GSSB summary of the virtual meeting held on 25 March 2021

Approved by the GSSB on 10 June 2021
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Participants

Present:

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

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<tr>
<td>Vincent Kong</td>
<td>Business enterprise</td>
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In attendance from GRI:

<table>
<thead>
<tr>
<th>Name</th>
<th>Position</th>
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<tr>
<td>Bastian Buck</td>
<td>Chief of Standards</td>
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<tr>
<td>Anna Krotova</td>
<td>Senior Manager</td>
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<tr>
<td>Sharon Hagen</td>
<td>Senior Coordinator</td>
</tr>
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List of abbreviations

GSSB  Global Sustainability Standards Board
SD    Standards Division
ICGN  International Corporate Governance Network
Decisions and action items

Decisions

None in this meeting.

Action items

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<td>Session 2</td>
<td>• GSSB to further review ICGN feedback, including feedback on Disclosure GOV-9 to confirm removing the requirement GOV-9-c.</td>
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<td>• SD to provide opportunity for GSSB to further assess and discuss the purpose and requirements of Disclosure GOV-14.</td>
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<td>• SD to further develop reporting requirements and guidance for requirement GOV-1-c for GSSB review.</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.

A GSSB member raised a concern that, due to the late arrival of Item 03 - GRI Universal Standards Project - Revised Governance disclosures GRI 102, there had been little time to consider the associated recommendations from the Standards Division (SD).

The SD responded that this item is only for discussion in this meeting, and that the GSSB is invited to review and provide feedback on these revisions until Wednesday 31 March. The SD also stated that final recommendations will be discussed in the next GSSB meeting on 29 April 2021.
Session 2: GRI Universal Standards project

Revisions to the reporting model in GRI 101

The GSSB was presented with Item 01 - GRI Universal Standards Project - Revised section 3 GRI 101 for discussion.

The SD presented key changes made to the reporting model in section 3 of GRI 101, including the GRI content index and the statement of use, and solicited further feedback on the changes.

The GSSB discussed the expectations associated with the ‘not applicable’ reason for omission when the item required by the disclosure (e.g., committee, policy, practice) does not exist. The SD clarified that there is no expectation for the organization to implement this item, and it is left to the discretion of the organization to explain why they do not have it, or to explain plans to develop it.

The SD also discussed the requirement to notify GRI of the use of the GRI Standards and statement of use, including challenges with the process to notify GRI. The SD explained that further discussion about and analysis of the process to handle the notification are underway internally, and more information would be presented at the next meeting.

A GSSB member confirmed that the current report registration process is complicated and difficult, especially for users in other languages, and welcomed further discussion of options after the internal review.

Actions:

- SD to complete internal analysis of the notification requirement and present the results of further internal discussion and analysis at the April GSSB meeting.

Revisions to GRI 102 Governance disclosures

The GSSB was presented with Item 03 - GRI Universal Standards Project - Revised Governance disclosures GRI 102 for discussion.

The SD provided a summary of public comment feedback on the governance disclosures, presented an overview of the key changes to the disclosures, and put forward four proposals for discussion resulting from public comment and International Corporate Governance Network (ICGN) feedback.

In the first proposal, the SD presented two options to revise Disclosure GOV-9 ‘Communication of critical concerns’. The GSSB indicated an initial preference for option 2, removing the requirement...
GOV-9-c ‘describe the mechanisms used to address and resolve critical concerns’. It was discussed that this will need to be confirmed after GSSB members can further review ICGN’s feedback.

The SD presented a second proposal for revisions to Disclosure GOV-6 ‘Role of the highest governance body in sustainability reporting’ in response to ICGN feedback that the highest governance body should approve the organization’s sustainability reporting, not a senior executive.

The GSSB discussed that although the organization’s highest governance body does approve the sustainability reporting, the review of the reported information is often delegated to subject matter experts. The GSSB stressed that the language in Disclosure GOV-6 needs to reflect this practice. The SD will incorporate the GSSB feedback into the draft.

The third SD proposal presented options to revise Disclosure GOV-14 ‘Annual total compensation ratio’ to incorporate public comment and ICGN feedback about what values are most useful to compare when assessing impacts of compensation. The GSSB indicated that further assessment and discussion was needed to clarify the rationale and purpose of the disclosure, as well as what information it should require. The SD will take GSSB feedback under advisement.

In its fourth proposal, the SD presented two potential revisions to address GSSB, public comment, and ICGN feedback on the requirement GOV-1-c, which requires organizations to describe the composition of the highest governance body and its committees by gender and under-represented social groups, among others.

The GSSB discussed what characteristics of diversity are appropriate to include in this disclosure, including whether providing a list of potential categories of diversity would create more clarity or further complication. The SD stated that this is a currently evolving issue, and that diversity will likely come up during the review of the GRI Topic Standards in the second phase of the human rights work.

The Chair suggested that this disclosure still requires more thought, and that likely the final disclosure will require some combination of reporting the approach to board diversity, as well as some non-exhaustive list of potential characteristics. The SD will take GSSB feedback under advisement.

The SD then reviewed the upcoming project timeline, including the upcoming items for GSSB review.

**Actions:**

- GSSB to further review ICGN feedback, including feedback on Disclosure GOV-9 to confirm removing the requirement GOV-9-c.
- SD to incorporate GSSB feedback into the draft of Disclosure GOV-6.
- SD to provide opportunity for GSSB to further assess and discuss the purpose and requirements of Disclosure GOV-14.
- SD to further develop reporting requirements and guidance for requirement GOV-1-c for GSSB review.
Session 3: Any other business and close of public meeting

The SD and the Chair expressed the GSSB’s sincere appreciation to Kriti Toshniwal, who is departing the SD, for her years of dedication and service as writer and editor on the team and wished her well in her next endeavors.

The SD also highlighted the upcoming public survey to inform Phase 2 of the GRI Topic Standards Project for Human Rights, as well as an upcoming open position in the SD, and asked for the GSSB’s help with promoting both in their networks.

No other business was raised, and the Chair closed the meeting at 14.59 CET (Central European Time).