Item 01 – Draft summary of the GSSB meeting held on 25 February 2021

For GSSB approval

<table>
<thead>
<tr>
<th>Date</th>
<th>10 March 2021</th>
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<tbody>
<tr>
<td>Meeting</td>
<td>23 March 2021</td>
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Description: This document presents the summary of the GSSB virtual meeting held on 25 February 2021.
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Participants

Present:

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<thead>
<tr>
<th>Name</th>
<th>Constituency</th>
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<tr>
<td>Judy Kuszewski</td>
<td>Chair</td>
</tr>
<tr>
<td>Robyn Leeson</td>
<td>Vice-Chair</td>
</tr>
<tr>
<td>Loredana Carta</td>
<td>Labor</td>
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<tr>
<td>Peter Colley</td>
<td>Labor</td>
</tr>
<tr>
<td>Giulia Genuardi</td>
<td>Business enterprise</td>
</tr>
<tr>
<td>Evan Harvey</td>
<td>Investment institution</td>
</tr>
<tr>
<td>Kim Schumacher</td>
<td>Civil society organization</td>
</tr>
<tr>
<td>Joseph Martin</td>
<td>Business enterprise</td>
</tr>
<tr>
<td>Jennifer Princing</td>
<td>Business enterprise</td>
</tr>
<tr>
<td>Corli le Roux</td>
<td>Mediating institution</td>
</tr>
<tr>
<td>Gustavo Sinner</td>
<td>Mediating institution</td>
</tr>
<tr>
<td>Kenton Swift</td>
<td>Civil society organization</td>
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<tr>
<td>Michel Washer</td>
<td>Business enterprise</td>
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Apologies:

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<th>Name</th>
<th>Constituency</th>
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<tbody>
<tr>
<td>Rama Krishnan Venkateswaran</td>
<td>Investment institution</td>
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<tr>
<td>Vincent Kong</td>
<td>Business enterprise</td>
</tr>
</tbody>
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In attendance from GRI:

<table>
<thead>
<tr>
<th>Name</th>
<th>Position</th>
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<tbody>
<tr>
<td>Bastian Buck</td>
<td>Chief of Standards</td>
</tr>
<tr>
<td>Laura Espinach</td>
<td>Head of Technical Development</td>
</tr>
<tr>
<td>Anna Krotova</td>
<td>Senior Manager</td>
</tr>
<tr>
<td>Miguel Perez Ludena</td>
<td>Research Lead Sector Program</td>
</tr>
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List of abbreviations

GSSB  Global Sustainability Standards Board
SD    Standards Division
RIO   Reasons for omission
ILO   International Labour Organization
Decisions and action items

Decisions

GSSB Decision 2021.01 The GSSB resolved to approve Item 01 – Draft summary of the GSSB meeting held on 3 December 2020.

GSSB Decision 2021.02 The GSSB resolved to approve Item 02 – Draft summary of the GSSB meeting held on 10 December 2020.

GSSB Decision 2021.03 The GSSB resolved to approve Item 03 – Draft summary of the GSSB meeting held on 21 January 2021.

Action items

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<td>Session 3</td>
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<td>• SD to explore ways to address GSSB recommendation to include a reference to regulatory instruments such as environmental impact assessments under the Sustainability Context principle.</td>
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<td>• SD to explore ways to elevate the guidance for reporting on impacts commonly associated with the organization’s sector to a more prominent position under the Guidance to MT-2.</td>
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Session 1: Welcome

The Global Sustainability Standards Board (GSSB) Chair Judy Kuszewski (henceforth the Chair) welcomed the GSSB and presented an overview of the meeting agenda.

The GSSB was presented with Item 01 – Draft summary of the GSSB meeting held on 3 December 2020, Item 02 – Draft summary of the GSSB meeting held on 10 December 2020 and Item 03 – Draft summary of the GSSB meeting held on 21 January 2021 for approval.

GSSB Decision 2021.01 The GSSB resolved to approve Item 01 – Draft summary of the GSSB meeting held on 3 December 2020.
The GSSB was presented with Item 04 – GRI Sector Standards Project for Mining – Draft project proposal for review.

The Standards Division (SD) presented the proposed timeline and scope of the project, highlighting the inclusion of quarrying, and the separation of metal processing into a different Sector Standard. The SD also highlighted that the project proposal would go to the GRI Board of Directors and the Stakeholder Council for input before returning to the GSSB for final project approval.

The GSSB discussed potential considerations of mapping the resulting Sector Standards to different classification systems. The SD stated that they would not map directly to some of the other classification systems because of the separation of metal processing.

A GSSB member expressed support for including quarrying in the scope of the Sector Standard and highlighted the potential challenge of separating metals processing.

The GSSB expressed support for the GRI Sector Standard Project for Mining to continue as outlined.

The GSSB was presented with Item 06 – GRI Universal Standards Project – Revised GRI 101: Section 4. Reporting principles and Item 07 – GRI Universal Standards Project – Public comment feedback on Reporting Principles for discussion.

The SD presented a summary of the GSSB feedback on the revised Section 4. Reporting principles in GRI 101: Using the GRI Standards. A GSSB member suggested including a reference to regulatory
instruments such as environmental impact assessments in the Sustainability Context principle. The SD will work with the GSSB member to address this recommendation. No further comments were raised.

**Actions:**

- SD to explore ways to address GSSB recommendation to include a reference to regulatory instruments such as environmental impact assessments under the Sustainability Context principle.

**Feedback on revisions to GRI 101: Section 2. Key concepts**

The GSSB was presented with Item 05 – GRI Universal Standards Project – Revised GRI 101: Section 2. Key concepts for discussion.

