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GRI Standards Basis for Conclusions

Summary of Public Comments on the Exposure Drafts of the GRI Standards, and GSSB Responses

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Description	<p>This document sets out the main themes from public comments received on the Exposure Drafts of the GRI Standards, during the consultation period from 19 April to 17 July 2016. This document incorporates public comments received via GRI's online consultation platform, as well as input from stakeholder workshops carried out in selected regions, and any official feedback submissions received via email.</p> <p>This document also provides a summary of how the GSSB has responded to each main theme raised during the public comment period.</p>

Introduction

About this document

This document sets out a summary of the feedback received by the Global Sustainability Standards Board (GSSB) in response to their public consultation on the Exposure Drafts of the GRI Standards (released for comment between 19 April and 3 June 2016). This includes:

- Comments received through GRI's online consultation platform (including questionnaire responses as well as detailed comments on specific draft Standards);
- Feedback received from 13 stakeholder workshops held in 11 countries between May and July 2016¹;
- Additional feedback submissions received directly via email.

This summary document also sets out the GSSB's decisions and changes related to the GRI Standards, after consideration of the comments received.

The full set of individual comments received via the online consultation platform and via email are also [available to download from the GSSB website](#).

Background and Objectives for the Transition to Standards

The Transition to Standards was initiated in November 2015 by the Global Sustainability Standards Board (GSSB), GRI's independent standard-setting body. This initiative aims to restructure content from the G4 Guidelines and Implementation Manual into a set of modular, interrelated GRI Sustainability Reporting Standards (GRI Standards).

The transition from G4 to GRI Standards mostly focuses on improvements to the structure and format of the G4 content. This aims to make the GRI Standards easier to keep up-to-date, and more suitable for referencing in policy initiatives around the world. The following specific objectives were established by the GSSB when commencing the Transition to Standards, and have been considered throughout the project:

- devising a modular format that allows the Standards to be updated independently when the need arises and that facilitates continuous improvement;
- ensuring minimal disruption of G4 disclosure requirements and their methodologies;
- preserving the Reporting Principles and the focus on materiality;
- clarifying certain G4 concepts and disclosures that are not clearly understood by users, based on available G4 FAQs and GSSB input;
- clarifying what is required, versus what is recommended or what is just guidance
- reducing unnecessary duplication of content;
- making individual elements of G4 easier to find; and
- allowing for flexibility in reporting options and formats.

¹ This includes all official workshops held by the GRI Standards Division during the consultation period. Additional workshops held by GSSB members in Norway and Japan have not been counted as part of this total. See [Annex D](#) for a full list of stakeholder workshops.

The Transition to Standards was carried out in line with the GSSB's [Due Process Protocol](#), which requires public exposure of all draft Standards.

Scope of the public consultation

Exposure drafts of each of the proposed 36 GRI Standards, as well as the GRI Standards Glossary, were open for public comment from 19 April to 17 July 2016. As the Transition to Standards focused primarily on changes to the structure and format of G4, respondents were asked to focus on these changes in their responses to the public consultation. Any comments that relate to areas out of scope for the Transition to Standards (such as suggested content updates) are being considered by the GSSB to help inform future work priorities.

During this consultation period, the GSSB asked for feedback on the following specific areas:

- the structure, format and usability of the draft Standards;
- revisions to the text on making claims related to the GRI Standards (including 'in accordance' options);
- the use of instructive verbs ('shall', 'should', and 'can') throughout the draft Standards;
- the revised structure of *SRS 301: Management Approach*, including the revised description of topic Boundary;
- the clarity of text throughout the draft Standards.

In addition to these areas, the GSSB sought public feedback on specific content updates related to 'employee'/'worker' and related terminology. These updates resulted from a separate review project carried out in parallel to the Transition to Standards; but were included in the public Exposure Drafts of the GRI Standards. More information on the 'employee'/'worker' terminology review can be found on the [project website](#).

Participation in the public comment period

Stakeholders were able to give feedback on the draft Standard via GRI's online consultation platform, attending in-person workshops held in selected markets, and/or submitting feedback directly to the GRI Standards Division via email.

Online consultation platform

The Transition to Standards was carried out in line with the GSSB's [Due Process Protocol](#), which requires public exposure of all draft Standards. GRI and the GSSB developed a dedicated online consultation platform to allow stakeholders to access, review, and comment on the Exposure Drafts of the 36 GRI Standards and the Glossary. See [Annex A](#) for a full list of the Exposure Drafts. The consultation platform could be accessed via the GRI and GSSB websites, and users were required to register in order to submit feedback.

Exposure Drafts of the three 'universal' GRI Standards (*SRS 101: Foundation*, *SRS 201: General Disclosures*, and *SRS 301: Management Approach*) were released for public comment on 19 April 2016, along with *SRS 403: Indirect Economic Impacts*, *SRS 505: Emissions*, and *SRS 615: Public Policy*. SRS 403, 505, and 615 represented examples from the set of topic-specific Standards, one each

from the Economic, Environmental, and Social series. These six drafts, plus the draft Glossary of Terms (Part I), were exposed for a 90-day period from 19 April to 17 July 2016.

Exposure drafts of the additional 33 topic-specific Standards, and Part II of the GRI Standards Glossary, were released for public comment for a 45-day period from 3 June to 17 July. This shorter exposure period was due to the fact that this consultation focused on the changes to format and structure (rather than content) and these Standards follow the same structure as the first set of topic-specific Standards.

Each Exposure Draft had a short questionnaire with questions about the format, structure, and clarity of the document. In addition, respondents had the option to also leave detailed comments directly on the PDF document. See [Annex B](#) for an overview of questionnaire questions.

Stakeholder workshops

As part of the public consultation process, the GSSB and GRI's Standards Division carried out 13 in-person stakeholder workshops between May-July 2016. See [Annex D](#) for the list of workshops by location. The first session was held as part of the GRI Global Conference in Amsterdam, and was attended by over 100 participants. The remainder of the workshops were stand-alone events and were limited to approximately 30 participants in order to encourage robust dialogue.

