GSSB summary of the in-person meeting held on 17-18 October 2023

Approved by the GSSB on 16 November 2023

Contents

1 Participants

2 Present:

Name	Constituency
Carol Adams	Chair
Chulendra De Silva	Mediating institution
Deborah Ng	Investment Institution
Gangaa Charan Sharma	Business enterprise
Galya Tsonkova	Business enterprise
Giulia Genuardi	Business enterprise
Jeff Robertson	Vice-Chair
Jennifer Princing	Business enterprise
Joseph Martin	Business enterprise
Kim Schumacher (joined online at 09.55 until 11.30 on 17/10, and on 18/10 10.00-12.00 and 13.00-14.00)	Civil society organization
Loredana Carta (joined at 13:00)	Labor
Peter Colley	Labor
Vincent Kong	Business enterprise

3 Apologies:

Name	Constituency
Anna Nefedova	Mediating institution
Corli le Roux	Mediating institution

4 In attendance from GRI:

Name	Position
Bastian Buck	Chief of Standards
Elodie Chêne	Sr. Manager, Standards
Gillian Balaban	Sr. Coordinator Governance Relations
Harold Pauwels	Director Standards
Izzy Ensor	Manager, Standards
Júlia Ontañón Benguerel	Sr. Standards Officer
Laura Espinach	Head of Technical Development
Margherita Barbieri	Manager, Standards
Piers Horner	Sr. Manager, Licensing Software and Tools

5 List of abbreviations

GRI   Global Reporting Initiative
GSSB   Global Sustainability Standards Board

GSSB

SD   Standards Division
WG   Working group
TC   Technical committee
PCP   Public comment period

Decisions and action items

Decisions

The GSSB resolved to approve the following:

GSSB Decision 2023.29 Item 01 – [Draft summary of the GSSB meeting held on 14 September 2023](#)

GSSB Decision 2023.30 Item 02 – [GRI Sector Standard Project for Financial Services – Proposed member substitution for Banking Technical Committee](#)

Session 1.1: Welcome

The Global Sustainability Standards Board (GSSB) Chair Carol Adams (henceforth the Chair) welcomed the GSSB to the 2-day in-person meeting. The Chair presented an overview of the meeting agenda. A quorum was established, and the above items were presented to the GSSB for approval.

The Chair asked GSSB members to share key regional or stakeholder constituency developments. A summary of responses is listed as follows:

- In engagements with, regulators, standards setters, investors, and consulting firm partners, GRI has emphasized that significant impacts are important to identify a complete set of risks for investors. The assurance of the process for determining these impacts is also important. Feedback received from investors and consulting firms also highlights the importance of significant impacts.
- In discussions with companies and accounting bodies in Sri Lanka and South Asia, including the Colombo Stock Exchange, the takeaway was that impact reporting is considered the starting point for sustainability efforts. GRI's approach to "impact materiality" as a foundation before adopting other reporting frameworks was emphasized. However, there are concerns about the reporting burden and the need for simplification and interoperability among reporting standards. The focus is on making sustainability reporting more streamlined.
- The Canadian Sustainability Standards Board (CSSB) is working with ISSB for the Canadian context. The Canadian Securities Administrators (CSA) proposed climate disclosures in 2021 and are now developing disclosures based on ISSB standards. GRI content – around 68-70% of reports in the last year – continues to be prevalent in Canadian sustainability reports.

33	•	There has been a significant shift in the regulatory system in India, transitioning from BRR to
34		BRSR reporting based on a national guideline for responsible business conduct. The latest
35		development mandates the top 150 companies to provide reasonable assurance on core
36		BRSR indicators, posing challenges for corporations. Additionally, the market faces a
37		shortage of capacity to produce quality sustainability reports, allowing GRI to influence the
38		sustainability reporting ecosystem.
39	•	News in Australia centers on the unsuccessful referendum to recognize Indigenous People in
40		the constitution and provide them a permanent parliamentary voice.
41	•	The priority of the labor stakeholder group is to consider stakeholder impacts over financial
42		materiality. GRI labor standards are being revised with an initial focus on work quality and
43		remuneration, followed by workplace human rights in the second stage.
44	•	In the US, ESG factors remain relevant, but there is an emerging debate about their
45		significance, while investors exercise caution in their ESG interpretations. The persistence of
46		the ESG movement, driven by fiduciary responsibilities, is emphasized.
47	•	In Europe, many regulatory acronyms like CSRD, ESRS, and EU Taxonomy complicate
48		compliance for companies. Furthermore, companies with US investors must adapt to
49		reporting frameworks like ISSB and TCFD, with ongoing discussions about employees' ideal
50		location and background in sustainability reporting departments.
51	•	In Hong Kong, TCFD will be mandatory for listed companies starting in January 2025. This is
52		of concern due to its high-level reporting standards and the need for adaptation. There is an
53		anticipated need for IFRS S1 and S2 reporting. Companies seek guidance from GRI to
54		integrate TCFD requirements into their existing reporting framework, as they value GRI's
55		impact identification, which IFRS S1 and S2 do not address.

