



1 **Item 03 – GRI Topic Standard Project**
2 **for Climate Change – Final project**
3 **proposal**
4 **For GSSB approval**

| | |
|--------------------|---|
| Date | 2 February 2023 |
| Meeting | 16 February 2023 |
| Project | GRI Topic Standard Project for Climate Change – Final project proposal |
| Description | <p>This document sets out the project proposal to review <i>GRI 302: Energy 2016</i>, <i>GRI 305: Emissions 2016</i> (Disclosures 305-1 to 305-5), <i>GRI 201: Economic Performance 2016</i> (Disclosure 201-2 Financial implications and other risks and opportunities due to climate change) and to incorporate new issues to reflect stakeholders' expectations related to reporting climate change-related impacts.</p> <p>The GRI Board and Stakeholder Council were consulted on the draft project proposal, and no feedback has been received. Minor changes have been made to the project proposal to improve clarity.</p> <p>This project proposal is presented to the GSSB for discussion and approval.</p> |

This document has been prepared by the GRI Standards Division and is made available to observers at meetings of the Global Sustainability Standards Board (GSSB). It does not represent an official position of the GSSB. Board positions are set out in the GRI Sustainability Reporting Standards. The GSSB is the independent standard setting body of GRI. For more information visit www.globalreporting.org.

5 Contents

| | |
|------------------------------------|---|
| Project background | 3 |
| Project objectives | 4 |
| Division of responsibilities | 5 |
| Timeline..... | 6 |

This document does not represent an official position of the GSSB

6 Project background

7 As part of the Global Sustainability Standards Board (GSSB) Work Program 2020-2022, the GSSB
8 identified the review of climate change-related disclosures in *GRI 302: Energy 2016*, *GRI 305:
9 Emissions 2016* (Disclosures 305-1 to 305-5), and *GRI 201: Economic Performance 2016* (Disclosure
10 201-2 Financial implications and other risks and opportunities due to climate change) as a priority for
11 2022.

12
13 Since the GRI Standards and disclosures on climate change-related issues were last revised in 2013,
14 the issue of climate change has received significant attention at the international level and in the
15 global sustainable development agenda. This attention is in line with the increasing recognition of the
16 need for more effective climate action as recognized in the Paris Agreement (2015), by the
17 Intergovernmental Panel on Climate Change (IPCC)'s reports and by the International Energy Agency
18 (IEA).

LATEST IPCC AND UNITED NATIONS' INSIGHTS ON CLIMATE CHANGE

Climate change is the defining challenge of our time. The scientific evidence in the Intergovernmental Panel on Climate Change (IPCC) reports are unequivocal: climate change threatens human well-being and the planet's health. The 2015 Paris Agreement states that restricting the increase in the global average temperature to well below 2°C above pre-industrial levels and pursuing efforts to limit the temperature increase to 1.5°C above pre-industrial levels would significantly reduce the risks and impacts of climate change.¹

The Earth is about 1.1°C warmer than it was in the late 1800s, and emissions continue to rise. Policies currently in place with no additional action will result in a projected 2.8°C global warming over the twenty-first century.² That is well above the goal of the Paris Agreement and would lead to catastrophic changes in the Earth's climate. Therefore, to limit global warming to no more than 1.5°C in just eight years, global greenhouse gas (GHG) emissions must be reduced by 45% to reach net zero by 2050, compared to where they are headed under the current policies.³ A delay in global climate action will miss the rapidly closing window to secure a livable future.

Human-induced climate change is causing dangerous and widespread environmental disruption and affecting the lives of billions of people around the world, despite current mitigation and adaptation efforts. Even temporarily exceeding this warming level will result in additional severe impacts, some of which will be irreversible. Climate change is the single biggest health threat facing humanity, and between 2030 and 2050, climate change is expected to cause approximately 250,000 additional deaths per year.⁴ Risks for society will increase, including infrastructure and low-lying coastal settlements, and increased heatwaves, droughts, and floods are already exceeding the planet's tolerance thresholds, driving mass mortalities in species.⁵

19 Project objectives

20 The primary objective of this project is to review and revise GRI climate change-related Standards
21 and to incorporate new issues to reflect the stakeholder expectations related to reporting climate

¹ Paris Agreement 2015 https://unfccc.int/sites/default/files/english_paris_agreement.pdf

² UNEP Emissions Gap Report 2022 - <https://www.unep.org/resources/emissions-gap-report-2022>

³ UNEP Emissions Gap Report 2022 - <https://www.unep.org/resources/emissions-gap-report-2022>

⁴ WHO <https://www.who.int/news-room/fact-sheets/detail/climate-change-and-health>

⁵ IPCC The Working Group II Report: Climate Change 2022: Impacts, Adaptation and Vulnerability - <https://www.ipcc.ch/report/ar6/wg2/>

