Item 09 – Draft GSSB basis for conclusions for GRI 303: Water and Effluents

Public Comment 20 December 2017 – 18 February 2018

For GSSB information and comments

Date 28 March 2018
Meeting 11-12 April 2018
Project Review of GRI 303: Water

Description
This document sets out the significant issues raised by respondents on the exposure draft of GRI 303: Water and Effluents (GRI 303), during the second consultation period from 20 December 2017 to 18 February 2018. It incorporates public comments received via the GRI Standards Consultation Form and official feedback submissions received via email.

All individual comments received, together with an analysis of the significant issues raised, were first provided to the Project Working Group (PWG) for review and discussion, and their recommendations were later shared with the Global Sustainability Standards Board (GSSB) for review and approval. This document provides a summary of how the GSSB has responded to the significant issues raised during the public comment period. The full set of individual comments received via the consultation form and via email are available to download from the GSSB website.

This document does not include any significant issues related to water quality as the PWG has not reached consensus yet on what constitutes a sensible expectation to disaggregate water withdrawal and water discharge by water quality levels.

The Standards Division will facilitate the discussions to reach consensus on this important aspect in the coming days and aims to share the final and complete version of GRI 303: Water and Effluents by the end of the week commencing 3 April.

The final version of this document will be updated with the changes made to the content related to water quality and how the GSSB has responded to this significant issue, and the Standards Division will highlight this content to facilitate the review in advance of the GSSB in-person meeting on 11-12 April.

This document will be updated, as needed, following the GSSB approval of GRI 303.

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.
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About this document

This document sets out the significant issues raised by respondents on the exposure draft of GRI 303: Water and Effluents (hereafter GRI 303), during the public comment period, which ran between 20 December 2017 and 18 February 2018. It summarizes:

- comments received through the GRI Standards Consultation Form (including questionnaire responses as well as detailed comments on the exposure draft);
- official feedback submissions received directly via email.

All individual comments received, together with an analysis of the significant issues raised, were first provided to the Project Working Group (PWG) for review and discussion, and their recommendations were later shared with the Global Sustainability Standards Board (GSSB) for review and approval. This document provides a summary of how the GSSB has responded to the significant issues raised during the public comment period.

The full set of individual comments received via the consultation form and via email are available to download from the GSSB website.

Introduction

Background and objectives for the revision of GRI 303

The proposal for the review of GRI 303 was approved in October 2016 by the Global Sustainability Standards Board (GSSB), GRI’s independent standard-setting body. The primary objective of this project was to review the content of GRI 303 in order to represent and align with internationally-agreed best practice and recent developments in water management and reporting. The scope of this review also included the effluents-related disclosures from GRI 306: Effluents and Waste (hereafter GRI 306), which have now been incorporated in the revised GRI 303.

The revision of GRI 303 was carried out in line with the GSSB’s Due Process Protocol. In accordance with this protocol, a multi-stakeholder PWG was formed to develop content for the review of GRI 303.

The following specific objectives were established by the GSSB when commencing the revision of the Standard, and were considered throughout the project:

- revising, and where needed, expanding on the existing Background context information within GRI 303, including adding background context covering effluents;
- reviewing the existing management approach disclosures section within GRI 303 and GRI 306, including:
  - revising the existing content;
  - where appropriate, developing new requirements, recommendations, and/or guidance;
ensuring the revised management approach disclosures are compatible for organizations to use together with GRI 103: Management Approach:

- reviewing the existing topic-specific disclosures for water and effluents (along with their related reporting requirements, recommendations and/or guidance) including:
  - revising the existing content;
  - where appropriate, developing new disclosures, requirements, recommendations, and/or guidance in order to address areas not currently covered;
- revising and updating the existing References related to water and effluents;
- revising relevant definitions in the GRI Standards Glossary and, where applicable, developing new ones.

Second public comment

The first public comment on the exposure draft of GRI 303 was held between 10 August and 9 October 2017. Please refer to the documents Full set of Comments to see the feedback received during the first public comment and Basis for Conclusions to view the GSSB’s response (link to be included upon approval). Due to the extent of feedback received and the resultant changes made to the draft, the GSSB decided to publish the exposure draft of GRI 303 for second public comment.

Scope of the public consultation

The exposure draft of GRI 303 was open for second public comment from 20 December 2017 to 18 February 2018. Respondents were asked to provide feedback on specific content questions as well as any other feedback on the revised exposure draft.