56 Chief of Standards, Bastian Buck, provided the Standards Division update as follows:

57	•	Companies are waking up to the mandatory nature of ESG requirements across various
58		jurisdictions. Multinational corporations are facing multiple overlapping reporting requirements
59		in different jurisdictions. Financial reporting also faces similar challenges. GRI is a reference
60		point for best practices and must stay ahead of regulatory developments.
61	•	GRI is working on linkage documents and a digital taxonomy to help practitioners navigate
62		reporting requirements. The focus is prioritizing work and proactively addressing
63		interoperability with other standards and regulations.
64	•	GRI continues to hire new staff to expand capacity to deliver on its work program.

65 The Chief of Standards proposed the additional member to the Capital Markets Technical Committee
66 for approval.

67 The GSSB approves the following:

GSSB Decision	Item number

| 2023.29 | 01 – Draft summary of the GSSB meeting held on 14 September 2023 |
| 2023.30 | 02 – GRI Sector Standard Project for Financial Services – Proposed member substitution for Banking Technical Committee |

Session 1.2: GRI Topic Standard Project for Labor update

Izzy Ensor, Manager Standards, presented an update on the topic standard project for labor with a focus on content development, just transition, and 'control of workers' standard interpretation.

The GSSB discussed these areas for clarification. General agreement on the direction the development of the standard is taking. No decisions were made.

Session 1.4: GRI 3 guidance update

Chief of Standards, Bastian Buck, discussed the upcoming project to develop non-authoritative guidance on identifying risks and opportunities that arise from impacts. The following points are for consideration:

- The SD is developing the project's proposal, which will be discussed at the GSSB meeting in January 2024, allowing content development to begin shortly afterwards.
- The current goal is to publish the non-authoritative guidance by the end of 2024, depending on the SD's prioritization of projects next year, which will be discussed at the GSSB meeting in November 2023.
- The project is expected to rely more on expert reviewers and a public consultation, rather than a technical committee.
- The SD are in the process of identifying key stakeholders to participate in the project. Some parties have expressed their willingness to collaborate. The TFND, which was invited to this session, have expressed their willingness to collaborate on the development of biodiversity related guidance.

TNFD Executive Director, Tony Goldner, presented their framework and guidance on nature-related financial disclosures, which were published in September 2023. The following points are for consideration:

- The TNFD welcomed the statements from GRI about the consistency between their new framework and the GRI standards.

94　　• In nature-related financial disclosures, the concept of 'dependencies' will become increasingly

95　　important for organizations trying to understand related impacts, risks, and opportunities.

96　　• The TNFD will test its impact materiality assessment with 200 pilot institutions and use this

97　　information to align with ESRS requirements.

98　　• Additional guidance will likely be developed on how TNFD's framework aligns with other

99　　jurisdictions.

100 In response to comments and questions from the GSSB, the TNFD highlighted the following issues as

101 important:

102　　• There are now several terms for disclosures related to nature, and many need clearer

103　　definitions. However, more effective collaboration and alignment among the main reporting

104　　bodies can help provide the needed clarity.

105　　• Reporting on both positive and negative impacts will remain critical for nature-related

106　　disclosures, but the lack of clear thresholds for ecosystems will be an ongoing challenge for

107　　organizations.

108　　• More metrics are also needed to help organizations determine dependencies, impacts, risks,

109　　and opportunities, which is why the TNFD has started to frame these aspects, including

110　　through qualitative information.