These workshops were designed to give participants an overview of the 'Transition to Standards' project, and to solicit their feedback on specific areas of the draft Standards through small group work and discussion. The workshops covered the following main areas for feedback:

- the design and layout of the draft Standards, including overall user-friendliness and accessibility;
- the introduction sections of each Standard, and whether users could clearly understand the structure and use of the Standards based on this information;
- the revised standard on management approach (*SRS 301: Management Approach*), including the revised description of 'topic Boundary';
- the revised section on 'Making claims related to the use of the GRI Standards' (from *SRS 101: Foundation*, based on the 'in accordance' options from G4).

Each small group was provided with excerpts from the draft GRI Standards and asked to answer specific questions related to the areas above. Each group was asked to record feedback on a flip chart for discussion with the full workshop audience. Each participant was also given an individual response sheet where they could leave additional comments, concerns, or suggestions.

Feedback via email

Although GRI and the GSSB encouraged stakeholders to utilize the online consultation platform wherever possible, respondents that wanted to provide additional feedback on the draft Standards were able to submit feedback via email to standards@globalreporting.org. This feedback was reviewed and analyzed along with the comments received from workshops and the online consultation platform.

Total participation during the public comment period

During the public comment period, more than 450 stakeholders attended in-person workshops and provided detailed feedback on the format, structure, and clarity of the draft Standards.

In addition, 89 individuals or organizations from 29 countries submitted feedback via the online consultation platform. Of these, 47 represented submissions on behalf of an organization or groups of organizations (such as an industry association or trade group).

In total, the feedback via the online consultation platform represented 1,158 comments across the Exposure Drafts of the 36 GRI Standards and the Glossary of Terms. In addition, there were 3,305 individual responses to questionnaire questions via the online platform.²

During the public comment period, 14 consultation submissions were received via email, although 4 of these respondents also submitted comments through the online consultation platform. Out of the remaining 10 submissions by email, 8 represented the views of organizations (or groups of organizations), and 2 were submitted on behalf of an individual.

For more detail, see:

- The full set of individual comments received via the online consultation platform and via email, [available to download from the GSSB website](#);
- [Annex B](#) for an overview of the questionnaire questions;
- [Annex C](#) for an overview of submissions via the online consultation platform and received by email, with a breakdown by representation, region, and constituency.

² This includes all 'yes' and 'no' responses to the questionnaire questions. It excludes any respondents who answered 'no comment' to a question.

Basis for Conclusions

This section summarizes the main themes raised by respondents during the public comment period and the GSSB's responses to these issues. Every comment received was first reviewed individually by the Standards Division to identify themes. All individual comments, together with an analysis of the main themes, were provided the GSSB for review and discussion.

The feedback is organized into the following sections, and grouped by the main themes within each section:

1. [Overarching feedback](#) (themes that apply to all Standards)
2. [Feedback on SRS 101: Foundation](#)
3. [Feedback on SRS 201: General Disclosures](#)
4. [Feedback on SRS 301: Management Approach](#)
5. [Feedback on the topic-specific draft Standards \(Series 400, 500, and 600\)](#)
6. [Feedback on the GRI Standards Glossary](#)
7. [Feedback out-of-scope for the Transition to Standards](#)

1. Overarching feedback

This section includes feedback on the design, layout and structure of the draft Standards, as well as areas which are relevant for the full set of Standards, such as the effective date and proposed changes to 'employee'/'worker' terminology.

Structure, format, and usability

a) The modular structure and clarifications in the draft Standards are generally regarded as an improvement over G4

Respondents in general were positive about the new structure and improved accessibility of the draft Standards. Some respondents commented that the draft Standards were easier to use and navigate, are more clear, and should be easier to adopt for new reporters. However, some respondents were concerned that the new structure is still complex, and emphasized that supporting materials will be critical to help existing reporters make a smooth transition from the G4 Guidelines to the GRI Standards.

Response from the GSSB: To help address the complexity of the new structure, the universal Standards (Foundation, General Disclosures, and Management Approach) have been re-numbered so they are all now part of the '100 series'. This should help make the modular structure of the Standards easier to explain and more user-friendly. In addition, supporting materials are under development to help reporters transition from the G4 Guidelines to the GRI Standards. These include training materials, explanatory documents, and a detailed mapping document showing changes to G4 indicators and Aspects.

b) Having a separate PDF document for each GRI Standard could make the documents more challenging for users

Respondents indicated that while they understand the reasons for the modular structure of the GRI Standards, this could adversely impact usability of the Standards. A main concern was that users would have to access multiple PDF documents, rather than being able to find and search all content in one or two documents as with G4. Respondents also cited the fact that there would be lots of duplicative content for users of multiple Standards, since the Introduction sections are repeated in each Standard. In addition, respondents noted that some key concepts such as the topic Boundary or Materiality principle, are currently divided across multiple Standards.

Response from the GSSB: The GRI Standards will include hyperlinks to relevant content from other Standards. In addition, users will have the option to download all GRI Standards together in one file if they choose to. The GSSB also plans to commit resources to develop an online tool to allow users to choose and download selected Standards in one combined file; this tool is expected to be available in 2017.

Layout and design

a) Distinguishing between requirements, recommendations, and guidance is very useful, but design features should more clearly emphasize the difference between requirements and other content

In general, respondents were very positive about the clearer distinction between requirements, recommendations, and guidance in the draft Standards. However, respondents felt that the distinction between ‘requirements’ and other sections (i.e. recommendations and guidance) should be more evident to help users easily identify mandatory text. Respondents recommended using design features (such as shading, boxes, or bold text) to emphasize requirements.

Some respondents also recommended having an overview of all requirements at the front of each document. This would serve as a summary of the essential content, with recommendations and guidance at the back.

Response from the GSSB: Bold text and clearer section headings have been used to emphasize the distinction between requirements and recommendations in the GRI Standards. Each Standard also now includes an overview of all disclosures at the beginning of the document to help with navigation. It was determined not to include an overview of all requirements at the front of each Standard, as this would make it likely that users would overlook the important content in recommendations and guidance.

b) The numbering system for requirements and disclosures can be confusing for users

Participants at stakeholder workshops and respondents via the online consultation platform raised concerns that the numbering system in the draft Standards can be confusing. This is due to the fact that disclosures and individual clauses (i.e. requirements) have different numbering systems. They recommended simplifying this numbering system to help users more easily navigate the documents.

