the broader issue of sustainability outlined above.
90 Focusing on what is of paramount importance in our world today is material.

91 For example, reporters using this option would be required to report and take action using the two
92 GRI Assessment Standards (308, 414) which will have a multiplier effect. Furthermore a requirement
93 to report using 201-1 and 203 will help reporters demonstrate the actions they are taking to
94 support the societies they rely on for growth and profit.

95 Most importantly, I propose that this reporting option is named "The GRI-ActionPlus reporting
96 option". A GRI-ActionPlus logo on a report cover will enable businesses/organisations to
97 demonstrate, through their GRI Sustainability Report and subsequent communication, that they are
98 part of a positive chain reaction that is accelerating positive change around the globe.

99 Attached is a short interactive presentation that details my proposals.

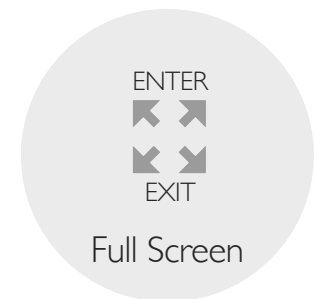100 I remain at your disposal.

101 Kind regards

102 Simon

Presentation: Simon Pitsillides (FIEMA, FCIM, MBA)

Materiality and the Sustainability Challenges of Today

Accelerating positive change through a new GRI Action Plus Reporting Option

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"Around 90% of global economic activity is the result of small and medium enterprises, so we know we cannot achieve our goal of sustainable development without them"[1].

Tim Mohin,
GRI's Chief Executive

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(1) https://sustaincase.com/an-exclusive-interview-with-tim-mohin-gris-new-chief-executive/

Materiality priority:

Small and medium enterprises must begin to take solid focused sustainability action.

They are taking little or no action to address huge issues like climate change or their impacts on the economy and society.

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19 years
GRI Certified Training Partner FBRH Consultants Ltd. in the United Kingdom
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Evolving the GRI Standards and creating a reporting option that Accelerates Positive Change (APC):

GRI Action Plus Reporting Option

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17

How the GRI Standards could be used ASAP by any company/ your company to accelerate positive change.

Large companies can leverage SMEs using GRI supplier assessment standards

GRI 308 environment **represent 10%** GRI 414 social

of the global economy

Small & Medium sized Companies

+Action +Action +Action +Action +Action +Action +Action

represent 90% of the global economy

and use

GRI Reporting Principles and GRI 201-1 GRI 203

to Accelarate Positive Change

The bigger picture is material

Environment, Economy, Society

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Companies, in addition to their material topics,

will be required to report on:

1) Four very important standards (descriptions below):
   a) GRI Disclosure 201-1 Direct economic value generated
      and distributed
   b) GRI Standard 203 Indirect Economic Impacts
   c) GRI Standard 308 Supplier Environmental Assessment
   d) GRI Standard 414 Supplier Social Assessment
2) At least one positive impact on society, using any of the
   GRI Standards but, more specifically, GRI 201 and 203
3) How they implemented GRI's Reporting Principles, which help
   them demonstrate that they are not greenwashing

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GRI Standard 203 Indirect Economic Impacts

Disclosure 203-1 Infrastructure investments and services supported

Disclosure 203-2 Significant indirect economic impacts

What does this mean for the person in the street?

These are both marvellous GRI Standards that companies can use to report on their positive impacts. Business must use their strengths to tackle, head-on, the problems that seem to be always in the headlines or have been identified by their countries in their yearly Sustainable Development Goals (SDG) reports[2]. Imagine a world where most businesses are finding solutions for the important issues in the societies they operate and rely on for profit/growth. Issues related to infrastructure, unemployment (most importantly, youth unemployment), support for local suppliers and economic development in areas of high poverty, or the availability of their products and services for those with low incomes.

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(2) https://sustainabledevelopment.un.org/vnrs/

Increasing supply chain pressure to get the smaller companies to measure-manage-change

GRI Standards 308 and 414 supplier assessment (environment and social), used in combination with any of the other environmental or social standards, will accelerate positive change (multiplier effect). Smaller companies wishing to be part of the supply chain of larger companies will, as a matter of fact, have to provide the information required by these standards. **Most importantly, SMEs will not be required to produce a full-scale report, as they will only be reporting on what matters (materiality) with a GRI referenced report.**

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How the GRI Principles can help companies avoid being accused of greenwashing

I believe that businesses might hold back from implementing positive change, in fear of being accused of greenwashing.

The GRI Reporting Principles go a long way in helping companies demonstrate that they are not greenwashing. By requiring companies to report according to these principles, GRI helps them create a first-class report regarding both content and quality, and demonstrate that they are taking solid, focused action (materiality) on their most important impacts.

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Could it all be in the name?
The GRI-ActionPlus reporting option

Imagine how, through the GRI-ActionPlus reporting option, sustainability reporters will empower communication/ marketing/ PR departments of companies around the world. A GRI-ActionPlus logo on their Sustainability Report cover will enable them to demonstrate, through their GRI Sustainability Report and subsequent communication, that they are part of a positive chain reaction that is accelerating positive change around the globe.

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23

★★★★★ Highly Rated Sustainability Courses • Venue: London School of Economics (LSE)

Simon Pitsillides FIEMA, FCIM, MBA
Expert in Sustainability Strategy & Marketing
Teaches the FBRH GRI Certified, IEMA & CIM Recognised Course
venue London School of Economics (LSE)

simon@fbrh.co.uk
www.fbrh.co.uk

https://www.linkedin.com/in/simon-pitsillides

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Full Screen

Email 4

104	From:	Carla Bonino Covas, Fundacion Once
105	Sent on:	Tuesday, June 23, 2020
106	To:	Standards
107	Subject:	Public Comment Revised GSSB Work Program 2020-2022

108 Dear GRI Standards team,

109 Please find attached Fundación ONCE's contribution to 'Public Comment Revised GSSB Work
110 Program 2020-2022'

111 Thank you and best regards to all,

112 Carla Bonino

1. General background.

The **2030 Agenda and the SDGs**, the **UN Convention on the Rights of Persons with Disabilities** (ratified by the EU and all EU member states), together with **EU non-discrimination legislation**[1] including the European Accessibility Act, the **European Disability Strategy** and the **European Pillar of Social Rights,** among others, lead us to consider that **diversity** and more specifically **disability** and **accessibility** need to be present in the coming developments and regulations of non-financial reporting. Therefore **disability, as part of a wider concept of diversity should be part of a discussion point in the GSSB Program 2020-2022**.

2. Disability, CSR, Sustainability and Non-financial information

- The renewed **EU Strategy 2011-14 for Corporate Social Responsibility** explicitly recognized, for the first time, disability as part of the CSR agenda. The disability dimension in CSR has been further reinforced in the **European Parliament resolutions** of 6 February 2013 on CSR.

- **2030 Agenda for Sustainable Development** explicitly recognized people with disabilities (1 billion people in the world) as a vulnerable group. Different SDGs also refer to people with disabilities, such as SDG 8 on Decent Work and Economic Growth, SDG 10 on Reduced inequalities or SDG 11 on Sustainable Cities and Communities (with a specific mention of accessibility). Also, SDG 4 on Quality Education and SDG 17 on Partnerships for the Goals refer to people with disabilities.

- In the context of **business and human rights**, the Guiding Principles on Business and Human Rights implementing the UN 'Protect, Respect and Remedy' Framework (UNGPs) or the OECD Guidelines for Multinational Enterprises include disability and so do other Commission instruments[2]. Other reference institutions have underlined the link between business, human rights and disability, as is the case of the 2017 "Guide for business on the rights of persons with disabilities" by ILO and Global Compact.

- Furthermore, **disability** should be recognized as an element of **diversity**, and people with disabilities as a source of **talent, growth, innovation and market opportunities**. The potential of inclusive businesses is being increasingly identified by companies, institutions and thematic initiatives around the world[3]. The potential of the **360⁰ approach to business and disability**[4] must be underlined, where people with disabilities are seen as stakeholders from a wide

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[1] Disability is one of the discrimination grounds addressed by EU's non-discrimination legislation (Directive 2000/78/EC establishing a general framework for equal treatment in employment and occupation) and it is also recognized by the EU Treaty together with age, gender, racial or ethnic origin, religion or belief, or sexual orientation (article 10), as well as in the EU Charter of Fundamental Rights (article 21 and 26).

[2] Such as the Sector Guides for implementing the UNGPs as well as in the Guide for SME "My business and human rights", and various references to disability are included in the 2015 EC staff working document on implementing the UNGPs. In addition, the recent EU Action Plan on Human Rights and Democracy 2020-2024 refers specifically to people with disabilities, in relation to many areas, including accessibility to infrastructure, transport and ICT as well and employment.

[3] Relevant international examples are the *ILO Global Business and Disability Network (ILO GBDN), the Valuable 500 initiative and Disability Hub Europe, counting with GRI as partner, in the EU.* At national level, there are other examples, such as the *Inserta Responsible Forum in Spain,* the *UK Business and Disability Forum*, the *Austrian Disability Business Forum*, The *UnternehmensForum* in Germany, or the *Come CloSeR to Disability Task Force* in Poland.

[4] A concept created within Disability Hub Europe.

perspective, valuing their roles as employees, consumers (including their families seeking for accessible products and services), providers, employers, investors and part of the community in which a company operates.

- Regarding the **Directive 2014/95/EU** on disclosure of non-financial and diversity information, the topic of **disability was included in the EU institutions' discussions prior to approval**[5]. Also, the **EC guidelines on non-financial reporting adopted in June 2017 do contain specific and various references to people with disabilities** in relation to employee and board diversity, accessibility of products and services, and human rights, including examples of key performance indicators[6][7].

- It is relevant to mention here, the Guide on "Disability in Sustainability Reporting", published by GRI and Fundación ONCE in the framework of Disability Hub Europe, that highlights the importance of the **disability dimension** in non-financial and sustainability reporting. The guide contains specific guidance and indicators related to business and disability.

2. Call for action to consider diversity and disability in the GSSB Program 2020-2022.

Considering the important steps taken by the EU during the last 10 years to include disability and accessibility as part of the corporate social responsibility (CSR), diversity, sustainability, business & human rights, and non-financial reporting agendas, **Fundación ONCE calls to consider in GSSB Program 2020-2022 the following:**

- Prioritization of the revision of the following **GRI Standards**:

  - **GRI 405: Diversity and Equal Opportunity 2016**
  - **GRI 406: Non-discrimination 2016**

  In order to include new **GRI relevant indicators** for people with disabilities, employment, equality and accessibility from a 360º approach. **Fundación ONCE** claims to consider adding **disaggregated data** on **disability**. This is essential to ensure systematic and effective follow-up and to reveal neglected areas of discrimination which need to be redressed.

- Consideration of including a wider approach in the next revision of the **GRI 412: Human Rights Assessment 2016** in order to include explicit indicators for vulnerable groups, including people with disabilities.

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[5] Disability was particularly considered by almost all European Parliament Committees involved in the process, and disability was included in the final Report by JURI Committee voted on 17 Dec 2013 Report A7-0006/2014 of 08.01.2014.

[6] References are included in the guidelines' sections 4.6 Thematic aspects: b) social employee matters and c) respect to human rights; and 6 Board diversity disclosure – footnote. Examples of indicators included are: the number of people with disabilities employed or how accessible companies' facilities, documents and websites are to people with disabilities

[7] An interesting example can be found in the case of Spain where Directive 2014/95/EU transposition, by means of the Law 11/2018, did include specific reference to disability and accessibility. 2019 Guide on Disability, SDG and non-financial reporting (in Spanish only), by the Spanish Committee of Representatives of People with Disabilities, Fundación ONCE and Fundación Bequal, analyses this milestone from a disability perspective

Email 5

From:	Avinash Chandra, Indorama
Sent on:	Friday, April 24, 2020
To:	Beth.Elliott; Standards
Subject:	FW: ENERGY CONSUMPTION WITH IN THE ORGANISATION.

Dear Sir,

In my opinion we should review the energy consumption due to the following as well in our GRI reporting for energy consumed. Compressed air and nitrogen accounts, Cooling water accounts for at least 30 to 40% of the electricity consumption of the total utilities in the plants. Many times these utilities are purchased from outside the plant and many times the plants are generating these utilities in house. To have a proper comparison in between plants we should increase these energy sources under Scope 2 energy used in addition to PURCHASED OF HEAT AND STEAM.

Since heat purchased and steam purchased is accounted under Scope 2 than what is the why compressed air purchased / nitrogen purchased is not getting accounted. Need your thoughts on the same.

Regards

Avanish

Email 6

130

131 From: Richard Jones, Institution of Occupational Safety and Health (IOSH)

132 Sent on: Tuesday June 23, 2020

133 To: Standards

134 Subject: Public Comment Revised GSSB Work Program 2020-2022

135 Dear Sir / Madam,

136 We are pleased to attached IOSH comments to the Draft GSSB Work Program 2020-22 and Project
137 Schedule 2020. I would be grateful if you could acknowledge receipt of this submission.

138 We hope you find our comments helpful and don't hesitate to contact us if you have any questions.

139 Kind regards,

140 Richard

Draft GSSB Work Program 2020-22 and Project Schedule 2020

Institution of Occupational Safety and Health response to GRI's Global Sustainability Standards Board consultation on its draft work program and project schedule

Introduction

The Institution of Occupational Safety and Health (IOSH), is the Chartered body for OSH professionals, with around 48,000 members in over 130 countries.

IOSH welcomes the opportunity to comment on this important Global Reporting Initiative *Draft Global Sustainability Standards Board (GSSB) Work Program 2020-2022* and the accompanying *Project Schedule 2020*. We have been pleased to be represented on the GRI Stakeholder Council and on the GRI 403: 2018 Project Work Group and to respond to other GRI consultations.

In the submission that follows, we are pleased to share our views on GRI's standard-setting activities and priorities, addressing GSSB's three consultation questions:

1. Which existing GRI Standards should the GSSB prioritize for review until 2022?
2. Which topics should the GSSB prioritize for the development of new GRI Standards until 2022?
3. Which sectors in Priority Group 1 and 2 should the GSSB prioritize in the implementation of the Sector Program?

In summary, as well as updating GRI 401, 402, 403, 408, 409, 412, 414 and 416, we propose four new standards: Modern slavery and human trafficking; Human capital; Gender-based violence and harassment; and Artificial intelligence and ethical use of data. We close with references, further reading and more information about IOSH. As with GRI 403, **IOSH would offer our assistance** regarding the development and improvement the OSH-related content of GRI standards.

Background

IOSH, as an international NGO, influences strategic decisions that affect the safety, health and wellbeing of workers worldwide. We collaborate with governments, advise policymakers, commission research and set standards, and run high-profile campaigns to promote workplace safety, health and well-being issues. We advocate that OSH is a fundamental right for all workers and improved transparency and due diligence can ensure this is a reality.

IOSH is a thought leader for sustainability and corporate social responsibility. We have a long-standing relationship with the Center for Safety and Health Sustainability (www.centershs.org) as a founding member. CSHS provides over 100,000 OSH professionals across the world with a stronger voice in shaping sustainability policies. Officially launched in June 2011, the body commits to advancing the OSH and sustainability of the global workforce.

As a Chartered body and largest membership organisation for OSH professionals, we support them in providing assistance to organisations on improving OSH performance and protecting human capital and social sustainability. We act as a champion and advocate for people at the heart of sustainability, with workplace OSH integral to sustainable corporate performance.

IOSH responses to the GSSB consultation questions

1. Which existing GRI Standards should GSSB prioritize for review until 2022?

GRI 401: Employment 2016 and GRI 402: Labor / Management Relations 2016

People reporting (sometimes defined as 'workforce reporting') describes the way by which people data is shared with key external stakeholders to help them to make better decisions. The trend of organisations, public and private to improve their transparency in annual reports (in particular for publicly listed organisations), has risen quickly up the agenda. We suggest this should be formally reflected in existing standards. There are some encouraging indications of a growing appetite among socially responsible investors for workforce data. It is reported that such investors want information about ESG, including on diversity, labour relations and workers' OSH.[1] We note that GRI is committed to 4-yearly updating of its standards and so suggest that these two should both be prioritised.

GRI 403: Occupational Health and Safety 2018

IOSH was pleased to help develop *GRI 403: Occupational Health and Safety 2018*, supporting reporting that is meaningful and comparable and drives better occupational safety and health (OSH) performance – benefiting individuals, businesses and societies. IOSH believes that public reporting of OSH performance helps organisations and their stakeholders to have a better view of when and where attention and resources should be focused for improvement.

IOSH advocates high-quality OSH performance data in internal and public annual reports using both leading and lagging indicators, as a lever for continual improvement and sustainability. As members of the ISO Technical Committee 283, we are currently supporting a new work item package on OSH performance evaluation, which is planned to become ISO 45004.

We note that GRI is committed to 4-yearly updating of its standards and suggest that this one should be prioritised.

GRI 408: Child Labor 2016, GRI 409: Forced and Compulsory Labor 2016 and GRI 412: Human Rights Assessment 2016

Protecting human rights and tackling forced labour remains a global priority in today's world and eliminating all forms of child labour by 2025 is part of the UN Sustainable Development Goal 8.7. We note that GRI is committed to 4-yearly updating of its standards and suggest that these three should all be prioritised.

GRI 414: Supplier Social Assessment 2016

IOSH advocates extending corporate OSH risk management into supply chains. This is an important part of *ISO 45001: 2018 Occupational health and safety management systems: Requirements with*

guidelines for use, which IOSH helped to develop. We believe good management of supply chains can help prevent work-related injury and illness and support responsible employment and business continuity. We note that GRI is committed to 4-yearly updating of its standards and suggest that this one should be prioritised.

GRI 416 Customer Health and Safety 2016

IOSH advocates that this standard should include the need for organisations to prevent the spread of communicable diseases, such as COVID-19, to their customers when they access the organisation's products and services. We note that GRI is committed to 4-yearly updating of its standards and suggest that this one should be prioritised.

2. Which topics should GSSB prioritize for the development of new GRI Standards until 2022?

Modern slavery and human trafficking reporting

Regrettably, modern slavery is a global scourge with an estimated 40.3 million people in some form of slavery.[2]

There have been welcome developments on transparency in many countries. However, all have scope for improvements and a standardised approach could both simplify and clarify requirements for multinationals.

At a European level the Commission is planning to articulate due diligence mandatory requirements in 2021 in the form of legislation to require corporate governance and due diligence. However, despite existing and expected progress in this field, OSH across all tiers of supply chain remains a challenge for businesses to address.

IOSH has been actively involved in anti-modern slavery work to help eradicate these crimes hidden in plain sight. We argue that transparency and high-quality reporting are crucial to the multi-faceted response. For that reason, we launched a White Paper '*Tackling modern slavery together: the roles of governments, employers, professionals and the public*', encouraging governments and businesses to report on actions to prevent slavery and human trafficking.

We consider ourselves a key stakeholder in the fight to eradicate modern slavery and human trafficking and help achieve the UN Sustainable Development Goal 8.7. For that purpose, transparency and high-quality reporting are essential tools. Standardising and harmonising them through a GRI standard could facilitate better benchmarking and comparability at the business level. A specific reporting standard could help customers and investors to make informed choices driving improvement on corporate action to prevent modern slavery.

IOSH welcomes standards to improve global supply chain management. The existing *ISO 20400: 2017 – Sustainable procurement – Guidance* provides a good starting point for achieving better transparency and due diligence on preventing modern slavery in supply. IOSH is also on a British Standard Institute (BSI) committee looking at developing a national or international standard on modern slavery to improve corporate-level prevention.

IOSH has recommended inclusion of the *UN Guiding Principles on Business and Human Rights* in our work to improve non-financial reporting and OSH transparency on modern slavery, human trafficking and supply chains.

Human Capital reporting

Research has shown that human capital reporting by FTSE 100 companies increased by 9% between 2015-17. However, while on wellbeing issues it increased, worryingly, on employee engagement and flexibility, it decreased. Overall, the analysis raises concerns that while quantity of information is increasing, there is lack of consistency and low-quality data.[3] To successfully achieve their strategic goals, we believe organisations may benefit from manage and leverage these intangible organisational aspects. Responsible businesses can lead on measuring, evaluating and sharing their performance on human capital issues, such good OSH, as well as the knowledge, skills and abilities that workers bring to create value for their organisations and communities.

International and national standards on this are welcome, such as ISO standard *ISO 30414: 2018 Human resource management – Guidelines for internal and external human capital reporting* and *ISO 30409: 2016 Human resource management – Workforce planning*, together with *BS 76000: 2015 Human resource – Valuing people – Management system – Requirements and guidance*. However, while these are all useful, we believe more work needs to be done to improve the provision and use of human capital data transparency levels of companies.

IOSH, together with like-minded bodies such as the Chartered Institute for Personnel and Development, is leading in the call for enhanced human capital management disclosure through the inclusion of OSH leading indicators. IOSH hosted the Human Capital Workshop *Global Summit on Human Capital and Sustainability* together with the CSHS.

Gender-based violence and harassment

Gender-based violence and harassment (GBVH) is a serious global issue with impacts across workplaces, services and communities. For example, GBVH can occur within companies among workers and supply chains; between workers and community members or service-users; and among users of company services or infrastructure. Investors should seek assurance that GBVH risks are being tracked and managed and that such risks (which may change over time) are regularly re-assessed. Key performance indicators and monitoring-data can help identify where improvements, for example, to grievance mechanisms or response procedures, are needed.

Artificial intelligence and ethical use of data

As the use of artificial intelligence and the collection of corporate performance data increases, we suggest that a reporting-standard covering the important ethical and data management requirements, including the need for privacy, security and accuracy of such data, would be helpful. This could be included in GRI 102: General Disclosures 2016, under ethics and integrity.

3. Which sectors in Priority Group 1 and 2 should GSSB prioritize in the implementation of the Sector Program?

We note that GSSB is developing a sector programme, which it intends will cover 40-45 high-impact sectors, and that it currently lists these in four priority groups (1 – Basic needs and basic materials, 2 – Foods, medicines, manufacturing and insurance, 3 – Transportation, tourism, tech and real estate and 4 – Retail, services and manufacturing).

Generally, IOSH would advocate that the high-hazard sectors and industries should be prioritised on the basis of the need to provide stakeholders with assurance that OSH risks are being well-managed. Such sectors include agriculture, construction, extraction and manufacturing. GSSB may also wish to review its priorities in the context of COVID-19 and what are considered essential products and services.

