GSSB summary of the virtual meeting held on 18-19 October 2022

Approved by the GSSB on 15 December 2022
Contents

Participants ........................................................................................................................................... 3
List of abbreviations ............................................................................................................................ 3
Decisions and action items ...................................................................................................................... 4
   Decisions ........................................................................................................................................... 4
Session 1.5: Welcome .......................................................................................................................... 4
Session 1.6: Discussion – Draft GSSB Work Program 2023-2025 ...................................................... 4
Session 1.8: Worker Info Exchange presentation on algorithm transparency and the GRI Standards ... 6
Session 1.11: International Public Sector Accounting Standards Board (IPSASB) presentation ........ 7
Session 1.14: Presentation International Sustainability Board (ISSB) ‘Collaboration between ISSB and GSSB’ ................................................................................................................................. 7
Session 2.2: Update on Sector Program .............................................................................................. 8
Session 2.4: Continuation discussion draft Work Program 2023-2025 ............................................. 9
Session 2.6: International Ethics Standards Board for Accountants (IESBA) ‘Sustainability Working Group Update’ ............................................................................................................................................... 11
Session 2.8: International Auditing and Assurance Standards Board (IAASB) ‘Sustainability Assurance Project Update ......................................................................................................................... 11
Session 2.10: Review discussions draft Work Program 2023-2025 and the next steps ..................... 12
Session 2.11: Summary and close of public meeting ............................................................................. 12
Participants

Present:

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<thead>
<tr>
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Apologies:

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In attendance from GRI:

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<td>Bastian Buck</td>
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List of abbreviations

- GRI: Global Reporting Initiative
- GSSB: Global Sustainability Standards Board
- 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 2022.19** Item 01 – [Draft summary of the GSSB meeting held on 15 September 2022](#)
- **GSSB Decision 2022.20** Item 03 – [GRI Sector Standards Project for Financial Services – Draft project proposal](#)
- **GSSB Decision 2022.21** Item 04 – [GRI Sector Program - List of prioritized sectors](#)

Session 1.5: Welcome

The Global Sustainability Standards Board (GSSB) Chair Judy Kuszewski (henceforth the Chair) welcomed the GSSB. The Chair presented an overview of the meeting agenda. A quorum was established with the following items being presented and approved during the meeting:

- Item 01 – [Draft summary of the GSSB meeting held on 15 September 2022](#)
- Item 03 – [GRI Sector Standards Project for Financial Services – Draft project proposal](#)
- Item 04 – [GRI Sector Program – List of prioritized sectors](#)

Session 1.6: Discussion – Draft GSSB Work Program 2023-2025

Chief of Standards, Bastian Buck, along with Mia d’Adhemar, Head of Sector Program, Harold Pauwels, Director Standards, and Laura Espinach, Head of Technical Development, presented the draft GSSB Work Program:

- The draft Work Program will be submitted to the GSSB for approval in November, followed by public consultation. The GRI Board and Stakeholder Council are invited to provide feedback.
- Stakeholders can indicate preferences for the review sequence of existing Standards and suggest new topics. The GSSB will confirm the final Work Program in early 2023.
- The discussion paper lists priorities for the next three years, including the revision of existing Standards; the development of new Standards; the research program for all Standards; the translations of new and revised Standards; and the joint standards development
projects/programs with other organizations like IFRS/ISSB and EFRAG and collaborations like with OECD and ILO.

- Other items included in the draft Work Program for 2023 are the design and testing of a new process to preserve the linkage between Sector and Topic Standards and a research project on the public sector.
- An assessment regarding the potential to expand the number of Sector Standards developed simultaneously will be made in 2024.

The meeting was opened for questions and clarification:

- Members of the GSSB once again voiced support for combining the standards for utilities and renewables while understanding the resource constraints on staffing. The GSSB asked about the possibility of accelerating work on that sector, overall staff capacity, and whether the academic realm was being considered for hiring talent. Further questions were about alignment with the various other standards.
- SD responded that it recognized the need to accelerate work on utilities and renewables, but this requires ongoing management. GRI has the financial means to support the projects in terms of staffing, but finding the right talent is difficult due to the scarcity of personnel and competition with other organizations.
- In terms of standards alignment, GRI is collaborating with ISSB and EFRAG. GRI Standards form part of some regulatory endeavors, receiving more requests for collaboration now, so resources must be used strategically. GRI can impact regional or country development of standards.
- Work done to date in the Sector Program has been utilized in other processes, resulting in a level of alignment. However, the focus is on Topic Standards, with Sector Standards to follow.

