Item 04 – GRI Sector Standards

Project for Agriculture, Aquaculture, and Fishing – Input on GRI Topic Standards

For GSSB information

<table>
<thead>
<tr>
<th>Date</th>
<th>2 May 2022</th>
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<tbody>
<tr>
<td>Meeting</td>
<td>19 May 2022</td>
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<tr>
<td>Project</td>
<td>GRI Sector Standard Project for Agriculture, Aquaculture, and Fishing</td>
</tr>
<tr>
<td>Description</td>
<td>This document summarizes the input relevant to GRI Topic Standards collected during the development of GRI 13: Agriculture, Aquaculture, and Fishing Sectors 2022. This document includes the preliminary opinion of the Standards Division based on the outcomes of the Agriculture, Aquaculture, and Fishing Project to date. However, recommendations to the GSSB work program will be made by the Standards Division on the basis of cumulative input from multiple Sector Standards projects.</td>
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**Background**

Along with the developing GRI Sector Standards, as outlined in the [Program Description](#), the GRI Sector Program is to support the enhancement and expansion of the GRI Standards by surfacing issues not previously covered in the GRI Standards.

The Standards Division will make proposals to the Global Sustainability Standards Board (GSSB) to develop new, or revise existing Standards, which the GSSB will consider and prioritize during the regular reviews of the GSSB work program per the [Due Process Protocol](#).

Feedback on GRI Topic Standards was collected throughout the GRI Sector Standards Project for Agriculture, Aquaculture, and Fishing. This document focuses on relevant feedback, collected during research activities, from project working group input and public comment submissions.

The document also includes the preliminary opinion of the Standards Division based on the project’s outcomes. The Standards Division will make recommendations to the GSSB work program on the basis of cumulative input from numerous Sector Standards projects.

**Input on Topic Standards**

**Based on the Sector Standard**

The GRI 13: Agriculture, Aquaculture, and Fishing Sectors 2022 contain seven topics for which no dedicated (or closely related) Topic Standard exists, namely:

- Natural ecosystem conversion
- Soil health
- Pesticides use
- Food security
- Animal health and welfare
- Land and resource rights
- Living income and living wage

No disclosures from Topic Standards were considered relevant for any of these topics.

Natural ecosystem conversion could conceivably come under the umbrella of biodiversity. However, the issue of ecosystem conservation and deforestation is of such concern for agriculture, aquaculture, and fishing sectors that natural ecosystem conservation was considered significant enough to constitute a separate likely material topic. Similarly, clear and normative expectations of responsible behavior and transparency related to conservation and deforestation are not currently reflected in GRI 304: Biodiversity 2016 but may be covered in the revised version currently being developed.

Animal health and welfare has been consistently identified as a topic that could be usefully covered by a Topic Standard and may be relevant to some sectors outside of the food value chain, such as pharmaceuticals. This topic also presented challenges in reaching consensus on the specific reporting that is appropriate and feasible and would likely benefit from further dedicated discussions on the topic, as well as reporting guidance.

Land and resource rights, and living income and living wage are expected to be highly relevant to various other sectors. Land and resources rights have already been identified as likely material for the oil and gas, and coal sectors, and are predicted to be relevant for all extractive sectors. Living income and living wage is forecast to be relevant for other sectors where a large proportion of the sector’s workforce have lower wages, such as textiles and apparel. A body of work and common methodologies for calculating living income and wage across sectors and geographic regions is emerging, though this is not currently reflected in the Standards. The issue of wages and wage setting is not currently addressed in the GRI Standards, apart from one disclosure focused on market presence.
Feedback from the working group focused on the following key areas:

- Insufficient scope of reporting on biodiversity (including natural ecosystem conversion) in GRI 304: Biodiversity 2016.
- Some topic Standards that address impacts on people only ask for incidents of non-compliance (e.g., GRI 408: Child Labor 2016, GRI 409: Forced or Compulsory Labor 2016, GRI 407: Freedom of Association and Collective Bargaining 2016). Other relevant information, for example, on specific actions to prevent negative impacts associated with the topics, should also be requested to provide a more complete and nuanced set of information.