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

- Management approach disclosures for water/effluents.
- Calculation method of water recycling and reuse.
- Substances of concern.
- Calculation method of water consumption.
- Example table for presenting information for Disclosures 303-1, 303-2, and 303-3.
- Definitions provided for terms.

Any comments relating to areas out of scope for the revision of GRI 303 (such as requests to develop sector guidance) will be considered by the GSSB separately to help inform future work priorities.

Overview of official public comment submissions

Stakeholders were able to give feedback on the exposure draft via the GRI Standards Consultation Form (hereafter Consultation Form), and/or directly via email.
GRI Standards Consultation Form

The Consultation Form was the main channel for stakeholders to access, review, and comment on the exposure draft. The Consultation Form included the revised draft and a short questionnaire (see Annex I for an overview of the questions) about specific contents of the draft.

Feedback via email

Although stakeholders were encouraged to utilize the Consultation Form wherever possible, respondents who wanted to provide additional feedback on the exposure draft, or an official letter or statement, were able to submit this via email to standards@globalreporting.org or water@globalreporting.org. This feedback was reviewed and analyzed along with the comments received through the Consultation Form.

Total participation during the public comment period

In total, 30 individuals and organizations submitted feedback on the exposure draft. 27 submissions were received via the Consultation Form, from individuals and organizations across 15 countries. Of these, 19 were submissions on behalf of an organization or groups of organizations (such as an industry association or trade group), and eight were personal submissions.

Four individuals or organizations submitted feedback via email; one of these respondents also submitted comments through the Consultation Form. Out of the remaining three email submissions, two were on behalf of an organization or groups of organizations, and one was a personal submission.

For more detail, see the following:

- The full set of individual comments received via the online Consultation Form and via email, available to download from the GSSB website.
- Annex 2 for an overview of respondents who provided feedback via the Consultation Form and via email.
- Annex 3 for a breakdown of public comment submissions by representation, region, and constituency.
Basis for Conclusions

In line with the Due Process Protocol, this section summarizes the significant issues 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 GRI Standards Division to identify significant issues. All individual comments received, together with an analysis of the significant issues, were then provided to the PWG for review and discussion, and their recommendations were shared with the GSSB in turn for review and approval.

The significant issues are organized into the following sections:

• Cross-cutting themes
• Themes by disclosure

Cross-cutting themes

Value chain

Three respondents suggested combining reporting on impacts in the supply chain and related to products and services and the approach for identifying and addressing them (clauses 1.2.6 and 1.2.7), with reporting on the organization’s interaction with water as a shared resource (clauses 1.2.1 and 1.2.3), to eliminate unnecessary repetition of content between these clauses and to encourage reporting on impacts in the value chain in an integrated way.

GSSB response: Clauses 1.2.6 and 1.2.7 have been merged with clauses 1.2.1 and 1.2.3 as per public feedback.

Third party

Three respondents commented on reporting additional information for third party water.

Of these, two requested clarifying that third-party water includes water supplied by or sent to other organizations for use, and including a provision to disclose the identity of the third-party supplier.

Two respondents suggested reporting original sources of water supplied by third party only for areas with water stress, to prioritize action in those areas.

One respondent suggested changing the status of the requirement to a recommendation, arguing that if water supplied by third parties is a significant input with material impact, organizations would report on it in their value chain narrative.

GSSB response: It has been clarified in the definition of third party and in guidance for Disclosure 303-1 and guidance for Disclosure 303-2 that third-party water includes water supplied by or sent to other organizations. It has also been clarified in Disclosure 303-1-b-vii that original withdrawal sources of water supplied by third party need to be reported only if these sources are located in areas with water stress. No further change to the status of the requirement has been made.
Themes by disclosure

Disclosure 303-1 Water withdrawal

a) Water recycling and reuse

Many respondents commented on water recycling and reuse, requesting more clarity on the definition and calculation formula.

A few respondents raised concerns about correct interpretation of the formula and suggested measuring the proportion of water recycled and reused against total withdrawals instead of total water use.

One respondent suggested clarifying in the definition of recycled water that it constitutes water used in one or more cycles. Another respondent suggested making a distinction between recycled and reused water, where reused water is water treated internally before being reused within the same process or plant.

One respondent requested that reuse of circulating cooling water and steam condensate in a chilling plant in a cooling tower should not be considered recycling, because it is a type of a process specific to the energy sector.

One respondent argued against the value of reporting water recycling and reuse, stating that they are not indicative of reduction in water consumption.