Draft Work Program 2023-2025 overview for GRI Topic Standards update:

- The plan is that by the end of 2025, all existing Topic Standards will be revised or be under revision. The ambition is to increase the number of projects running in parallel from three projects in 2023 to ten projects in 2025 (both revision and new topics). The development of a Topic Standard takes about 24 months to complete.
- The project schedule for 2023 is as follows: the Biodiversity PCP starts in December 2022; the Labor revision program started in Q3 2022 with Advisory Group recruitment ongoing and involving the revision of ten topics such as Employment, Labor/Management Relations, Child Labor, and Diversity and Equal Opportunity; the Climate change draft proposal will be submitted to the GSSB in December 2022 and includes the Topic Standards Energy, Emissions, and Economic Performance; and Critical incident management project marked as GSSB priority for a new Topic Standard that will commence once resources become available.
- Based on the initial research by the SD, various topics could fall within the scope of the economic impacts project. These topics could include impacts of organizations on local labor markets.
poverty alleviation, monetary flows into local economies, community investment, impacts of business models on securing livelihoods, and more.

The meeting was opened for further discussion and questions:

• The GSSB suggested adding GRI 305: Emissions to the spills and leaks standard, and that 308 and 414 be combined (supplier social/environmental assessment). Diversity and inclusion should be given more prominence as it is a key performance indicator. The metal sector is driving responsible sourcing, seeking OECD alignment, especially regarding conflict affected areas – how does this fit with GRI topic standards, and to what extent will GRI reference OECD? The GSSB raised some concern over the content of the digitalization and circular economy standard and whether other standards can be updated to reflect the latest developments in these areas. GSSB asked about the alignment of GRI programs and collaboration with ISSB on climate change and how the GRI process is aligned. GSSB asked about the naming/titles of standards and how this was being reviewed. The final points were that in the revised standards, value chain impacts were part of these revisions, and more attention was to be given to social impact reporting.

• The SD responded that GRI is considering how OECD alignment is being handled and what elements need to be referenced, especially due diligence on conflict areas and mining. GRI has its own due diligence requirement. In terms of collaboration with ISSB, not clear where ISSB will focus next. There are opportunities to align Topic and Sector Standards work. GRI has done some groundwork on water and occupational health and can build on that with ISSB. More information will be in the upcoming ISSB presentation. On the naming/titles of standards, all titles are subject to review with input from experts, public comment, and research into the scope of the topic.

**Session 1.8: Worker Info Exchange**

**presentation on algorithm transparency and the GRI Standards**

James Farrar, Founder and Director of the Worker Info Exchange, presented ‘Algorithm transparency and the GRI Standards’:

• Algorithmic transparency can mitigate negative impacts on workers resulting from the nature of algorithmic management in the ‘gig’ economy.
• In response to questions from GSSB members, it was noted that algorithmic management is scaling across sectors such as transport, logistics, and retail.
• The GSSB should, therefore, consider the impacts of algorithmic management and its implications for workers, particularly in the revision of Labor-related Topic Standards.

Session 1.11: International Public Sector Accounting Standards Board (IPSASB) presentation

Ian Carruthers, Chairman IPSASB, presented on the IPSASB and the advancement of Public Sector Sustainability Reporting:

• IPSASB is at the end of the current five-year strategy with an increased public sector focus, issuing new standards in line with a global shift in financial reporting from cash to accrual;
• IPSASD usage and influence have subsequently increased.
• Some of the proposed actions for 2023 include: developing a public sector sustainability community, enhancing education and competency training, influencing the global debate on standard setting, and building collaborative relationships with GRI and ISSB.

Session 1.14: Presentation International Sustainability Board (ISSB) ‘Collaboration between ISSB and GSSB’

Emmanuel Faber and Sue Lloyd, Chair and Vice Chair of the International Sustainability Standards Board (ISSB) respectively, presented on upcoming and potential collaboration between the ISSB and GSSB:
• The ISSB focuses on sustainability reporting's financial pillar of materiality, while GRI focuses on the impact pillar that provides the basis for collaboration and alignment.