Session 1.5: Inter-alignment between Biodiversity and Mining Standards

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112

113 Elodie Chêne, Júlia Ontañón Benguerel, Bastian Buck, and Harold Pauwels presented an update on

114 the ongoing effort to align the Biodiversity and Mining Standards prior to publication:

115　　• The near-simultaneous publication of the biodiversity and mining projects marks a significant

116　　milestone as it is the first time a topic standard is being revised since the introduction of the

117　　sector program.

118　　• The recommendation from the SD is to include biodiversity disclosures within the mining

119　　sector standard. This aims to encourage the mining sector, which has considerable impacts

120　　on biodiversity, to adopt the leading standard for reporting on biodiversity impacts.

121　　• Importantly, this approach prevents the need for revising a recently launched standard, and it

122　　allows organizations time to initiate data collection effectively.

123 GSSB comments and SD responses are as follows:

124   •   A GSSB member asked about how the process of alignment with Sector Standard that are
125   already approved. SD responded that this is covered by the pilot project presented to the
126   GSSB at their September meeting.

127   •   A GSSB member asked for an update on the adoption of the Oil and Gas Standard. SD
128   shared that there are 65 companies in the top 1000 that are classified as oil and gas
129   companies, of which 22 (one third) had already published in August a report that used GRI
130   11. This data indicates that certain sectors are more comfortable reporting on controversial
131   areas when they see their peers doing the same.

132   •   A GSSB member noted that the International Council on Mining and Metals (ICMM) requires
133   its members to report using GRI standards, underlining the importance of industry adoption.

Session 2.4: GRI Topic Standard

Project for Climate Change update

136 Margherita Barbieri, Manager Standards, presented an update of the Topic Standard Project for
137 Climate Change with an overview of the proposed disclosures and their structure across the climate
138 and energy standards.

139 In response to questions from the GSSB, the following points were clarified:
140   •   With regard to just transition disclosure and metrics, the aim is to develop more qualitative
141   metrics through further discussion with TC and feedback and testing.
142   •   Guidance on referencing GHG protocols can be made clearer.
143   •   Decided by TC to report the whole of Scope 3 in target setting; for reporting, Scope 3
144   accounting has existed for a long time, so it should be possible, and therefore, all categories
145   are required.
146   •   Regarding just transition, the project team is collaborating with the labor project and meeting
147   with authoritative sources. More detail will be required under the just transition disclosure,
148   because it was deemed insufficient to report only jobs created/characteristics. What is
149   needed are better metrics and ratios for jobs lost, eliminated, and under training, as well as
150   how to measure the impact of transition on vulnerable groups, etc.

Session 2.5: Introduction to XBRL

152 Piers Horner, Senior Manager Licensing Software and Tools, and Laura Espinach, Director
153 Standards, provided an update on the project developing a taxonomy for GRI Standards using the
154 XBRL coding language. The following points are for consideration:

155 • The XBRL taxonomy is being retroactively applied to GRI Standards, which may see different
156   options emerge for tagging certain information. The SD expects the GSSB to advise on the
157   most appropriate tags or decide whether an interpretation of the Standards is needed when
158   codifying the Standards in XBRL.

159 • The project team is working with IFRS and EFRAG technical teams to ensure interoperability
160   among their different taxonomies, particularly around information that is not quantitative.

161 • A draft version of the taxonomy is expected in the coming months while organizations may be
162   able to use the system sometime in 2024.

163 In response to comments and questions from the GSSB, the SD clarified the following points:

164 • The project will create data points linked to the standards' requirements, which can then be
165   used to validate disclosures. The SD expects this will drive greater transparency and
166   alignment among sustainability disclosures worldwide.

167 • The SD expects widespread business-to-business application of the taxonomy, particularly
168   among multinationals that request sustainability information from their supply chain partners.

169 • Artificial Intelligence (AI) solutions are not being considered right now, but it will be an
170   important part of future discussions with software developers.

171 • GRI will not be responsible for how the taxonomy data will be incorporated into an
172   organization's reporting system, but the SD will work with partners to ensure integration
173   happens in the most effective way.

174 # Session 2.6: Feedback received on

175 # GRI Standards

176 Laura Espinach, Director Standards, presented the feedback received on GRI Standards. The
177 following points are for consideration:

178 • Six sets of feedback were received; the first three pertain to specific disclosures.
179 • Web FAQs and experts in the ongoing projects will address the feedback and suggestions.

