Item 07 – GRI Topic Standard Project for Biodiversity – Re-exposure draft of Disclosure on Access and benefit-sharing

For GSSB approval

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<td>Project</td>
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<td>Description</td>
<td>This document sets out a re-exposure draft for Disclosure 304-7 Access and benefit-sharing as part of the revision of GRI 304: Biodiversity 2016, including the explanatory memorandum. These are submitted for GSSB approval for public exposure. The exposure draft of the revised GRI Biodiversity Standard was published for comments from 5 December 2022 until 28 February 2023. The public comments received raised significant challenges with the requirements proposed under Disclosure 304-7 Access and benefit-sharing. To address these comments, the Standards Division prepared a significant redraft to this disclosure, and proposes a targeted re-exposure for this specific disclosure. The scope of the disclosure has not changed and stakeholders in this field have been identified in the previous commenting round. As the content to be released for public consultation is shorter than usual, a public comment period of 6 weeks is proposed. We expect that this will nonetheless allow stakeholders sufficient opportunity to review and comment to the document as it is the second opportunity to do so. If approved, it is proposed that public exposure commences end of July and runs until early September (6 weeks).</td>
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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.
Explanatory memorandum

This explanatory memorandum sets out the objectives for the review of Disclosure 304-7 Access and benefit-sharing, the significant proposals contained in the exposure draft, and a summary of the GSSB’s involvement and views on the development of the draft.

Objectives for the project

The review of *GRI 304: Biodiversity 2016* aims to represent internationally agreed best practice and align with recent developments and the relevant authoritative intergovernmental instruments in the field of biodiversity.

As part of the GSSB Work Program 2020-2022, the Global Sustainability Standards Board (GSSB) identified the review of *GRI 304: Biodiversity 2016* as a priority project for commencement in 2021. Since the GRI disclosures on biodiversity were last revised in 2006, the issue of biodiversity has received significant attention in the global sustainable development agenda.

Biodiversity features as a key theme in the UN’s 2030 Agenda for Sustainable Development. Both governments and private sector organizations are being called upon to realize SDG 14 and SDG 15. SDG 14 is devoted to “conserve and sustainably use the oceans, seas and marine resources”. While SDG 15 is devoted to “protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss”.

The Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services (IPBES) issued the global assessment report on biodiversity and ecosystem services in 2019, highlighting that biodiversity is declining in every region and issues an urgent call to halt and reverse the unsustainable use of nature.

In December 2022, parties to the United Nations Convention on Biological Diversity agreed on the final text of the Kunming-Montreal Global Biodiversity Framework. The final text contains “Target 15. Businesses assess and disclose biodiversity dependencies, impacts and risks, and reduce negative impacts”. The revised GRI Biodiversity Standard could support organizations in meeting reporting obligations resulting from the adoption of this framework.

As outlined in the GSSB’s Due Process Protocol, a multi-stakeholder technical committee was established in November 2021 to contribute to the revision of the Biodiversity Standard.

For more information on the project, consult the Project Proposal and the Terms of Reference of the Technical Committee.

Significant proposals

In December 2022, the exposure draft of the revised GRI Biodiversity Standard was published for comment. From the public comment GRI concluded the following:

- Delete requirements 304-7-a and 304-7-b from the first exposure draft that required to report on permits and agreements. Not all countries have legislation in place that asks for permits or regulates agreements. A process provides more accurate information to the reader on whether an organisation is aware of access and benefit-sharing legislation.

- Delete requirements 304-7-c and 304-7-d from the first exposure draft that required to report on monetary and non-monetary benefits. Stakeholders indicated that this information is often confidential.

- Delete requirement 304-7-e to report patents in relation to access and benefit-sharing. The relationship between legislation on access and benefit-sharing and patents are not always linked. These legislations serve different purposes. It will be challenging for organizations to report on this.
Based on the comments received a re-exposure draft for Disclosure 304-7 Access and benefit-sharing has been developed. Notable changes and inclusions in this exposure draft are summarized below:

Facilitate reporting compliance with access and benefit-sharing legislation and voluntary actions. Target 15. Businesses assess and disclose biodiversity dependencies, impacts and risks, and reduce negative impacts of the United Nations Convention on Biodiversity has as subtarget “(c) Report on compliance with access and benefit-sharing regulations and measures, as applicable.” Instead of requiring information on the number of permits and agreement and on monetary and non-monetary benefits, the new requirement 304-7-a allows organisations to provide information on due diligence process to comply with access and benefit regulations and measures.