Response from the GSSB: To simplify the numbering systems, the requirement clause related to each disclosure (i.e. ‘The reporting organization shall report the following information ...’) has now been

moved into the disclosure box along with the information points to be disclosed. This eliminates the use of conflicting numbering systems around each disclosure. However, it preserves the unique numbering for each disclosure, which is important to enable comparability and analysis of reported information.

c) The order of Guidance should be more consistent throughout each document, and background information should be distinguished from more practical guidance

Respondents requested that the ‘Guidance’ throughout the draft Standards be reviewed so that background context would be distinguishable from more practical advice or guidance related to a specific requirement. It was noted that the placement of ‘Guidance’ sections could be improved and made more consistent. For example, all guidance could be grouped and presented at the end of a section, rather than having guidance interspersed throughout a document.

Response from the GSSB: The guidance sections have been reorganized to follow a consistent order throughout the standards and different types of guidance have been clearly identified with sub-headings (i.e. background information vs. practical guidance related to a specific requirement). Some ‘background’ guidance that comes at the front of a standard is now formatted as plain introductory text, rather than being located in a ‘guidance’ box.

Language and terminology

a) Although simplification of language is appreciated, there was mixed feedback on some terminology, such as the acronym ‘SRS’ and replacing ‘indicator’ with ‘disclosure’

Respondents were generally positive about the proposed change to replace the term ‘Aspect’ from G4 with ‘topic’ for all sustainability topics. However, several respondents asked for a clearer explanation of the terms ‘topic’ and ‘material topic’ in the Glossary.

Some respondents disagreed with the proposed change to replace ‘indicator’ with ‘disclosure’, as they felt the term ‘indicator’ is already widely understood. There was a concern that ‘disclosure’ can refer to many different types of information, and therefore it might not be clear what is covered under a specific disclosure.

Some workshop participants were also confused by the use of the acronym ‘SRS’ for ‘Sustainability Reporting Standard’, and how this related to GRI, the GSSB, and the set of GRI Standards. In general, workshop participants expressed a strong preference to refer to each Standard as a ‘GRI Standard’ (e.g. GRI 101) and to use the term ‘GRI-referenced’ claim rather than ‘SRS-referenced’ claim.

Response from the GSSB: The Standards have now been retitled to remove the use of the acronym ‘SRS’ and to replace this with GRI (e.g. GRI 101: Foundation). An additional clarification has been made in the GRI Standards Glossary related to the difference between ‘topic’ and ‘material topic’. The GSSB is not proposing any change to the use of the term ‘disclosure’, since the GRI Standards will have a range of different types of disclosures, and this word was determined to be more appropriate than ‘indicator,’ which was used in G4.

b) Some respondents had concerns about using the verbs ‘shall’ and ‘should’ to signify requirements and recommendations; however, others recognized the benefits of using established ISO terminology

A number of respondents raised concerns about using ‘shall’ and ‘should’ to signify requirements and recommendations throughout the draft Standards. Comments suggested that these verbs can be interpreted in a very similar way for users, which would be confusing. Others felt these verbs will be difficult to translate into languages such as Spanish. Some comments suggested using the verb ‘must’ instead of ‘shall’ to denote requirements.

However, other respondents supported the alignment with ISO terminology (e.g. ‘shall’ and ‘should’) in the Exposure Drafts, and felt that using internationally-recognized language would help with translation issues. Overall, respondents emphasized the importance of providing a clear explanation for any instructive verbs used.

Response from the GSSB: The GSSB is not proposing to change the use of the instructive verbs ‘shall’ and ‘should’, as it was felt that aligning with existing standard-setting conventions is preferable over creating specific terminology for the GRI Standards. The translation process for the Standards will take into account concerns about the distinction between these verbs and the importance of having accurate translations.

Introduction sections

a) Introduction sections should be shortened to reduce duplication, and should clearly indicate how that specific Standard fits into the overall set of GRI Standards

Respondents generally felt the Introduction sections of the Standards were clear; however, they wanted to see this content shorter and more focused to avoid unnecessary repetition in each Standard. Participants at the stakeholder workshops reviewed the Introduction section from the Exposure Draft of SRS 403: *Indirect Economic Impacts*, and provided detailed feedback on this text.

Workshop participants suggested making a better use of hyperlinks and cross-references to where general information on the Standards can be found (e.g., in SRS 101: *Foundation*), and to key concepts such as ‘material topics’. Participants also recommended clarifying in the Introduction how that specific Standard fits within the overall set of GRI Standards; for example, ‘SRS 401 is one of the topic-specific Standards in the Economic category’.

Response from the GSSB: The Introduction sections in GRI 102: General Disclosures, GRI 103: Management Approach, and all topic-specific Standards have been substantially revised to be shorter and less duplicative. The Introductions also now give a clearer indication of where each Standard fits in the overall set of Standards, and they incorporate more hyperlinks into relevant content in other Standards.

Effective date

a) Some respondents felt the proposed effective date of 1 January 2018 was too soon, especially for organizations that would need to implement IT system changes or would need to wait for translated versions of the Standards

A number of respondents via the online platform and some participants at stakeholder workshops believed the proposed effective date of 1 January 2018 would not give organizations enough time to easily transition from G4 Guidelines to the GRI Standards.

However, at other stakeholder workshops, participants felt the proposed date allowed sufficient transition time, and asked whether reporters could adopt the new Standards earlier than January 2018 if they wished to.

Response from the GSSB: The Effective Date for all GRI Standards has been moved back six months in response to this feedback, and will now be 1 July 2018, with earlier adoption encouraged.

‘Employee’/ ‘worker’ terminology revisions

Proposed changes for ‘employee’, ‘worker’ and related terminology were marked clearly throughout the Exposure Drafts on the online consultation platform. Stakeholders were asked specifically to comment on these changes, as they related to a separate technical review of ‘employee’/‘worker’ terminology which was carried out in parallel with the Transition to Standards (for more information see the [project website](#)).

Most respondents did not have substantial comments or concerns related to the ‘employee’/‘worker’ terminology changes; the comments that were received are summarized below:

a) Wording should be simplified for the worker-related terminology used in SRS 603: Occupational Health and Safety

Although no comments recommended changing the scope of the disclosures in OH&S, it was suggested to review the current language of ‘workers performing work that is controlled by the reporting organization or that is being performed in workplaces that the organization controls’. The existing wording was viewed as overly complicated and not user-friendly.

