



## Transition to GRI Standards

### *Item 02 – Summary of key changes to the second set of Exposure Drafts*

#### **For GSSB information**

<b>Date</b>	2 May 2016
<b>Meeting</b>	16-17 May 2016
<b>Project</b>	Transition to GRI Standards
<b>Description</b>	<p>As part of the move to become a standard setter, the Global Sustainability Standards Board (GSSB) has decided that the G4 Guidelines need to be transitioned to GRI Sustainability Reporting Standards.</p> <p>This paper presents a high-level summary of the key changes made in the public exposure drafts for the second set of draft GRI Standards.</p>

Discussion document - This document does not represent an official position of the GSSB

## 1 *About this paper*

2 This paper presents a synthesis of GSSB feedback received on the second set of public exposure  
3 draft Standards, along with proposed actions from the Standards Division. The summary of GSSB  
4 feedback is based on the preliminary review of these draft Standards carried out by GSSB  
5 members between 14 and 27 April 2016. All draft Standards were reviewed by multiple GSSB  
6 members during this process and all comments were reviewed and responded to by the  
7 Standards Division.

8 Within each draft Standard, any substantive changes compared to the G4 content have been  
9 highlighted in the 'Explanatory memorandum' in the front, which will be included for public  
10 exposure. This section will highlight, for example, cases where Aspect-specific DMA guidance is  
11 now a recommendation, where topics have been merged together, or where disclosures have  
12 been reworded.

13 The draft Standards also incorporate recommended changes related to the employee/worker  
14 terminology revision project. These changes are recorded in the summaries at the end of each  
15 draft. More background on these changes can be found in Item 03 – Employee-worker  
16 terminology revisions (Part 2).

17 In addition, the GRI Standards Glossary of terms for the second group of public exposure drafts  
18 is presented for the GSSB to review.

### 19 **Proposed approval process during GSSB May 2016 meeting**

20 Given that the format of the topic-specific Standards was already approved by the GSSB at the  
21 meeting on 5-7 April 2016, and that significant changes to the G4 Guidelines are not within the  
22 remit of this transition, it is proposed to discuss the second group of Standards to be submitted  
23 for public comment in two categories:

- 24 • Category 1: those Standards that require GSSB discussion and need to be *reviewed and*  
25 *approved on an individual basis*; and
- 26 • Category 2: those Standards where the GSSB reviewers are comfortable with the quality  
27 of the final exposure drafts and can recommend approval to the full GSSB. *These*  
28 *Standards will be discussed and approved as one group – not individually.*

29 The Standards Division has identified [an initial set of Standards to discuss in Category 1](#), based  
30 on GSSB feedback received to date. The composition of the Category 1 Standards is subject to  
31 change based on the further GSSB feedback to be received ahead of the May 2016 meeting, as  
32 outlined below.

## 33 *GSSB feedback requested*

The Standards Division has the following specific questions for GSSB members ahead of the 16-17 May 2016 meeting:

1. 'Economic, Environmental, and Social' categories for organizing topic Standards: The GSSB is asked to review whether these categories are still desired, given the challenges in locating Standards with truly cross-cutting issues. Refer to the ['Overarching comments and notable changes'](#) section for more detail.
2. Recommended merging of Standards: The GSSB is asked whether it agrees with the proposals of the Standards Division (in response to GSSB feedback) to:
  - a. [Create a new 'Marketing and labeling' standard](#) that combines content from 617: *Product and service labeling* and 618: *Marketing communications*, but without the customer satisfaction disclosure (formerly G4-PR5).
  - b. [Merge the content](#) from 'SRS 606: *Equal remuneration for women and men*' into 'SRS 605: *Diversity and equal opportunity*'
  - c. [Continue with separate standards](#) for SRS 508: *Supplier environmental assessment* and SRS 620: *Supplier social assessment*; and SRS 507: *Environmental compliance* and SRS 621: *Social compliance*; unless categories of topic Standards are removed, as in point 1), above.
3. Standards that require individual discussion at the in-person meeting: Are there additional specific Standards that require individual GSSB discussion and approval at the May 2016 meeting? [See the initial list of Standards proposed for individual discussion here.](#)
4. Any other substantive issues: Are there *any other substantive issues* on the draft Standards that the Standards Division needs to address?

All feedback on these draft Standards is to be **sent to the chair of the GSSB by 9<sup>th</sup> May** so that it can be considered ahead of the in-person meeting. Please copy Bastian Buck and Chelsea Reinhardt from the Standards Division.

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## 35 *Preliminary GSSB feedback and notable changes made*

### 36 **Process overview**

37 The GSSB were asked to provide comments on the 32 draft topic-specific Standards between 14  
38 and 27 April 2016.

39 The Standards Division reviewed every comment received via an online document review  
40 platform and has responded to individual comments on a consolidated PDF version of each  
41 Standard.