Further feedback from the Working Group

In addition, to achieve complete reporting for the sector, the working group identified disclosure gaps for the following 12 topics which require additional sector reporting:

- Emissions
- Climate adaptation and resilience
- Biodiversity
- Water and effluents
- Waste
- Food safety
- Rights of indigenous peoples
- Non-discrimination and equal opportunity
- Occupational health and safety
- Employment practices
- Economic inclusion
- Supply chain traceability

For some topics, namely: biodiversity; water and effluents; waste; and occupational health and safety, the additional sector reporting reflects specific reporting appropriate for the fishing and aquaculture sectors. In these cases, there is no evidence that the additional sector reporting would be appropriate for other sectors to be the subject of Standards in the future.

Many of the other topics for which there is additional sector reporting is due to the type of workers in the sectors, both in terms of their demographics and the employment practices of the sectors, as well as the impact of this sector on rural and poor communities.

To measure equity, topic disclosures relevant to the topics of employment practices and non-discrimination and equal opportunity focus primarily on employees, using comparisons between full-time and part-time and/or temporary employees or by age and gender. The disclosures do not systematically consider the differences between the benefits and conditions afforded to workers (who are not employees), as compared to employees. Reporting inequity between employees and other types of workers is of particular relevance to the agriculture, aquaculture, and fishing sectors but may be more broadly relevant considering the increasingly common shifts in employment arrangements and supply chains structures. More consideration of the disparity between employees and other workers may also introduce consistency across the Standards, aligning with the revised glossary definitions for employee and worker, which were introduced as part of the transition from the G4 Guidelines to the GRI Standards and the categories of workers introduced as part of the GRI 403: Occupational Health and Safety 2018.

It was also identified that the existing Topic Disclosures do not sufficiently cover impacts associated with the recruitment and employment of migrant workers. It is expected that this type of reporting is likely to be appropriate for other sectors, including the two upcoming projects on textiles and apparel, and food and beverages.
• The difficulty of data collection in sectors that are made up of complex and multi-party supply chains. Note: this is the first Sector Standard that highlights the challenges associated with a sector made up of a mix of larger organizations and much smaller, micro, or even individual primary producers. Farmers and fisheries fall under the scope of GRI 13 but are also highly relevant in terms of the significant impacts of larger organizations.

Input received during public exposure

Some responses received during public exposure are directly relevant to Topic Standards. The complete comments are listed in Appendix 1 and logged on the GRI website.

Key feedback received from respondents includes the following:

• Disclosure 201-2 Financial implications and other risks and opportunities due to climate change in GRI 201: Economic Performance 2016 is related to financial materiality and misaligned with GRI’s focus, considering that reporting using the GRI Standards is on the impacts a business generates rather than impacts on a business.

• Further guidance is needed to calculate and report on Scope 3 emissions for the sector, including biogenic, land use and land management emissions.

• Frequent requests to include disclosures to report on due diligence processes associated with social topics or the supply chain.

Preliminary opinion

The development of GRI 13 highlighted several topics that could have fallen within the scope of GRI Topic Standards but were not sufficiently covered by existing disclosures due to the significance of the associated impacts and the context of the sector. Natural ecosystem conservation is likely to be covered by the revision of GRI 304. However, topics related to impacts on communities, particularly rural or low socio-economic communities, that have a high potential of being likely material for other sectors - land and resource rights, economic inclusion, living income and living wage, in particular - will not be covered by near term Topic Standards projects.