References

1. CIPD. *Investor perspectives: people data and reporting* (Literature Review, p.11). London: CIPD, 2019. www.cipd.co.uk/knowledge/strategy/governance/investors-people-data
2. International Labour Organization and Walk Free Foundation. *Global estimates of modern slavery: Forced labour and forced marriage* (p.9). Geneva: ILO, 2017. www.ilo.org/global/publications/books/WCMS_575479/lang--en/index.htm
3. CIPD. *Hidden figures. How workforce data is missing from corporate reports (Executive Summary, p.7)*. London: CIPD, 2018. www.cipd.co.uk/Images/hidden-figures_2018-how-workforce-data-is-missing-from-corporate-reports-executive-summary_tcm18-45152.pdf

Further reading

*   CSHS. *Human Capital Workshop Global Summit on Human Capital and Sustainability*. Chicago: CSHS, 2019. www.centershs.org/assets/pdf/CSHS_report_April_2019.pdf
*   IOSH. *Tackling modern slavery together: the role of governments, employers, professionals and the public*. Wigston: IOSH, 2019. www.iosh.com/modernslaverywhitepaper
*   IOSH. *Response to the review of GRI's Universal Standard – online survey*. Wigston: IOSH, 2019. [available on request from IOSH]

About IOSH

Founded in 1945, the Institution of Occupational Safety and Health (IOSH) is the largest body for health and safety professionals in the world, with around 48,000 members in over 130 countries, including over 13,000 Chartered Safety and Health Practitioners. Incorporated by Royal Charter, IOSH is a registered charity, and an ILO international NGO. The IOSH vision is

"A safe and healthy world of work"

The Institution steers the profession, providing impartial, authoritative, free guidance. Regularly consulted by Government and other bodies, IOSH is the founding member to UK, European and International professional body networks. IOSH has an active research and development fund and programme, helping develop the evidence-base for health and safety policy and practice. Summary and full reports are freely accessible from our website. We have also developed a unique UK resource providing free access to a health and safety research database, as well other free on-line tools and guides, including resources for business start-ups; an occupational health toolkit; and a resource page on COVID-19 at www.iosh.com/coronavirus.

IOSH has 41 Branches worldwide, including the Caribbean, Hong Kong, Isle of Man, Oman, Qatar, the Republic of Ireland, Singapore and UAE, 18 special interest groups covering aviation and aerospace; broadcasting and telecommunications; construction; consultancy; education; environment and waste management; financial services; fire risk management; food and drink industries; hazardous industries; health and social care; logistics and retail; offshore; public services; railway; rural industries; sports grounds and events; and theatre.

IOSH members work at both strategic and operational levels across all employment sectors. IOSH accredited trainers deliver health and safety awareness training to all levels of the workforce from shop floor to managers and directors, through a professional training network of over 2,000 organisations. We issue around 180,000 certificates per year.

For more about IOSH, our members and our work please visit our website at www.iosh.com. Our five-year strategy WORK 2022 can be viewed at www.ioshwork2022.com and our resources specifically tailored for business can be found here www.iosh.co.uk/ioshmeansbusiness.

Please direct enquiries about this response to:

Richard Jones, Head of Policy and Regulatory Engagement; or
Dr Ivan Williams Jimenez, Policy Development Manager
The Grange, Highfield Drive
Wigston
Leicestershire
United Kingdom
LE18 1NN
Tel: 0116 257 3114
Email: consultations@iosh.com

Email 7

141

142	From:	Giulia Carbone Khodabakhsh, IUCN (International Union for Conservation of Nature)
143	Sent on:	Wednesday, June 10, 2020
144	To:	Standards
145	Subject:	Public Comment Revised GSSB Work Program 2020-2022

146 Thank you for the opportunity to comment on the GSSB Work Programme 2020-2022. Please see
147 attached for my recommendations.

148 Kind regards

149 Giulia Carbone

1. Which existing GRI Standards should the GSSB prioritize for review until 2022?
Please to see that the "… GSSB has identified the review of *GRI 304: Biodiversity 2016* as a priority project if further budget becomes available." Given the critical role biodiversity plays in supporting societies in many different ways, I really support this decision. A stronger GRI 304 will help push businesses in all sectors to take more relevant and effective actions to mitigate their footprint.

2. **Which topics should the GSSB prioritize for the development of new GRI Standards until 2022?** It would be interesting to explore a reporting framework for Nature based Solutions enabling companies to properly report back on the effectiveness of their NbS inspired interventions. This could complement IUCN's Global Standard for Nature based Solutions (https://www.iucn.org/theme/ecosystem-management/our-work/a-global-standard-nature-based-solutions).

3. **Which sectors in Priority Group 1 and 2 should the GSSB prioritize in the implementation of the Sector Program?**
In group 1: prioritize Agriculture; Renewable energy utilities
In group 1: not clear why you would have a separate sector programme for construction materials as many are related to mining (including cement raw materials); wood; aluminium and steel.
In group 2: prioritize asset management as the sector with the biggest leverage potential
In group 3: Transportation infrastructure

Email 8

151	From:	Juan Vera, Metagas
152	Sent on:	Friday, May 29, 2020
153	To:	Standards
154	Subject:	Public Comment Revised GSSB Work Program 2020-2022

155 Good evening!

156 According to the invitation to revise the information, we provide our opinions and comments.

157 Thanks for everything and we shall wish to participate in next projects.

158 We look forward to seeing you.

159 Sincerly

160 Juan Vera

METAGAS

Global Reporting Initiative
PO Box 10039
1001 EA
Amsterdam
The Netherlands
Telephone: +31(0) 20 531 00 00

Dear Mr. Timothy J. Mohin
CEO

According to your invitation to revise the information in GSSB Work Program 2020 -2022 and the Project Schedule 2020.

Following the three questions announced:

1. **Which existing GRI Standards should the GSSB prioritise for review until 2022?**

   According to the document the information of impact sectors and how to prioritise them need to be linked to the pandemic effects on the economy and health, because there are investigations and researches in which the health public sector produces a lot of indirectly emissions (Greenbiz Web meeting).

   Sustainability will or shall be implemented as lifestyle on the organisations after the pandemic, but the current requirement of energy will put out the renewable energies, for example in Germany and Mexico will be reopened energy centrals.

   Redefine the **essential services** because with these health emergency (CoVID-19) sectors which were not essential nowadays they are. As example, **media and communication services, software and services, shipping, managed healthcare, medical and equipment services,**

2. **Which topics should the GSSB prioritise for the development of new GRI Standards until 2022?**

   1. Environmental
   2. Social
        a. Employment
        b. Water
   3. Economy

   The environment is very important but the current situation of CoVID-19 show we that the emissions were reduced, for this reason the social and economy are more important than environment because the environment is "stabilised" but in a long term the environment is the first level action.

3. **Which sectors in Priority Group 1 and 2 should the GSSB prioritise in the implementation of the Sector Program?**

For these reasons in the response 1, the prioritise sectors would be **Iron, Steel, and Aluminium processing**, **construction and materials**, **oil, gas, and coal**, **mining** and **chemicals**, because these ones in the next years will be the most important sectors with the sustainability to recover the current GDP.

The prioritise sectors of the Group 2 could be **construction**, **food processing**, **industrial manufacturing of machinery and equipment**, **pharmaceuticals manufacturing**, **technology hardware manufacturing**.

The comments and opinions provide them in this document were obtained by different webinars, articles, conferences, own expertise and experience of the CEO and founder and partly by METAGAS®.

We are delighted to participate in this process.

Sincerely

Juan Alberto Vera Herrera
CEO and Founder
juan.vera@metagas.com.mx
contacto@metagas.com.mx

METAGAS®
Blvd. Antonio L. Rodríguez 2100 Edificio B.H, Santa María.
Piso 11, C.P. 64650
Monterrey, Nuevo León, México

156	From:	Severine Neervoort, Norges Bank Investment Management
157	Sent on:	Thursday, June 18, 2020
158	To:	Standards
159	Subject:	Public Comment Revised GSSB Work Program 2020-2022

160 Dear Sir or Madam,

161 Please find attached Norges Bank Investment Management's response to your consultation on your
162 work program 2020-2022.

163 Thank you for the opportunity to contribute our perspective.

164 Kind regards,

165 Severine

Global Sustainability Standards Board
Barbara Strozzilaan 336
1083 HN Amsterdam
The Netherlands   18 June 2020

GSSB public consultation on work programme 2020-2022

We refer to the Global Sustainability Standards Board (GSSB)'s public consultation on the draft work programme for 2020-2022, published on 23 April 2020. We welcome the opportunity to contribute our perspective.

Norges Bank Investment Management (NBIM) is the investment management division of the Norwegian Central Bank (Norges Bank) and is responsible for investing the Norwegian Government Pension Fund Global. We work to safeguard and build financial wealth for future generations.

We have an inherent interest in how companies manage their use of natural and social resources, as this can have a bearing on their ability to create financial value. Moreover, as a long-term, global investor, we consider our returns over time to be dependent on sustainable development in economic, environmental and social terms. We published recently a document on corporate sustainability reporting[1], sharing our perspective as global asset manager. We recommend that companies look at the industry-specific standards developed by the Sustainability Accounting Standards Board (SASB) and base broader social and environmental disclosures on the GRI Standards. Our public expectations of companies on selected sustainability topics provide further guidance.

We welcome the GSSB's draft work programme and its decision to review all existing GRI standards every four years (*line 16*). Such revisions will help ensure that the standards remain relevant and reflect evolving disclosure practices, as well as users' needs.

In particular, we welcome the GSSB's decision to revise the human rights-related standards and complete phase 1 of the project in 2020 (*line 89*). We also support the ambition to integrate human rights in the Universal Standards and align these with the UN Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises. As current reporting on human rights due diligence tends to be insufficient, it would be helpful for the GRI Standards to include indicators on whether and how companies

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[1] Norges Bank Investment Management, *Asset Manager Perspective on Corporate Sustainability Reporting*, 2020

conduct such due diligence, as well as quantitative and qualitative indicators on the outcomes and effectiveness of companies' efforts to address negative impacts.

Another topic-specific standard which could be revised, as a priority, is the GRI 205 anti-corruption standard. In accordance with our expectations on anti-corruption[2], companies should identify and manage corruption risks. Based on our observations, companies do not report comprehensively on corruption risk in accordance with Disclosure 205-1. As investors, we also expect companies to report on how they measure the effectiveness of the anti-corruption programme. Our expectations state that "performance reporting should, where appropriate, use metrics that enable year-on-year comparison, in line with applicable internationally accepted reporting standards or initiatives." In our view, Disclosure 205-2 are indicators of activity and implementation of the anti-corruption programme but do not address outcomes and effectiveness of anti-corruption efforts. Although some of the indicators under Disclosure 205-3 point to past performance, these are not indicative of future behaviour, nor of the effectiveness of preventive anti-corruption measures. These indicators could be revised to strengthen the focus on performance and effectiveness.

Then, the GSSB could consider amending its standards for climate change-related reporting, in order to ensure closer alignment with the recommendations of the Taskforce for Climate-related Financial Disclosures (TCFD).

More generally, over time, we hope to see further alignment of reporting frameworks and standards. We encourage GSSB to continue working with other standard-setters towards this goal and suggest adding this important objective to its work programme. As a starting point, we recommend that standard-setters, including GSSB, seek agreement on a set of widely accepted industry-specific and financially relevant metrics. This could be used as a core in all reporting frameworks, including the GRI Standards. Beyond this common core disclosures, GRI could continue to propose a broader set of disclosures in its standards, relevant for a wider range of stakeholders than just investors.

We appreciate your willingness to consider our perspective.

Yours sincerely

Carine Smith Ihenacho
Chief Corporate Governance Officer

Severine Neervoort
Senior Analyst, Corporate Governance

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[2] Norges Bank Investment Management, *Expectation Document on Anti-Corruption*

Email 10

173	From:	Shweta Mathur, PWC
174	Sent on:	Tuesday June 23, 2020
175	To:	Standards
176	Subject:	Views on the GSSB's Work Program for 2020-2022

177 Dear team,

178 By way of introduction, I am Shweta Mathur, a CPA by profession and work in the field of
179 Sustainability Assurance and Integrated Reporting. Thanks for sharing "Recommendations of the GRI
180 Technical Committee on Human Rights Disclosure". It's a well drafted and detailed document around
181 human rights disclosure. Please find below some comments/ clarifications that can help me get
182 more insight.

183 Line no. 68 - 70: Does this means changes in this document will be incorporated in the universal
184 standards i.e. 101,102,103

185 Line 197 a ii: Won't it be a good idea to also disclose the date when the policy was framed and last
186 reviewed

187 Line 350 - 353: Companies can also have provision of Human rights SPOCs at their top tier partners

188 Line 438 a: Is this not as repetitive as Disclosure XXX1? If not, then how is this different and what are
189 the reporting expectations

190 Line 438 d: Is this not same as disclosure 5 b iii? If not, then how is this different and what are the
191 reporting expectations

192 Line 690 - 694: I think more clarity on the kind of mechanisms to be adopted can be provided here

193 Line 712 a: Before reporting upon this, the company should identify internal (depts., work streams,
194 etc) or external partners, suppliers where the risk of these human right topic is higher. Therefore,
195 first question could be - Methods to identify high risk areas of HR topics internally and externally.

196 Looking forward to the the responses as well as the final document.

197 Regards

198 Shweta

Email 11

200 From: Bill Baue, r3.0

201 Sent on: Tuesday, June 23, 2020

202 To: Standards

203 Subject: Public Comment Revised GSSB Work Program 2020-2022

204 Dear GSSB,

205 Please find attached my Public Comment on the Revised GSSB Work Program 2020-2022.

206 Please confirm receipt.

207 And I would welcome engaging with GSSB on this issue, or supporting its movement on this front
208 from the sidelines.

209 Best,

210 Bill

To: Global Sustainability Standards Board
From: Bill Baue, Senior Director, r3.0
Re: Public Comment Revised GSSB Work Program 2020-2022
Date: 22 June 2020

Sustainability requires contextualization within thresholds. That's what sustainability is all about.
Allen White, Co-Founder, Global Reporting Initiative, 2013[1]

I respectfully write with a simple request: **issue robust guidance on applying the Sustainability Context Principle**. I do so in compliance with lines 78-84 of the *Draft GSSB Work Program 2020-2022* under the section entitled "Issuance of FAQs, Guidance and authoritative interpretations.

I submit the following simple rationale:

1. The Global Reporting Initiative (GRI) introduced the Sustainability Context Principle in its second generation of Sustainability Reporting Guidelines (G2) in 2002. The essence of the Principle guided reporting organisations to discuss

   > the performance of the organisation in the context of the **limits and demands** placed on economic, environmental, or social resources at a macro-level.[2]

2. The Sustainability Context Principle has remained ***fundamentally unchanged*** for nearly two decades.

3. GRI has provided ***insufficient guidance*** on implementing the Sustainability Context Principle throughout this entire period, until the present.

4. Evidence of this fact is contained in exhaustive empirical research by Anders Bjørn *et al*, who "systematically reviewed references to ecological limits in 40.000 CR reports" issued from 2000-2013. This research found only about "5% of companies referred to

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[1] Bill Baue, "#SustyGoals 2: A Dialogue with Allen White of GISR, the Godfather of Sustainability Context (Part 2)," Sustainable Brands, 8 November 2013. https://sustainablebrands.com/read/new-metrics/sustygoals-2-a-dialogue-with-allen-white-of-gisr-the-godfather-of-sustainability-context-part-2

[2] Global Reporting Initiative, *Sustainability Reporting Guidelines*, 2002. https://www.r3-0.org/wp-content/uploads/2020/03/GRIguidelines.pdf (As a side note, I would request that GRI follow best practice and post **all** of its Guidelines on its own Website, so that its stakeholders can readily access its historical development).

ecological limits in any year," and of these 5%, "only 31 companies planned to align performance or products to limits."[3]

5. A 2019 United Nations Research Institute for Social Development report on Sustainable Development Performance Indicators did the math: the research database used by Bjørn *et al* covered 12,000 companies, so 31 companies represents **a mere 0.258% of reporting companies who "planned to align performance or products to limits**."[4] See **Figure 1** for visual perspective on how this percentage compares to its reference universe.

Is Earth recognized as a finite system in corporate responsibility reporting?

In a 2017 study published in the peer-reviewed *Journal of Cleaner Production*, Danish researchers systematically reviewed references to "ecological limits" (and similar keywords) in 40,000 corporate responsibility reports issued between 2000 and 2013.

● 40,000 Corporate Responsibility Reports (2000–2013)

● ≈ 5% of companies referred to ecological limits in any year

● Of the ≈ 12,000 companies in the study universe, only 31 (0.258%) disclosed plans to align performance or products to such limits.

Note on sizing: percentages represented accurately to scale.
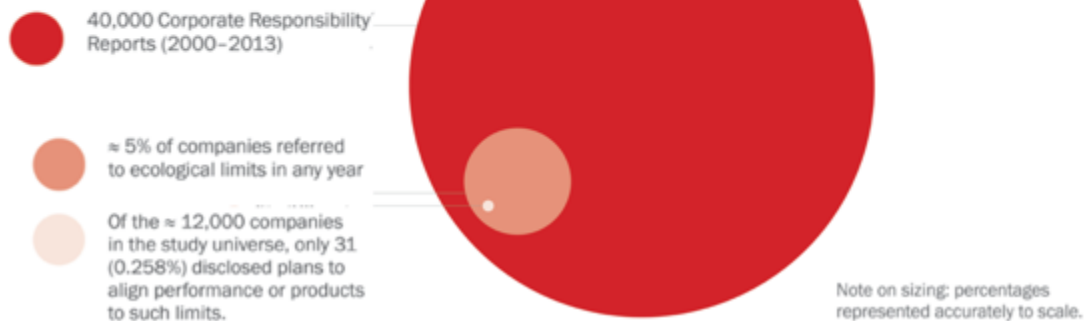
Figure 1: Lack of Sustainability Context in Corporate Responsibility Reporting 2000-2013.[5]

6. So, after the Principle existed for a decade, **essentially no companies applied Sustainability Context in the way intended** – to discuss "the performance of the organisation in the context of the limits and demands placed on economic, environmental, or social resources at a macro-level."

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[3] Anders Bjørn *et al*, "Is Earth recognized as a finite system in corporate responsibility reporting?" *Journal of Cleaner Production*, Volume 163, 1 October 2017, Pages 106-117. https://www.sciencedirect.com/science/article/abs/pii/S0959652615019204

[4] Bill Baue, *Compared to What? A Three-Tiered Typology of Sustainable Development Performance Indicators: From Incremental to Contextual to Transformational*, United Nations Research Institute for Social Development, Working Paper 2019-5, October 2019. http://www.unrisd.org/baue

[5] *Ibid*, p 24.

7. In the Public Comment Period for G4, 66 prominent sustainability experts in the Sustainability Context Group submitted a Public Comment asking GRI to "undertake improvements to the Sustainability Context Principle in G4."[6] The Comment continued:

> Although GRI's Guidelines currently do advocate for the inclusion of Sustainability Context in organizational reports, they fail to provide specific guidance for how to do so…

> Rather than devise a specific procedure for how to implement Sustainability Context in organizational reporting, we believe GRI should provide related guidance in the form of functional specifications, or criteria, for how to do so, in keeping with its charge of providing broad, non-prescriptive direction.[7]

Signatories of the Comment included Alan AtKisson of The AtKisson Group, Jan Bebbington of the University of St. Andrews, Stephanie Bertels of Simon Fraser University, Ecological Economics Co-Founder Bob Costanza, John Elkington of Volans Ventures, B Lab Co-Founder Bart Houlahan, Deborah Leipziger of the Sustainability Lexicon Project, Ralph Thurm of r3.0, Mathis Wackernagel of the Global Footprint Network, GRI Co-Founder Allen White, and *The Big Pivot* Author Andrew Winston.

8. GRI **opted against** acting on this input, and instead, left the Sustainability Context essentially untouched, with no further guidance provided then, or since.

9. In 2017, after Alyson Slater of GRI spoke at the r3.0 Conference in Amsterdam, r3.0 engaged with her to propose collaborative **Research** and **Training** on Sustainability Context, and on the Global Thresholds & Allocations Council.[8] The ultimate result of this proposal was, again, inaction from GRI, either in collaboration or on its own.

10. During this nearly two-decade period between 2002 and the present, the Stockholm Resilience Centre has introduced research finding that humanity is overshooting 4 of the 9 Planetary Boundaries,[9] and Kate Raworth has built upon that research base to demonstrate the humanity is shortfalling on all 12 of the Social Foundations

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[6] Sustainability Context Group, *Statement to GRI on the Need to Enhance Treatment of the Sustainability Context Principle in G4*, 24 September 2012. https://www.r3-0.org/wp-content/uploads/2020/03/SCG-GRI-G4-Comment-Submitted-9-24-12.pdf

[7] *Ibid.*

[8] Email attached in Appendix.

[9] Johan Rockström, Will Steffen, *et al*. "A safe operating space for humanity," *Nature*, Volume 461, pp 472–475, 2009. https://www.nature.com/articles/461472a; Will Steffen, Katherine Richardson, Johan Rockström, Sarah Cornell, et.al. "Planetary boundaries: Guiding human development on a changing planet," *Science* 347: 736, 1259855, 2015. http://science.sciencemag.org/content/347/6223/1259855;

encompassed in what she calls the Doughnut.[10] So all told, humanity is transgressing 16 of 21 critical sustainability thresholds. See **Figures 3 & 4**:
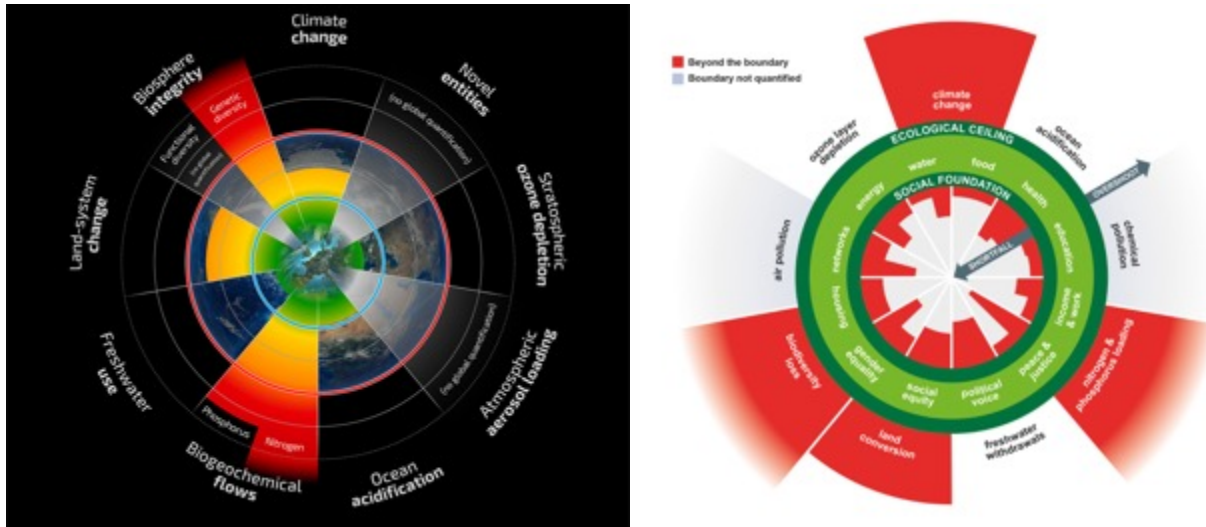
Figures 3 & 4: Planetary Boundaries[11] and the Doughnut[12]

11. **Organizations that use GRI Guidelines and Standards clearly play a decisive role in these sustainability threshold breaches**.

12. As a provider of Guidance and Standards, **GRI also can choose to play a decisive role in addressing these threshold breaches**.