New requirement to describe actions that go beyond legal requirements. In case a country has not put in place any regulations or measures, organisations can take actions with respect to access and benefit-sharing. Organisations might also take actions additional to regulations. These actions can be described under a new disclosure.

GSSB involvement and views on the development of this draft

The GSSB appointed two of its members as sponsors for the review of GRI 304: Biodiversity 2016. Since March 2023, one sponsor has withdrawn his sponsorship as they are no longer a member of the GSSB. The GSSB sponsors observed the TC process and attended most of its meetings. The GSSB confirmed its support for the revisions to GRI Biodiversity Standard when it voted to approve the draft for public exposure at its meeting on 17 November 2022.

The GSSB confirmed its support for the revisions to Disclosure 304-7 Access and benefit-sharing when it voted to approve the draft for public exposure at the meeting on 20 July 2023 [subject to GSSB approval].

The recording of the meetings can be accessed on the GSSB website.
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Disclosure 304-7 Access and benefit-sharing

REQUIREMENTS
The organization shall:

a. describe its process to assess applicability and ensure compliance with access and benefit-sharing regulations and measures;

b. describe any voluntary actions taken to advance fair and equitable benefit sharing that are in addition to legal compliance or when there are no national regulations and measures.

GUIDANCE

This disclosure provides information on how the organization respects and manages processes and actions to comply with access and benefit-sharing (ABS) requirements. These cover access to genetic resources and the associated traditional knowledge, and the fair and equitable sharing of benefits arising from their utilisation. This disclosure covers the processes of an organization when there are access and benefit-sharing regulations and measures applicable to the organization. The disclosure also covers actions taken by the organization in addition to legal compliance or when there are no national regulations and measures.

This disclosure is relevant to an organization conducting activities that may require compliance with ABS regulations and measures in countries around the world. Such activities may include research and development on the genetic or biochemical composition of genetic resources and the utilisation of traditional knowledge associated with genetic resources, recognising that the scope of ABS obligations will depend on national legislation.

The fair and equitable sharing of benefits arising from the utilization of genetic resources is part of one of the three objectives of the Convention on Biological Diversity. The Nagoya Protocol further builds on the provisions of the Convention on Biological Diversity to set out the obligations of governments in relation to access and benefit-sharing. In order to meet their obligations under the Nagoya Protocol, governments may adopt legislative, administrative, or policy measures which set out national access and benefit-sharing requirements and procedures. Organizations interested in accessing or using genetic resources and associated traditional knowledge must follow the relevant national requirements and procedures. Furthermore, Target 15 of the Convention calls on countries to take measures to encourage and enable business to report on compliance with ABS regulations and measures, as applicable.

The Nagoya Protocol has established the ABS Clearing-House as a platform with the intent to provide information on national legal and administrative measures and procedures for accessing genetic resources and associated traditional knowledge. National focus-points may have been established to provide information on ABS on the national level. National focus-points will send Internationally Recognized Certificates of Compliance (IRCC), to the ABS Clearing-House for publication.


Guidance to 304-7-a

The organization should describe how it allocates responsibility to implement the ABS regulations and measures across different levels within the organization; how it integrates ABS regulations and measures into organizational strategies, operational policies, and operational procedures; and training that the organization provides on implementing the ABS regulations and measures. If the organization has described this information in the context of access and benefit-sharing under Disclosure 2-24 Embedding policy commitments in GRI 2: General Disclosures 2021, it can provide a reference to this information under 101-3-a and does not need to repeat the information. See Disclosure 2-24 in GRI 2 for guidance on how to report this information.

The organization is required to report any significant instances of non-compliance with laws and regulations related to ABS under Disclosure 2-27 Compliance with laws and regulations in GRI 2: General Disclosures 2021.

Guidance to 304-7-b
Examples of additional actions include joint research projects, training, or knowledge sharing, related to the use of genetic resources and/or associated traditional knowledge in research and innovation. The ABS Clearing-House has an online library for good practices, codes of conduct, guidelines and standards. The organization can also consult Annex. Monetary and Non-monetary Benefits of the Nagoya protocol.

If the organization has not taken any additional voluntary actions, a brief statement of this fact is sufficient to comply with 101-3-b.

Bibliography

This section lists authoritative intergovernmental instruments and additional references used in developing this Standard.

Authoritative instruments:

1. United Nations (UN), Kunming-Montreal Convention on Biological Diversity, 2022


Additional references: