# Item 02 – Final Project Proposal for the Review of GRI Waste Disclosures

_for GSSB approval_

<table>
<thead>
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<th>Date</th>
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<tbody>
<tr>
<td>Meeting</td>
<td>22 March 2018</td>
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<tr>
<td>Project</td>
<td>Review of GRI Waste Disclosures</td>
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<tr>
<td>Description</td>
<td>This paper sets out the final project proposal for the review of waste-related disclosures in the <em>GRI 306: Effluents and Waste Standard</em>. The proposal has been slightly revised based on comments from the GRI Board (as advised by the Stakeholder Council) - see <a href="#">Annex</a> for the full set of Board and Stakeholder Council comments received.</td>
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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](http://www.globalreporting.org).
Changes since the previous version

This project proposal has been further revised based on comments received via email from the GRI Board (as advised by the Stakeholder Council) – see Annex for a full set of comments. The following changes have been made:

- After line 35, clarified that measures to ‘design out waste’ can include setting waste management policies at the core of procurement practices;
- After line 65, expanded on negative impacts of critical waste streams.

Project background

As part of the revision of the GRI 303: Water Standard (2016-ongoing), several disclosures covering effluents have been moved from GRI 306: Effluents and Waste to the updated GRI 303: Water Standard. This creates the need to revise and adjust the remaining content in GRI 306 covering the topic of waste, to remedy the gaps left by the moved content and update the disclosures to reflect the latest trends and practices in waste management.

Since the last revision of the GRI disclosures on waste in 2006, there has been a great paradigm shift in resource use and management, particularly with the rise of the circular economy model, which looks beyond the “take, make and dispose” extractive industrial model, and aims to redefine products and services to ‘design waste out’, while minimizing its negative impacts when they occur.¹ Current GRI waste disclosures largely include provisions on treating waste after it has been created, whereas latest developments in waste and resource management address the problem at its source by preventing the generation of waste.² The United Nations (UN) Environment Program estimates that prevention of waste can lead to a 15-20% reduction in GHG emissions.³ This new paradigm has been well reflected in international legislation and policy. The UN Sustainable Development Goals (SDGs) feature waste management, explicitly or implicitly, in nearly half of the 17 goals.⁴ Goal 12, for instance, aims to “ensure sustainable consumption and production patterns”. Target 12.5 explicitly identifies prevention, reduction, recycling and reuse as the levers to reduce waste generation by 2030.⁵ Businesses have direct influence over the production of their goods, and can play a major role in reducing waste generation. A wealth of measures can be introduced to ‘design waste out’ at the production stage of goods that will be consumed later. Examples of such measures include: a) rethinking product design, using function as the starting point for design rather than material input, b) designing products for durability, repair, and disassembly to improve their recycling potential at the end of life, c) improving the properties of materials used in the product and the production processes to reduce the use of hazardous materials, d) introducing responsible sourcing

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² United Nations Environment Program (UNEP) and International Solid Waste Associations (ISWA), Global Waste Management Outlook, 2015.
³ United Nations Environment Program (UNEP) and International Solid Waste Associations (ISWA), Global Waste Management Outlook, 2015.
principles,\(^6\) and e) setting waste management policies at the core of procurement practices. In July 2018, Goal 12 will be reviewed in depth at the UN High-Level Political Forum.\(^7\)

While it is harder for businesses to exercise control over materials (e.g., packaging) and waste generation once the product reaches the consumer, businesses can implement measures to influence more sustainable consumer behavior by raising resource use awareness and setting up take-back schemes. Ultimately, businesses should aim to have more oversight and control over waste during all stages of the value chain, from designing waste out during the production stage, to the circular use of waste (or rather, resources) once it is created, and better management of waste once it leaves the facility, e.g., by selecting private and public waste treatment operators with responsible recycling schemes, and engaging with the consumers.

At their latest summit in 2015, the Group of Seven (G7) leaders built on the ‘Kobe 3R Action Plan (Reduce-Reuse-Recycle)’ and established a G7 Alliance on Resource Efficiency.\(^8\) With the aim of promoting an exchange of concepts to increase resource efficiency, the G7 Alliance intends to host workshops covering the topics of circular economy, eco-design, industrial symbiosis, and life-cycle based decision-making tools.\(^9\)

The Organization for Economic Co-operation and Development (OECD) member countries have been at the forefront of the shift towards a circular economy, along with the European Union (EU) member states. The EU’s Sixth Environment Action Program (2002-2012)\(^10\) identified waste prevention and management as one of its top priorities, marking a shift from thinking about waste as an unwanted burden to seeing it as a valuable resource. Its successor, the Seventh Environment Action Program, sets a long-term vision in which ‘Europe’s prosperity in 2050 stems from an innovative circular economy, where nothing is wasted and natural resources are managed sustainably’.\(^11\) China and Japan have been leaders in setting up innovative frameworks to transition to a circular economy.\(^12\) China, which accounts for 70% of waste generation in East Asia and has the fastest rate of municipal solid waste (MSW) growth\(^13\) in the world, has been embedding principles of the circular economy in its national plans since 2002.\(^14\) It has ambitious goals to upgrade 75% of its national industrial parks to adopt circular operations, and has innovative plans to set up online platforms for waste trading, among others.\(^15\)