• ISSB relies on GRI's wealth of experience and strong presence in the Global South as key to the dialogue that ISSB wants to develop.

• The ISSB foresees the publication of S1: General Requirements and S2: Climate Disclosures in 2023. In addition to technical collaboration on these, future work can be done on digital taxonomy while ensuring coherence and interoperability between the ISSB and GRI Standards. Other collaboration includes working on advocacy and creating joint educational material and platforms.

**Session 2.2: Update on Sector Program**

Mia d’Adhemar and Miguel Perez Ludeña from the Standards Division presented an update on the GRI Sector Program for input to the GSSB Work Program:

• The Sector Standards for banking, insurance, and capital markets will be developed under one financial services project.

• Although they share many sustainability impacts that can be reported consistently, they also operate under different regulatory regimes so that they will have individual Standards. The proposed scopes for the sectors are as follows:
  - Banking includes consumer and mortgage finance, and payment systems.
  - Insurance includes life and non-life insurance, reinsurance, and intermediaries.
  - Capital markets include asset owners, asset managers, and service providers.

• The proposed timeline to complete the project is approximately thirty months.

The following are responses from the SD to GSSB questions regarding the draft project proposal:

• Responding to a question, the SD noted that investment banks are part of capital markets.

• The SD explained that each TC would examine the impacts of the sector but that the intention is that a collective forum would consider the appropriate way to represent and report on the impacts these sectors are linked to via their capital provision activities.

• The SD is to consider the sector overlaps, where standards will diverge, and developments such as financial technology.

• The GSSB suggested that the proposed sector of capital markets includes types of organizations with potentially different business models and sustainability impacts. Among these organizations, real estate investment trusts (REITs) were identified as substantially different from other organizations in this sector. In light of these comments, the SD will review the boundary between the capital markets and real estate sectors.
The GSSB approved the project proposal. Item 03 – GRI Sector Standards Project for Financial Services – Draft project proposal

- Minor modifications were made to the Sector Standards priority list:
  - Group 1: Basic materials and needs – the word ‘aquaculture’ was added to the full title of GRI 13. The word ‘beverages’ was added to ‘Food and beverages’. The description of ‘Textiles and apparel’ now includes manufacturing and retail. The name ‘Asset management’ was changed to ‘Capital markets’. ‘Metal processing’ includes smelting and other metals.
  - Group 3: Transport, infrastructure, and tourism – includes ‘Hotels’ that was erroneously left off the list.
- These revisions do not reflect the potential combination of the utilities and renewable energy sectors, which still require more background research. Despite being referenced in the Work Program, a dedicated public sector Standard is not included in the list.

The following are responses from the SD to GSSB questions on the Sector Standards priority list:

- A suggestion was given to modify the name of ‘Hotels’ to ‘Hotels and accommodation facilities’.
- The SD responded that more research would be done into the boundaries of the software sector to be able to categorize new-age enterprises, for example, Uber or Airbnb, with sectors such as transportation or accommodation that overlap with software.
- SD responded that theme parks and cruise ships (Group 3) would be part of the Tourism sector.

The GSSB approved the updated priority list. Item 04 – GRI Sector Program – List of prioritized sectors

Session 2.4: Continuation discussion
draft Work Program 2023-2025

Bastian Buck, Mia d’Adhemar, Laura Espinach, and Harold Pauwels from the Standards Division continued the discussion of the draft GSSB Work Program from 2023-2025:

- The GSSB will identify priorities for developing new Topic Standards based on stakeholder feedback from public consultations, the Sector Program, technical committees and working groups, external stakeholder presentations, and research by the SD.
- One new topic per year is realistic in the period 2023-2025.
• Gaps identified in the Sector Standards are a key input source for Topic Standards development, including topics with no dedicated standard found in multiple sectors that are widely applicable but with no standard, or through input from TCs and WGs.

• Stakeholder input presentations to the GSSB during monthly meetings are key input sources for Topic Standard development. These include:
  o Anti-corruption, Children's rights, Animal welfare, International Humanitarian Law (IHL),
  o Living wage and living income, Land acquisition, Involuntary settlement and land rights,
  and Digitization and the impact of artificial intelligence.