13. GRI *cannot* do so by continuing to cleave to the status quo.

14. Therefore, **GRI will need to shift significantly, by providing robust guidance on its Sustainability Context Principle**.

15. I will end by quoting climate activist Greta Thunberg:

> *If you really understood the situation and still kept on failing to act, then you would be evil. And that I refuse to believe.[13]*

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[10] Kate Raworth, A safe and just space for humanity: Can we live within the doughnut? Oxfam Discussion Paper, February 2012. https://www-cdn.oxfam.org/s3fs-public/file_attachments/dp-a-safe-and-just-space-for-humanity-130212-en_5.pdf; Kate Raworth, "A Doughnut for the Anthropocene: humanity's compass in the 21st century," *The Lancet: Planetary Health*, Volume 1, Issue 2, PE48-E49, 1 May 2017.
https://www.thelancet.com/journals/lanplh/article/PIIS2542-5196(17)30028-1/fulltext

[11] *Op cit,* Steffen *et al* 2015.

[12] *Op cit,* Raworth 2017.

[13] NPR Staff, "Transcript: Greta Thunberg's Speech At The U.N. Climate Action Summit," NPR, 23 September 2019.
https://www.opb.org/news/article/npr-transcript-greta-thunbergs-speech-at-the-un-climate-action-summit/

Appendix

Dear Alyson,

I hope you had a relaxing time on vacation, and that you've settled back in to your work smoothly.

As promised, I'm writing now to follow up on our August call around R3 / GRI collaboration, specifically providing a next level of specificity on the areas we discussed (**Research** & **Training**), and also adding another that has come up in the intervening time through discussion with Allen White (a Reporting 3.0 Advocation Partner who offered to be cc'ed in this thread in case his perspective helps): a **Thresholds & Allocations Council**. So, below we provide a first-pass fleshing out of our ideas on how GRI & R3 can collaborate to move forward on these agendas (which are all tied to the GRI Sustainability Context Principle).

- **Research**: We believe that SustyContext is a ripe area for research, following up on the research to-date (such as the Danish study cited in the most recent installation of our 10-Part Sustainable Brands series), the Article 13 research cited in your R3 Conference Presentation (and their 2017 refresh), etc... In addition to documenting the Context Gap, it would be important for the research to also focus on emerging solutions, including methods for integrating context.
    - **Proposal**: GRI & R3 establish a joint research project on implementation of the Sustainability Context Principle, focusing both retroactively on uptake to date, and proactively on what additional recommendations, guidance, case studies, methodologies, and data sources could help spur more robust implementation.
        - This research stream could tap into the Reporting 3.0 Academic Alliance that is starting to take shape, and also could feed into the new GRI program starting this fall that you described in our call, on "developing guidance on issues that we don't have standards on or inadequate standards." It also ties into your recommitment to impact reporting, and research on the impacts of reporting, as we discussed in the call.

- **Training:** As we discussed on our call, this area is particularly ripe for collaboration, as building out training on how to measure, manage and report on Sustainability Context is likely the most effective means of upping implementation of the Principle. And R3 is uniquely positioned to design curricula and deliver training on this front, given our connection to the Sustainability Context Group, many of whom are now in the R3 ecosystem.
    - **Proposal:** GRI & R3 establish a joint training project on implementation of the Sustainability Context Principle, building on the research outlined above. R3 would focus on curriculum development and training implementation (tapping into our Advocation Partner Program), while GRI would provide branding and promotion / communications.

- **Thresholds & Allocations Council:** It is generally agreed that the lack of generally validated, systems-level thresholds across diverse areas of social, ecological, and economic impacts, framed for implementation by companies, hinders implementation of the SustyContext Principle. As well, the lack of similarly validated, "off the shelf" methodologies for allocation of "fair share" / proportionate responsibility for collective impacts on the "common" capitals hinders uptake. Revisiting an idea Allen first proposed in about 2013 or so, we see value in establishing a Thresholds & Allocations Council comprised of global experts in physical and social sciences / academia, NGOs, companies, multilaterals, governments, etc..
    - **Proposal:** GRI & R3 serve as the lead partners collaborating with other key players (eg Stockholm Resilience Center, UNGC, etc.) to convene such a council, with a primary objective of providing neutral & actionable guidance on thresholds & allocations for implementation by companies in particular
        - You could consider the Science-Based Targets Initiative as a kind of example focused just on GHGs / climate, though as a member of their Technical Advisory Group, I think a stronger governance structure makes sense.

Of course, additional funding (beyond existing institutional support from both GRI & R3) will be instrumental for actualizing each of these ideas, so it makes good sense to jointly and individually seek funding, leveraging materials we jointly produce and some kind of MoU memorializing our partnership.

We welcome your feedback on these ideas, and would look forward to an opportunity to discuss next steps in a follow-up call, perhaps in the week of Sept 25 when Ralph returns to his office.

Best,
Bill

Email 12

212	From:	Sonal Pandya Dalal, Sustainability Accounting Standards Board (SASB)
213	Sent on:	Tuesday, June 23, 2020
214	To:	Standards
215	Cc:	Sustainability Accounting Standards Board (SASB)
216	Subject:	Public Comment Revised GSSB Work Program 2020-2022

217 Dear Ms. Kuszewski:

218 Thank you for the opportunity to comment on the Draft GSSB Work Program 2020-2022. The
219 Sustainability Accounting Standards Board (SASB) supports The Global Reporting Initiative's (GRI)
220 commitment to review all existing GRI Standards to guarantee that they reflect global multi-
221 stakeholder consensus and continue to promote the public interest.

222 We offer the attached comments for your consideration for the Work Program.

223 We would be happy to answer any questions or further discuss any of the ideas presented in the
224 consultation response.

225 Warm regards,

226 Sonal

Janine Guillot
CEO
1045 Sansome Street, Suite 450
San Francisco, CA 94111 (USA)
+1 (415) 830-9220
sasb.org

23 June 2020

Re: Public Comment Revised GSSB Work Program 2020-2022

Dear Ms. Kuszewski:

Thank you for the opportunity to comment on the Draft GSSB Work Program 2020-2022. The Sustainability Accounting Standards Board (SASB) supports The Global Reporting Initiative's (GRI) commitment to review all existing GRI Standards every four years to guarantee that they reflect global multi-stakeholder consensus and continue to promote the public interest.

Standards provide a comprehensive solution

Sustainability reporting standards are a powerful tool to ensure decision makers have access to comparable, consistent, and reliable information. By demonstrating transparency, reporting organizations create trust with their stakeholders. By facilitating accountability, they enable benchmarking of performance among peers.

Globally, there are two sets of widely used sustainability reporting standards that together ensure accountability to stakeholders. The GRI Standards focus on the economic, environmental, and social impacts of the activities of a company, and hence its contribution—positive or negative—toward sustainable development. It is the underlying assumption that if not already financially material at the time of reporting, these impacts may become financially material over time. SASB's industry-specific standards identify the sustainability-related risks and opportunities most likely to affect a company's financial condition (i.e. its balance sheet), operating performance (i.e. its income statement), or risk profile (i.e. its market valuation and cost of capital).

Figure 1. GRI and SASB: Complementary Standards

As demonstrated by the large and rapidly growing number of companies around the world that use both SASB and GRI standards, they are complementary. When used in combination, SASB and GRI standards meet the EU's double materiality[1] continuum and help reporting organizations be accountable to multiple stakeholders. They also support the needs of a broad range of users for information, including information that is industry-agnostic and industry-specific (See Figure 1). As both our organizations noted in Accountancy Europe's June 2020 paper[2], our standards form the basis for a "unifying system in which a combination of principles, frameworks, metrics, and platforms can serve providers of capital and stakeholders more widely." Indeed, such a system could provide for international consistency and be tailored for regional needs across the double materiality continuum.

With our two organizations committed to collaborating to make it easier for companies to use both the GRI and SASB standards, **we believe a key mechanism to achieve this would be for the GSSB to consider using SASB's Sustainable Industry Classification System (SICS®) to operate its Sector Program** [per line numbers 41-77 of the Work Program].

A classification system to support action and impact:
SASB established the Sustainable Industry Classification System® (SICS®) in 2012 to organize industries using a combination of traditional classification factors and sustainability risks and opportunities.

Commonly used industry classification systems, such as the Global Industry Classification Standard (GICS®) and the Industry Classification Benchmark (ICB), use sources of revenue as their primary basis for classifying companies into specific sectors and industries. They establish hierarchies and layers of industries based on economic variables, providing less visibility for certain industries with greater sustainability risks or opportunities but smaller economic footprints.

These traditional classification systems, while useful, were not designed to support understanding of an industry's shared sustainability risks and opportunities. As a result, they were not well equipped to facilitate sustainability standard-setting aimed at providing comparable information among industry peers. SASB developed SICS® to build on and complement traditional industry classification systems. Within a SICS® industry, companies tend to have similar business models, face similar growth and innovation opportunities, operate in similar legal environments, rely on similar resources, and produce comparable products and services, as well as comparable impacts on society and the environment.

For example, where GICS® identifies five industries related to electronics hardware, SICS® includes just one. Although the five GICS® industries—including communications equipment, computers and peripherals, and office electronics—may differ in terms of key financial characteristics, they produce similar products and face similar regulatory environments from a sustainability perspective. Separating them would therefore create overlap and repetition among industry-based sustainability disclosure standards.

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[1]The double materiality concept was developed by the European Commission and noted that on one side, there is information that is financially material, and thus primarily of interest to investors and other providers of capital.
On the other side, there is information that is environmentally and societally material, and thus of interest to a broad range of stakeholders, including customers, employees, communities, civil society, policy makers, and investors.
[2] Accountancy Europe, Follow-Up Paper: Interconnected Standard Setting for Corporate Reporting – Feedback Analysis (June 2020); available at https://www.accountancyeurope.eu/wp-content/uploads/200615-Follow-up-paper-Interconnected-standard-setting.pdf

Conversely, where GICS® identifies a single Oil, Gas and Consumable Fuels industry, SICS® includes two industries—one focused on oil and gas exploration, and another on oil and gas refining and marketing companies. In sustainability terms, these industries face significantly different risks and opportunities, so companies and their stakeholders are likely to benefit from different disclosure requirements. Table 1 outlines the SICS® categorization of oil and gas[3] industries, their industry descriptions, and the metrics intended to measure performance on a financially material topic, water management.

Table 1. Industry Description of Oil & Gas-Related Industries in SICS® and industry-specific metrics associated with the financially material topic of water management.

SICS® Industry	Industry Description	Financially Material Topic: Water Management
Oil & Gas – Exploration & Production	E&P companies explore for, extract, or produce energy products such as crude oil and natural gas, which comprise the upstream operations of the oil and gas value chain. Companies in the industry develop conventional and unconventional oil and gas reserves; these include, but are not limited to, shale oil and/or gas reserves, oil sands, and gas hydrates. Activities covered by this standard include the development of both on-shore and off-shore reserves. The E&P industry creates contracts with the industry to conduct several E&P activities and to obtain equipment and oilfield services.	Associated Metrics: • (1) Total fresh water withdrawn, (2) total fresh water consumed, percentage of each in regions with High or Extremely High Baseline Water Stress • Volume of produced water and flowback generated; percentage (1) discharged, (2) injected, (3) recycled; hydrocarbon content in discharged water • Percentage of hydraulically fractured wells for which there is public disclosure of all fracturing fluid chemicals used • Percentage of hydraulic fracturing sites where ground or surface water quality deteriorated compared to a baseline
Oil & Gas – Refining & Marketing	R&M companies refine petroleum products, market oil and gas products, and/ or operate gas stations and convenience stores, all of which comprise the downstream operations of the oil and gas value chain. The types of refinery products and crude oil inputs influence the complexity of the refining process used, with different expenditure needs and intensity of environmental and social impacts.	Associated Metrics: • (1) Total fresh water withdrawn, (2) percentage recycled, (3) percentage in regions with High or Extremely High Baseline Water Stress • Number of incidents of non-compliance associated with water quality permits, standards, and regulations

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[3] Please note that the SICS® recognizes that there may be both "pure-play" and integrated oil and gas companies conducting upstream operations as well as activities in the distribution and/or refining or marketing of products. SASB has separate standards for the Oil and Gas Midstream (EM-MD) and Oil and Gas Services (EM-SV) in addition to O&G - Exploration & Production and O&G-Refining and Marketing. Companies with substantial business in multiple SICS® industries can consider reporting on these additional industry standards.

Using SICS®, SASB has been able to systematically assess the relevance of ESG topics and the potential for financially material impacts on companies in each industry. This ensures that topics recommended for disclosure are included in the standards based on evidence amassed in a relevant industry context as well as on input from a balanced group of market participants with suitable industry expertise. Using a sustainability-based industry classification helps SASB surface the disclosure topics that are reasonably likely to impact the typical company in an industry. Globally, SICS® is used by 64 organizations that license SICS® totaling over $35 Trillion in assets under management. Thus, use of SICS® to develop GRI's sector standards would ensure that data providers and investment managers could easily aggregate both SASB and GRI metrics, facilitating the integration of ESG considerations into investment processes in a rigorous, scalable manner.

Value for standard-setting analysis:

For GRI, SICS® offers a well-tested and widely utilized system that can support the development of GRI Sector Standards. SICS® would enable GRI to develop sector standards based on common sustainability characteristics of each sector or industry, allowing GRI to develop standards that identify and describe a sector's impacts and stakeholder concerns from a sustainable development perspective. Using SICS® can also facilitate focus on the positive/negative externalities most likely to be generated by each industry.

Utilizing SICS® also creates an important opportunity for GRI and SASB to demonstrate their complimentary approach and interest in making it easier for companies to use both sets of standards. The SASB standards have identified the ESG factors (disclosure topics and metrics) that impact financial performance and long-term enterprise value of the typical company in each SICS® industry. GRI Sector Standards will enable understanding of the incremental societal impacts. By using the same industry classification system, companies, investors, civil society organizations, and others will more effectively and efficiently understand the issues and disclosure requirements that demonstrate the economic, environmental, and social impacts of activities of a company (vis a vis GRI) and the issues that impact a company's financial condition and operating performance (vis a vis SASB). Such an approach can support the development of a globally accepted system of standards that provide for international consistency and be tailored for regional needs, while also meeting the double materiality continuum.

The following provides an example of SICS® classifications per the priority Group 1 sectors outlined in the GRI Work Program [Line 63].

GRI's Priority Group 1 sectors:	SASB SICS®
Agriculture	Agricultural Products
Banking	Commercial Banks; Investment Banking & Brokerage; Mortgage Finance
Chemicals	Chemicals
Construction Materials	Construction Materials

4
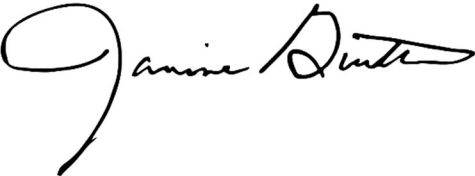
Forestry, paper, and rubber	Containers & Packaging; Industrial Machinery & Goods; Biofuels; Forestry Management; Pulp & Paper Products
Iron, steel, and aluminium processing	Iron & Steel Producers
Mining	Metals & Mining
Oil, gas, and coal	Coal Operations; Oil & Gas – Exploration & Production; Oil & Gas – Midstream; Oil & Gas – Refining & Marketing; Oil & Gas – Services
Textiles and apparel manufacturing	Apparel, Accessories & Footwear
Utilities	Electric Utilities & Power Generators; Gas Utilities & Distributors; Water Utilities & Services

We would be happy to make our resources and research available to GRI/GSSB to facilitate your Work Program.

Conclusion

In the context of increasing market and regulatory pressures to harmonize the sustainability disclosure field, GRI's sector program presents a unique opportunity to realize practical alignment for the users and preparers of sustainability information. Using SICS® as a common framework, GRI and SASB can enhance the complementarity of their standards, create valuable efficiencies for reporting organizations, and converge around a key piece of infrastructure (i.e. an industry classification system) that is increasingly embedded in mainstream financial and economic research and analysis. Indeed, this shared approach would significantly strengthen the foundational layer GRI and SASB seek to establish for an internationally accepted system of sustainability disclosure standards.

Sincerely,

Janine Guillot, CEO

5

Email 13

228   From: Roshnie van der Zwan-Ramautarsing, Schiphol Group

229   Sent on: Tuesday, May 26, 2020

230   To: Standards

231   Subject: Public Comment Revised GSSB Work Program 2020-2022

232   Dear GSSB,

233   Please find below the feedback on the GSSB Work Programme 2020-2022.

234   Pre-determined questions

235   1. Which existing GRI Standards should the GSSB prioritize for review until 2022?

236   412: Human rights Assessment. I feel that generally (not specifically at GRI) there is more focus on
237   the green sustainability topics and less on social topics. Therefore developing clear standards that
238   align with e.g. OECD and guiding principles could help in this imbalance. Additionally it would be
239   helpful if all standards (but especially Environmental Standards) are reviewed for alignment with the
240   EU Taxonomy/TCFD.

241   2. Which topics should the GSSB prioritize for the development of new GRI Standards until 2022?

242   No input, there are currently plenty standards that cover a variety of topics.

243   3. Which sectors in Priority Group 1 and 2 should the GSSB prioritize in the implementation of the
244   Sector Program?

245   Not applicable, as airport operators are not included in the sector program.

246   Other feedback

247   o   Line 63: The previous airport operators sector disclosure still largely suffices in my opinion, I
248   do however not see the airport operator sector included in the GRI sector Program. If the aim is to
249   cover 40-45 high-impact sectors, I do believe that airport operators should be included ultimately. As
250   the previous airport operators sector disclosure content is still largely valid and applicable to our
251   organization, it can be placed in a lower priority group.

252   o   Line 90: Regarding the 101 foundation standards; I've had lots of discussion internally and
253   externally as how to interpret the horizontal axis of the materiality matrix. Perhaps some more
254   elaboration on how ''impact'' should be interpreted is welcome. E.g. does impact refer to
255   footprint/contribution or influence or perhaps something else?

256   Good luck with the review process.

257   Best regards,

Email 14

From: Cavassa Paola, SECH

Sent on: Friday, April 24, 2020 2:37:27 AM

To: Standards

Subject: Public Comment Revised GSSB Work Program 2020-2022

Good afternoon dear All,

I do hope that my message finds you well.

As a customer service representative of a container terminal, I firmly believe that one of the sectors that should be prioritized next, besides the ongoing pilot projects, are shipping and logistics.

These days we had tangible proof of how these two intertwined sectors are of the utmost importance to keep the country systems functioning during the pandemics and, at the same time, I believe that a more sustainable drive in these two sectors is needed, so as to steer them towards more sustainable practices.

Thanking you in advance for the opportunity of submitting our feedback with regard to the GSSB Work Program, please accept my Best regards

Email 15

273

274 From: Sumaya Rashid, Social Responsibility Asia (SR Asia),

275 Sent on: Friday, April 24, 2020

276 To: Standards

277 Subject: Public Comment Revised GSSB Work Program 2020-2022

278 Dear Concern,

279 From my point of view that if there is any future project plan on plastic, leather or light engineering
280 sector would be effective for south asian region.

281 Thank you.

282 Email 16

283 From: Girish P Ramachandran, Tata Consultancy Services

284 Sent on: Tuesday May 26, 2020

285 To: Bastian Buck

286 Cc: Judy Kuszewski; ANAND SAMPATHRAMAN; PALLAVI ATRE

287 Subject: For Consideration

288 Dear Bastian

289 Trust you are doing safe and well during these testing times

290 We had a suggestion for consideration. Since the world is moving a lot towards digitization and
291 more so, post Covid times, we felt it may be appropriate to consider "Technology metrics", as a
292 horizontal constituent, as part of GRI reporting disclosures which shall form basis to understand an
293 Organizations ability to embrace risk, enable resiliency and improve adaptability. My colleagues
294 Annd and Pallavi have worked on a concept and elaborate further if there is interest from your end

295 Enclosing a short document on this.

296 For your consideration

297 Warm regards

298 Girish

GRI Reporting

Environment | Economics | Social

An approach note to consider

"Technology metrics"

Version 1.0

September 2020

All Technology in the last century was aimed at managing and maintaining system of records. People were supposed to learn how to use that Technology. The effort in the last decade had been to design systems that understand the typical human behavior and are designed so that systems learn about humans. In the future, Technology is designed to be so non-obvious that it will only manifest as experiences rather than tools to be learnt or to be used.

Now, in the age of Consumers, we may see Business and Technology go hand in hand, as technology moves from back-end to center stage helping Organizations in differentiation and to reimagine innovative Products and Services. While Sustainability reporting, is known for triple bottom line, and emphasizes on.,

- Future orientation
- Wider Sustainability metrics
- Intangible
- Non-financial
- Stakeholders

It may be appropriate to consider "**Technology metrics**", as a horizontal constituent, as part of GRI reporting disclosures which shall form basis to understand an Organizations ability to embrace risk, enable resiliency and improve adaptability.

The technology levers that provides maximum impact on such outcome, for an Organization, which may be considered, are.,

- Infrastructure strategy, Hybrid Cloud
- Humanizing Technology
- Intelligence, Analytics, Automation, Machine first considerations
- Remote management, Bringing Life to Things, Internet of Things
- Location independent agile, Change management

Technology disclosure in line with the above, with due importance to Data privacy, can help base line and have timely access to relevant and reliable information, which can enable better decision making.

While the Technology metric shall be applicable to different sectors, scale of Organization and in all geographical context, the role of technology is seen to be one of equalizer and harbinger for Innovation.

The recent COVID times, is seen to further pronounce the need for Organizations to embrace and leverage technology. We feel this complements the GRI's Vision and Mission. GRI may appropriately strategize, evangelize and execute.

2

Email 17

| 300 | From: | Charlotte Hugman, World Benchmarking Alliance |

| 301 | Sent on: | Tuesday June 23, 2020 |

| 302 | To: | Standards |

| 303 | Subject: | Views on the GSSB's Work Program for 2020-2022 |

304   Dear GRI Standards Division & GSSB,

305   The World Benchmarking Alliance (WBA) welcomes this opportunity to comment on GRI's Revised
306   Work Program 2020-2022 as well as further dialogue on any of the responses provided to the
307   questions in the consultation. GRI is a WBA Ally and GRI and WBA work closely together, in particular
308   as members of the Structured Network of the Impact Management Project.

309   WBA has identified seven system transformations (Social – including Gender and Corporate Human
310   Rights; Digital; Circular; Food & Agriculture – including Access to Seeds and Seafood Stewardship;
311   Decarbonisation & Energy; Urban; and Financial) it believes are vital to put our society, planet and
312   economy on a more sustainable and resilient path to accomplish the 2030 Agenda. This is a basis for
313   helping companies to measure and disclose what matters most to society and the planet. By 2023,
314   we will have made publicly available and free rankings of the performance of 2,000 of the world's
315   most impactful companies – many of whom report using GRI.

316   All WBA benchmarks build on existing frameworks, standards and norms. Before developing any
317   methodology, WBA undertakes a detailed internal mapping, as well as extensive consultations with
318   key stakeholders, to explore and better understand what content exists in the GRI Standards (and
319   other relevant standards and frameworks) and how to incorporate this into our work. We always
320   seek to align with and build on the work of GRI wherever possible. Further content is only developed
321   by WBA if expert and other stakeholder feedback identifies a gap in existing content that is needed
322   to hold the private sector accountable on the SDGs.