Response from the GSSB: The wording for this phrase has been simplified, so that it now reads, ‘workers whose work, or workplace, is controlled by the reporting organization.’ This change impacts the content of GRI 403: Occupational Health and Safety.

b) Change in definition for ‘young worker’ (from workers under 18 years of age to under 24 years of age) could increase the reporting burden, due to the fact this could create additional reporting work

Respondents noted that the proposed change in ‘young worker’ in SRS 608: Child Labor could increase the reporting burden for organizations, and pointed out that the UN Reference against which this definition has been aligned is used more for statistical purposes. For these reasons, it was recommended not to change the existing G4 definition of young worker.

Response from the GSSB: This definition has been reverted back to the G4 definition of young worker (workers under 18 years of age). This change impacts the guidance text in GRI 408: Child Labor.

2. Feedback on SRS 101: Foundation³

Reporting Principles

a) **Use of the verb ‘should’ with the Reporting Principles (in Section 1) contradicts the requirement in section 2 for all organizations to apply the Reporting Principles**

Many respondents pointed out that using ‘should’ for each Reporting Principle is confusing, since applying these principles is a requirement in Section 2 for all reports prepared in accordance with the Standards. Most respondents who commented on this point suggested using ‘shall’ for the Reporting Principles in Section 1 in order to make this clearer for reporters.

Response from the GSSB: All the Reporting Principles have been made requirements (‘shall’ statements) in Section 1 of GRI 101: Foundation.

b) **The Reporting Principles continue to be very important, and more emphasis should be placed on implementing the Principles and documenting how the Principles have been applied**

A number of respondents asked for additional clarification on how organizations should be applying the Reporting Principles and documenting how the principles have been implemented, especially around the materiality assessment. Many comments agreed that the Reporting Principles are fundamental and should be emphasized clearly in the Foundation standard. Some comments mentioned that the ‘tests’ associated with each Principle are very useful.

Response from the GSSB: An additional reporting requirement has been added for Disclosure 120-46 (Defining report content and topic Boundaries) in GRI 102: General Disclosures. This will now require that organizations provide an explanation of how the Materiality principle specifically was applied to identify material topics. The guidance and reporting recommendations around this disclosure have also been revised slightly to clarify the intent of the disclosure, and a cross-reference to disclosure 102-46 is included in GRI 101: Foundation, clause 2.1, which requires organizations to apply the Reporting Principles.

Clarification of the term ‘impacts’

a) **The clarified definition of ‘impacts’ in the draft Standards overlooks the importance of impacts on the organization itself**

While some respondents appreciated the clarification provided for the term ‘impacts’ in the draft Standards, others felt that in clarifying this definition to focus only on effects on the economy, the environment, or society, the importance of impacts on the organization itself had been lost. Respondents felt that impacts on an organization’s strategy or business are important to take into account and can influence the materiality process.

Some comments recommended that GRI should revise the definition to explicitly acknowledge impacts on the organization; while others asked for a clearer link to be established between impacts outward (i.e. on the economy, environment or society) and

³ SRS 101: Foundation has been retitled GRI 101: Foundation, following the public comment period.

impacts back on the organization itself. A couple of respondents opposed this clarification as they felt it was contradictory to GRI's stated objectives of keeping the main concepts from G4, including the Reporting Principles, consistent in the transition to GRI Standards.

A few respondents also suggested re-instating sections of the guidance for the Materiality principle which relate to impacts on the organization. These sections from G4 had been removed in the Exposure Draft of *SRS 101: Foundation* (later retitled as *GRI 110: Foundation*) as part of the clarification of the term 'impacts'.

Response from the GSSB: The definition of 'impacts' has been slightly revised in the GRI Standards Glossary to better acknowledge the relationship between impacts on the economy, the environment, and society, and consequences for the organization itself. This has been done with the addition of a new note (NOTE 2) alongside the definition, and the guidance text around the Materiality principle has been revised slightly to align with this clarified definition. See the definition of 'impact' in the GRI Standards Glossary and the guidance to the Materiality principle (clause 1.3) in *GRI 101: Foundation*.

Making claims related to the GRI Standards ('in accordance' and 'SRS-referenced' options)

a) **The guidance on 'in accordance' options is generally clearer than in G4, but additional improvements will reduce duplication and further improve clarity**

Respondents were generally positive about the revised section on in accordance criteria (Section 3 of *SRS:101 Foundation*), and felt this was fairly clear for users. This section was discussed at all stakeholder workshops in detail, and participants recommended revising the guidance text to reduce duplicated content and to better explain when each claim option would be appropriate. Participants also recommended expanding the content in Table 2 (on 'criteria for making an in accordance claim') to include, for example, reporting on material topics not covered by the GRI Standards. Participants also recommended adding a clearer distinction between the two 'in accordance' options and the 'SRS-referenced' claim option, as they felt these represent very different uses of the Standards.

Response from the GSSB: The text in the Introduction to Section 3 of *GRI 101: Foundation* has been revised to better clarify the distinction between preparing a report in accordance with the Standards and the option to use selected standards with a GRI-referenced (formerly SRS-referenced) claim. An example has also been provided of when a GRI-referenced claim option would be appropriate. The Table with 'in accordance' criteria in Section 3 has also been expanded to be more complete, and now includes requirements on reporting material topics not covered by the GRI Standards, using reasons for omission, and notifying GRI of the use of the Standards. See Section 3 of *GRI 101: Foundation*.

b) **There is a risk that the 'SRS-referenced' claim option could encourage organizations to pick and choose only selected disclosures, rather than preparing a full sustainability report based on the Reporting Principles**

Many respondents commenting on the 'SRS-referenced' claim expressed concern that by formalizing this option, it could encourage a move away from preparing a report in accordance with the GRI Standards based on the Reporting Principles, including a materiality assessment. Comments indicated that this could lead to organizations 'picking and choosing'

from the Standards rather than meeting the criteria to prepare a report in accordance with the Standards.

However, there were several respondents that were supportive of this option and felt it would improve transparency in other uses of the Standards, or provide greater flexibility, e.g. for new reporters.

Some respondents recommended that if the ‘SRS-referenced’ claim is allowed, the Reporting Principles for defining report quality should be requirements (‘shall’ statements) rather than a recommendation. However, participants at some stakeholder workshops expressed a different view, believing that the requirements for an SRS-referenced claim in the draft Standards are already too specific.