GSSB response: The recommendation to report water recycling and reuse has been removed due to respondents’ concerns about the feasibility of calculating water recycling and reuse using the recommended formula. It was not possible to develop a formula that would be applicable to various recycling practices, therefore compromising comparability of data. Organizations can still report on their water recycling and reuse, as per guidance in the management approach disclosures.

b) Water stress

Many respondents commented on methodologies and indicators to assess water stress.

A few respondents suggested clarifying that credible methodologies do not need to be publicly available (e.g., in instances when these are internal company assessments), as long as they are explained (requirement 2.1 in Disclosure 303-1 on water withdrawal).

Some respondents requested clarification on the threshold for assessing ‘baseline water stress’, as it remains unclear to readers whether the threshold implies locations with ‘medium to high’ water stress or locations with ‘high or extremely high’ water stress.

One respondent flagged that a catchment may not always possess all characteristics of water stress (e.g., availability, quality, and accessibility) as per the definition of water stress.

GSSB response: No change has been made to requirement 2.1 on assessing water stress in an area using publicly available and credible tools and methodologies – as a baseline, organizations are required to use publicly available methodologies, but can complement their results with their own assessments.

The thresholds for assessing water stress have been clarified.

The definition of water stress has been amended to: ‘water stress takes into account the availability, quality, or accessibility of water’.
c) Water withdrawal sources

Some respondents suggested revising the sources of water withdrawal. Of these, the majority requested clarification on whether fresh surface water includes harvested rainwater, and requested the addition of a definition for harvested rainwater.

GSSB response: It has been clarified that fresh surface water includes harvested and collected rainwater.

Disclosure 303-2 Water discharge

a) Substances of concern

Two respondents suggested merging reporting substances of concern with requirements on how the organization sets standards on discharge quality in the management approach, arguing that minimum standards for discharge quality are based on the identification and management of priority substances of concern.

One respondent suggested adding more guidance on how substances of concern were identified.

One respondent argued that it is not meaningful to report substances of concern without consideration of the profile of the receiving waterbody, adding that disclosing substances of concern may be considered sensitive information. This respondent suggests reporting the category of substances that are being treated, e.g., metals; hydrocarbons; pesticides, instead of specific substances of concern.

GSSB response: No change has been made to the status or content of requirements to report substances of concern.

b) Surface runoff

Three respondents commented on surface runoff suggesting clarifying the definition to distinguish between impacts related to runoff and impacts related to water discharge. One respondent suggested removing the reference to reporting impacts from runoff that occur in the value chain, in order to improve the feasibility of reporting.

GSSB response: The definition of surface runoff has been clarified and examples have been provided in guidance to management approach disclosures.

Disclosure 303-3 Water consumption

a) Definition of water consumption

Two respondents suggested consideration of water consumed only when it is not returned to freshwater. One respondent requested clarification on whether leaks and losses should be considered consumption.

GSSB response: No change has been made to the definition of water consumption.

b) Definition of water storage

A few respondents suggested adding a definition of water storage or examples of storage in the guidance. One respondent requested clarification on how storage is to be defined for the manufacturing facilities, and whether it includes “on-site surge capacity” or if it is water stored on site in holding tanks and retention ponds.

GSSB response: Definition of water storage has been added.
### 1. Overview of questionnaire questions

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<td>Question 2</td>
<td>Is it clear how to calculate water recycling and reuse?</td>
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<td>Question 3</td>
<td>Is it clear how to report substances of concern?</td>
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<td>Question 4</td>
<td>Is it clear how to calculate water consumption according to the revised definition and calculation method?</td>
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<td>Is Table 1 helpful for understanding how to present information on the requirements and recommendations in the Standard?</td>
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<td>Are the definitions clear?</td>
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### 2. Overview of respondents

The table below provides an overview of the public comment respondents. Those who provided feedback via email are highlighted in gray. Those who provided feedback via both the Consultation Form and email are highlighted in orange.

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3. Public comment submissions by representation, constituency, and region

Breakdown of the Consultation Form and email submissions combined by representation, constituency, and region:

Public comment submissions, by representation

- Organizational: 70%
- Personal: 30%
- Total: 100%

Public comment submissions, by constituency*

- Business Enterprise: 53%
- Civil Society Organization: 7%
- Mediating Institution: 17%
- Other: 23%
- Total: 100%

Public comment submissions, by region

- Europe: 46%
- Latin America: 17%
- Asia: 20%
- Africa: 3%
- Oceania: 7%
- Northern America: 7%
- Other: 23%
- Total: 100%

*There were no submissions received from the 'investment' and 'labor' constituencies.