323   Please note that this response is based on the GRI Standards content as at 31 May 2020.

324   1. Which existing GRI Standards should the GSSB prioritize for review until 2022?

325   •   WBA is supportive of the proposal to review GRI 304: Biodiversity – this is an important issue
326   on the UN agenda and has relevance to the Food and Agriculture and Circular systems
327   transformations work of the WBA.

328   •   GRI 301: Materials has content relevant to the Circular system transformation. Our research
329   to date and consultations on the system have highlighted that it is a rapidly evolving space. WBA
330   would therefore recommend reviewing this Standard.

331   •   WBA has published a detailed Gender Benchmark Methodology - in seeking to map against
332   GRI, we did not always find enough content to reflect what we believe is current global best practice
333   in measuring gender equality and women's empowerment. Gender could be captured more
334   explicitly in certain places in the GRI Standards; for example, in GRI 204: Procurement Practices;
335   Disclosures 401-2, 401-3 (e.g., breakdown by primary / secondary caregiver for comparability with
336   the ILO convention and recommendation; other family leave including elderly care; gender-

299 responsive health care); 403-1, 403-2 and 403-6 (e.g., gender-responsive health topics/risk
300 screening); 412, and 414-2. There are also opportunities to require or recommend the collection of
301 sex-disaggregated data (ideally including by other intersectional elements like race/ethnicity) in, for
302 example, GRI 404: Training and Education and Disclosure 406-1. Disclosure 405-2 is commendable as
303 one of the few existing gender pay gap standards but could be more granular for further clarity and
304 consistency in reporting. WBA would therefore recommend reviewing the GRI Standards on the
305 topic of Gender, and/or prioritizing Gender for the development of new Standards content (please
306 see the response to question 2 below).

307 2. Which topics should the GSSB prioritize for the development of new GRI Standards until 2022?

308 • Human Rights: Noting the GRI Universal Standards review project, which brings human rights
309 disclosures into the Universal Standards – and to which consultation WBA will respond separately –
310 WBA supports universal human rights disclosure (by all companies). WBA recommends developing
311 GRI Standards content relating to alignment of purchasing/procurement decision with human rights
312 (CHRB indicators D.1.2. and D.2.2). Noting the ongoing work of GRI's Sector Program, WBA also
313 recommends developing content, either in the GRI Topic Standards or Sector Standards, on:

314 o For Agricultural Products companies: land rights and water and sanitation; and

315 o For Extractives companies: transparency and accountability in nature resource wealth, rights
316 of indigenous peoples, land rights, and water and sanitation.

317 • Living wages: While there are numerous definitions of living wage, the core concept is to
318 provide a decent living for a worker and his or her family (in line with ICESCR Article 7) based on a
319 regular work week not including overtime hours. A living wage is sufficient to cover food, water,
320 clothing, transport, education, health care and other essential needs for workers and their entitled
321 official dependents and provide some discretionary income, including provision for unforeseen
322 events. Living wages are enablers. They can contribute to the direct and indirect fulfilment of a range
323 of fundamental human rights of both the workers and their dependents (such as the rights to food,
324 water, health, adequate housing, education and family life). Companies paying a living wage can also
325 contribute to the achievement of the SDGs, including SDG 1, 2, 3, 4, 5, 6, 8 and 10. WBA
326 recommends that the concept of living wage is drawn out clearly across GRI standards, rather than
327 concepts such as minimum wage, legal wage and industry wage.

328 • Social protection: A living wage is inextricably linked to working hours – as a wage would
329 not be considered a 'living wage' if it relies on exploitation through extreme hours of work. WBA
330 recommends that working hours as an element of social protection be prioritised in the
331 development of new GRI Standards.

332 • Digital Inclusion: Digital Inclusion supports SDGs 3, 4, 5, 8, 9, 10, 16 and 17. WBA's Digital
333 Inclusion Benchmark Methodology makes an explicit reference and points companies to the GRI
334 Standard on data security and privacy, including indicators on reporting the number of customer
335 data privacy breaches and losses experienced by an organisation (GRI 418: Customer Privacy); and
336 on transparency about global economic value generation and distribution (GRI 201: Economic
337 Performance). Further areas relevant to Digital Inclusion from our consultations and expert review
338 process include access, skills, use and innovation. Therefore, WBA recommends prioritizing
339 development of new GRI Standards content on these topics or through a Sector Standard for
340 Technology and Communications as we believe there is a gap in this area, which is also evolving
341 rapidly (please see the response to question 3 below).

299 • Gender: Gender equality is a standalone SDG (SDG 5) but the topic of Gender supports all
300 SDGs, particularly SDG 10, 12, 8, 1, 16, 17, 2, 3, 4, 6, 9, and 11 when considering the company
301 context. WBA notes and has built on and explicitly mapped to the existence of GRI Standards on
302 Gender relevant to various aspects of governance and strategy, representation, compensation and
303 benefits, health and wellbeing, and violence and harassment in its Gender Benchmark Methodology.
304 However, other areas are relevant to Gender, such as:

305 o the provision of flexible working options; and

306 o the prevention and remediation of violence and harassment; and

307 o supporting gender-responsive procurement; and

308 o non-discriminatory marketing and advertising practices; and

309 o assessment of controversies.

310 Therefore, WBA recommends prioritising development of new GRI Standards content on these
311 topics.

312 • Nutrition: Providing healthy and nutritious food is a critical element within the
313 transformation of the global food system. Companies contributing to the affordability and
314 accessibility of healthy and nutritious food play a key role to the achievement of the SDGs, in
315 particular SDG 2. WBA recommends prioritising the issue of nutrition in the development of new GRI
316 Standards content.

317 • Access to Energy: Per SDG 7, access to affordable, reliable and sustainable energy is crucial
318 to achieving many of the SDGs. Therefore, WBA recommends prioritising development of new GRI
319 Standards content on this topic.

320 3. Which sectors in Priority Group 1 and 2 should the GSSB prioritize in the implementation of the
321 Sector Program?

322 WBA notes that important work is already being done on two on priority sectors: Agriculture and
323 Fishing, and Oil, Gas, and Coal. Rik Beukers, Lead Research Seafood Stewardship Index at WBA is a
324 member of the GRI Agriculture and Fishing Project Working Group, and the WBA Climate & Energy
325 team has been in discussion with GRI on the Oil, Gas, and Coal project, noting that this includes
326 useful content on the GHG emissions, climate resilience and transition, and the just transition.

327 WBA suggests the following sectors should be prioritized by the GSSB:

328 • From Priority Group 1 (line 63):

329 o Banking

330 o Chemicals

331 o Textiles and apparel manufacturing

332 o Utilities

333 o Mining

334 • From Priority Group 2 (line 67):

335 o Asset management

299   o   Automotive

300   o   Food Processing

301   o   Insurance

302   o   Technology hardware manufacturing; although WBA suggests that this sector group is
303   combined with Media and communication services and Software and services (Priority Group 3, line
304   70) and Electronics manufacturing (Priority Group 4, line 73) into one priority sector 'Technology and
305   Communications'. The latter is the SASB sector term and has been used by WBA to identify
306   companies in the Digital Inclusion Benchmark, as it unites these industries for analytical purposes.
307   Furthermore, within the UN ISIC classification the ICT sector consists of manufacturing,
308   telecommunications and IT software and services. A number of companies have activities spanning
309   digital manufacturing, hardware, and services, e.g., Apple.

310   Please do not hesitate to contact us if WBA can provide clarification or if further dialogue would be
311   helpful.

312   Best regards,

313   Charlotte

Email 18

314

315   From: J Robert Gibson

316   Sent on: Tuesday May 12, 2020

317   To: Standards

318   Subject: Views on the GSSB's Work Program for 2020-2022

319   Dear Sir/Madam,

320   Thank you for your 11th May invitation to provide views on the GSSB's Work Program for 2020-
321   2022.

322   KEY POINT

323   Why doesn't the GSSB Work Programme mention working on the Corporate Reporting Dialogue
324   https://corporatereportingdialogue.com/ and the proposals on page 29 of its September 2019
325   'Better Alignment Report'? Namely to:

326   1.   Develop a common taxonomy and encourage all standard/framework setters to use the
327   same language.

328   2.   Provide an online interactive tool to allow report preparers/users to quickly see what each
329   standard says on the same topic/issue.

330   3.   Get the standard/framework setters to work together so future changes increase
331   harmonisation. A key issue being to get a common set of Reporting Principles.

332   I appreciate these are initiatives which involve SASB, TCFD, <IR>, etc but believe GSSB should be
333   guiding GRI to embrace them. They should, therefore, be mentioned and prioritized in GSSB's work
334   programmed.

335   I particularly believe GRI needs to embrace this initiative so it remains 'mainstream' as SASB and
336   TCFD rise in importance.

337   DETAILS

338   I'm just finishing my sixth year of teaching a University course on ESG Management and Reporting in
339   Hong Kong. Each year my students have compared the Sustainability Reports of eight leading listed
340   companies with 'best practice' peer companies from around the world. They then discussion their
341   findings with the these companies' staff who prepare the reports.

342   Sadly, while GRI remains the most followed standard it is losing ground. Several companies are
343   drifting away from using GRI. One 'best practice' company is actively evaluating switching to SASB.

344   I say 'sadly' as I believe there is great merit in GRI Standards.   Specifically:

345   1.   GRI's Principles of Report Content and Report Quality plus its Management Approach
346   provide an excellent 'Principles Based Framework' for meaningful sustainability reporting.

314 2.   The flexibility of being able to start with a 'GRI Cited' report where you follow GRI for your
315 most important Topics only.   From this position you may later progress to a being 'In accordance
316 with GRI Core' in later years.

317 3.   The flexibility in to present the report in whichever way you like just as long as people can
318 find the items from the GRI Index.

319 4.   The many companies following GRI makes their data comparable and thus more useful.

320 5.   GRI's well written standards form the core of my teaching ESG Management Reporting. I
321 also feel that it should link to <IR>'s Framework for providing information for Financial Capital
322 Providers.

323 So it is sad that instead of GRI advancing from its leading 'market share' it now looks like it will
324 gradually wither with SASB and TCFD taking leading roles.

325 In this context GRI should focus on making what it does better rather than adding more reporting
326 requirements. Further it should recognize that SASB and TCFD will be widely followed and strive to
327 build a common language. The Corporate Reporting Dialogue
328 https://corporatereportingdialogue.com/ was set up to do this and reporting last year that it would
329 work to:

330 1.   Develop a common taxonomy and encourage all standard/framework setters to use the
331 same language.

332 2.   Provide an online interactive tool to allow report preparers/users to quickly see what each
333 standard says on the same topic/issue.

334 3.   Get the standard/framework setters to work together so future changes increase
335 harmonisation. A key issue being to get a common set of Reporting Principles.

336 TWO SPECIFIC ACTION RECOMMENDED

337 Please see below for my 27th April email with more specific recommendations for strengthening
338 GRI. (Thank you for acknowledging this when it was sent.)

339 FURTHER SPECIFIC RECOMMENDATION: GRI Content Index

340 Please can GSSB arrange 'good practice' examples on the extent to which companies put
341 information into their GRI Index . I believe it is appropriate to do this when the information (a) is not
342 part of their main Sustainability Story; and, (b) can be briefly stated.   The advantages of this
343 approach include:

344 1.   The information is made immediately available to someone going to the GRI Index to find it.

345 2.   The information does not clutter up the Sustainability Report.   Thus the Sustainability
346 Report can provide better clarity in reporting the company's material issues.

347 I attach the GRI Index for Hong Kong Electric Investments Ltd which follows this approach to
348 welcome if, perhaps excessive, extent.

349 J Robert Gibson

HKEI's Sustainability Report 2019 – GRI Content Index

[Verified independently as "in accordance with" the Core option of GRI's Sustainability Reporting Standards, and having addressed a significant number of material disclosures required under the Comprehensive option.]

GRI 102 (Ver. 2016): General Disclosures	Cross-Reference / Information (**WEB** – our website; **SR** – our Sustainability Report; **AR** – our Annual Report; **INFO** – direct / supplementary information; Figures may not add up to the total due to rounding.)
ORGANIZATIONAL PROFILE	
102-1 Name of the organization	**SR:** Sustainability at HKEI – Our Business
102-2 Activities, brands, products, and services	**SR:** Sustainability at HKEI – Our Business
102-3 Location of headquarters	**INFO:** Hong Kong.
102-4 Location of operations	**INFO:** Hong Kong.
102-5 Ownership and legal form	**SR:** Sustainability at HKEI – Our Business **INFO:** Share stapled unit(s) jointly issued by HK Electric Investments (the Trust) and HK Electric Investments Limited (the Company) (collectively HKEI) (Share Stapled Unit(s)) are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the Company and its subsidiaries, collectively the Group). The Trust is a listed business trust (the trustee manager of which is HK Electric Investments Manager Limited (the Trustee-Manager)), and the Company is wholly owned by the Trust.
102-6 Markets served	**SR:** Sustainability at HKEI – Our Business **INFO:** Please refer to Disclosure Item EU3.
102-7 Scale of the organization	**SR:** Sustainability at HKEI – Our Business; Key Statistics and Targets – Summary of Statistics **AR:** Consolidated Statement of Profit or Loss; Consolidated Statement of Financial Position; Consolidated Statement of Changes in Equity; Notes to the Financial Statements
102-8 Information on employees and other workers	**SR:** Report Overview; Sustainability at HKEI – Our Business; Working with Partners – Building Strong Relations with Employees; Managing our Supply Chain **INFO:**

Age	Senior staff (%)	General staff (%)	Workman (%)	Total (%)
Age 30 or below	0.0	19.8	0.1	**19.9**
Age 31-40	0.2	19.4	0.3	**20.0**
Age 41-50	2.3	19.5	2.0	**23.8**
Age 51 or above	5.4	23.4	7.6	**36.3**
Total	**7.9**	**82.1**	**10.0**	**100.0**

Gender	Senior staff (%)	General staff (%)	Workman (%)	Total (%)
Female	0.9	17.0	0.7	**18.5**
Male	7.0	65.2	9.3	**81.5**
Total	**7.9**	**82.1**	**10.0**	**100.0**

Employment type	Male (%)	Female (%)	Total (%)
Permanent	76.3	17.2	**93.5**
Contract	5.1	1.4	**6.5**
Total	**81.5**	**18.5**	**100.0**

Notes: 1. We have around 1,900 employees in total.
2. Our operations are based in Hong Kong.

102-9	Supply chain	**SR:** Working with Partners – Managing our Supply Chain – Responsible Procurement **INFO:** The core business of HK Electric is to supply electricity. Our supply chain includes the supply of fuels, goods and services in order to facilitate the supply of safe, reliable and clean electricity to our customers.
102-10	Significant changes to the organization and its supply chain	**SR:** Sharing our Planet – Taking Action on Climate Change – Transitioning from Coal to Gas **INFO:** There were no movements in the Share Stapled Units, as well as in the share capital of the Trustee-Manager and the Company during the year. No significant changes in our operations and our supply chain that caused significant economic, environmental, and social impacts were recorded.
102-11	Precautionary Principle or approach	**SR:** Sustainability at HKEI – Sustainability Governance – Challenges and Strategies; Sharing our Planet – Management Approach
102-12	External initiatives	**INFO:** Low Carbon Charter; The Manifesto on Energy Efficiency in Buildings; Green Event Pledge; Carbon Reduction Charter; Food Wise Charter; Energy Saving Charters; 4Ts (Target, Timeline, Transparency and Together) Charter; Charter on External Lighting; Occupational Safety Charter; Workplace Hygiene Charter; Charter on Preferential Appointment of OSH Star Enterprise; Joyful@Healthy Workplace Charter, Sustainable Procurement Charter, Good Employer Charter, etc. All the above charters and principles we subscribe to are voluntary.
102-13	Membership of associations	**INFO:** It is important for us to keep updated on developments in our industry, as well as provide thought leadership where appropriate, so we actively support and participate in various professional associations and organisations, including the Business Environment Council (BEC); the Asia Pacific Customer Service Consortium (APCSC); Hong Kong Institute of Marketing; the Hong Kong Call Centre Association (HKCCA); the Hong Kong Retail Management Association (HKRMA); the Hong Kong Federation of Restaurants and Related Trades (HKFORT); The Institute of Dining Art (IDA); The Institute of Purchasing & Supply of Hong Kong; the Asian Sub-Bituminous Coal Users' Group (ASBCUG); and Data Protection Officers' Club under the Office of the Privacy Commissioner for Personal Data (PCPD), Hong Kong. We also encourage our employees to contribute to their professional sectors. Some of them hold leading positions in major associations, such as The Hong Kong Institution of Engineers (HKIE), American Society of Mechanical Engineers (ASME), Hong Kong Section and The Institution of Engineering and Technology Hong Kong (IET Hong Kong).
EU1	Installed capacity, broken down by primary energy source and by regulatory regime	**SR:** Key Statistics and Targets – Summary of Statistics
EU2	Net energy output broken down by primary energy source and by regulatory regime	**INFO:** **Electricity sent out (GWh)** | Gas	3,287
Coal & oil	7,601
Renewable energy	2	 Notes: 1. Electricity sent out refers to the electricity sent out from our grid, which includes the sent out from our power plants and RE systems, and also from our customers' RE systems under Feed-in Tariff. 2. Electricity sent out from customers' RE systems under Feed-in Tariff is insignificant compared with the total sent out. The total electricity sent out was 10,890 GWh.

EU3	Number of residential, industrial, institutional and commercial customer accounts	**INFO:** 	Customer accounts	
Residential	468,000
Commercial	108,000
Industrial	5,000
Total	**581,000** | Almost all points of connection were of distribution type. The number of customers who are also producers, i.e. customers who produce electricity to the grid, is insignificant compared to the total number of customers.
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EU4	Length of above and underground transmission and distribution lines by regulatory regime	**INFO:** | Circuit length (km)			
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Above/Underground breakdown		Voltage breakdown	
Above ground	37	Transmission (275 kV & 132 kV)	441
Underground	6,499	Distribution (22 kV & 11 kV)	3,918
		Low voltage	2,176
Total		**6,536**		 Note: Circuit length is different from conductor length in that one or more conductors may be employed to form a circuit. For instance, a 1-km long three-phase grounded LV interconnection between two points which is built with one conductor per phase plus one neutral conductor has a total of 4 km of conductor; however, it is only a 1-km long circuit. Multiple, independently-switched circuits, e.g. feeders, may be attached on the same structures or located in a common trench along a route. In such instances, the length of each circuit will be counted. The length of underground circuit included the length of submarine circuit.
EU5	Allocation of CO_2e emissions allowances or equivalent, broken down by carbon trading framework	**INFO:** Not applicable to Hong Kong.

STRATEGY	
102-14	Statement from senior decision-maker	**SR:** A Word from our CEO
102-15	Key impacts, risks, and opportunities	**SR:** Sustainability at HKEI – Sustainability Governance – Challenges and Strategies

ETHICS AND INTEGRITY	
102-16	Values, principles, standards, and norms of behavior	**WEB:** Vision, Mission and Core Values; Code of Conduct **SR:** Sustainability at HKEI – Sustainability Governance **AR:** Combined Corporate governance Report
102-17	Mechanisms for advice and concerns about ethics	**WEB:** Code of Conduct **SR:** Sustainability at HKEI – Sustainability Governance – Governance Practices **AR:** Combined Corporate Governance Report

GOVERNANCE	
102-18	Governance structure	**AR:** Combined Corporate Governance Report

102-22	Composition of the highest governance body and its committees	**AR:** Combined Corporate Governance Report; Boards of Directors and Senior Management
102-23	Chair of the highest governance body	**INFO:** The positions of the Chairman and the Chief Executive Officer of the Company are held by separate individuals. The Trustee-Manager does not appoint a Chief Executive Officer due to its specific and limited role to administer the Trust.
102-24	Nominating and selecting the highest governance body	**AR:** Combined Corporate Governance Report
102-25	Conflicts of interest	**AR:** Combined Corporate Governance Report
102-32	Highest governance body's role in sustainability reporting	**SR:** Report Overview
STAKEHOLDER ENGAGEMENT		
102-40	List of stakeholder groups	**SR:** Sustainability at HKEI – Stakeholder Engagement **INFO:** Please refer to "Table for General Disclosure Items 102-40, 102-42 and 102-43" at the end of this Content Index.
102-41	Collective bargaining agreements	**INFO:** Not applicable, collective bargaining agreements are not required by law in Hong Kong.
102-42	Identifying and selecting stakeholders	**SR:** Sustainability at HKEI – Stakeholder Engagement **INFO:** Please refer to "Table for General Disclosure Items 102-40, 102-42 and 102-43" at the end of this Content Index.
102-43	Approach to stakeholder engagement	**SR:** Sustainability at HKEI – Stakeholder Engagement; Serving Hong Kong – Serving our Customers – Excellent Service, Connecting with our Customers; Working with Partners – Building Strong Relations with Employees; Key Statistics and Targets – Summary of Statistics **INFO:** Please refer to "Table for General Disclosure Items 102-40, 102-42 and 102-43" at the end of this Content Index. Following are examples of HK Electric's engagement activities with various stakeholder groups in 2019: • A Customer Liaison Group meeting • Safety, Health and Environment Day for our business partners • Home visits to Lamma villages (three rounds) • Joint Consultation (JC) meetings (20 meetings) • Focus group meetings with employees (16 meetings) • Local community events (throughout the year) • Corporate visits (about 260 visits)
102-44	Key topics and concerns raised	**SR:** A Word from our CEO; Sustainability at HKEI – Stakeholder Engagement **INFO:** Please refer to "Table for General Disclosure Items 102-44, 102-46 and 102-47" at the end of this Content Index.
REPORTING PRACTICE		
102-45	Entities included in the consolidated financial statements	**SR:** Report Overview; Sustainability at HKEI – Our Business **AR:** Notes to the Financial Statements

102-46	Defining report content and topic Boundaries	**SR:** Report Overview; Sustainability at HKEI – Sustainable Development Goals, Stakeholder Engagement; Working with Partners – Managing our Supply Chain **INFO:** Please refer to "Table for General Disclosure Items 102-44, 102-46 and 102-47" at the end of this Content Index.
102-47	List of material topics	**SR:** Report Overview; Sustainability at HKEI – Stakeholder Engagement **INFO:** Please refer to "Table for General Disclosure Items 102-44, 102-46 and 102-47" at the end of this Content Index.
102-48	Restatements of information	**INFO:** No re-statements.
102-49	Changes in reporting	**INFO:** No significant changes from the previous report.
102-50	Reporting period	**SR:** Report Overview
102-51	Date of most recent report	**INFO:** The most recent report was issued in April 2019 for the calendar year 2018.
102-52	Reporting cycle	**INFO:** Annual.
102-53	Contact point for questions regarding the report	**INFO:** Back Cover
102-54	Claims of reporting in accordance with the GRI Standards	**SR:** Report Overview
102-55	GRI content index	**INFO:** This GRI Content Index.
102-56	External assurance	**SR:** Report Overview; Verification Statement
Material Topics		**Cross-Reference / Information** (**WEB** – our website; **SR** – our Sustainability Report; **AR** – our Annual Report; **INFO** – direct / supplementary information; Figures may not add up to the total due to rounding.)
GRI 201 (Ver. 2016): Economic Performance		
GRI 103 (Ver. 2016): Management Approach		**SR:** Sustainability at HKEI – Sustainability Governance **AR:** Chairman's Statement; CEO's Report **INFO:** Please also refer to General Disclosure Item 102-46 for the topic boundary.