### 42 **Standards proposed to be prioritized for future review**

43 Based on initial GSSB comments and previous research/stakeholder feedback, the Standards  
44 Division has identified the following topics as high priorities for content review in the future:

45 Highest priority: Economic performance, Effluents and waste, Occupational health and safety

46 Next priority: Biodiversity, Water, Human rights assessment, Market presence

47 For these Standards, some GSSB comments have not been implemented yet, as they would  
48 change the scope of the reporting requirements, or they refer to improvements that are best  
49 handled within the scope of a full content review.

50 GSSB members are invited to give additional feedback on Standards to prioritize for future  
51 review; this will be incorporated into the workplan which will be exposed for public comment in  
52 June 2016.

### 53 **Overarching comments and notable changes**

- 54 • Merging Standards: GSSB reviewers suggested merging standards that have duplicative  
55 content (i.e., *SRS 508: Supplier environmental assessment* and *SRS 620: Supplier social*  
56 *assessment*; and *SRS 507: Environmental compliance* and *SRS 621: Social compliance*). However,  
57 one fundamental challenge is that some of the new merged standards would not fit into the  
58 existing 'Economic', 'Environmental', and 'Social' categories. The Standards Division believes  
59 these categories may not be future-proofed due to the number of cross-cutting sustainability  
60 topics, and would request that the GSSB consider again whether these categories are  
61 necessary, and if so, how to handle overarching/cross-cutting topics.
- 62 • Cross-referencing: Following GSSB input, in each instance where the Standards cross-  
63 reference information from another disclosure to use for reporting, these have all been  
64 made recommendations. For example: 'When compiling the information in Disclosure 512-1,  
65 the reporting organization should use information from Disclosure 201-8 in *SRS 201: General*  
66 *disclosures*'. This approach ensures consistency across the Standards but allows for specific  
67 cases where an organization might not be able to comply with this as a requirement (for  
68 example, they used reasons for omission for one of the disclosures).
- 69 • Changes to disclosure content: In several Standards (e.g., *SRS 611: Security practices* and *SRS*  
70 *613: Human rights assessment*) GSSB reviewers suggested changes to either disclosures or

71 reporting requirements which could impact the scope of reporting. The Standards Division  
72 has noted these comments for future content reviews, but has not implemented these  
73 changes as it was believed they are out of scope for the Transition to Standards and would  
74 be best handled within the scope of a full content review.

75 • Relocated content: Following concerns from GSSB reviewers about the original proposal to  
76 discontinue Indicator G4-HRI (which was discussed at the 5-7 April GSSB meeting), this has  
77 been incorporated into *SRS 613: Human rights assessment*. The new location has received the  
78 support of the designated GSSB reviewers.

79 • Employee/Worker recommendations that affect disclosures: The following disclosures have  
80 been impacted by recommended changes from the Employee/Worker Technical Committee.  
81 Depending on how organizations were reporting these previously, due to varying  
82 interpretations of these concepts, the suggested changes might increase the scope of  
83 reporting. The GSSB is therefore asked to pay particular attention to these changes:

84 ○ In *SRS 603: Occupational health and safety*, Disclosure 603-1, the term ‘the total  
85 workforce’ has been changed to ‘workers performing work that is controlled by the  
86 reporting organization or that is being performed in workplaces that the  
87 organization controls’.

88 ○ In *SRS 603: Occupational health and safety*, Disclosure 603-2, the terms ‘workforce’  
89 and ‘independent contractors working on-site to whom the organization is liable for  
90 the general safety of the working environment’ have been changed to ‘all workers  
91 performing work that is controlled by the reporting organization or that is being  
92 performed in workplaces that the organization controls’.

93 ○ *SRS 603: Occupational health and safety*, Disclosure 603-3, the term ‘workers’ has  
94 been changed to ‘workers performing work that is controlled by the reporting  
95 organization or that is being performed in workplaces that the reporting  
96 organization controls’.

97 ○ In *SRS 609: Child labor*, Disclosure 609-1-a may be impacted based on suggested  
98 changes to the definition of ‘young worker’. The definition of ‘young worker’ has  
99 been modified to ‘a worker who is above the applicable minimum working age and  
100 younger than 24 years of age’. Previously in G4 this was ‘... younger than 18 years of  
101 age’.

102 ○ In *SRS 611: Security practices*, Disclosure 611-1-a has been adjusted. The ‘compilation’  
103 guidance text from G4 has been modified and is now included as a reporting  
104 requirement (see clause 2.2). The original wording from G4 was ‘Identify the total  
105 number of security personnel the organization employs directly’. This has now been  
106 changed and reporters are required to use the ‘total number of security personnel,  
107 whether they are employees of the reporting organization or employees of third-  
108 party organizations.’