22 change-related impacts, that go beyond energy consumption and GHG emissions. As part of the
23 revision of GRI climate change-related Standards, the project will review the content of *GRI 302:*
24 *Energy 2016*, *GRI 305: Emissions 2016* (Disclosures 305-1 to 305-5), and *GRI 201: Economic*
25 *Performance 2016* (Disclosure 201-2 Financial implications and other risks and opportunities due to
26 climate change). The aim is to align with internationally agreed best practice, latest developments,
27 and relevant authoritative intergovernmental instruments in the field of climate change, greenhouse
28 gas (GHG) emissions, and energy. The scope of the revision includes reviewing the GHG emissions
29 and energy-related disclosures, as using energy more efficiently and opting for renewable energy
30 sources is essential for combating climate change and reducing an organization's overall
31 environmental footprint. *GRI 201: Economic Performance 2016* (Disclosure 201-2 Financial
32 implications and other risks and opportunities due to climate change) will be revised to avoid
33 duplication of requirements with other standards that focus on climate change-related financial
34 disclosures.

35
36 Disclosures 305-6 and 305-7 (air) from *GRI 305: Emissions 2016* on pollution-related issues are
37 excluded from the project and will be addressed in a future revision of pollution-related disclosures.
38 The review of the *GRI 201: Economic Performance 2016* (disclosure 201-1, 201-3, and 201-4)
39 disclosures will be addressed in the economic-related Standards project that is expected to
40 commence in 2023.

41
42 The project will not be limited to reviewing the current contents of existing GRI climate change-related
43 disclosures. It will also incorporate new issues to reflect the stakeholders' expectations related to
44 reporting climate change-related impacts that have evolved and broadened beyond energy and GHG
45 emissions reporting.

46
47 The Sector Standards Program and the ongoing review of the GRI Topic Standard on biodiversity
48 have advocated for enhanced reporting related to climate change, particularly on the topic of climate
49 resilience, adaptation, and transition and the resulting impacts on people and the environment. Based
50 on their inputs, this project will take into account reporting on topics such as the responsibility of the
51 board towards the climate change-related performance of the organization, how climate change
52 objectives are linked to the remuneration of the board and senior executives, GHG emissions targets
53 and how they are set and monitored, actual and planned investments in GHG emissions-intensive
54 activities, the climate change-related lobbying activities of organizations and consideration of a just
55 transition. It is particularly relevant to consider information about the impacts that transition to keep
56 global temperatures below 1.5 C° can have on workers, local communities, and other stakeholders.
57 Next to just transition, topics such as offsetting will be researched and considered with particular
58 attention to their potential impacts to local communities, vulnerable groups, and other stakeholders,
59 including impacts on their human rights.

60
61 The GSSB will seek to cooperate with global and jurisdictional standard-setting bodies during this
62 project, to ensure complementarity and interoperability between climate change-related reporting
63 standards. This may include the International Sustainability Standards Board (ISSB) of the IFRS
64 Foundation and the Sustainability Reporting Board (SRB) of the European Financial Reporting
65 Advisory Group (EFRAG).

66
67 The revised climate change-related disclosures will enable an organization to disclose publicly:

- 68
69 • its most significant impacts on climate change and how the organization manages these
70 impacts, enhancing the transparency of the organization's impacts and increasing
71 organizational accountability;
- 72 • its climate change-related impacts beyond energy consumption and GHG emissions to
73 potentially include climate resilience, adaptation, and transition.

74
75

76 **Division of responsibilities**

77 A Technical Committee will be formed in accordance with the Due Process Protocol to provide
78 technical advice for the review of the climate change-related disclosures, with the mandate to provide
79 recommendations in the following areas:

- 80
- 81 • defining the scope of the climate change-related revision of the Standards;
- 82 • revising the existing climate change-related disclosures: *GRI 302: Energy 2016*, *GRI 305:*
83 *Emissions 2016* (Disclosures 305-1 to 305-5), and *GRI 201: Economic Performance 2016*
84 (Disclosure 201-2 Financial implications and other risks and opportunities due to climate
85 change);
- 86 • developing new disclosures to broaden the scope to include new impact areas such as
87 transition, resilience to climate change, and adaptation strategies;
- 88 • ensuring that the revision and development of new climate-related disclosures will be in line
89 with the most up-to-date authoritative references.

90 The field of climate change is very broad, and the Standards Division believes that convening a
91 Technical Committee appointed by the GSSB could support the review and development of new
92 climate change-related disclosures.

93
94 The Standards Division will draft the climate-related Topic Standards, and the GSSB will have
95 oversight and final approval over the climate change-related Topic Standards before their release.
96 The Standards Division will ensure coherence between the climate change-related Topic Standards
97 and other GRI Standards approved or under development.

98
99 The project will be conducted in accordance with the [GSSB Due Process Protocol](#).

100 **Timeline**

101 This project is envisioned to commence in February 2023. Table 1, on the following page, outlines the
102 anticipated project duration. The exact starting date and the predicted dates of other key milestones
103 will be confirmed upon the approval of the final project proposal during the GSSB meeting on 16
104 February 2023. The first Technical Committee meeting is expected to be in June 2023 and the
105 objective is to have the exposure draft(s) ready in H1 2024.