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201-1	Direct economic value generated and distributed	**SR:** Sustainability at HKEI – Our Business **AR:** Consolidated Statement of Profit or Loss; Consolidated Statement of Financial Position
201-2	Financial implications and other risks and opportunities due to climate change	**WEB:** HK Electric's Response to the Long-term Decarbonisation Strategy Public Engagement **SR:** Sustainability at HKEI – Sustainability Governance – Governance Practices; Sharing our Planet – Taking Action on Climate Change **INFO:** Risks due to physical changes associated with climate change on our operations includes: 1. Extreme weather conditions could cause extensive damage in generation or network facilities and lead to a prolonged and extensive power outage. The loss of cash flow resulting from supply interruption, and the cost of recovery from damages to network and generation assets could be considerable. 2. Increased fuel cost due to decreased plant efficiency under elevated ambient temperature. 3. Fuel price may become unstable under the influence of adverse weather conditions and hence affect the cost. We make strategic investment to maintain our world-class supply reliability, enhance the integrity of our assets and reduce air emissions for better ambient air quality. All these contribute to addressing the risk of climate change or the relevant impact on our operations. The future business of HK Electric would hinge on the Government's plan on decarbonisation and climate change mitigation, and their associated policy decisions in the coming decade. With reference to HK Electric's response submitted for the Hong Kong's Long-term Decarbonisation Strategy Public Engagement in September 2019, the energy sector would have to determine suitable proposals to help achieving a more decarbonised Hong Kong. After all, uncertainties associated with the Government's long-term plan on decarbonisation would introduce the following risks to HK Electric: • Unpreparedness of risks associated with the Government's long-term plan on decarbonisation or climate change mitigation could result in significant impact on HK Electric's long-term business development. • Any significant changes to the existing plan of HK's decarbonisation / climate change mitigation would adversely impact HK Electric's operation, earning and business strategies. HK Electric will continuously engage with the Government and stakeholders to solicit their views to make sensible and advance adjustments to our business strategies as necessary.
201-3	Defined benefit plan obligations and other retirement plans	**AR:** Notes to the Financial Statements
201-4	Financial assistance received from government	**INFO:** No material financial assistance from the HKSAR Government.
GRI 203 (Ver. 2016): Indirect Economic Impacts		
GRI 103 (Ver. 2016): Management Approach		**SR:** Sustainability at HKEI – Sustainability Governance; Sustainability at HKEI – Sustainable Development Goals; Sharing our Planet – Management Approach; Serving Hong Kong – Management Approach; Key Statistics and Targets – Status of Targets in 2019, Looking Ahead **INFO:** Please also refer to General Disclosure Item 102-46 for the topic boundary.

203-1	Infrastructure investments and services supported	**SR:** Sustainability at HKEI – Sustainability Governance – Governance Practices; Sustainability at HKEI – Sustainable Development Goals; Sharing our Planet – Improving Air Quality – Drive EVs · Charge Easy; Serving Hong Kong – Serving our Customers – Excellent Service; Serving Hong Kong – Smart Power Services; Working with Partners – Health & Safety
203-2	Significant indirect economic impacts	**SR:** Sustainability at HKEI – Sustainability Governance – Governance Practices; Sustainability at HKEI – Sustainable Development Goals; Sharing our Planet – Improving Air Quality – Drive EVs · Charge Easy; Serving Hong Kong – Serving our Customers – Excellent Service; Serving Hong Kong – Smart Power Services; Working with Partners – Health & Safety
GRI 204 (Ver. 2016): Procurement Practices		
GRI 103 (Ver. 2016): Management Approach		**WEB:** Code of Conduct **INFO:** All local and foreign suppliers are treated equally and no preference is given in our purchase decision. Please also refer to General Disclosure Item 102-46 for the topic boundary.
204-1	Proportion of spending on local suppliers	**INFO:** Natural gas, limestone and ultra-low sulphur diesel are supplied by companies with bases in China or Hong Kong while coals are sourced mainly from Indonesia and Russia. For other goods and services, about 70% were procured from "local suppliers" who are defined as companies in China including Hong Kong and Macau.
GRI 205 (Ver. 2016): Anti-corruption		
GRI 103 (Ver. 2016): Management Approach		**WEB:** Code of Conduct **SR:** Sustainability at HKEI – Sustainability Governance **INFO:** We prohibit any form of bribery/corruption, fraud or money laundering, and do not tolerate anyone committing fraud or breaking the law. Accepting or offering advantages in any manner from or to clients, suppliers, or any person in connection with the Company's business is prohibited. We also strictly prohibit any fraudulent activities, such as theft of company resources, use of misrepresentation, dishonesty or deceitful conduct. We will not condone, facilitate or support money laundering. We strictly observe the standards, rules or regulations in regard to this aspect, such as Prevention of Bribery Ordinance. Anti-bribery risk assessment is performed by business units twice a year and bribery/corruption statistics and incidents are reported by business units to Internal Audit Department quarterly. A Fraud Awareness & Prevention Policy is in place to ensure adequate deterrent measures are taken to minimise exposure to fraud risk and to promote a fraud-free culture within the Group. A Fraud and Whistle-Blowing Reporting and Investigation Procedure is developed to supplement the Code of Conduct on the process workflow of investigation, investigation protocols, roles and responsibilities in handling violations of the Code and ethical allegations. Head of Internal Audit is the central point of all reporting and investigation of violations of the Code. A whistleblower hotline, connected directly to the Head of Internal Audit, is set up to centrally receive from employees and external parties all reports of possible improprieties, actual or alleged violations, including fraud, bribery and illegal acts. Any employee who is in breach of the Code of Conduct is subject to disciplinary actions, including summary dismissal. Please also refer to General Disclosure Item 102-46 for the topic boundary.

205-1	Operations assessed for risks related to corruption	**INFO:** All 13 business units were accessed for risks related to corruption.
205-2	Communication and training about anti-corruption policies and procedures	**INFO:** We have communicated our anti-corruption policies and procedures to all our board members, employees and business partners. In particular, HK Electric's anti-corruption policies and procedures were communicated to all contractors and suppliers via the Conditions of Tendering/Bidding in the enquiry document and the Code of Practice for Suppliers in the application of Recognised Tenderers Register. All our board members and employees have received training on anti-corruption.
205-3	Confirmed incidents of corruption and actions taken	**SR:** Sustainability at HKEI – Sustainability Governance
GRI 206 (Ver. 2016): Anti-competition behavior		
GRI 103 (Ver. 2016): Management Approach		**INFO:** We have established a Competition Compliance Policy and relevant approach and framework to guide us making our own decisions independently.
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	**INFO:** No relevant legal actions in 2019 were recorded.
AVAILABILITY AND RELIABILITY		
GRI 103 (Ver. 2016): Management Approach (to ensure short and long-term electricity availability and reliability)		**SR:** Sustainability at HKEI – Sustainability Governance; Sustainability at HKEI – Sustainable Development Goals; Sharing our Planet – Taking Action on Climate Change; Serving Hong Kong – Reliable and Affordable Power – World-class Power System **INFO:** HK Electric has been adopting a diverse power portfolio to deliver cleaner, more efficient and reliable electricity supply to meet our customers' demand on both long and short-term bases. HK Electric will carry out regular review of our load forecast and planning criteria to suit the ever-changing socio-economic environment and to meet the tightening environmental requirements. All these forecast parameters will be subject to Government's scrutiny. Under the 2019-2023 Development Plan, HK Electric are investing HK$16.2 billion in projects related to power generation, which accounts for 61% of the total investment. A large part of it is set aside to build the new gas-fired units and associated facilities required to replace the retiring coal-fired units. These new gas generating units are to further improve air quality and help combat climate change. To ensure reliability, a comprehensive Maintenance Regime for generating plants has been established. Periodic maintenance is arranged for all the machineries in order to maintain its reliability. The frequency of the periodic maintenance is determined by the recommendations from the original equipment manufacturer, 'Reliability-Centered Maintenance' study and plant ownership scheme. In between periodic maintenance, condition of the equipment is monitored to determine its "healthiness" in order to secure the availability of the plant. Health indexes of transmission and distribution equipment and apparatuses are being established to determine priority of maintenance. Please also refer to General Disclosure Item 102-46 for the topic boundary.

		WEB: [Approved 2019-2023 Development Plan - Presentation](#)
EU10	Planned capacity against projected electricity demand over the long term, broken down by energy source and regulatory regime	**SR:** Sustainability at HKEI – Sustainable Development Goals; Serving Hong Kong – Reliable and Affordable Power – World-class Power System **INFO:** The 2019-2023 Development Plan was approved by the Executive Council in July 2018. Under this plan, five coal-fired units and one converted gas-fired unit is to be retired progressively. As a replacement, three new gas-fired combined-cycle units, L10 to L12, are planned to be commissioned by 2023. By then, the total installed capacity of HK Electric will be lower than that of now. L10 was synchronised in October 2019 and commissioned in February 2020. Construction of L11 and L12 is on schedule, planned for commissioning in 2022 and 2023 respectively.
DEMAND-SIDE MANAGEMENT		
GRI 103 (Ver. 2016): Management Approach (and description on demand-side management programs including residential, commercial, institutional and industrial programs)		**SR:** Sustainability at HKEI – Sustainable Development Goals; Sharing our Planet – Education and Awareness – Happy Green Campaign; Serving Hong Kong – Management Approach, Smart Power Services **INFO:** Please also refer to General Disclosure Item 102-46 for the topic boundary.
RESEARCH AND DEVELOPMENT		
GRI 103 (Ver. 2016): Management Approach (and description on research and development activity and expenditure aimed at providing reliable electricity and promoting sustainable development)		**SR:** Sustainability at HKEI – Innovation; Sharing our Planet – Taking Action on Climate Change – Building Climate Resilience; Sharing our Planet – Responsible Resource Management – Energy Saving; Serving Hong Kong – Serving our Customers – Excellent Service **INFO:** We continue to keep track of the latest technology development related to our business. Research and development activities are carried out by relevant business units. Most of these studies would involve in-house experts whilst some projects would be done in collaboration with local universities. There were no significant additional costs compared with our overall expenditure in 2019.
SYSTEM EFFICIENCY		
EU11	Average generation efficiency of thermal plants by energy source and by regulatory regime	**SR:** Key Statistics and Targets – Summary of Statistics **INFO:**

Thermal efficiency (%)	
Gas	42.8
Coal & oil	33.0
Overall	35.5

EU12	Transmission and distribution losses as a percentage of total energy	**SR:** Key Statistics and Targets – Summary of Statistics **INFO:** Transmission losses: 1.3% Distribution losses: 2.1% Note: Non-technical losses are assumed to be insignificant.
GRI 300: Environmental		
GRI 103 (Ver. 2016): Management Approach		**WEB:** [How We Care for our Environment](#); [Enhancing Supplier Partnership](#) **SR:** Sustainability at HKEI – Sustainability Governance – Challenges and Strategies; Sustainability at HKEI – Sustainable Development Goals; Sharing our Planet – Management Approach; Working with Partners – Management Approach, Managing our Supply Chain; Key Statistics and Targets – Status of Targets in 2019, Looking Ahead **INFO:** Please also refer to General Disclosure Item 102-46 for the topic boundary.

GRI 301 (Ver. 2016): Materials		
301-1	Materials used by weight or volume	**SR:** Key Statistics and Targets – Summary of Statistics **INFO:** No materials are present in our final product as our product is electricity and no materials containing polychlorinated biphenyl are used.
301-2	Recycled input materials used	**SR:** Sharing our Planet – Responsible Resource Management – Water Resources, Waste Management; Key Statistics and Targets – Summary of Statistics **INFO:** The amount of plant effluent and rain water collected and recycled at Lamma Power Station represented 5.1% of the Station's total consumption of town water.
301-3	Reclaimed products and their packaging materials	**INFO:** There are no reclaimed products and packaging materials due to the nature of our product, viz. electricity.
GRI 302 (Ver. 2016): Energy		
302-1	Energy consumption within the organization	**SR:** Key Statistics and Targets – Summary of Statistics
302-3	Energy intensity	**INFO:** 1.92 kWh per unit sold was needed to be consumed by HK Electric in the course of generation, transmission and distribution of electricity, excluding the energy sold.
302-4	Reduction of energy consumption	**SR:** Sharing our Planet – Responsible Resource Management – Energy Saving
GRI 303 (Ver. 2018): Water and Effluents		
303-1	Interactions with water as a shared resource	**SR:** Sharing our Planet – Responsible Resource Management – Water Resources; Key Statistics and Targets – Summary of Statistics **INFO:** Freshwater is provided by the Water Supplies Department of the HKSAR Government. Seawater is withdrawn for cooling of plant equipment at Lamma Power Station and returned to the sea after proper treatment. All our discharge complies with legislative requirements. No water sources were significantly affected.
303-2	Management of water discharge-related impacts	**SR:** Sharing our Planet – Responsible Resource Management – Water Resources; Key Statistics and Targets – Summary of Statistics **INFO:** Our water discharge is governed by licenses granted by Environmental Protection Department (EPD) under Water Pollution Control Ordinance (WPCO). EPD would carry out regular inspections on our water treatment/ discharge facilities.
303-3	Water withdrawal	**SR:** Sharing our Planet – Responsible Resource Management – Water Resources; Key Statistics and Targets – Summary of Statistics **INFO:** Town water is provided by the Water Supplies Department of the HKSAR Government. Seawater is withdrawn for cooling of plant equipment at Lamma Power Station and returned to the sea after proper treatment. The amount of plant effluent and rain water collected and recycled at Lamma Power Station represented 5.1% of the Station's total consumption of town water.

303-4	Water discharge	**SR:** Sharing our Planet – Responsible Resource Management – Water Resources; Key Statistics and Targets – Summary of Statistics **NFO:** The wastewater after treatment for removal of oil, grease, suspended solids and heavy metals was discharged to natural water body and was not used by other parties. No significant impact on the water bodies and related habitats is caused. No discharges to water bodies and related habitats that are designated as protected areas.
303-5	Water consumption	**SR:** Sharing our Planet – Responsible Resource Management – Water Resources; Key Statistics and Targets – Summary of Statistics **INFO:** The amount of plant effluent and rain water collected and recycled at Lamma Power Station represented 5.1% of the Station's total water consumption.
GRI 304 (Ver. 2016): Biodiversity		
304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	**INFO:** No land was owned, leased, managed in or adjacent to, protected areas and areas of high biodiversity value outside protected area.
304-2	Significant impacts of activities, products, and services on biodiversity	**INFO:** No land was owned, leased, managed in or adjacent to, protected areas and areas of high biodiversity value outside protected area.
304-3	Habitats protected or restored	**INFO:** No land was owned, leased, managed in or adjacent to, protected areas and areas of high biodiversity value outside protected area.
EU13	Biodiversity of offset habitats compared to the biodiversity of the affected areas	**INFO:** No land was owned, leased, managed in or adjacent to, protected areas and areas of high biodiversity value outside protected area.
GRI 305 (Ver. 2016): Emissions		
305-1	Direct (Scope 1) GHG emissions	**SR:** Report Overview; Sustainability at HKEI – Our Business; Key Statistics and Targets – Summary of Statistics
305-2	Energy indirect (Scope 2) GHG emissions	**INFO:** HK Electric is a vertically integrated power utility responsible for the generation, transmission, distribution and supply of electricity and our electricity consumption comes from our own generation. Hence, the Scope 2 emission is included in the Scope 1 emission which has been reported in Disclosure Item 305-1 in accordance with the ISO 14064-1 requirements as verified by a qualified independent assessor.
305-4	GHG emissions intensity	**SR:** Key Statistics and Targets – Summary of Statistics
305-5	Reduction of GHG emissions	**SR:** Sharing our Planet – Taking Action on Climate Change
305-6	Emissions of ozone-depleting substances (ODS)	**INFO:** Amount of emission of ozone-depleting substances was 305.7 kg of R22. A programme for phasing out this HCFC refrigerant in our air-conditioning systems is in place.

305-7	Nitrogen oxides (NO$_X$), sulfur oxides (SO$_X$), and other significant air emissions	**SR:** Sharing our Planet – Improving Air Quality – Emissions from LPS; Key Statistics and Targets – Summary of Statistics
GRI 306 (Ver. 2016): Effluents and Waste		
306-1	Water discharge by quality and destination	**SR:** Key Statistics and Targets – Summary of Statistics **INFO:** The wastewater after treatment for removal of oil, grease, suspended solids and heavy metals was discharged to natural water body and was not used by other parties.
306-2	Waste by type and disposal method	**SR:** Sharing our Planet – Responsible Resource Management – Waste Management; Key Statistics and Targets – Summary of Statistics
306-3	Significant spills	**INFO:** No significant spills were recorded.
306-5	Water bodies affected by water discharges and/or runoff	**INFO:** The effluent was properly treated for removal of oil, grease, suspended solids and heavy metals before being discharged, and would not cause significant impact on the water bodies and related habitats. No discharges to water bodies and related habitats that are designated as protected areas.
GRI 307 (Ver. 2016): Environmental Compliance		
307-1	Non-compliance with environmental laws and regulations	**SR:** Sustainability at HKEI – Sustainability Governance – Governance Practices
GRI 308 (Ver. 2016): Supplier Environmental Assessment		
308-1	New suppliers that were screened using environmental criteria	**INFO:** All new suppliers as described in Disclosure Item 308-2.
308-2	Negative environmental impacts in the supply chain and actions taken	**SR:** Working with Partners – Managing our Supply Chain – Responsible Procurement **INFO:** HK Electric's Code of Practice for Suppliers is included in the application for admission to Recognised Tenderers Register (RTR) for screening purpose. In 2019, 11 new RTR applications were processed and 42 existing suppliers were evaluated, and no significant actual or potential negative environmental impacts were identified.
GRI 400: Social		
GRI 103 (Ver. 2016): Management Approach (for GRI 401 (Ver. 2016): Employment; GRI 405 (Ver. 2016): Diversity and Equal Opportunities; GRI 406 (Ver. 2016): Non-discrimination)		**WEB:** CSR Policy; Our People and Values; Equal Opportunities **SR:** Sustainability at HKEI – Sustainability Governance; Working with Partners – Management Approach, Building Strong Relations with Employees **INFO:** Please also refer to General Disclosure Item 102-46 for the topic boundary.
GRI 103 (Ver. 2016): Management Approach (for GRI 403(Ver. 2018): Occupational Health and Safety; GRI 416 (Ver. 2016): Customer Health and Safety)		**SR:** Sustainability at HKEI – Sustainability Governance; Serving Hong Kong – Management Approach; Working with Partners – Management Approach, Showing that We Care, Health & Safety; Key Statistics and Targets – Status of Targets in 2019, Looking Ahead **INFO:** Please also refer to General Disclosure Item 102-46 for the topic boundary.

GRI 103 (Ver. 2016): Management Approach (for GRI 407 (Ver. 2016): Freedom of Association and Collective Bargaining; GRI 408 (Ver. 2016): Child Labor; GRI 409 (Ver. 2016): Forced or Compulsory Labor; GRI 414 (Ver. 2016): Supplier Social Assessment)	**WEB:** Equal Opportunities; Enhancing Supplier Partnership **SR:** Sustainability at HKEI – Sustainability Governance; Working with Partners – Management Approach, Managing our Supply Chain **INFO:** Collective bargaining is not applicable (collective bargaining agreements are not required by law in Hong Kong). Major suppliers are required to follow an established procedure for admission to our Recognised Tenderers Register (RTR) in which our Code of Practice for Suppliers is included for their compliance. Review of suppliers in our RTR including labour relations and relevant compliance is conducted on a periodic basis during which the suppliers are required to submit their CSR performance for evaluation. Please also refer to General Disclosure Item 102-46 for the topic boundary.
GRI 103 (Ver. 2016): Management Approach (for other topics under GRI 400: Social)	**INFO:** Please refer to the corresponding disclosure items.

GRI 401(Ver. 2016): Employment

401-1	New employee hires and employee turnover	**SR:** Working with Partners – Building Strong Relations with Employees **INFO:**

	Overall	Gender breakdown		Age breakdown	
New hires rate (%)	8.9	Male	6.1	Age 30 or below	5.4
				Age 31-40	2.0
		Female	2.7	Age 41-50	0.7
				Age 51 or above	0.7

Notes: 1. We have around 1,900 employees in total.
          2. Our operations are based in Hong Kong.

	Gender breakdown		Age breakdown	
Average length of tenure of the employees leaving employment (Year)	Male	12	Age 30 or below	2
			Age 31-40	6
	Female	7	Age 41-50	10
			Age 51 or above	32

401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	**INFO:** Performance bonus, year-end bonus, gratuity for contract employees, medical benefits, electricity allowance, travel allowance, Group Life and Personal Accident Insurance are not provided to temporary or part-time employees.

INFO:

	Male	Female
Total no. of employees that took maternity/parental leave	32	20
Rate of return to work of employees who took maternity/parental leave	100%	100%
Rate of retention of employees who took maternity/parental leave	97%	95%

Note: All eligible employees were entitled to maternity/parental leave.

(401-3 Parental leave)

| EU15 | Percentage of employees eligible to retire in the next 5 and 10 years broken down by job category and by region | INFO: |||| |

EU15	Percentage of employees eligible to retire in the next 5 and 10 years broken down by job category and by region		Overall	Employee type breakdown	
		Retire in the next 5 years (%)	17.9	Staff	14.3
				Workman	3.6
		Retire in the next 10 years (%)	36.3	Staff	29.8
				Workman	6.5
		Notes: 1. We have around 1,900 employees in total. 2. Our operations are based in Hong Kong.			

EU17	Days worked by contractor and subcontractor employees involved in construction, operation & maintenance activities	**INFO:** The total man-days worked by contractors were 543,000 of which 368,000 man-days were devoted to construction activities and 174,000 devoted to operation and maintenance activities.
EU18	Percentage of contractor and subcontractor employees that have undergone relevant health and safety training	**INFO:** All relevant employees of our contractors working at our work sites have undergone relevant health and safety training.
GRI 403 (Ver. 2018): Occupational Health and Safety		
403-1	Occupational health and safety management system	**SR:** Working with Partners – Management Approach, Health & Safety, Managing our Supply Chain **INFO:** The Corporate Health & Safety Manual covers all Divisions/Departments of HK Electric and it defines the health and safety management system of the company. It is enforced through the Health & Safety Board chaired by the Managing Director or his delegate as well as the Health & Safety Committees/Sub-committees at various levels. Under the Health & Safety Policy, HK Electric is committed to protecting the health and safety of our employees, customers, contractors and the public by conducting our business in a safe and socially responsible manner. We aim to excel in occupational health and safety performance and achieve an accident-free operation. To accomplish this, we will comply fully with all applicable laws and regulations and strive to integrate health and safety considerations into all aspects of our business activities. In addition, we cultivate a culture that promotes employee wellness and raises health and safety awareness; adopt and maintain management systems designed to eliminate health and safety hazards and support continuous performance improvement; provide necessary information, instruction, training and supervision to our employees and also a healthy and safe working environment to them; ensure commitments from all employees and all levels of management; require our business partners to meet the same health and safety standards as ours. An Alcohol and Drugs Policy is established to ensure a safe and healthy workplace which is free from the effects of alcohol and drugs.