Besides the growing focus on reducing waste generation, new waste streams, such as plastics, food waste, e-waste, are also receiving increasing attention.\(^16\) The growth of plastic waste and its mismanagement has escalated the problem of marine litter with its devastating effects on marine ecosystems. UN’s Food and Agriculture Organization has assessed that one-third of all food produced


\(^16\) United Nations Environment Program (UNEP) and International Solid Waste Associations (ISWA), Global Waste Management Outlook, 2015.
in the world is lost or wasted.\textsuperscript{17} E-waste is the fastest growing waste stream globally due to the
increased consumer demand of electronic products, their perceived obsolescence, and rapid changes in
technology and invention of new electronic devices.\textsuperscript{18} The composition of waste itself is becoming
increasingly complex, due to the rapid growth in production of hi-tech products and creation of ‘novel
entities’\textsuperscript{19}. Today, waste flow can contain anything from precious metals to nanomaterials, micro-
plastics, synthetic organic pollutants, and radioactive materials. These various waste streams and waste
types require different handling and treatment approaches compared to the waste disposal methods
offered in the current GRI waste disclosures.

In response to all these developments, the GSSB has requested the GRI Standards Division to develop
a proposal for the review of GRI waste-related disclosures. This project proposal sets out an
overview of the project objectives and scope, for discussion and approval by the GSSB.

\section*{Project objectives and scope}

The primary objective of this project is to review waste-related content in the \textit{GRI 306: Effluents and
Waste} Standard, so that it represents internationally-agreed best practice and aligns with recent
developments in waste management and reporting.

A multi-stakeholder Project Working Group (PWG) will be formed, as outlined in the GSSB’s \textit{Due
Process Protocol}, to help contribute to the revision of waste-related content in GRI 306. This PWG
will be responsible for developing recommendations for revising the content and disclosures related
to waste. The drafting of new or revised text for the Standard will be carried out by the GRI
Standards Division, and the GSSB will have oversight and final approval over the Standard before its
release.

The overall scope of work includes reviewing the existing waste-related content in GRI 306 (along
with any relevant content from \textit{GRI 301: Materials}, including but not limited to Disclosure 301-3
Reclaimed products and their packaging materials) and, where appropriate, updating, expanding,
creating, or deleting content in order to ensure that the revised disclosures reflect leading practice in
waste management and reporting, while remaining accessible and feasible for GRI’s global user base.

The review of waste-related disclosures in GRI 306 will also include developing requirements,
recommendations, and/or guidance specifically related to reporting the management approach for
waste. Any additional content in the management approach section is to be compatible for
organizations to use together with \textit{GRI 103: Management Approach}.

The review of waste-related disclosures in GRI 306 will be carried out within the existing structure
and template of the GRI topic-specific Standards – such as preserving the hierarchy of requirements,
recommendations, and guidance. The Standards Division will provide the Project Working Group with
a template of the structure for reference while revising the content.

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\textsuperscript{17} United Nations Food and Agriculture Organization (FAO), \textit{Global food losses and food waste—extent, causes and prevention}, 2011,
\textsuperscript{18} International Solid Waste Association (ISWA), \textit{Global Waste Management Outlook}, 2015.
Next Steps

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

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

Appointment of Project Working Group (PWG): The Standards Division expects to develop Terms of Reference for the PWG in late January 2018 (taking into account input from the GSSB, the GRI Board, and the Stakeholder Council) and to issue a call for nominations for PWG members in early February 2018.
Board Feedback (as advised by the SC) on GSSB Project Proposal for the review of GRI Waste Disclosures

Project objectives and scopes

- Good proposal. Current standards do not reflect the latest practices and trends in waste management and need to be reviewed and updated to reflect a more circular way of handling waste.
- When applying a circular model on waste management other standards could be relevant, e.g. 301-3 I and 301-2.
- Good to encourage business to have more oversight of all stages of the value chain. But issue is complex for business and data availability challenging.
- Consider a focus on special products (or material products) to reduce the workload for the companies.
- Consider a (disclosure) focus on Ocean plastic (micro plastics) waste removal and improved control for avoiding more plastic entering our oceans.
- Consider increasing focus on disclosure of plastic creation at source and decomposition activities.
- Consider focus on disclosure relating to e-waste including improved separation and recycling.
- Consider focus on disclosure of supplier development programmes to help small businesses.

Other issues

After line no.27, could add to the list of “design out waste” measures:

- f) Communication of the company policy of waste management to stakeholders involved in purchasing / production of goods and have clause included in supplier agreements so that they can embed same in their business strategy.
- g) Communication of policy re choosing professionals (interior designer, contractors, architects e.g. for building & renovation) who have waste management at the core of their strategy and who can easily align their proposals to the company policy.

After line no.56, could add to the list of negative impacts of waste on the environment, food and on human health.