Response from the GSSB: Based on the diverse public comments received on this issue, the GSSB has determined to maintain the GRI-referenced claim (formerly ‘SRS-referenced’), and not to change the criteria for this option. It has been clarified in guidance in Section 3 when the GRI-referenced claim is appropriate to be used and examples have been provided to help users differentiate between this option and preparing a report in accordance with the Standards. The wording of the claim has also been revised to be more flexible to accommodate different types of materials other than reports that might have disclosures based on the GRI Standards. See clause 3.3 of GRI 101: Foundation.

Use of sector disclosures

a) Sector-specific materials are important for users of the GRI Standards, and their use should be emphasized more strongly in the Standards

Respondents and workshop participants gave GRI clear feedback that sector-specific materials are important for reporters and they would like to see further development of sector disclosures or guidance in the future. Several respondents felt that the ‘guidance’ status of the reference to sector disclosures in *SRS 101: Foundation* was not strong enough to reflect the importance of these materials, and suggested making this a recommendation instead.

Response from the GSSB: The use of the sector disclosures, where applicable, has now been made a recommendation, rather than guidance, in Section 2 of GRI 101: Foundation.

3. Feedback on SRS 201: General Disclosures⁴

Suggested revisions to disclosures

a) Some respondents disagreed with incorporating the content on banned products and services (formerly G4-PR6) into Disclosure 201-2 (related to Activities, brands, products and services)

Respondents recommended deleting this element of the disclosure (201-2-c), while several other comments suggested including a qualifier such as ‘if applicable,’ so that all reporters wouldn’t be required to report this. Respondents recommended that if this content is now

⁴ SRS 201: General Disclosures has been retitled GRI 102: General Disclosures, following the public comment period.

mandatory (as part of SRS 201: General Disclosures), additional clarification would be needed on the criteria to identify these products or services.

Response from the GSSB: The explanation of ‘whether an organization sells products or services that are the subject of stakeholder questions or public debate’ has been moved from the disclosure requirements to become a reporting recommendation. See Disclosure 102-2 in GRI 102: General Disclosures.

b) There was a request for additional clarity on how Disclosure 201-8 (information on employees and other workers), has been calculated

Respondents noted that because reporters can use multiple approaches to report on Disclosure 201-8, there should be a requirement to clarify the unit of measure and how it was calculated.

Response from the GSSB: An additional element of this disclosure has been added, requiring ‘an explanation of how the data has been compiled, including any assumptions made.’ See Disclosure 102-8 in GRI 102: General Disclosures.

c) There was divided feedback on the status of the reporting recommendations for Disclosure 201-14 (Statement from the senior decision maker) in the Strategy section

Respondents had different opinions on the status of the reporting recommendations (‘should’ statements) for Disclosure 201-14 which asks for a statement from the senior decision maker. Some felt that reporting on main challenges should become part of the requirements, as this will make the CEO statement more balanced; while other respondents recommended making this guidance (rather than a recommendation), to allow more flexibility. Some respondents also appreciated the brevity and clarity of the revised disclosure (due to the fact that content had been moved from the G4 indicator to reporting recommendations).

Response from the GSSB: The GSSB has determined not to make additional changes to this disclosure, based on the mixed feedback received. This decision was also based on the fact that in the G4 Guidelines, the additional text related to this disclosure used the verb ‘should’ –therefore carrying this content into the GRI Standards as a reporting recommendation is consistent with the G4 Guidelines. See Disclosure 102-14 in GRI 102: General Disclosures.

d) It was recommended that Disclosure 201-22 (on collective bargaining) should be moved from the Governance section to the Stakeholder Engagement section of SRS 201

It was suggested that Disclosure 201-22 would be more logically situated in the section of SRS 201: General Disclosures on Stakeholder Engagement, since its relationship to other governance disclosures is not apparent.

Response from the GSSB: Disclosure 201-22 (now re-numbered 102-41) on collective bargaining has been relocated to Section 5 in GRI 102: General Disclosures on Stakeholder Engagement.

e) Additional clarifications were requested for Disclosure 201-55 (on the content index)

Respondents asked for several points to be clarified related to the content index, such as whether content for the disclosures, or the content index itself can be located in different places. Respondents also wanted more specific requirements on how to title the content index, and asked for clarifications on whether this section referred to a specific GRI content index, or could refer to any table of contents for a report.

Response from the GSSB: The recommendations and requirements related to the content index have been revised slightly to reduce duplication, and to clarify elements which are required. It is now required (rather than recommended) to include the words 'GRI Content Index' in the title, and to include in the content index the title and publication year of each GRI Standard used. In addition, it has been clarified that it is required to include in the report a link or reference to the GRI content index, if it is not provided in the report itself. It is also now required (rather than recommended) to include in the content index any additional material topics that are reported on but which are not covered by the GRI Standards. This is consistent with the requirements in GRI 101: Foundation that require organizations to report on all material topics in order to claim the report has been prepared in accordance with the GRI Standards. See Disclosure 102-55 in GRI 102: General Disclosures.

4. Feedback on SRS 301: Management approach⁵

a) The proposed structural changes in SRS 301: Management approach were generally regarded as an improvement

Respondents in general were positive about the structural changes introduced in SRS 301, including presenting the management approach as a standalone standard, relocating the topic Boundary and grievance mechanisms contents into the management approach, as well as the new section introduced on general requirements (for how to combine disclosures for a group of topics or what to report when there isn't a management approach). However, a few respondents felt this Standard was now overly lengthy and complicated, compared to the much shorter approach in G4.

Some respondents recommended additional improvements to the structure, such as moving the section on General requirements upfront.

Response from the GSSB: The section on 'General requirements' has been moved to the front of GRI 103: Management Approach so that it comes before the disclosures.

b) There was divided feedback on the level of detail the management approach should request

Some respondents were concerned with the additional level of detail now being requested for the management approach, especially the requirement to describe certain components of the management approach (e.g., policies, specific actions) for each material topic, if the management approach includes that component. However, other respondents wanted to see even more reporting requirements and recommendations being added.

⁵ SRS 301: Management Approach has been retitled GRI 103: Management Approach, following the public comment period.

Some respondents asked to clarify the level of detail that needs to be provided for the description of the components of the management approach.