180 GSSB comments and SD responses are as follows:

181   • The GSSB commented on the feedback regarding using revenue as a denominator to
182   evaluate energy intensity. Most members suggested that using revenue as a single
183   measurement would be problematic. The suggestion is to use revenue along with other
184   denominators, like the number of employees and unit of production. The SD confirmed that
185   this issue was discussed in climate TC meetings and that flexibility was preferred.
186   • The GSSB referred to 'feedback, item 1' and suggested considering using definitions from
187   organizations like the ILO or Human Rights groups, as there are no gender or sex definitions
188   in the current standards. The SD stated that the identification of an appropriate source should
189   be deferred to the labor TC. It indicated that the labor TC should address this issue for further
190   guidance.
191   • The GSSB asked if benchmarks like 'zero waste to landfill', which are internationally
192   accepted, can be referenced in the standards. The SD suggested that these benchmark
193   considerations can be explored within the context of a specific project. These considerations
194   are more suited for issue-specific exploration rather than applying them universally across all
195   GRI Standards.
196   • The GSSB asked how human rights requirements relate to the Russian invasion of Ukraine.
197   The SD responded that human rights requirements would indeed cover the issue. In 2021, the
198   Universal Standards were updated to include the concept of due diligence, which involves
199   reporting on due diligence for all impacts a company has, not just human rights. These
200   standards align with key international instruments like the UN and OECD. GRI offers some
201   guidance at the sector level, but further details from this feedback could be developed into
202   future guidance or standards. At the core, GRI provides the foundation for such reporting.

Session 2.7: Project schedule for 2024

205 Bastian Buck, Chief of Standards, and Harold Pauwels, Director Standards, provided an outline of the
206 project schedule for 2024, along with potential adjustments to the Work Program 2023-2025.

207 First, SD walked through the key updates about the Sector Program:

208   • Mining – expected to reach its final milestone with approval in December. 2024 will primarily
209   concentrate on the publication and rollout of the standard.
210   • Financial services – This project has recently commenced, with PCP scheduled for late 2024.
211   • Textile – Currently on hold, with hopes to resume activities in Q1 of 2024.
212   • Sector Program – Projects for Food and Beverages, Utilities, and Renewable Energy within
213   the work program are on hold as they search for program leadership. Priorities may change

| 214 | due to alignment of the standard-setting agenda. The development of sector-specific |
| 215 | materials, including guidance, is ongoing. |

216 Second, SD outlined key updates for the Topic Program:

- 217 • Biodiversity – Expected to conclude approval in December and publication in Q1 2024.
- 218 • Climate Change – An exposure draft is scheduled for presentation on November 16. The PCP
- 219 will run from November 2023 until the end of February 2024.
- 220 • Labor – The first set of standards is anticipated by early Q2.
- 221 • Economic impacts – The project has commenced and the manager is in the process of
- 222 recruiting a working group.
- 223 • Pollution – Research into scope and stakeholders is underway, with a draft proposal planned
- 224 during the GSSB meeting on December 14, 2023.
- 225 • Projects such as Indigenous Peoples and Local Communities, Digitalization, and Security
- 226 Practices may experience potential delays due to recruitment challenges.
- 227 • Other ongoing projects encompass XBRL taxonomy, research initiatives, recruitment efforts,
- 228 and alignment endeavors.

229 GSSB comments and SD responses are as follows:

- 230 • A GSSB member asked about the hiring of a Director for the Sector Program, and how the
- 231 delay affects the ongoing projects. Bastian promised a hiring update at the next meeting, and
- 232 reaffirmed that leadership is critical to drive future projects.
- 233 • A GSSB member asked about alignment with global standards. SD indicated ongoing
- 234 discussions with EFRAG about aligning priorities. Additionally, new information about
- 235 standards in development is expected.
- 236 • GSSB members also inquired about the potential need for sponsorship for various projects.

237 Session 2.8: Close of meeting

238 The Chair concluded by adding her thanks to all who contributed to a successful in-person meeting.

239 No other business was raised, and the Chair closed the final day of the in-person meeting at 15:50

240 Central European Time (CET).