The SD presented a summary of the GSSB feedback on the revised key concepts of ‘material topic’ and ‘due diligence’ in GRI 101 and explained how this feedback will be addressed.

A GSSB member raised a concern about the location of the guidance for organizations to explain how they have considered impacts commonly associated with their sector in the absence of an applicable Sector Standard. This is currently positioned at the end of the Guidance to MT-2-b in GRI 103. The GSSB member suggested that the guidance be moved up to the general guidance on MT-2 to highlight its importance. The SD agreed to look at ways to reorganize the guidance to elevate the content more prominently.

**Actions:**

- SD to explore ways to elevate the guidance for reporting on impacts commonly associated with the organization’s sector to a more prominent position under the Guidance to MT-2.

**Feedback on the inclusion of human rights in the definition of material topic**

The SD reiterated the public comment and GSSB feedback on the inclusion of the phrase ‘impacts on human rights’ in the definition of material topic. The SD presented two options, revised to incorporate GSSB feedback from the 10 December 2020 meeting:

- Option 1: continue to include ‘impacts on their human rights’ in the definition of material topic;
- Option 2: remove human rights from the definition and include an explanatory chapeau highlighting the importance of reporting on human rights and other impacts, along with explicit mentions of human rights in key disclosures of the Standards.
A GSSB member highlighted that health and safety issues can be important impacts that organizations have on people, and that emphasizing human rights so prominently could overshadow other such important impacts.

Another GSSB member argued that human rights are in fact the most fundamental level of protection provided to people as outlined by authoritative organizations such as the International Labour Organization (ILO). The member also reiterated that the GRI Technical Committee on Human Rights had been tasked with aligning the GRI Standards with authoritative international instruments on human rights, and they specifically recommended including human rights in the definition of materiality. The member argued that impacts on human rights are a cross-cutting issue that have always occurred, and will continue to occur in the future, thus making them one of the most vital impacts for the GRI Standards to address. Other members provided support for this stance. A member also highlighted that the ILO has recently opened discussion on whether health and safety is in fact an additional fundamental human right.

A GSSB member raised the concern that human rights are transient, and that they are less pressing today that they have been in the past, and that they will continue to improve. The member reasoned that this means focus may shift from the issue in the future, which provides a reason to allow focus on other topics as well. A GSSB member responded that although human rights are indeed evolving, they remain the most broadly impactful and enduring impact organizations have.

A member asked if there was any specific constituency which provided the feedback against including human rights in the definition of materiality. The SD mentioned this would require evaluation. The GSSB member stated this may not be worth pursuing, as the number of comments is small.

The Chair observed the support for both options, with the majority of stated positions preferring Option 1.

Actions:

- SD to use the phrase 'impacts on their human rights' in the definition of material topic.

Feedback on revisions to GRI 103: Material Topics and the materiality matrix visual

The GSSB was presented with Item 08 – GRI Universal Standards Project – Revised GRI 103: Material Topics and Item 09 – GRI Universal Standards Project – Public comment feedback on GRI 103: Material Topics for discussion.

The SD presented a summary of the GSSB feedback on the revised GRI 103: Material Topics and explained how this feedback will be addressed. No further comments were received.

The SD presented a summary of public comment and GSSB feedback on the materiality matrix visual. The feedback was divided for and against including the matrix in the revised Universal Standards.
The GSSB expressed hesitation about removing a tool that has been well used, especially given that
the concept of materiality is an important foundation for sustainability reporting and is still not well
understood or implemented. The GSSB felt strongly that support and technical guidance should be
provided on this concept.

The GSSB discussed how to reconcile the previously used example of the materiality matrix with the
updated definition of materiality. They also discussed where it would be beneficial for the GSSB to
provide guidance on significant ongoing developments in sustainability reporting, such as on the
concept of double materiality and its associated representations. The GSSB stated that these
discussions are currently so fluid that it would be difficult to include a concrete stance in the
Standards themselves.

The GSSB expressed support for the inclusion of further guidance for reporting organizations in a
format such as a website FAQ, which could also include suggestions for visuals. This could include
options for visual representations of the GRI concept of materiality and its connection to the double
materiality concept.

**Actions:**

- SD to explore developing separate guidance on materiality.

**Feedback on revisions to reasons for omission**

The SD presented an analysis of reporting scenarios following requirements in the exposure draft
related to using reasons for omission (RfOs), as requested by the GSSB in December 2020. The SD
reviewed the current potential to use RfOs for requirements in GRI 102 and 103 and discussed the
actions organizations may take when reporting on requirements.

The SD requested feedback from the GSSB on the function of RfOs in transparency. GSSB members
raised a question about how the use of RfOs is currently assessed by rating agencies. The GSSB
suggested that guidance to help clarify requirements and streamline presentation of information in the
GRI content index may solve some of the implementation concerns regarding RfOs. The GSSB also
suggested that the GRI Services Team could be involved in providing this guidance.

The SD summarized the GSSB feedback, which indicated allowing RfOs.

Two GSSB members raised the concept of ‘comply or explain’ as a way to gather similar information,
mentioning that it is used in a variety of other frameworks. The SD clarified that the RfOs are used as
a tool to evaluate reports as being in accordance with the Standards, and they provide a means to
measure the content and quality of information reported using the Standards.

The Chair and the SD acknowledged that this would require more discussion in future meetings.
Actions:

- SD to further explore options for using reasons for omissions (RfOs) in the Universal Standards.

Session 4: Any other business and close of public meeting

No other business was raised and the Chair closed the meeting at 15.02 CET (Central European Time).