## 109 Recommendations to merge Standards, and action taken

110 In several cases, GSSB reviewers suggested to combine Standards together in order to reduce  
111 duplicated content.

- 112 1. GSSB reviewers suggested to combine *SRS 605: Diversity and equal opportunity*, *SRS 606: Equal*  
113 *remuneration for women and men*, and *SRS 607: Non-discrimination*, as these topics were  
114 viewed as overlapping.
- 115 a) Action taken by Standards Division: The content from **SRS 606 has been merged**  
116 **into SRS 605: Diversity and equal opportunity**. Equal remuneration can logically be  
117 considered a matter of equal opportunity. The Standards Division proposes to leave  
118 **SRS 607: Non-discrimination as a separate Standard** because this is a fundamental  
119 human right.
- 120 2. GSSB reviewers of *SRS 617: Product and service labeling* had strong feedback that the  
121 customer satisfaction disclosure does not fit within this Standard. GSSB reviewers suggested  
122 to either rename this Standard or to merge the customer satisfaction content (from *SRS*  
123 *617: Product and service labeling*) and into one new Standard along with *SRS 618: Marketing*  
124 *communications* and *SRS 619: Customer privacy*.
- 125 a) Action taken by Standards Division: The content from *SRS 617: Product and service*  
126 *labeling* and *SRS 618: Marketing communications* **have been combined into a new**  
127 **Standard: ‘SRS 617: Marketing and labeling’**. The Standards Division proposes  
128 discontinuing the customer satisfaction disclosure (formerly G4-PR5). *SRS 619:*  
129 *Customer privacy* is recommended to remain as a separate standard because this is an  
130 increasingly important topic and is distinct from marketing and labeling.
- 131 3. GSSB reviewers of *SRS 508: Supplier environmental assessment* and *SRS 620: Supplier social*  
132 *assessment* recommended combining these two Standards in order to reduce duplication.  
133 They recommended locating the new Standard in the Economic series.
- 134 a) Action taken by Standards Division: The Standards Division would recommend  
135 combining these Standards, but only if the GSSB agrees to remove the Economic,  
136 Environmental, and Social categorization of Standards. The Standards Division  
137 doesn’t feel it is logical to put this combined Standard with its social and  
138 environmental contents within the Economic category and there is currently no  
139 other ideal place for it. If the current ‘categories’ remain, the Standards Division  
140 would recommend leaving these as two separate topic-specific Standards until a  
141 future review can be carried out.
- 142 4. GSSB reviewers of *SRS 507: Environmental compliance* and *SRS 621: Social compliance*  
143 recommended combining these two Standards in order to reduce duplication.
- 144 a) Action taken by the Standards Division: same approach as in point 3a) above  
145 recommended.
- 146

## 147 *Standards recommended for individual discussion at the* 148 *May 2016 GSSB meeting*

149 The Standards Division recommends discussing the following draft Standards individually during  
150 the in-person meeting in May 2016. This list is subject to change based on additional GSSB input  
151 to be received during 2-9 May:

152 **New content recommended to be added (management approach guidance):**

153 1. *SRS 614: Local communities* – due to proposed changes from GSSB reviewers affecting the  
154 management approach guidance

155 **New format (merged standards)**

156 2. *SRS 617: Marketing and labeling* – due to the new format (with content combined from SRS  
157 617 and SRS 618), and the proposal to discontinue the customer satisfaction disclosure  
158 (formerly G4-PR5)

159 3. *SRS 605: Diversity and equal opportunity* – due to the fact this draft now includes the content  
160 from SRS 606: *Equal remuneration for women and men*

161 **Recommendation to merge standards (not yet implemented)**

162 4. *SRS 508: Supplier environmental assessment* and *SRS 620: Supplier social assessment* – due to  
163 the recommendation from GSSB reviewers to consider merging these Standards

164 5. *SRS 507: Environmental compliance* and *SRS 621: Social compliance* – due to the  
165 recommendation from GSSB reviewers to consider merging these Standards

166 **Content-related comments**

167 6. *SRS 516: Effluents and waste* – due to GSSB reviewers' concerns about the content of some  
168 disclosures (NOTE: The Standards Division recommends holding off on major content  
169 revisions, but prioritizing this Standard for future review.)

170 7. *SRS 401: Economic performance* – due to GSSB reviewers' concerns about the content of  
171 some disclosures (NOTE: The Standards Division recommends holding off on major content  
172 revisions but prioritizing this Standard for future review.)