Response from the GSSB: Since feedback was divided on this issue, no changes were made to the reporting requirements with respect to the Exposure Draft version. In addition, guidance was added to clarify that the reporting organization is expected to provide sufficient information for report users to understand its approach to managing the material topic and its impacts.

c) For the topic Boundary, most respondents asked for a more simplified disclosure and terminology, as well as examples, with some recommending a ‘value chain’ approach instead of the ‘inside’/‘outside’ concept

Most respondents commenting on the revised topic Boundary asked for an even more simplified disclosure and explanation. Some respondents questioned the usefulness of the requested information; others indicated that the requirement to list the entities that cause the impacts and to provide their geographic location is too burdensome. Some respondents suggested explaining the topic Boundary from a value chain perspective (rather than using the ‘inside’ and ‘outside’ concept), as many organizations are already familiar with and applying this approach.

Many respondents also considered the terminology used (e.g., ‘topic Boundary’, ‘inside’, ‘outside’, and ‘entity’) to be too complicated and technical, and suggested simplifying this. A few respondents suggested asking simpler, more straightforward questions instead such as ‘who is causing the impact’.

Most respondents asked for examples to be provided.

Response from the GSSB: The topic Boundary disclosure and explanation have been simplified in line with the G4 definition, the G4 FAQ clarification, and the key international authoritative instrument that articulates this concept: the UN Guiding Principles on Business and Human Rights.

The revised disclosure thus asks for a description of ‘where the impacts occur’ for a material topic, and ‘the organization’s involvement with the impacts’ (for example, whether the organization has caused or contributed to the impacts, or is directly linked to the impacts through its business relationships). Guidance and terminology have been simplified and aligned with the UN Guiding Principles, and examples of how to identify and report the topic Boundary have been included.

5. Feedback on the topic-specific draft Standards (Series 400, 500, and 600)⁶

The 33 Exposure Drafts of the topic-specific GRI Standards are structured in the same format. Therefore, comments that relate to the format, design, or clarity of the topic-specific Standards have been grouped together under ‘Overarching feedback’. Comments that relate to proposed revisions to ‘employee’/‘worker’ terminology have also been addressed together in Section I (‘Overarching feedback’).

⁶ The topic-specific Standards have been re-numbered after the public comment period as series 200 (economic topics), series 300 (environmental topics) and series 400 (social topics).

The remaining feedback on the topic-specific Standards has been categorized into high-level themes, as set out below:

a) Suggestions to revise the content of disclosures, or to add additional disclosures

Respondents had a number of suggestions to improve the content of existing disclosures in the draft topic-specific Standards, or to add additional content to disclosures. For example:

- Respondents recommended expanding Disclosures 613-1 and 613-2 in *SRS 613: Local Communities* to include community engagement or voluntary community contributions made by organizations, as this is a material issue for many companies.
- Several respondents indicated that the scope of Disclosure 401-2 (on climate change) in *SRS 401: Economic Performance* is too narrow, and recommended expanding this disclosure to take into account other environmental and social impacts.
- In *SRS 601: Economic Performance*, respondents suggested making the requirements for breakdowns in Disclosure 601-1 (e.g. by age) a recommendation rather than part of the disclosure, due to the fact organizations should have flexibility to use the breakdowns of data they use on a regular basis.

Response from the GSSB: Substantive changes to content of disclosures were considered to be out of scope for the Transition to Standards, based on the stated objectives for the project. These comments have been documented, and will be considered as part of the revision process for the topic-specific Standards in the future.

b) Requests for clarification on how to report existing disclosures, or more specification on which methodologies should be used to calculate information

Respondents requested additional clarifications on a number of disclosures which were considered not clear or could be open to interpretation. For example:

- Respondents asked for definitions of commonly-used terms such as ‘main’ and ‘significant’ (see also feedback on the GRI Standards Glossary).
- Respondents suggested that in *SRS 402: Market Presence*, the reporting requirements for Disclosure 402-1 do not allow for flexibility if a minimum wage is established as a monthly salary, rather than on an hourly basis.
- Respondents suggested revising *SRS 505: Emissions*, to change the phrase ‘Standards, methodologies, assumptions and calculation tools used’ to ‘Approaches used’, in order to be more flexible and less detailed.

Response from the GSSB: The GSSB determined not to try to define commonly-used terms such as ‘main’ and ‘significant’; instead an additional note of clarification has been added into the GRI Standards Glossary explaining that where a term is not defined in the Glossary, definitions that are commonly used and understood apply.

Reporting requirement 2.2 in the Exposure Draft of SRS 402: Market Presence (now retitled GRI 202: Market Presence) has been deleted, and its contents integrated in a new and clarified reporting recommendation: “If applicable, convert the entry level wage to the same units used in the minimum wage (e.g., hourly or monthly basis)”

The disclosures in SRS 505: Emissions (now renumbered GRI 305: Emissions) have been modified slightly to require reporting the ‘Standards, methodologies, assumptions, and/or calculation tools used’. Previously in the Exposure Drafts, the ‘and/or’ was an ‘and’, which would have required all of these elements to be reported.

Additional clarifications were determined to be out of scope for the Transition to Standards initiative if they affect the way organizations are already reporting the existing disclosures from G4. Other suggested changes were individually considered by the GSSB and were implemented if determined they would improve clarity and user-friendliness, without affecting the content of the disclosure requirements.

c) Feedback on the use of instructive verbs (e.g. ‘shall’, ‘should’)

Most respondents were generally supportive of the proposed use of instructive verbs throughout the topic-specific Standards. On the online consultation platform, Question 2 on the questionnaire for each topic-specific Standard asked whether the respondent suggested any changes to the use of instructive verbs. Out of the consolidated feedback across all topic-specific Standards, 76% percent of questionnaire respondents suggested no changes to the instructive verbs, 11% did not comment, and 13% suggested some changes or improvements.

Suggested changes to the instructive verbs included, for example:

- In *SRS 404: Procurement Practices*, respondents suggested making clause 2.2 (‘the reporting organization shall calculate the percentages based on invoices or commitments made during the reporting period, i.e., using accruals accounting’) a reporting recommendation rather than a requirement. The rationale given was that it may not be realistic to require organizations to report using accruals accounting.
- In *SRS 505: Emissions*, respondents suggested elevating the recommendation to provide breakdowns of emissions data (e.g., by business unit, by country) to a reporting requirement.
- In *SRS 603: Occupational Health and Safety*, respondents suggested making the reporting recommendation for 601-3-b (Workers representation in formal joint management–worker health and safety committee) a requirement rather than a recommendation.

