



Item 02. Project Proposal: Review of *GRI 303: Water*

For GSSB discussion and approval

Date	5 December 2016
Meeting	15 December 2016
Project	Review of <i>GRI 303: Water</i>
Description	The GSSB has identified the review of <i>GRI 303: Water</i> as one of the main priorities for the Standards Division in 2017. This paper sets out the initial proposal for this review.

This document has been prepared by the GRI Standards Division. It is provided as a convenience to observers at meetings of the Global Sustainability Standards Board (GSSB), to assist them in following the Board's discussion. 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.

Project background

Since the GRI disclosures on water were last revised in 2006, water-related issues have received increasing attention in the global sustainable development agenda. Access to clean water and sanitation features as a cross-cutting theme in the UN's 2030 Agenda for Sustainable Development, and both governments and private sector organizations are being called on to improve their management and measurement of water resources. At the same time, approaches for measuring water impacts have also evolved significantly since 2006, with an increasing focus on context-based methodologies, and organizations taking greater accountability for water impacts in their value chains.

Goal 6 (Clean Water and Sanitation) of the UN Sustainable Development Goals emphasizes the importance of providing access to clean water for all regions. According to the UN, water scarcity affects more than 40 per cent of the global population (with projected increases in the future). In addition, 2.4 billion people currently lack access to basic sanitation services, and more than 1000 children die every day from water-related diseases.¹

The linkages between water and climate change are also receiving greater attention on an international scale. For example, the Global Climate Action Agenda (COP 22) calls for a greater focus on water issues as part of implementing the Paris Climate Change Agreement. At a national level, water has been identified as a key to adaptation in 93% of national climate action plans (Intended Nationally Determined Contributions, or "INDCs").² And, the International Financial Stability Board's Task Force on Climate-related Financial Disclosures (TCFD) are expected to also address water risk in their draft disclosures, scheduled to be released for public comment in December 2016.

Furthermore, the UN and World Bank have convened an international High Level Panel on Water (HLPW), consisting of 11 sitting Heads of State and Government and one Special Adviser. The HLPW released its action plan in September 2016, and one of the main focus areas is Water Data, including an action to *'encourage UN Water and other stakeholders to work towards defining a more integrated and standardized set of core water accounts and indicators – covering the core physical, economic, environmental and social issues, including gender and disability – that would enable governments, private sector and civil society to diagnose their challenges, set priorities, and guide their implementation.'*³

The importance of the private sector's role in water issues is also reflected in the increasing numbers of water-related standards and frameworks developed in recent years. ISO currently has more than 550 standards that relate to water, including, for example, ISO 14046: 2014 on water footprint assessments and ISO 24516-1:2016 on the management of assets of water supply and wastewater systems.⁴

In September 2014, the UN Global Compact, together with the World Resources Institute, PWC, the Pacific Institute, and CDP, published the *'CEO Water Mandate'*, a common set of disclosures for businesses to report about water. This document references the G4 Guidelines, and GRI actively contributed to the development of these guidelines. Also in 2014, the Alliance for Water Stewardship

¹ United Nations (UN), <http://www.un.org/sustainabledevelopment/water-and-sanitation/>, accessed on 20 November 2016.

² United Nations (UN), 'Action on Water and Climate Needed for Paris Goals and Climate Justice Global Climate Action at COP22', <http://newsroom.unfccc.int/climate-action/action-on-water-and-climate-needed-for-paris-implementation-and-climate-justice/>, accessed on 29 November 2016.

³ United Nations (UN), https://sustainabledevelopment.un.org/content/documents/11280HLPW_Action_Plan_DEF_11-1.pdf, accessed on 20 November 2016.

⁴ International Organization for Standardization (ISO), 'ISO and Water: Global solutions to global challenges', http://www.iso.org/iso_and_water.pdf, accessed 20 November 2016.

37 launched its AWS International Water Stewardship Standard, a global framework for organizations to
38 measure and manage water use. And in 2015, the 7th year of CDP's water program, 607 companies
39 responded to CDP's investor-backed request for data on water - representing 38% growth compared
40 to 2014.⁵

41 In addition, methodologies for measuring and managing water also have evolved significantly in recent
42 years, including more adoption of context-based water measurement. For example, CDP announced
43 in 2016 that it is working together with UN CEO Water Mandate, The Nature Conservancy, WRI and
44 WWF to develop a common methodology for context-based water measurement.

45 In response to these international developments, the GSSB decided in its October 2016 virtual
46 meeting to commence a review of *GRI 303: Water*. This project proposal sets out an overview of the
47 project objectives and scope, for discussion and approval by the GSSB.

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49 Project objectives and scope

50 Based on research carried out by the Standards Division and feedback received from the GRI
51 network, credible and widely accepted work has been undertaken by international organizations in the
52 field of water since the last major revision of the GRI disclosure requirements on water in 2006.

53 The primary objective of this project is to review the content of *GRI 303: Water* in order to represent
54 internationally-agreed best practice and to align with recent developments in water management and
55 reporting practice.

56 In addition, the scope of this review will also include the effluents-related disclosures from *GRI 306:*
57 *Effluents and Waste*; with the expectation that effluents could be incorporated into the revised *GRI*
58 *303: Water* Standard. This would align the GRI Standards with other instruments such as the CEO
59 Water Mandate and the CDP disclosures on water, which cover effluents as part of their scope.

60 In line with the GSSB's [Due Process Protocol](#), a multi-stakeholder Project Working Group (PWG)
61 will be formed to help contribute to the revision of *GRI 303*. This PWG will be responsible for
62 developing recommendations for the revised content and disclosures related to water. The drafting
63 and finalization of text within the Standard will be carried out by the GRI Secretariat, and the GSSB
64 will have oversight and final approval over the Standard before its release.

65 The overall scope of work includes reviewing the existing content of *GRI 303* (along with selected
66 sections of *GRI 306*) and, where appropriate, updating, expanding, or deleting existing disclosures.
67 New disclosures or reporting requirements, recommendations, and/or guidance may also be
68 developed in order to bring the contents of *GRI 303* in line with internationally-recognized water
69 management and reporting practice. The review of *GRI 303* may also include developing requirements,
70 recommendations, and/or guidance specifically related to reporting the management approach for
71 water and effluents. Any additional content in the management approach section is to be compatible
72 for organizations to use together with *GRI 103: Management Approach*.

73 The review of *GRI 303* is to be carried out within the existing structure and template of the GRI
74 topic-specific GRI Standards – for example, preserving the hierarchy of requirements,

⁵ CDP, 'Thirsty business: Why water is vital to climate action 2016 Annual Report of Corporate Water Disclosure', 2016.

75 recommendations, and guidance. The Standards Division will provide the Project Working Group with
76 a template structure to refer to in revising the content.

77 Next Steps

78 The project follows the Due Process Protocol. The project will be overseen by the Due Process
79 Oversight Committee (DPOC) which has the mandate to assess whether due process has been
80 followed effectively by the GSSB in its standard-setting activities.

81 Project Commencement: This proposal has been prepared by the Standards Division based on
82 research and on appropriate consultation within the Global Sustainability Standards Board (GSSB), to
83 be presented to the GSSB for approval, amendment or rejection. The project proposal will also be
84 circulated to the GRI Board and GRI Stakeholder Council to identify matters of possible relevance to
85 the project.

86 Appointment of Project Working Group (PWG): The Standards Division expects to develop a Terms
87 of Reference for the PWG in December 2016 (taking into account input from the GSSB, GRI Board
88 and Stakeholder Council) and to issue a call for nominations for PWG members in mid-January 2017.