403-2	Hazard identification, risk assessment, and incident	**SR:** Working with Partners – Health & Safety, Managing our Supply Chain **INFO:** Our Health & Safety Policy is in place and we adopt and maintain management systems designed to eliminate health and safety hazards and support continuous performance improvement. We also provide necessary information, instruction, training and supervision to our employees and also a healthy and safe working environment to them. We promote employee wellness and raise health and safety awareness through promotion activities. In order to heighten safety awareness of working personnel, safety briefings and pre-job risk assessments are conducted prior to work and when there are changes to the working environment or work procedures. The control of the risk from a hazardous substance/environment, like any other risk, is best tackled from a risk management perspective. The risk management process includes all factors related to an activity involving potential hazards, to make a judgement about the associated risks and implement appropriate controls. Existing substances/materials/work process/plants are regularly reviewed by the Division/Department Head or his/her specifically designated deputy whenever it is known that there is possible hazard. Employees are encouraged to report any work-related hazards and hazardous situations to their supervisors, safety professionals, Section/Department Heads or even senior management through any means including verbal report, phone, email, messages, mobile apps, etc. Their reports will be followed up immediately by appropriate persons. These measures help to lower overall risk and reduce accidents. To protect employees against reprisals, a whistleblower hotline connected directly to the Head of Internal Audit is in place to receive any reports of possible work-related hazards and hazardous situations from employees and external parties. In general, we investigate work-related incidents by gathering information through exploring all reasonable enquiries; analysing the information by identifying the sequence of events and conditions that led to the incidents, immediate causes, underlying causes and root causes; identifying the risk control measures; and formulating and implementing action plans.
403-3	Occupational health services	**SR:** Working with Partners – Health & Safety **INFO:** Depending on the operational nature, Divisions/Departments have developed their training plans/schedules. The Division/Department Head is responsible for provision of information, training and knowledge as necessary to ensure, so far as is reasonably practicable, the safety and health at work of employees of the Division/Department. Division/Department Heads regularly review the adequacy of the training program. Induction training/orientation sessions are given to all new recruits. Effectiveness of the training is evaluated and training records are maintained. Moreover, we have developed, implemented and maintained a hazard control program as well as a personal protective equipment (PPE) program. An approved equipment guide is in place to ensure proper equipment items are provided to employees. Where special safety and health hazards are present, the Division/Department Heads will arrange to provide adequate and suitable training for employees to cope with such hazards. The training shall include providing them information about the safety and health hazards, the safety precautions and the proper use of the protective equipment. Refresher courses shall also be conducted regularly. Legal requirements on provisions of training to employees and the appointment of competent persons to carry out certain tasks are defined in the Factories and Industrial Undertakings Ordinance, Occupational Safety and Health Ordinance and its subsidiary regulations. The Division/Department Heads must identify the area of training and appoint competent persons to satisfy the legal requirements. In addition, The Division/Department Heads also regularly review the adequacy of the divisional/departmental safety promotion and education programmes and draw up an annual programme for implementation.

403-4	Worker participation consultation, and communication on occupational health and safety	**SR:** Working with Partners – Health & Safety **INFO:** At HK Electric, different Health & Safety Committees at various levels have been established. The committee members review the circumstances surrounding work-related injuries, work-related illnesses and work related dangerous occurrences; advise the management the review results and make recommendations for improvement; advise the management any proposed change to the workplace, or plant or substances used in the workplace, that affects, or may affect, the health and safety of persons in the workplace; They organise/assist health and safety promotional activities, review the adequacy of health and safety communication and publicity in the workplace; and report/feedback the comments/suggestions of the employee group he or she represents on health and safety aspects. Communication meeting and sessions are organised. Relevant information is circulated via emails and posted on the notice boards. To facilitate employees to obtain the Health & Safety Information, a "Health & Safety Information" corner is set up on Corporate Intranet Portal. The Health & Safety Board, chaired by the Managing Director or his delegate, oversees health and safety matters. At least half of the members of the Board are responsible for advising on relevant matters raised by the employees through Committees and Sub-Committees. The Board shall meet at least once every 3 months. Under the Health & Safety Board, there are four Divisional Health & Safety Committees. The Divisional/Departmental Health & Safety Committee should meet at least once every three months. Under the Divisional Health & Safety Committees, there are departmental Health & Safety Committees. Health & Safety Subcommittees were formed for staff/frontline employees/contractors.
403-5	Worker training on occupational health and safety	**SR:** Working with Partners – Health & Safety; Key Statistics and Targets – Summary of Statistics **INFO:** We provide various occupational health and safety training to employees. The Division/Department Head is responsible for provision of information, training and knowledge as necessary to ensure, so far as reasonably practicable, the safety and health at work of employees of the Division/Department. He/she shall identify and regularly review the training needs of the employees under his/her control in consideration of their operational activities. Induction training for new recruits and for new works, special hazard training and statutorily required training are provided. For example, Newcomers Induction Training, Natural Gas Safety Training, Demonstration on Use of Life Jackets, Safety Briefing for Safe Handling of Chemicals, Environmental Awareness Training, Safety Rules briefing training for Competent Person, Mandatory Basic Safety Training (Full) Course, Safety Training Course for Competent Persons in Confined Spaces Operation (Competent Person Full Course), Adult Cardio Pulmonary Resuscitation Certificate Course, Road Safety Training Course, Training Course on Safe Use and Inspection of Lifting Appliances and Lifting Gear, Training for Work Safe Behaviour, Manual Handling Operations and Prevention of Back Injuries, and Health Talks etc. Please also refer to Disclosure Item 404-1 for the health and safety training hours for our employees.
403-6	Promotion of worker health	**SR:** Working with Partners – Showing that We Care, Health & Safety **INFO:** Our employees are covered by Hospitalisation and Outpatient schemes and they can access the information of the schemes via corporate intranet and hotline provided by service providers. Female employees with one year's service or more are eligible for an annual gynaecological examination subject to a maximum claim amount. Meanwhile, employees aged 45 or above with one year's service or more are eligible for Biennial Medical Check-Up. Employees not meeting the requirements may join the Medical Check-up plan on a self-financed basis at preferential rates. Injection of Quadrivalent Vaccine is arranged for registered employees at 4 office locations and at designated clinics on an annual basis. Meanwhile, we provide lactation rooms in our workplaces for breastfeeding mothers.

| 403-7 | Prevention and mitigation of OHS impacts directly linked by business relationships | **SR:** Working with Partners – Management Approach, Health & Safety

INFO:
We adopt an Enterprise Risk Management Framework to deal with top strategic corporate risks. Health & Safety is considered to be one of our strategic corporate risks. Our Enterprise Risk Management Framework includes detailed mitigation actions for the risks.

To prevent significant negative occupational health and safety impacts, the following actions are taken:
- Formulate and implement Safety Management System (SMS) Audit Plan and Safety Promotion Plan;
- Comply with H&S regulations by implementing and updating various guidelines, standards and instructions and conducting compliance reviews regularly;
- Inform employees of existing and emerging legal and other obligations that apply to their job responsibilities;
- Bring in independence & expertise by calling in external auditors for SMS Audits;
- Ensure that all employees of contractors are properly briefed, adequately trained, and provided with adequate safety information and PPE;
- Implement Competent Person system for contractors working on or near our facilities
- Organise regular safety sharing meetings among contractors, and invite Labour Department and other safety organizations to promote H&S awareness;
- Eliminate hazards caused by material issues by identifying these issues and compiling a guideline for selecting proper materials;
- Integrate hazard identification & risk assessment early during the design of work procedures & work processes, and introduction of new apparatus & tools; and
- Review the existing substances/materials/work process/plant whenever it is known that there is possible hazard. |
| 403-8 | Workers covered by an occupational health and safety management system | **SR:** Working with Partners – Management Approach, Health & Safety

INFO:
The Corporate Health & Safety Manual covers all Divisions/Departments of HK Electric and it defines the health and safety management system of the company. Our Safety Management Systems (SMS) conform to the ISO 45001 standards for all major operations.

All our employees and those contractor personnel working for us are represented in the relevant committees. |

| | 403-9 | Work-related injuries | **SR:** Working with Partners – Health & Safety; Key Statistics and Targets – Summary of Statistics |

SR: Working with Partners – Health & Safety; Key Statistics and Targets – Summary of Statistics

INFO:
For our employees:

	Male	**Female**	**Overall**
Number of fatalities	0	0	0
Number of lost time injuries	1	0	1
Lost Time Injury Frequency Rate (LTIFR) (per 200,000 employee-hours)	0.07	0	0.05
Numbers of days lost/charged (no. of employee-days)	19	0	19
Lost Time Injury Severity Rate (LTISR) (per 200,000 employee-hours)	1.26	0	1.02
Longest period without a lost time injury (no. of calendar days)	213	365	213
Number of reported traffic accidents (no. of cases)	6	0	6
Number of high-consequence work-related injuries		0	
Rate of high-consequence work-related injuries (per 200,000 employee-hours)		0	
The main types of work-related injury		Hit by moving object	
The number of employee-hours		3,715,041	

For contractor workers engaging in HK Electric's jobs:

Number of fatalities	0
Number of lost time injuries	13
Lost Time Injury Frequency Rate (LTIFR) (per 200,000 contractor-hours)	0.6
Number of days lost/charged (no. of contractor-days)	1,421.5
Lost Time Injury Severity Rate (LTISR) (per 200,000 contractor-hours)	65.48
Number of high-consequence work-related injuries	4
Rate of high-consequence work-related injuries (per 200,000 contractor-hours)	0.18
The main types of work-related injury	Trip and fall
The number of contractor-hours	4,341,459

Notes:
1. Minor injuries not causing lost day were not included.
2. 'Days' referred to 'scheduled workdays'.
3. Our operations are based in Hong Kong
4. "High-consequence work-related injuries" refer to work-related injury that results in a fatality or in an injury from which the worker cannot, does not, or is not expected to recover fully to pre-injury health status within 6 months.

| 403-10 | Work-related ill health | **SR:** Working with Partners – Health & Safety; Key Statistics and Targets – Summary of Statistics |

SR: Working with Partners – Health & Safety; Key Statistics and Targets – Summary of Statistics

INFO:
No employees with high incidence or high risk of diseases related to their occupation were identified.

In 2019, the sick leave rate of our employees was 3.7. (N.B. Sick leave rate is the workday lost due to sickness x 2,000 per total number of employee hours. Sick leave due to work-related accidents is not counted.) No cases of occupational diseases were reported in 2019.

GRI 404 (Ver. 2016): Training and Education

| **GRI 103 (Ver. 2016):** Management Approach 2016 | **WEB:** Our People and Values; Learning & Development |

WEB: Our People and Values; Learning & Development

SR: Sustainability at HKEI – Sustainability Governance; Working with Partners – Management Approach, Nurturing Talent

INFO:
Please also refer to General Disclosure Item 102-46 for the topic boundary.

| 404-1 | Average hours of training per year per employee | **SR:** Working with Partners – Nurturing Talent – Opportunities for Growth

INFO: |

SR: Working with Partners – Nurturing Talent – Opportunities for Growth

INFO:

	Gender breakdown		Employee category breakdown		Overall average training hours
Average training hours	Male	32.2	Senior staff	29.6	31.0
			General staff	33.1	
	Female	26.0	Workman	14.6	
Total training hours	58,695				

Remark:
The training hour figures in the above table exclude those employees who left the company in 2019.
Total training hours of the employees who left the company in 2019 = 1,544

The total health and safety training hours for employees was 17,047 and 64.6% of our employees participated in health and safety training as at end 2019.

404-2	Programs for upgrading employee skills and transition assistance programs	**WEB:** Learning & Development **SR:** Working with Partners – Nurturing Talent – Opportunities for Growth
404-3	Percentage of employees receiving regular performance and career development reviews	**INFO:** 100%

GRI 405 (Ver. 2016): Diversity and Equal Opportunity

405-1	Diversity of governance bodies and employees	**SR:** Working with Partners – Building Strong Relations with Employees **AR:** Boards of Directors and Senior Management; Combined Corporate Governance Report
405-2	Ratio of basic salary and remuneration of women to men	**INFO:** Senior staff: 92% General staff: 83% Workman: 61% Overall: 80% Note: Our operations are based in Hong Kong.

GRI 406 (Ver. 2016): Non-discrimination

406-1	Incidents of discrimination and corrective actions taken	**INFO:** No incidents of discrimination were recorded.

GRI 407 (Ver. 2016): Freedom of Association and Collective Bargaining

407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	**SR:** Working with Partners – Managing our Supply Chain – Responsible Procurement **INFO:** Collective bargaining is not applicable (collective bargaining agreements are not required by law in Hong Kong). No operations identified in which the right to exercise freedom of association may be violated or at significant risk. We have dialogue with the Trade Union through written communication or telephone calls whenever required. Meeting with employees participating in the Union is conducted on an as-needed basis and two hoc meetings with some of their representatives were held during the year. HK Electric's Code of Practice for Suppliers is included in the application for admission to Recognised Tenderers Register (RTR) for screening purpose. In 2019, 11 new RTR applications were processed and 42 existing suppliers were evaluated, and no suppliers in which the right to exercise freedom of association may be violated or at significant risk were identified.

GRI 408 (Ver. 2016): Child Labor	
408-1 Operations and suppliers at significant risk for incidents of child labor	**SR:** Sustainability at HKEI – Sustainability Governance – Governance Practices **INFO:** All recruitments through Human Resources Division are coupled with proper checking of the age of the employees to ensure full compliance with the Employment Ordinance of Hong Kong. In addition, no operations identified as having significant risk with incidents of child labour. HK Electric's Code of Practice for Suppliers is included in the application for admission to Recognised Tenderers Register (RTR) for screening purpose. In 2019, 11 new RTR applications were processed and 42 existing suppliers were evaluated, and no suppliers having significant risk with incidents of child labour were identified.
GRI 409 (Ver. 2016): Forced or Compulsory Labor	
409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	**SR:** Sustainability at HKEI – Sustainability Governance – Governance Practices **INFO:** No operations identified as having significant risk for incidents of forced or compulsory labour. HK Electric's Code of Practice for Suppliers is included in the application for admission to Recognised Tenderers Register (RTR) for screening purpose. In 2019, 11 new RTR applications were processed and 42 existing suppliers were evaluated, and no suppliers having significant risk with incidents of forced or compulsory labour were identified.
GRI 412 (Ver. 2016): Human Rights Assessment	
GRI 103 (Ver. 2016): Management Approach	**SR:** Sustainability at HKEI – Sustainability Governance **INFO:** We support human rights consistent with the Universal Declaration of Human Rights. Please also refer to General Disclosure Item 102-46 for the topic boundary.
412-1 Operations that have been subject to human rights reviews or impact assessments	**INFO:** All 13 business units were subjected to human rights reviews and impact assessments.
GRI 413 (Ver. 2016): Local Communities	
GRI 103 (Ver. 2016): Management Approach	**SR:** Sustainability at HKEI – Sustainability Governance; Sharing our Planet – Management Approach; Serving Hong Kong – Management Approach; Working with Partners – Management Approach; Key Statistics and Targets – Status of Targets in 2019, Looking Ahead **INFO:** Our Public Affairs Department arranges annual meeting with a number of business units for reviewing their work on communication with stakeholders. Please also refer to General Disclosure Item 102-46 for the topic boundary.
413-1 Operations with local community engagement, impact assessments, and development programs	**INFO:** CSR considerations as described in this report are integrated in all our operations.
413-2 Operations with significant actual and potential negative impacts on local communities	**INFO:** No operations would cause significant actual or potential negative impacts on local communities as our operations are integrated with effective CSR initiatives as described in this Report.

EU22	Number of people physically or economically displaced and compensation, broken down by type of project	**INFO:** No projects involved displacement of people or compensation.
GRI 414 (Ver. 2016): Supplier Social Assessment		
414-1	New suppliers that were screened using social criteria	**INFO:** All new suppliers as described in Disclosure Item 414-2.
414-2	Negative social impacts in the supply chain and actions taken	**SR:** Working with Partners – Managing our Supply Chain **INFO:** HK Electric's Code of Practice for Suppliers is included in the application for admission to Recognised Tenderers Register (RTR) for screening purpose. In 2019, 11 new RTR applications were processed and 42 existing suppliers were evaluated, and no significant actual or potential negative social impacts were identified.
GRI 416 (Ver. 2016): Customer Health and Safety		
416-1	Assessment of the health and safety impacts of product and service categories	**INFO:** All of our significant product and service have undergone health and safety impact assessment for improvement.
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	**SR:** Sustainability at HKEI – Sustainability Governance – Governance Practices
EU25	Number of injuries and fatalities to the public involving company assets including legal judgments, settlements and pending legal cases of diseases	**INFO:** One minor injury case was recorded and settled.
GRI 417 (Ver. 2016): Marketing and Labeling		
GRI 103 (Ver. 2016): Management Approach		**WEB:** Quality Policy; Supply Rules; Guide to Connection of Supply; Privacy Policy **SR:** Serving Hong Kong – Serving our Customers – Excellent Service **INFO:** Please also refer to General Disclosure Item 102-46 for the topic boundary.
417-1	Requirements for product and service information and labeling	**SR:** Sustainability at HKEI – Sustainability Governance – Governance Practices; Serving Hong Kong – Serving our Customers – Excellent Service **INFO:** Our product is electricity and the sustainability issues in our operations are covered in all sections of this Report and other GRI disclosures. The marketing mechanism described in this disclosure has little relevance to us as our product is electricity.
417-2	Incidents of non-compliance concerning product and service information and labeling	**SR:** Sustainability at HKEI – Sustainability Governance – Governance Practices
GRI 418 (Ver. 2016): Customer Privacy		
GRI 103 (Ver. 2016): Management Approach		**WEB:** Privacy Policy; Code of Conduct **SR:** Sustainability at HKEI – Sustainability Governance – Governance Practices; Serving Hong Kong – Serving our Customers – Excellent Service **INFO:** We have published a Privacy Policy Statement on personal data privacy, which governs the handling of personal data and ensures compliance with the Personal Data (Privacy) Ordinance. The Policy complies with the regulatory requirements in direct marketing under the Personal Data (Privacy) Amendment Ordinance. Guideline on Handling Customer Personal Data is also in place. Please also refer to General Disclosure Item 102-46 for the topic boundary.

418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	**INFO:** No substantiated complaints regarding breaches of customer privacy or losses of customer data were recorded.
GRI 419 (Ver. 2016): Socioeconomic Compliance		
GRI 103 (Ver. 2016): Management Approach		**SR:** Sustainability at HKEI – Sustainability Governance; Serving Hong Kong – Management Approach; Working With Partners – Management Approach **INFO:** Please also refer to General Disclosure Item 102-46 for the topic boundary.
419-1	Non-compliance with laws and regulations in the social and economic area	**SR:** Sustainability at HKEI – Sustainability Governance – Governance Practices
TOPIC: DISASTER / EMERGENCY PLANNING AND RESPONSE		
GRI 103 (Ver. 2016): Management Approach (and description on contingency planning measures, disaster/emergency management plan and training programs, and recovery/restoration plans)		**SR:** Sustainability at HKEI – Sustainability Governance; Working with Partners – Health & Safety – Contingency Preparedness **INFO:** Our Crisis Management Plan (CMP) is aimed at giving a broad outline at the macro level of HK Electric's response to an emergency affecting several Divisions, which could cause potential damage to HK Electric's long-term business plans. The plan covers all Divisions/Departments of HK Electric. In order to secure the best interests of HK Electric and restore good order as soon as possible in the event of crisis, a Crisis Management Team (CMT) may be formed on the direction of the Managing Director. At the micro level, individual Divisions/Departments prepare their own instructions to maintain the continuity of their business and have comprehensive plans to deal with contingency. The CMP will be reviewed and revised as and when necessary. A drill to test the effectiveness of the formation of CMT has been staged once a year. The drill scheduled for 2019 was postponed to 2020, due to the busy erection and commissioning activities related to the erection and commissioning of a new gas-fired unit L10. We have contingency plan for handling of power interruption. Contingency Plans for Significant Events are in place. Significant Events include: • Earthquake • Failure of Main Energy Management System / Distribution Management System or System Control Centre becomes inoperative • Both System Control Centre and Remote System Control Centre are not available • System blackout • Extensive damage to generation facility • Extensive damage to transmission facility We regularly conduct drills to ensure the effectiveness and robustness of these plans and procedures. Please also refer to General Disclosure Item 102-46 for the topic boundary.

TOPIC: ACCESS	
GRI 103 (Ver. 2016): Management Approach and description on programs, including those in partnership with government, to improve or maintain access to electricity and customer support services	**WEB:** Concessionary Tariff Schemes; Caring Services; Smart Power Care Fund; Relief Measures **SR:** Serving Hong Kong – Management Approach; Serving Hong Kong – Reliable and Affordable Power – Alleviating Economic Hardship; Serving Hong Kong – Smart Power Services **INFO:** We supply electricity to Hong Kong Island and Lamma Island which are generally highly urbanised areas and well-covered by our supply network. Please also refer to General Disclosure Item 102-46 for the topic boundary.
EU26 Percentage of population unserved in licensed distribution or service areas	**INFO:** 0%
EU27 Number of residential disconnections for non-payment, broken down by duration of disconnection and by regulatory regime	**INFO:** Sufficient notice would be communicated to customers with ample time to settle the non-payment, before executing the disconnection. In fact, the no. of non-payment cases which lead to disconnection is very small as compared to the customer base of 581,000 accounts. In 2019, there were 945 residential accounts (0.2%) being disconnected due to non-payment while we have acceded to 1,404 accounts for payment deferral from residential customers. In accordance with our service pledge, supply will be re-connected on the same day as payment is received. In addition, we provide energy efficiency advice to customers, and are willing to listen to customers with difficulties in bill settlement to see what we can help.
EU28 Power outage frequency	**INFO:** SAIFI = 0.066
EU29 Average power outage duration	**INFO:** SAIDI = 0.01
EU30 Average plant availability factor by energy source and by regulatory regime	**SR:** Key Statistics and Targets – Summary of Statistics **INFO:** The plant availability broken down into gas and coal & oil are 90.7% and 91.0% respectively.
TOPIC: PROVISION OF INFORMATION	
GRI 103 (Ver. 2016): Management Approach and description on practices to address language, cultural, low literacy and disability related barriers to accessing and safely using electricity and customer support services	**WEB:** Caring Services; Smart Power Care Fund **SR:** Serving Hong Kong – Serving our Customers – Excellent Service; Serving Hong Kong – Serving our Customers – Smart Power Services; Serving Hong Kong – Caring for the Community – Caring for an Ageing Population; Working with Partners – Health & Safety – Contingency Preparedness **INFO:** Please also refer to General Disclosure Item 102-46 for the topic boundary.