• In terms of revisions beginning in the 2023-2025 period, the Labor-related standards project began in September 2022. The Climate-related standards project will begin in December 2022.

• GSSB members asked questions about the interlinkages of different topics. For example, SD noted that Adaptation and resilience, which have appeared in previous Sector Standards, are currently being researched by the SD as potential topics.

• SD discussed cooperation with partners in the sustainability landscape. It was noted that the GSSB would continue to engage with partners like EFRAG, IFRS/ISSB, OECD, and ILO as part of the Work Program 2023-2025.

• The timeline for cooperation with ISSB is still to be defined, but cooperation with EFRAG is reaching a critical juncture and will require more direct communication with the GSSB.

• GRI's commitment to linkages with other standards and the services it can provide as guidance to reporters are crucial to its relevance beyond regulatory requirements.

The next element under discussion for input to the GSSB is the research division, which works to support the Sector Standards, Topic Standards, and input for cooperation with partners.

• In 2022, two topics were researched for input to the work program:
  o Digitalization, data protection, and privacy;
  o Public policy and anti-competitive behavior (due to stakeholder feedback to the revision of GRI 206: Anti-competitive Behavior, GRI 415: Public Policy, and the related GRI 205: Anti-corruption).

• For 2023, a new research project will be included in the Sector Program to understand existing practices and the structure of sustainability reporting in the public sector.

The next element for input to the work program is the translation and publication of GRI Standards.

• English is the authoritative language of the Standards. However, translations in 10 languages account for 47% of the downloads on the website.

• Additional considerations for the work program include monitoring the use of GRI Standards, the development of Standards interpretations, the development of FAQs and guidance materials, and the development of a digital taxonomy.
Another key area of interest for the GSSB is how updates to Topic Standards are reflected in Sector Standards. In all cases, these changes will be reflected as updates to the Sector Standards over time.

Session 2.6: International Ethics Standards Board for Accountants (IESBA) ‘Sustainability Working Group Update’

Guest speaker Mark Babington, IESBA Member and Sustainability Working Group Chair, presented the IESBA and ‘Sustainability Working Group Update’:

• The IESBA is principles-based and stimulates thinking about ethical conduct. It is developing a strategic vision to guide standard-setting actions concerning sustainability reporting and assurance. Sustainability is a key area of focus

• The IESBA commits to ongoing coordination with IOSCO, IAASB, and ISSB with targeted outreach to GRI, IFIAR, EC, investors, and firms.

Session 2.8: International Auditing and Assurance Standards Board (IAASB) ‘Sustainability Assurance Project Update’

IAASB Chair Tom Seidenstein, and Principal, Claire Grayston, presented the ‘Sustainability Assurance Project Update’:
In response to demand, the IAASB is fast-tracking a project on sustainability assurance with a robust due process to ensure high quality.

Global outreach is a component of due process that requires formal engagement with the Consultative Advisory Group (CAG) and National Standard Setters (NSS), regulators, oversight bodies, global standard setters, Professional Accountancy Organizations (PAOs), and stakeholder groups.

There is an increasing demand for reliable sustainability information and mandatory assurance. Existing IAASB Standards lack specificity, and action is needed to address a standard for sustainability assurance with a vision to develop and build a suite of standards.

Session 2.10: Review discussions
draft Work Program 2023-2025 and the next steps

Final points were raised regarding the next steps of the draft GSSB Work Program from 2023-2025:

- Considerations for the Sector Program are the adequate scaling of the team, prioritizing sectors appropriately, and the ability to work on multiple standards projects in parallel.
- Challenges for Topic Standards include the revision of existing standards and the selection of new topics. This depends on capacity and the sequence of the work.
- In addition to investing in digital transformation, further alignment with other standards setters needs to be explored through project sequencing, due diligence, and promoting the use of GRI Standards
- There is general agreement to build on the digital capabilities of GRI. Work should be carried out with a steady momentum without the need to rush the process.

Session 2.11: Summary and close of public meeting

Bastian Buck thanked the GSSB for the opportunity to meet in-person. The Independent Appointments Committee (IAC) is to consider the reappointment and rotation of the board. It was proposed that current GSSB members continue to serve into the first quarter of next year.
The Chair concluded by adding her thanks to all who contributed to a successful in-person meeting.

No other business was raised, and the Chair closed the public meeting.