Response from the GSSB: In SRS 404: Procurement Practices (now retitled GRI 202: Procurement Practices), clause 2.2 from the Exposure Draft has been made a reporting recommendation rather than a requirement, based on public feedback. All other comments related to the use of instructive verbs were reviewed and discussed by the GSSB, but changes were not implemented unless there was a clear rationale provided and the change was consistent with the intent of the disclosures in the G4 Guidelines.

d) Structural changes or suggested relocation of disclosures

Some respondents recommended changing the location of disclosures or sections of content. For example, respondents suggested:

- Moving the disclosures on workforce and payment from *SRS 201: General Disclosures* to *SRS 402: Market Presence*;
- Rephrasing Disclosure 401-1 from *SRS 401: Economic Performance* as ‘the reporting organization shall report economic value generated and distributed in the form of a Value Added Statement’ and then relocate this disclosure to *SRS 201: General Disclosures*, due to the fact this information would be material for all organizations;

- Dividing SRS 506: *Effluents and Waste* into three separate Standards: Waste, Effluents, and Spills. This is due to the fact that these topics are distinct, and this would give reporters more flexibility to report just the relevant disclosures;
- Bringing the supplier assessment disclosures into SRS 301: *Management Approach*;
- Combining ‘Procurement Practices’ with the other supply chain topics or renaming it ‘Local Procurement Practices’ to use it with ‘Indirect Economic Impacts’.

Response from the GSSB: All individual comments related to structural changes or relocating disclosures have been reviewed and discussed by the GSSB. No further changes were implemented, although all comments have been noted to help inform for future review of the Standards.

e) The standardized text in all economic Standards, which relates to the use of accounting standards such as IFRS, should be revised to be more complete

Respondents recommended revising the standardized text found in all draft economic standards, which states that the information can be compiled from figures in the organization’s audited financial statements or internally-audited management accounts, followed by a reference to the International Financial Reporting Standards (IFRS), and to national or regional standards accounting standards.

Respondents also suggested including a reference to the International Public Sector Accounting Standards (IPSAS) – to make the guidance applicable to public sector entities; whereas another respondent recommended not referencing any specific accounting standard, but to instead ask the organization to disclose the basis used. It was also recommended that data for financial related topics should be required to come from accounting systems.

Response from the GSSB: This text has been revised to include a reference to the International Public Sector Accounting Standards, and to make it more explicit that these accounting standards are provided as examples only. This text has also been removed from the standards in the ‘Economic series’ where it is not relevant for reporting the disclosures: GRI 205: Anti-Corruption and GRI 206: Anti-competitive behavior.

6. Feedback on the GRI Standards Glossary

a) Additional definitions were requested for some terms that are used throughout the GRI Standards, or that relate to specific disclosures

Respondents asked for definitions for some terms that are used frequently throughout the draft Standards, such as ‘significant’, ‘main’, ‘social impact’ and ‘sustainability reporting’. These terms are open for interpretation, and respondents felt that providing clear definitions will improve the consistency of reporting.

Respondents also requested including new terms in the Glossary, such as value chain, due diligence and collective bargaining.

Response from the GSSB: The GSSB determined not to define commonly-used terms such as ‘main’ and ‘significant’; instead an additional note of clarification has been added into the GRI Standards Glossary explaining that where a term is not defined in the Glossary, definitions that are commonly

used and understood apply. Definitions for ‘value chain’, ‘due diligence’, and ‘collective bargaining’ have been added into the GRI Standards Glossary.

b) Some respondents asked for clarifications, or revisions to existing definitions in the Glossary in order to make them more clear and consistently-applied

Respondents noted that some terms used for calculating specific disclosures are not clear, even with definitions provided in the Glossary. These include ‘absentee rate’, ‘injury rate’, ‘basic salary’, and ‘operations’, among others.

Response from the GSSB: The GSSB determined not to clarify definitions that relate to the calculation of specific disclosures. However, the definitions that relate to disclosures in GRI 403: Occupational Health and Safety (such as ‘absentee rate’ and ‘injury rate’) have been revised slightly due to the ‘employee’/‘worker’ terminology changes in this Standard. The definitions for these terms are based on ‘workers’ but have a ‘note’ to clarify that these rates can be calculated for different scopes of workers (e.g. employees).

7. Feedback out-of-scope for the Transition to Standards

Numerous comments were received via the online consultation platform and during stakeholder workshops which were not considered to fall within the stated [objectives](#) for the Transition to GRI Standards initiative. These comments are however important in assisting the Standards Division and GSSB to determine future work priorities.

The main themes are summarized below:

- a) **XBRL compatibility:** Some respondents questioned the XBRL-readiness of the disclosure format. They emphasized the importance of GRI taking into account XBRL-compatibility in further refining the design and structure of the Standards.
- b) **Alignment with Integrated Reporting:** Some respondents wanted to see a stronger linkage between the GRI Standards and an Integrated Reporting approach. Participants at stakeholder workshops in the Netherlands and South Africa also supported stronger linkages between the GRI Standards and Integrated Reporting; however, this was not raised as a significant theme at stakeholder workshops in other regions.
- c) **Certification and assurance implications:** Some respondents wanted more detail on how the Transition to Standards would impact assurance expectations, and some asked to see more detailed assurance guidance developed. Some respondents also raised questions about the implications of moving to a Standard and whether certification would be required, similar to ISO standards.
- d) **Importance of sector-specific content:** Some respondents felt that sector-specific content is important for users of the GRI Standards and would like to see more work done to update and expand sector-specific materials in the future.
- e) **Standards to prioritize for future review or development:** A few respondents flagged specific Standards for future development or review, including:
 - creating a new standard on the topic of ‘land’;
 - prioritizing SRS 503: Water for review in 2017.

Response from the GSSB: This feedback has been carefully reviewed and recorded, and will be taken into consideration in determining the GSSB's three-year work program from 2017-2019. This will be finalized by the GSSB in the last quarter of 2016.