Some matters that have previously emerged in Sector Standards projects were again highlighted. Free, prior, and informed consent (FPIC) was insufficiently covered despite being a cornerstone of the rights of indigenous people and land and resource rights. There was a lack of clarity about how Disclosure 201-2 Financial implications and other risks and opportunities due to climate change fit within the GRI Standards approach. Reporting from GRI 405: Diversity and Equal Opportunity and GRI 406: Non-discrimination 2016 were merged into the single topic of non-discrimination and equal opportunity based on the working group's recommendation that they are not distinct enough to be two separate topics.

It also appears that there could be a useful alignment of scopes across employment topics, with more consistent coverage of workers and employees and the potential for other under-represented or marginalized groups to be part of disclosures focused on equity measures where relevant.

Animal health and welfare arose as a topic with sufficient complexity and cross-sector relevance that complete and well-rounded reporting on this topic cannot be achieved without the development of a Topic Standard. Recent policy developments on this topic, such as the Animal Sentience Bill under consideration in the United Kingdom, further justify the development of such a Topic Standard.
Appendix 1. Public comments on Topic Standards collected during the exposure period for the Agriculture, Aquaculture, and Fishing Sector Standard

<table>
<thead>
<tr>
<th>No</th>
<th>Comments (incl. extracted from more detailed responses received)</th>
<th>Name of organization or individual</th>
<th>Country</th>
<th>Stakeholder group</th>
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<tr>
<td></td>
<td><strong>GRI 305: Emissions 2016</strong></td>
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<td></td>
<td>By itself, topic standard 305 will not direct organizations to disclose land-based or other sector-specific emissions.</td>
<td>Corteva Agriscience</td>
<td>United States</td>
<td>Business enterprise</td>
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<td></td>
<td>Very complex to report on Scope 3 emissions if includes production-level impacts (lacking knowledge of soil sequestration, manure management practices), especially in smallholder supply chains.</td>
<td>Eden Strategy Institute</td>
<td>Singapore</td>
<td>Business enterprise</td>
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<td><strong>GRI 401: Employment 2016</strong></td>
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<td></td>
<td>…companies should be asked to report on their worker-to-CEO compensation ratio</td>
<td>Oxfam</td>
<td>Netherlands</td>
<td>Civil society organization</td>
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<tr>
<td></td>
<td><strong>GRI 405: Diversity and Equal Opportunity 2016</strong></td>
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<td>[…] in Standard 405-1, migrant worker status should specifically be identified as always “relevant” in these particular sectors and therefore the percentage of migrant and non-migrant employees per employee category should always be reported</td>
<td>International Transport Workers’ Federation (ITF)</td>
<td>United Kingdom</td>
<td>Labor</td>
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<td>Organizations should be requested to disclose their gender action plans (or if they are even working on one) to end discrimination, close gender wage gaps, create equal opportunities, and increase inclusion throughout the organization and its business activities.</td>
<td>Oxfam</td>
<td>Netherlands</td>
<td>Civil society organization</td>
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<td></td>
<td><strong>GRI 407: Freedom of Association and Collective Bargaining 2016</strong></td>
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<td>Disclosure 407-1 is general and overarching requiring the reporting of operations and suppliers in which workers’ rights to freedom of association and collective bargaining may be at risk and the reporting of measures that the organization has taken to support the exercise of these rights. […] The ITF</td>
<td>International Transport Workers’ Federation (ITF)</td>
<td>United Kingdom</td>
<td>Labor</td>
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would also encourage additional disclosure requirements to report on trade union density.

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<tr>
<th>GRI 409: Forced or Compulsory Labor 2016</th>
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<td>[Topic] 2.16 on forced labor could include greater clarification and definition of human trafficking, especially its indicators and how these relate to forced labor and other labor abuses.</td>
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<td>Environmental Justice Foundation</td>
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<th>GRI 411: Rights of Indigenous Peoples 2016</th>
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<td>In addition to asking companies to report on their approach to FPIC, organizations should be required to disclose whether they have a policy on FPIC, a zero-tolerance policy on land grabbing, and whether those policies are included in supplier codes of conduct.</td>
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<tr>
<td>Oxfam</td>
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