Table for General Disclosure Items 102-40, 102-42 and 102-43

Stakeholder groups	Why are their views important?	Common engagement channels
Customers	Electricity is a daily necessity for our customers.	1, 2, 3, 4, 5, 6, 7
Shareholders	We are accountable to our shareholders.	1, 2, 6, 7
Employees	We have a responsibility to care for our employees who devote much of their time to us and we depend on them for our success.	1, 2, 3, 4, 5, 6, 7
Business partners	Having common CSR values is important in business relationships.	1, 2, 5, 6, 7
Local communities	We care for the communities we serve.	1, 2, 3, 4, 6, 7
NGOs and professional institutions	They are our key CSR and industry partners.	1, 2, 3, 4, 6, 7
Education sector	We support green education particularly for students.	1, 2, 3, 4, 5, 6 , 7
Authorities and legislators	Authorities and legislators have a regulatory role in our utility business.	1, 2, 4, 6, 7
Media	The media is an important partner in our communications with the public.	1, 6, 7

Remarks	
1	Meetings, conversations and enquiries
2	Visits, talks, seminars, workshops and exhibitions
3	Advisory services and community programmes
4	Consultation panels, focus groups and liaison teams
5	Surveys and suggestion schemes
6	Mobile apps, intranet, website, YouTube channel and Facebook pages
7	News, reports and other publications

Table for General Disclosure Items 102-44, 102-46 and 102-47

A specialised stakeholder engagement exercise was conducted in end 2018. Questionnaires were issued to a number of representatives of the key stakeholder groups to collect their views on HKEI's sustainability reporting. After a review in end 2019, it is considered that the findings are still relevant for 2019.

Making reference to the GRI Standards, a total of 35 relevant sustainability topics have been identified by HKEI based on their relevance to its business. Material sustainability topics are defined as those with rounded overall rating above "6". After conducting the materiality assessment, 30 out of the 35 relevant sustainability topics identified were found material. The remaining 5 topics which are not material are shaded in the table below.

	Sustainability Topic	Stakeholders' Rating (0-5 scale)	HKEI's Rating (0-5 scale)	Overall Rating (0-10 scale)
1	Corporate governance	4.2	5	9
2	Compliance*	4.3	5	9
3	Stakeholder engagement	4.1	4	8
4	Innovation**	4.0	5	9
5	Economic performance*	4.3	5	9
6	Market presence - contribution to local economic development* (in particular local hiring)	4.0	2	6
7	Indirect economic impacts* (including energy infrastructure investments and affordable energy)	4.2	3	7
8	Procurement practices* (in particular proportion of spending on local suppliers)	3.8	3	7
9	Anti-corruption*	4.3	5	9
10	Anti-competition behaviour*	4.2	4	8
11	Operation performance* (including supply reliability and generation efficiency)	4.5	5	9
12	Sustainable use of resources and materials*	4.2	5	9
13	Energy consumption and saving*	4.3	5	9
14	Water resources conservation*	4.2	5	9
15	Biodiversity conservation*	4.0	4	8
16	Climate change, clean energy and emissions*	4.2	5	9
17	Effluent and waste management*	4.2	5	9
18	Employment practices**	4.0	4	8
19	Employee consultation and communication practices for significant operational changes**	4.1	2	6
20	Occupational health and safety*	4.3	5	9
21	Training and development**	4.2	4	8
22	Non-discrimination, diversity and equal opportunity*	4.1	4	8
23	Freedom of association and collective bargaining*	3.8	3	7
24	Child and compulsory labour*	3.8	3	7
25	Security practices with due respect for human rights*	4.1	2	6
26	Rights of indigenous peoples*	3.8	2	6
27	Human rights assessment*	3.9	3	7
28	Contribution to and impact on local communities*	4.4	4	8
29	Supplier CSR assessment*	4.1	3	7
30	Participation in public policy development* (including political contributions)	3.9	2	6
31	Customer health and safety*	4.2	5	9
32	Customer services* (including access to electricity and emergency services)	4.3	5	9
33	Product and services information and labelling, and marketing communications*	4.1	4	8
34	Customer privacy*	4.3	5	9
35	Emergency preparedness*	4.4	5	9

Topic boundary:
*Inside and outside organisation; **Inside organisation only

GRI Standards GRI-101 page Downloaded Feb 2020

2. Using the GRI Standards for sustainability reporting

This section sets out the basic process for sustainability reporting using the GRI Standards. An organization that wants to claim its sustainability report has been prepared in accordance with the GRI Standards (either Core or Comprehensive option) is required to comply with all requirements in this section. These requirements are denoted by the use of 'shall' in the text and **bold font**. They guide the reporting organization through the process of preparing a sustainability report in which:

- the Reporting Principles have been applied;
- disclosures giving contextual information about the organization have been made;
- every material topic has been identified and reported on.

Some clauses in this section are closely linked to disclosures in *GRI 102: General Disclosures* and *GRI 103: Management Approach*, which ask for specific information to be disclosed by the reporting organization. In these cases, the relevant disclosures from *GRI 102* or *GRI 103* are identified within guidance.

Applying the Reporting Principles

2.1   The reporting organization shall apply all Reporting Principles from Section 1 to define report content and quality.

Guidance

It is important that an organization using the GRI Standards to prepare a sustainability report has understood and implemented the ten Reporting Principles for defining report content and quality. These principles guide choices about the selection and quality of information in the report.

Disclosure 102-46 in *GRI 102: General Disclosures* requires an explanation of how the organization has implemented the Reporting Principles for defining report content.

Reporting general disclosures

2.2   The reporting organization shall report the required disclosures from *GRI 102: General Disclosures*.

Guidance

The general disclosures request contextual information about an organization and its sustainability reporting practices. If an organization wants to claim that its report has been prepared in accordance with the GRI Standards (Core or Comprehensive option),

there are a number of disclosures from *GRI 102: General Disclosures* which it is required to report. For more information, see Table 1 in Section 3.

Section 2: Using the GRI Standards for sustainability reporting

Identifying material topics and their Boundaries

2.3   The reporting organization shall identify its material topics using the Reporting Principles for defining report content.

    2.3.1   The reporting organization should consult the GRI Sector Disclosures that relate to its sector, if available, to assist with identifying its material topics.

2.4   The reporting organization shall identify the Boundary for each material topic.

....

Guidance

Material topics are those that an organization has prioritized for inclusion in the sustainability report. This prioritization exercise is carried out using the Stakeholder Inclusiveness and the Materiality principles. The Materiality principle identifies material topics based on the following two dimensions:

- The significance of the organization's economic, environmental, and social impacts;
- Their substantive influence on the assessments and decisions of stakeholders.

In applying the Materiality principle, 'impact' refers to the effect an organization has on the economy, the environment, and/or society, which in turn can indicate its contribution (positive or negative) to sustainable development. For more information on the Materiality principle, see clause 1.3.

Disclosure 102-47 in *GRI 102: General Disclosures* requires reporting the list of material topics.

Using the GRI Sector Disclosures

The GRI Sector Disclosures provide additional sector-specific disclosures and guidance which can be used in conjunction with the GRI Standards. The Sector Disclosures can be found on the GRI Standards website. It is recommended that the reporting organization consults the relevant Sector Disclosures, if available, to help identify its material topics. However, the use of the Sector Disclosures is not intended to be a substitute for applying the Reporting Principles for defining report content.

Linking identified material topics to the GRI Standards

The use of 'topics' in the GRI Standards refers to broad economic, environmental, and social subjects, such as Indirect Economic Impacts, Water, or Employment. These topic names are intentionally broad, and each topic can cover numerous related concepts. For example, the topic 'Water' can encompass a range of more specific but related subjects, such as 'water stress' or 'access to water'.

The list of topics covered by the GRI Standards is not exhaustive. In some cases, an organization may identify a material topic that does not match exactly with the available topic-specific Standards. In this case, if the material topic is similar to one of the available topic Standards, or can be considered to relate to it, the organization is expected to use that Standard for reporting on the topic in question.

If the organization identifies a material topic that cannot reasonably be related to one of the topic-specific Standards, see clauses 2.5.1 and 2.5.3 for requirements about how to report on it.

Reporting the Boundary for each material topic

The topic Boundary is the description of where the impacts occur for a material topic, and the organization's involvement with those impacts. Organizations might be involved with impacts either through their own activities or as a result of their business relationships with other entities. An organization preparing a report in accordance with the GRI Standards is expected to report not only on impacts it causes, but also on impacts it contributes to, and impacts that are directly linked to its activities, products or services through a business relationship.[3] In the context of this GRI Standard, an organization's business relationships can include relationships with business partners, entities in its value chain, and any other non-State or State entity directly linked to its business operations, products or services.[4]

Disclosure 103-1 in *GRI 103: Management Approach* requires reporting the Boundary for each material topic. See *GRI 103* for more detailed information on topic Boundaries.

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[3] These concepts are based on the following instruments:
- Organisation for Economic Co-operation and Development (OECD), *OECD Guidelines for Multinational Enterprises*, 2011.
- United Nations (UN), 'Guiding Principles on Business and Human Rights, Implementing the United Nations "Protect, Respect and Remedy" Framework', 2011.

[4] Source: United Nations (UN), 'Guiding Principles on Business and Human Rights, Implementing the United Nations "Protect, Respect and Remedy" Framework', 2011.

Reporting on material topics

2.5   For each material topic, the reporting organization:

2.5.1   shall report the management approach disclosures for that topic, using *GRI 103: Management Approach*; and either:

2.5.2   shall report the topic-specific disclosures in the corresponding GRI Standard, if the material topic is covered by an existing GRI Standard (series 200, 300, and 400); or

2.5.3   should report other appropriate disclosures, if the material topic is not covered by an existing GRI Standard.

Guidance

Guidance for clause 2.5

To claim that its report has been prepared in accordance with the GRI Standards, the reporting organization is required to report on all material topics identified (the list of material topics is reported with Disclosure 102-47 in *GRI 102: General Disclosures*). If a material topic is not covered by an existing topic-specific GRI Standard, the organization is still required to report on its management approach using *GRI 103: Management Approach*, and is recommended to use appropriate disclosures from other sources to report on its impacts.

In other cases, an organization might want to use additional disclosures from other sources to report on material topics covered by the GRI Standards, as well as reporting the GRI disclosures.

Any additional disclosures are expected to be subject to the same technical rigor as the disclosures in the GRI Standards, and to be consistent with other established standards or reporting frameworks where available and relevant.

Reporting topics where the Boundary extends beyond the reporting organization

In some cases, if the Boundary of a topic extends beyond the organization, it may not be possible to report some topic-specific disclosures. For example, if the Boundary for a topic includes part of the supply chain, the organization might not be able to access the necessary information from suppliers. In these cases, to prepare a report in accordance with the GRI Standards, the organization is still required to report its management approach for the topic, but can use the recognized reasons for omission for topic-specific disclosures. See clause 3.2 for more information on reasons for omission.

Disclosure 103-1-c in *GRI 103: Management Approach* requires reporting any specific limitation regarding the topic Boundary.

6. Reporting practice

These disclosures give an overview of the process that an organization has followed to define the content of its sustainability report. They also review the process it followed to identify its material topics and their Boundaries, along with any changes or restatements. Moreover, they provide basic information about the report, the claims made about the use of the GRI Standards, the GRI content index, and the organization's approach to seeking external assurance.

(Core)

Disclosure 102-45
Entities included in the consolidated financial statements

Reporting requirements

Disclosure
102-45

> The reporting organization shall report the following information:
>
> a. A list of all entities included in the organization's consolidated financial statements or equivalent documents.
>
> b. Whether any entity included in the organization's consolidated financial statements or equivalent documents is not covered by the report.

Guidance

An organization can report Disclosure 102-45 by referencing the information in publicly available consolidated financial statements or equivalent documents.

Section 6: Reporting practice

Core

Disclosure 102-46
Defining report content and topic Boundaries

Reporting requirements

Disclosure 102-46

The reporting organization shall report the following information:

a. An explanation of the process for defining the report content and the topic Boundaries.

b. An explanation of how the organization has implemented the Reporting Principles for defining report content.

6.1   When compiling the information specified in Disclosure 102-46, the reporting organization shall include an explanation of how the Materiality principle was applied to identify material topics, including any assumptions made.

Reporting recommendations

6.2   When compiling the information specified in Disclosure 102-46, the reporting organization should include an explanation of:

6.2.1   the steps taken to define the content of the report and to define the topic Boundaries;

6.2.2   at which steps in the process each of the Reporting Principles for defining report content was applied;

6.2.3   assumptions and subjective judgements made in the process;

6.2.4   challenges the organization encountered when applying the Reporting Principles for defining report content.

Guidance

The four Reporting Principles for defining report content are: Stakeholder Inclusiveness, Sustainability Context, Materiality, and Completeness. Together, these Principles help an organization decide which content to include in the report by considering the organization's activities, impacts, and the substantive expectations and interests of its stakeholders.

This disclosure asks for an explanation of how the organization has defined its report content and topic Boundaries, and how these four Principles have been implemented. This explanation also requires a specific description of how the Materiality principle has been applied, including how material topics were identified based on the two dimensions of the principle.

This explanation can also include:

*   the steps taken to identify relevant topics (i.e., those that potentially merit inclusion in the report);

*   how the relative priority of material topics was determined.

For more information on the Reporting Principles for defining report content, see *GRI 101: Foundation*.

The description of the topic Boundary for each material topic is reported under Disclosure 103-1 in *GRI 103: Management Approach*.

Core

Disclosure 102-47
List of material topics

Reporting requirements

Disclosure 102-47

The reporting organization shall report the following information:

a. A list of the material topics identified in the process for defining report content.

Guidance

Material topics are those that an organization has prioritized for inclusion in the report. This prioritization exercise is carried out using the Stakeholder Inclusiveness and the Materiality principles. The Materiality principle identifies material topics based on the following two dimensions:

*   The significance of the organization's economic, environmental, and social impacts;

*   Their substantive influence on the assessments and decisions of stakeholders.

For more information on the Stakeholder Inclusiveness and Materiality principles, see *GRI 101: Foundation*.

The explanation of why each topic is material is reported under Disclosure 103-1 in *GRI 103: Management Approach*.

99

DEFINING MATERIAL ASPECTS AND BOUNDARIES: THE PROCESS

This section describes the steps that the organization may go through in order to define the specific content of the report.

The steps described here have been designed to offer Guidance on how to implement the Principles for Defining Report Content.

Although following the steps is not a requirement to be 'in accordance' with the Guidelines, the implementation of the Reporting Principles is a requirement. The Reporting Principles are fundamental to achieving transparency in sustainability reporting and therefore should be applied by all organizations when preparing a sustainability report.

The Principles for Defining Report Content are to be applied to identify the information to be disclosed, by considering the organization's activities, impacts, and the substantive expectations and interests of its stakeholders. There are four Principles for Defining Report Content: Materiality, Stakeholder Inclusiveness, Sustainability Context and Completeness (see *Reporting Principles and Standard Disclosures* pp. 16-17, and *Implementation Manual* pp. 9-13). Each Reporting Principle has two components: a definition, and a description of how and why to apply the Principle. Both components should be considered by the organization.

Figure 2 indicates which of these Reporting Principles is applicable in the different process steps. Stakeholder Inclusiveness applies to the whole process, in varying degrees.

The methodology applied in the steps varies according to the individual organization. Specific circumstances such as business model, sector, geographic, cultural and legal operating context, ownership structure, and the size and nature of impacts affect how the organization identifies the material Aspects and other material topics to be reported. Considering the organization's specificities, the steps to define report content are expected to be systematic, documented and replicable, and used consistently in each reporting period. Changes to the assessment approach, and their implications, are expected to be documented.

STEP 1: IDENTIFICATION – OVERVIEW

The process begins with **Identification** of the Aspects and any other relevant topics, and their Boundaries, which might be considered to be reported on. This identification is based on the Principles of Sustainability Context and Stakeholder Inclusiveness. When assessing the range of potentially relevant topics, the organization should use the tests that underlie these two Principles. The organization should identify Aspects and any other relevant topics based on the impacts related to all of its activities, products, services, and relationships, regardless of whether these impacts occur within or outside of the organization[IV].

IV • United Nations (UN), 'Guiding Principles on Business and Human Rights, Implementing the United Nations "Protect, Respect and Remedy" Framework', 2011.
  • United Nations (UN), *Protect, Respect and Remedy: a Framework for Business and Human Rights*, 2008.
  • United Nations (UN), *Report of the Special Representative of the Secretary-General on the issue of Human Rights and Transnational Corporations and Other Business Enterprises, John Ruggie*, 2011.

FIGURE 2

Defining material Aspects and Boundaries - process overview
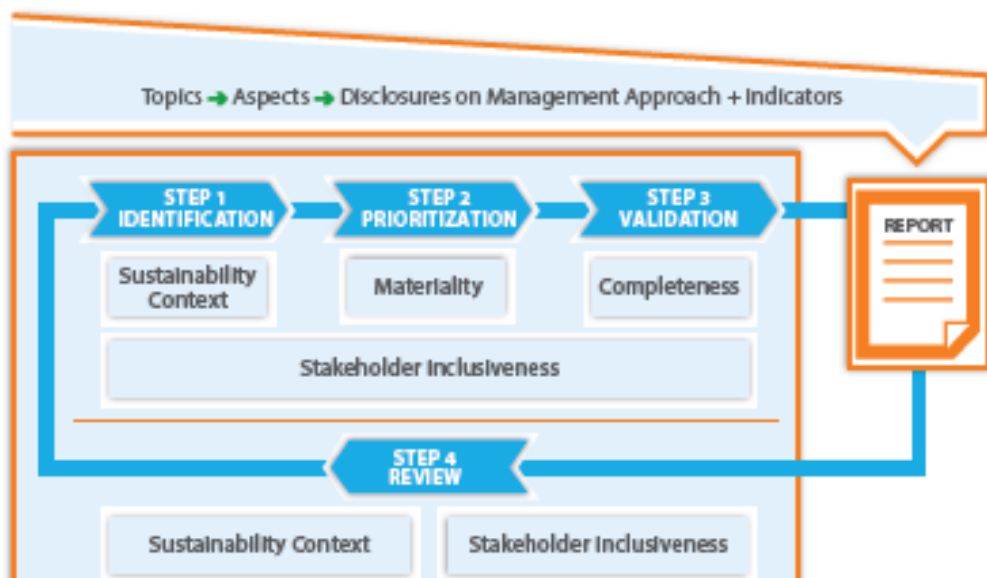
↓ G4-18 CONTINUED

While the organization new to sustainability reporting is likely to focus on impacts that occur within the organization, a broader consideration of the impacts outside of the organization should become feasible as reporting practice matures.

STEP 2: PRIORITIZATION – OVERVIEW

The next step in defining report content is **Prioritization** of the Aspects and any other relevant topics from Step 1, to identify those that are material and therefore to be reported on. Prioritization should be based on the Principles of Materiality and Stakeholder Inclusiveness. When assessing the level of priority, the organization should use the tests that underlie these two Principles.

STEP 3: VALIDATION – OVERVIEW

This step is followed by **Validation** where the Principles of Completeness and Stakeholder Inclusiveness are applied to finalize the Identification of the report content. When validating the identified material Aspects (or other material topics), the organization

should use the tests that underlie these two Principles.

The outcome of these first three steps is a list of material Aspects (and other material topics) and their Boundaries. The final list of material Aspects (and other material topics) will lead the organization to defining a list of Specific Standard Disclosures related to them, which should be disclosed in its report.

STEP 4: REVIEW – OVERVIEW

Finally, after the report has been published, it is important that the organization undertakes a review of its report – Step 4. This review takes place as the organization is preparing for the next reporting cycle. A review may focus not only on the Aspects that were material in the previous reporting period but also consider again the Principles of Stakeholder Inclusiveness and Sustainability Context. The findings inform and contribute to the Identification Step for the next reporting cycle.

At the end of this guidance text, a summary of the actions to be taken for each Step is presented.

STEP 1

Identification

1.1 IDENTIFYING RELEVANT TOPICS

Before defining the list of material Aspects or other material topics, organizations are advised to consider an initial broad list of topics that merit inclusion in the report. These are 'relevant topics'.

'Relevant topics' are those that may reasonably be considered important for reflecting the organization's relevant economic, environmental and social impacts; or influencing the assessments and decisions of stakeholders. All such topics potentially merit to be considered for inclusion in a sustainability report.

All GRI Aspects and related Standard Disclosures under each Category in the Guidelines and the GRI Sector Disclosures can be considered at this stage as the initial list of topics for this step. See Tables 1 or 5 in *Reporting Principles and Standard Disclosures* p. 9 or p. 44, and Table 1 in *Implementation Manual* p. 62 for an overview of all GRI Aspects.

The GRI Sector Disclosures can be found at www.globalreporting.org/reporting/sector-guidance

The identification of relevant topics involves considering the relevant impacts related to all of the organization's activities, products, services, and relationships, regardless of whether these impacts occur within or outside of the organization.

For each identified relevant topic, the organization has to assess the impacts related to it and identify the Boundary. The Boundary of a topic specifies where the impacts occur: within or outside of the organization. Boundaries should be described in sufficient detail to identify:
• Where exactly within the organization itself the impacts occur
• Where outside of the organization the impacts occur

The organization's identification of relevant topics is expected to be systematic and may consider the precautionary principle[v]. In addition, where practicable the organization is advised to apply a scientific and internationally validated approach to measurement, and rely on proven expertise and authoritative research.

In assessing the range of potentially relevant topics, the organization should use the tests that underlie the Principles of Sustainability Context and Stakeholder Inclusiveness.

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v United Nations (UN) Declaration, 'The Rio Declaration on Environment and Development', 1992.

⬇ **G4-18 CONTINUED**

1.2 DETERMINING BOUNDARIES FOR RELEVANT TOPICS

This section explains concepts that will help to determine Boundaries of relevant topics and material Aspects.

The impacts that make a topic relevant can occur within or outside of the organization, or both.

'Boundary' refers to the description of where impacts occur for each relevant topic (potentially material Aspect). In setting the Boundaries, an organization should consider impacts within and outside of the organization. Topic Boundaries vary.

a. Within the organization

Impacts that make a topic relevant can occur within the organization. In the Guidelines, 'within the organization' means the group of entities that are reported in G4-17.

These impacts do not always occur throughout the entire organization. During this step, the organization needs to evaluate in which entities within the organization the impact occurs. Refer to General Standard Disclosure G4-20.

b. Outside of the organization

Impacts that make a topic relevant can occur outside of the organization. There is no exhaustive list of outside parties to be considered in this process. Instead, the organization should attempt to capture the instances where a relevant impact occurs. These relevant impacts can be described as direct or indirect for some topics or as caused by, contributed to, or linked to the organization for others[VI].

For assessment purposes, the impacts that make the topic relevant outside of the organization can be grouped by their geographical location or the nature of the organization's relationship to them (such as suppliers in country X). Refer to General Standard Disclosure G4-21.

VI • United Nations (UN), 'Guiding Principles on Business and Human Rights, Implementing the United Nations "Protect, Respect and Remedy" Framework', 2011.
• United Nations (UN), *Protect, Respect and Remedy: a Framework for Business and Human Rights*, 2008.
• United Nations (UN), *Report of the Special Representative of the Secretary-General on the issue of Human Rights and Transnational Corporations and Other Business Enterprises, John Ruggie*, 2011.

FIGURE 3 *An example where the topic of anti-corruption is only relevant to certain entities within the organization*

FIGURE 4 *An example where the topic of child labor is only relevant to certain entities outside of the organization*

↓ **G4-18 CONTINUED**

c. Within and outside of the organization

Impacts that make a topic relevant can occur within and outside of the organization. When describing the Boundaries for such topics, organizations should combine the considerations for determining Boundaries within the organization and outside of the organization, as explained earlier.

At the end of the Step 1, the organization will have identified a list of relevant topics, along with their Boundaries. In the next step, this list is assessed for materiality, reporting priority, and level of coverage in the report.

FIGURE 5 *An example where the topic of emissions is relevant within and outside of the organization*

STEP 2

Prioritization

2.1 WHAT TO ANALYZE

After considering a list of relevant topics which might be covered in the report – which is likely to be a list containing a selection of GRI Aspects and GRI Sector Disclosures that are complemented, if needed, by other topics – the organization has to prioritize them. This involves considering the **significance** of their economic, environmental and social impacts or their substantive influence on the assessments and decisions of stakeholders.

For simplicity, the 'relevant topics' identified in Step 1 are referred to as 'Aspects' from now on.

The definition of the Materiality Principle states:

"The report should cover Aspects that:
* *Reflect the organization's significant economic, environmental and social impacts; or*
* *Substantively influence the assessments and decisions of stakeholders"*

Consequently, to determine if an Aspect is material, qualitative analysis, quantitative assessment and discussion are needed. The organization's strategy and the context of its activities are important parts of this analysis and discussion.

The fact that a topic is difficult to quantify does not mean that the topic is not material. The decision of what is possible to be reported on for an identified material Aspect is to be considered later. The focus now is the analysis considering the points above.

The prioritization should be based on the Principles of Materiality and Stakeholder Inclusiveness. When assessing the level of priority, the organization should use the tests that underlie these two Principles.

2.2 ANALYSIS OF 'INFLUENCE ON STAKEHOLDER ASSESSMENTS AND DECISIONS' AND 'SIGNIFICANCE OF THE ORGANIZATION'S ECONOMIC, ENVIRONMENTAL AND SOCIAL IMPACTS'

To implement the Materiality Principle, each Aspect should be assessed on 'Influence on stakeholder assessments and decisions' and 'Significance of organization's economic, environmental and social impacts'.

These viewpoints might overlap to some extent with respect to internal stakeholders. The interests and expectations of stakeholders that are invested specifically in the success of the organization (such as of workers, shareholders, and suppliers) inform the analysis of both viewpoints.

a. Influence on stakeholder assessments and decisions

The analysis of this viewpoint includes the assessment of the views expressed by stakeholders before and during the reporting period.

By applying the Principle of Stakeholder Inclusiveness, the organization should be able to identify and consider its key stakeholders and their respective views and interests, and how their views may affect decisions on the report content. The analysis requires the organization to translate the varied opinions of different stakeholders into a series of decisions on what to include and exclude from its report.

The Guidelines require disclosure on stakeholder engagement under G4-24 to G4-27 (*Reporting Principles and Standard Disclosures* pp. 29-30, and *Implementation Manual* pp. 43-44). The organization is required to describe how stakeholders are identified and prioritized, how their input has been used or not used, and how different expectations and interests are assessed, as well as the organization's rationale behind the chosen approach.

Stakeholder views may be drawn from existing, ongoing engagement mechanisms, as well as from stakeholder engagement that is initiated specifically for defining sustainability report content. Throughout the engagement process the Principle of Stakeholder Inclusiveness is applied in detail.

The stakeholder engagement process described here aims to identify Aspects that are important to key stakeholders and to recognize gaps between the perceptions of the organization and stakeholders. Aspects of high significance to key stakeholders should be considered material, especially those Aspects that concern the stakeholders' own interests.

The nature of the organization's impact and the Aspect Boundary are considered when defining the geographical focus of engagement. The stakeholder engagement process has to be appropriate to the stakeholder group. Stakeholder engagement also identifies the interests of stakeholders who are unable to articulate their views (such as future generations, fauna, ecosystems). The organization should identify a process for taking such views into account in determining materiality, including the interests of stakeholders with whom it may not be in constant or obvious dialogue.

The proper stakeholder engagement process is two-way in nature, systematic and objective. Some engagement processes with specific stakeholder groups, such as workers and communities, are expected to be independent of management and include mechanisms for stakeholders to express collective views relevant to their location.

The analysis of the Aspects identified by stakeholders may include:
* Each stakeholder group's perception of the organization's impact on that stakeholder group
* Each stakeholder group's perception of the group's dependency on the organization
* The geographical location of stakeholders, and the significance of the Aspect to their region
* The diversity and range of stakeholders who express interest and/or are affected
* The expectations of stakeholders regarding action and response to an Aspect
* The expectations of stakeholders regarding transparency on a particular Aspect

In addition, prioritizing stakeholders requires an analysis of how stakeholders relate to the organization and to the Aspect being considered. This process may include the degree to which stakeholders:
* Are interested in, affected by, or have potential to be affected by the impacts of an organization's activities, products, services, and relationships
* Have the ability to influence outcomes within the organization
* Are invested in the success/failure of the organization

An organization's activities, products, services, and relationships lead to economic, environmental and social impacts. Some of these sustainability impacts are visible to stakeholders, who express an interest in them directly. But not all sustainability impacts are recognized by stakeholders. Some impacts may be slow and cumulative. Others occur at a distance from stakeholders, so that causal links may not be clear.

b. Significance of the organization's economic, environmental and social impacts

The aim of this analysis is to prioritize those Aspects that may

↓ G4-18 CONTINUED

positively or negatively influence the organization's ability to deliver on its vision and strategy.

To prioritize Aspects for reporting, the organization's assessment includes, among others, the following elements:
- The likelihood of an impact
- The severity of an impact
- The likelihood of risks or opportunities arising from an Aspect
- How critical the impact is for the long-term performance of the organization
- The opportunity for the organization to grow or gain advantage from the impact

Elements of this information may be available through established internal policies, practices and procedures (such as strategy, KPIs, risk assessments, and financial reports), as well as regulatory disclosure.

Among other possible elements, the analysis may include:
- Current and future financial and non-financial implications
- Impacts on the strategies, policies, processes, relationships and commitments of the organization
- Impacts on competitive advantage/management excellence

2.3 DETERMINING MATERIAL ASPECTS
a. Thresholds
After completing the analysis of 'Influence on stakeholder assessments and decisions' and 'Significance of the organization's economic, environmental and social impacts', the organization should be able to identify Aspects with respect to both these viewpoints.

The organization now defines thresholds (criteria) that render an Aspect material. The analysis of the two viewpoints should be reflected in these thresholds.

The definition of thresholds by the organization has a significant effect on the report. It is important that the thresholds and underlying criteria are clearly defined, documented and communicated by the organization.

This determination involves discussion, qualitative analysis and quantitative assessment to understand how **significant** an Aspect is.

The fact that a topic is difficult to quantify does not mean that the topic is not material. The decision of what is possible to be reported on for identified material Aspects is to be considered later.

In defining thresholds, the organization needs to make a decision on how to address Aspects that are more significant in one viewpoint than the other. An Aspect does not have to be highly significant in both viewpoints to be deemed a priority for reporting.

Emerging Issues – Aspects that may become relevant over time – are an example of this. Significance within one viewpoint is more important than convergence between the different viewpoints, and establishing a lowest common denominator is to be avoided. In addition, as noted earlier, Aspects of high significance to key stakeholders concerning their own interests are expected to be considered material for reporting.

For a visual representation of this identification, in Figure 6 the area between the two axes includes the Aspects identified during the Identification Step. Here, the Aspects are placed with respect to the 'Influence on stakeholder assessments and decisions' and 'Significance of the organization's economic, environmental and social impacts'. All the Aspects within the chart should be considered in the Prioritization Step.

FIGURE 6   *Visual representation of prioritization of Aspects*

INFLUENCE ON STAKEHOLDER ASSESSMENTS AND DECISIONS

SIGNIFICANCE OF ECONOMIC, ENVIRONMENTAL, AND SOCIAL IMPACTS
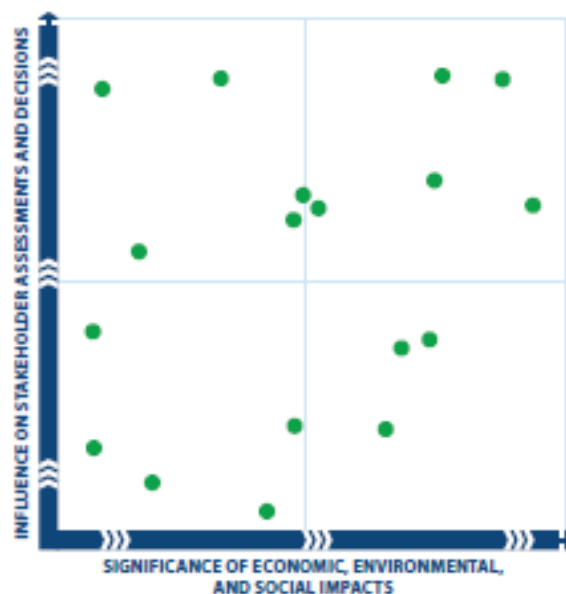
↓ **G4-18 CONTINUED**

The organization may identify material topics that are not covered by the Aspects list and Indicators in the Guidelines neither by the GRI Sector Disclosures. To address these topics, the organization may apply the Generic DMA. The organization may also use – complementary to the Generic DMA – alternative Indicators, also sector specific ones, or develop their own Indicators. Organization-specific Indicators included in the report should be subject to the same Reporting Principles and have the same technical rigor as GRI's Standard Disclosures.

The organization may also take the approach of assessing the Indicators for materiality during the Validation Step. If an Indicator is deemed material yet the Aspect it belongs to was not identified as material, the Aspect should be considered material.

STEP 4

Review

A review takes place after the report has been published, and the organization is preparing for the next reporting cycle. The Review focuses on the Aspects that were material in the previous reporting period and also considers stakeholder feedback. The findings inform and contribute to the Identification Step for the next reporting cycle.

The Principles of Stakeholder Inclusiveness and Sustainability Context, and their associated tests in the Guidelines, inform the review of a report. They serve as checks regarding the presentation and evaluation of report content, as well as checks for the reporting process as a whole.

The organization may choose to engage internal and external stakeholders to check whether the report content provides a reasonable and balanced picture of the organization's impacts and its sustainability performance, and if the process by which the report content was derived reflects the intent of the Reporting Principles.

PROCESS FOR DEFINING REPORTING CONTENT – SUMMARY

STEP 1
Identification

- Consider the GRI Aspects list and other topics of interest
- Apply the Principles of Sustainability Context and Stakeholder Inclusiveness: Identify the Aspects - and other relevant topics – based on the relevant economic, environmental and social impacts related to all of the organization's activities, products, services, and relationships, or on the influence they have on the assessments and decisions of stakeholders
- Identify where the impacts occur: within or outside of the organization
- List the Aspects and other topics considered relevant, and their Boundaries

STEP 2
Prioritization

- Apply the Principles of Materiality and Stakeholder Inclusiveness: Assess each Aspect and other topic considered relevant for:
  - the significance of the organization's economic, environmental and social impacts
  - the influence on stakeholder assessments and decisions
- Identify the material Aspects by combining the assessments
- Define and document thresholds (criteria) that render an Aspect material
- For each material Aspect identified, decide the level of coverage, the amount of data and narrative explanation to be disclosed
- List the material Aspects to be included in the report, along with their Boundaries and the level of coverage

STEP 3
Validation

- Apply the Principles of Completeness and Stakeholder Inclusiveness: Assess the list of material Aspects against Scope, Aspect Boundaries and Time to ensure that the report provides a reasonable and balanced representation of the organization's significant economic, environmental and social impacts, and enables stakeholders to assess the organization's performance
- Approve the list of identified material Aspects with the relevant internal senior decision-maker
- Prepare systems and processes to gather the information needed to be disclosed
- Translate the identified material Aspects into Standard Disclosures – DMA and Indicators – to report against.
- Determine which information is available and explain those for which it still needs to establish management approaches and measurements systems

STEP 4
Review

- Apply the Principles of Sustainability Context and Stakeholder Engagement: Review the Aspects that were material in the previous reporting period
- Use the result of the review to inform Step 1 Identification for the next reporting cycle

See also 'Definitions of Key Terms':

Aspect, Aspect Boundary, Scope, Topic (See Glossary in *Implementation Manual*, p. 244)

FIGURE 7

Defining material Aspects and Boundaries - process overview
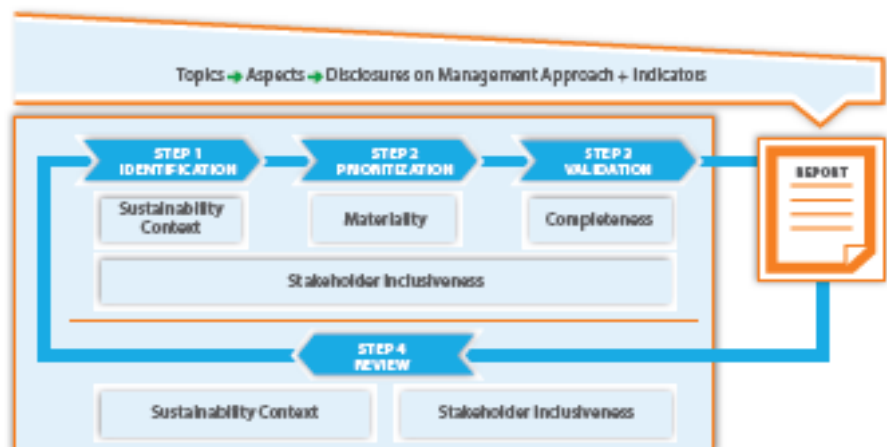
Harmonisation?

Paul Druckman, CEO, IIRC: "*IIRC acknowledges:*

- *IFAC's work on corporate reporting to support a more sustainable global economy.*"
- *IFRS Foundation, through IASB, develops financial reporting standards.*
- *GRI's develops sustainability reporting guidelines and standards .*"

INTEGRATED REPORTING ‹IR›

The reporting capstone

MEMORANDUMS OF UNDERSTANDING TO:

"promote the global harmonization and clarity of corporate reporting frameworks"
"proactively engage with each other"
"strive for complementarity in the ongoing development thereof"

IFRS™

IFAC International Federation of Accountants

GRI Empowering Sustainable Decisions

"We support the IIRC's vision of the evolution of corporate reporting, and through this agreement we will cooperate on important areas of mutual interest." **Hans Hoogervorst, Board Chairman, IASB**

"Traditional financial reporting alone is no longer enough for investors and stakeholders. A more complete picture is needed, and the work of the IIRC will help guide organizations to achieve this." **Ian Ball, CEO, IFAC**

"GRI commits to develop and maintain its guidelines and standards with the intent that these will be (to the extent reasonable and practicable) compatible with and supportive of ‹IR›" **Ernst Ligteringen, Chief Executive, GRI**

Harmonisation?

Corporate Reporting Dialogue

Report September 2019

Driving Alignment in Climate-related Reporting

Year One of the Better Alignment Project

CDP DISCLOSURE INSIGHT ACTION · CDSB Climate Disclosure Standards Board · GRI · INTEGRATED REPORTING <IR> · SASB

https://corporatereportingdialogue.com/publication/driving-alignment-in-climate-related-reporting/

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CRD: Better Alignment Project Sept 2019 findings

GRI, SASB, CDP and TCFD objectives are aligned but they use different terms which confuses report preparers/users.
<u>**Actions therefore:**</u>

- **Develop a common taxonomy and encourage all standard/framework setters to use the same language.**

- **Provide an online interactive tool to allow report preparers/users to quickly see what each standard says on the same topic/issue.**

- **Get the standard/framework setters to work together so future changes increase harmonisation. A key issue being to get a common set of Reporting Principles.**

Comparison between the GRI Reporting Principles and <IR> Guiding Principles

<!-- Legend: Full overlap (green) | Partial overlap (yellow) -->

--- GRI Reporting Principles ---

Main differences:
1) The primary purpose an <IR> to explain to providers of financial capital how an organisation creates value over time.   GRI aims to meet the reasonable expectations and interests of all stakeholders.
2) <IR> discusses the creation of value over the short, medium and long term for six capitals.   GRI discusses economic, environmental & social performance and impacts.

<IR> Guiding Principles	Principles for defining report content				Principles for defining report quality						GRI coverage
	Stakeholder inclusiveness The organisation should identify its stakeholders, and explain how it has responded to their reasonable expectations and interests.	**Sustainability context** The report should present the organisations performance in the wider context of sustainability	**Materiality** The report should cover Aspects that (a) Reflect the organisation's significant economic, environmental and social impacts, or (b) Substantively influence the assessments and decisions of stakeholders.	**Completeness** The report should include coverage of material Aspects and their Boundaries, sufficient to reflect significant economic, environmental and social impacts, and to enable stakeholders to assess the organisation's performance in the reporting period.	**Balance** The report should reflect positive and negative aspects of the organisation's performance to enable a reasoned assessment of overall performance.	**Comparability** The organisation should select, compile and report information consistently. The reporting information should be presented in a manner whtat enables stakeholders to analyse changes in the organisation's performance over time, and that could support analysis relative to other organisations.	**Accuracy** The reported information should be sufficiently accurate and detailed for stakeholders to assess the organisation's performance.	**Timeliness** The organisation should report on a regular schedule so that information is available in time for stakeholders to make informed decisions.	**Clarity** The organisation should make information available in a manner that is understandable and accessible to stakeholders using the report.	**Reliability** The organisation should gather, record, compile, analyse and disclose information and processes used in preparation of a report in a way that they can be subject to examination and that establishes the quality and materiality of the information.	
Strategic focus and future orientation: An integrated report should provide insight into the organization's strategy, and how that relates to its ability to create value in the short, medium and long term and its use of and effects on the capitals.		(partial)									Only covered 'implicitly.
Connectivity of information: An integrated report should show, a holistic picture of the combination, inter-relatedness and dependencies between factors that are material to the organization's ability to create value over time.		(partial)									Only covered 'implicitly.
Stakeholder relationships: An integrated report should provide insight into the quality of the organization's relationships with its key stakeholders and how and to what extent the organization understands, takes into account and responds to their legitimate needs and interests.	(partial)	(partial)									Only covered 'implicitly.
Materiality: An integrated report should disclose information about matters that substantively affect the organization's ability to create value in the short, medium and long term.			(partial)						(partial)		IR has value focus whereas GRI talks about impacts.
Conciseness: An integrated report should be concise.			(partial)						(partial)		GRI doesn't ask for concise but it does ask for reports to be understandable and accessible.
Reliability and completeness: An integrated report should include all material matters, both positive and negative, in a balanced way, without material error.				(full)	(full)	(full)					Yes
Consistency and comparability: The information in an integrated report should be presented on a basis that is consistent over time and in a way that enables comparison with other organizations to the extent it is material to the organization's own ability to create value over time.						(full)					Yes
<IR> coverage	Yes: Covered by Stakeholder Relationships	Yes	1) IR has value focus whereas GRI talks about impacts. 2) GRI doesn't ask for conciseness but it does ask for reports to be understandable and accessible.	Yes	Yes	Yes	Yes	Not mentioned by <IR>	IR asks for conciseness rather than than making reports to be understandable and accessible.	Only covered implicitly by <IR>	

Email 19

From: Alodia Ishengoma

Sent on: Monday, June 22, 2020

To: Standards

Subject: 'Public Comment Revised GSSB Work Program 2020-2022'

Dear Sir/Madam,

 Thanks for your trust and I take this opportunity to congratulate you for the work done so far.

 1. Lines numbers 54 – 73; Sec Line number 41: Sector program

For me, all (Standards, topics, sectors in priority groups, etc.) are so important that it is difficult to prioritize. Can it be true that the review of some GRI standards is more expensive than others? If that is the case then prioritize the cheapest one and review it in accordance with funds available.

 2. Line numbers 80 – 81; Sec line number 78: Issuance of FAQs,………

How are the persons with disability accommodated in the application of GRI Standards?

 Best Regards

 Alodia

Email 20

From: Ignatius Kauvee

Sent on: Tuesday June 23, 2020

To: Standards

Subject: 'Public Comment Revised GSSB Work Program 2020-2022'

Dear Sir/Madam,

I would herewith like to extend my sincere gratitude for the opportunity to provide this comments regarding the subject line.

6 Consider the enlargement of the stakeholder base by assuming pilot projects from environmental assessments and environmental management and reporting;

17 consensus, adaptability and relevance

19 inclusive research both geographical and time-bound

43 GRI sector program tend to be too simplistic

46 sector-specific impacts information can be derived from selected pilot environmental assessments and environmental management planning reporting

55, 63 sectors of oil, gas and coal can include mining

67 fishing can both be an extractive upstream priority 1 sector and a priority 2 sector

Best regards,

Ignatius Kauvee

Email 21

384

385   From: Ertan Kucukyalcin

386   Sent on: Sunday, April 26, 2020

387   To: Standards

388   Subject: 'Public Comment Revised GSSB Work Program 2020-2022'

389   Dear GSSB Members;

390   I would like to thank the GRI in giving me the opportunity to share my thoughts on the GSSB Work
391   Program.

392   I would like to share my suggestion below;

393   •   The coronavirus impacted the environment positively, which is good in terms of
394   sustainability (https://www.bbc.com/future/article/20200326-covid-19-the-impact-of-coronavirus-
395   on-the-environment)

396   •   The coronavirus impacted the companies negatively, which is bad in terms of sustainability
397   (https://www.bbc.com/news/business-52114414)

398   •   The coronavirus impacted employment negatively, which is bad in terms of sustainability
399   (https://www.bbc.com/news/business-52199888) .

400   The spread (or the fear of spread) of the virus has positive impact on sustainability at macro level
401   (environment), but the same event has negative impact at micro level (company/employee).
402   Therefore, I suggest making this distinction explicit and revising definition of "sustainability" as to
403   adress macro-sustainability and micro-sustainability.

404   Note: Indeed, I believe this ambigiouty is not limited to the recent events, but may arise in various
405   moments where there is a conflict between different stakeholders' interests.

406   (Line number: 34 and "Key Terms" in the Standards)

407   Kind Regards;

408   Ertan Küçükyalçın

Email 22

From: Jeff Wright

Sent on: Thursday, April 23, 2020

To: Standards

Subject: 'Public Comment Revised GSSB Work Program 2020-2022'

I feel that GRI needs to work on Priority Group 1, Forestry, Paper and Rubber.

While there are a number of certification schemes there is no single agreed to sustainability reporting system or format. GRI needs to develop this.

As an SC member I am able to assist.

Jeff Wright Dphil Oxon