Annex A: List of Exposure Drafts

Standard Name and Number		Date added to the consultation platform	Consultation closed
Universal Standards and Glossary			
101	Foundation	19 April 2016	17 July 2016
201	General disclosures	19 April 2016	17 July 2016
301	Management approach	19 April 2016	17 July 2016
	GRI Standards Glossary (Part I)	19 April 2016	17 July 2016
	GRI Standards Glossary (Part II)	03 June 2016	17 July 2016
Economic Category (topic-specific Standards)			
401	Economic performance	03 June 2016	17 July 2016
402	Market presence	03 June 2016	17 July 2016
403	Indirect economic impacts	19 April 2016	17 July 2016
404	Procurement practices	03 June 2016	17 July 2016
405	Anti-corruption	03 June 2016	17 July 2016
406	Anti-competitive behaviour	03 June 2016	17 July 2016
Environmental Category (topic-specific Standards)			
501	Materials	03 June 2016	17 July 2016
502	Energy	03 June 2016	17 July 2016
503	Water	03 June 2016	17 July 2016
504	Biodiversity	03 June 2016	17 July 2016
505	Emissions	19 April 2016	17 July 2016
506	Effluents and waste	03 June 2016	17 July 2016
507	Environmental compliance	03 June 2016	17 July 2016
508	Supplier environmental assessment	03 June 2016	17 July 2016
Social Category (topic-specific Standards)			
601	Employment	03 June 2016	17 July 2016
602	Labor/management relations	03 June 2016	17 July 2016
603	Occupational health and safety	03 June 2016	17 July 2016
604	Training and education	03 June 2016	17 July 2016
605	Diversity and equal opportunity	03 June 2016	17 July 2016
606	Non-discrimination	03 June 2016	17 July 2016
607	Freedom of association and collective bargaining	03 June 2016	17 July 2016
608	Child labor	03 June 2016	17 July 2016
609	Forced or compulsory labor	03 June 2016	17 July 2016
610	Security practices	03 June 2016	17 July 2016
611	Indigenous rights	03 June 2016	17 July 2016
612	Human rights assessment	03 June 2016	17 July 2016
613	Local communities	03 June 2016	17 July 2016
614	Supplier social assessment	03 June 2016	17 July 2016
615	Public policy	19 April 2016	17 July 2016
616	Customer health and safety	03 June 2016	17 July 2016
617	Marketing and labeling	03 June 2016	17 July 2016
618	Customer privacy	03 June 2016	17 July 2016
619	Socioeconomic compliance	03 June 2016	17 July 2016

Annex B: Questionnaire questions from the GRI Online consultation platform

Questionnaire question	Applied to the following Exposure Drafts:
<i>Based on the text in these Introduction sections, is it clear how this new structure works and how the GRI Standards are intended to be used?</i>	SRS 101: Foundation SRS 201: General Disclosures SRS 301: Management Approach Topic-Specific Standards (series 400,500, 600)
<i>Would you like to suggest any specific changes to the use of 'shall', 'should', and 'can' within this draft Standard?</i>	SRS 101: Foundation SRS 201: General Disclosures SRS 301: Management Approach Topic-Specific Standards (series 400,500, 600)
<i>Are there examples in the text where the wording is not clear and you would suggest changes to the text?</i>	SRS 101: Foundation SRS 201: General Disclosures SRS 301: Management Approach Topic-Specific Standards (series 400,500, 600)
<i>Are there any other changes to the structure or format of this draft Standard which would make it easier to use?</i>	SRS 101: Foundation SRS 201: General Disclosures SRS 301: Management Approach Topic-Specific Standards (series 400,500, 600)
<i>If applicable, do you have any comments about the proposed changes in this draft Standard related to the 'Employee/worker' review?</i>	SRS 201: General Disclosures Topic-Specific Standards (series 400,500, 600)
<i>Do you have any other comments about this draft Standard?</i>	SRS 101: Foundation SRS 201: General Disclosures SRS 301: Management Approach Topic-Specific Standards (series 400,500, 600)
<i>Based on the information in Section 3 of this Standard, is it clear what criteria an organization needs to meet in order to make a specific claim?</i>	SRS 101: Foundation
<i>Do you consider the revised structure of SRS 301: Management Approach an improvement over the current approach in G4 (in that it will result in more meaningful reporting of an organization's approach for managing each material topic?)</i>	SRS 301: Management Approach
<i>Do you suggest any changes to the terms or definitions in the draft GRI Standards Glossary?</i>	GRI Standards Glossary of Terms (Part I) GRI Standards Glossary of Terms (Part II)

Annex C: Consultation submissions by representation, constituency, and region

Key statistics	Number	
Total number of submissions⁷	99	
<ul style="list-style-type: none"> Submissions received via the online consultation platform⁸ 	89	
<ul style="list-style-type: none"> Submissions received only through email 	10	
Total number of questionnaire responses received via the online consultation platform⁹	3,305	
Total number of individual comments received via the online consultation platform¹⁰	1,158	
Total submissions by representation	#	%
Organizational	56	57%
Personal	43	43%
Total number of submissions by constituency	#	%
Business Enterprise	42	42.4%
Civil Society Organization	14	14.1%
Investment Institution	2	2.0%
Labor	2	2.0%
Mediating Institution	18	18.2%
Other	21	21.2%
Total number of submissions by region	#	%
Africa	5	5.1%
Asia	15	15.2%
Europe	44	44.4%
Latin America and the Caribbean	15	15.2%
Northern America	16	16.2%
Oceania	4	4.0%

⁷ Organizations or individuals that submitted comments both online and through email are only counted once in the total number of submissions to avoid double-counting. In total, there were 4 respondents submitting feedback both through the online consultation platform and through email.

⁸ A submission refers to one individual or organization that submitted feedback, irrespective of the number of Standards that individual or organization commented on.

⁹ This includes all 'yes' and 'no' responses to the questionnaire questions. It excludes any respondents who answered 'no comment' to a question.

¹⁰ An individual comment refers to a comment made via the questionnaire or the PDF document related to any of the draft GRI Standards available on the online consultation platform.

Annex D: Full list of Stakeholder Workshops

Country	City	Date
The Netherlands	Amsterdam	20 May 2016
United Kingdom	London	7 June 2016
The Netherlands	Utrecht	17 June 2016
Germany	Frankfurt	21 June 2016
Spain	Madrid	23 June 2016
Brazil	Sao Paulo	23 June 2016
United States	Chicago	28 June 2016
Canada	Toronto	29 June 2016
Colombia	Bogotá	29 June 2016
Italy	Milan	5 July 2016
India	Delhi	6 July 2016
	Mumbai	8 July 2016
South Africa	Johannesburg	13 July 2016