



GSSB Global
Sustainability
Standards Board

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Transition to GRI Standards

Item 05 – Proposal to discontinue four Aspects

For GSSB Approval

Date	11 February 2016
Meeting	25 February 2016
Project	Transition to GRI Standards
Description	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 Sustainability Reporting Standards (SRSs). This paper presents a proposal to discontinue four Aspects from the G4 Guidelines, for GSSB approval.

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.

About this version

This paper presents a proposal to discontinue four Aspects from the G4 Guidelines. If the GSSB agrees with this proposal, these Aspects would not be developed as individual Sustainability Reporting Standards (SRSs). The proposal below outlines the rationale for discontinuing each of these Aspects.

Background

As part of the Transition to Standards project, it was originally proposed that each G4 Aspect would be developed as an individual Sustainability Reporting Standard (SRS). The Standards Division therefore analyzed each G4 Aspect to ensure they were suitable to become independent standards.

Through this process, the Standards Division has identified four Aspects that are potentially not robust enough to be developed as stand-alone SRSs. These include three Environmental Aspects: Overall, Transport, and Products and Services; along with one Human Rights Aspect: Investment. The Standards Division then conducted research to assess the quality of the information that was being disclosed when reporting these Aspects.

Required GSSB decisions and feedback

The GSSB is kindly asked to review the following proposals and either to agree with them, or to suggest alternate actions:

1. 'Overall' Aspect: [Proposal](#) to discontinue the Aspect and repurpose Indicator G4-EN31 as management approach guidance
2. 'Transport' Aspect: [Proposal](#) to discontinue the Aspect, delete Indicator G4-EN30 due to duplication, and in the future to cover transport-related impacts within the relevant topic SRSs (e.g., Emissions, Energy)
3. 'Products and Services' Aspect: [Proposal](#) to discontinue the Aspect, delete Indicator G4-EN27 due to duplication, move Indicator G4-EN28 to the 'Materials' Aspect, and in the future to cover product and service-related impacts within the relevant topic SRSs (e.g., Emissions, Energy)
4. 'Investment' Aspect: [Proposal](#) to discontinue the Aspect, delete indicator G4-HR1 and the topic-specific management approach guidance, and move Indicator G4-HR2 to the Assessment Aspect (renamed 'Human Rights Assessment' in the SRSs)

31 Overall

32 The Overall Aspect in G4 contains one Indicator:

33 *G4-EN31 Total environmental protection expenditures and investments by type.*

34 Proposal

35 The Standards Division proposes to:

- 36 • Discontinue the Overall Aspect
- 37 • Repurpose Indicator G4-EN31 as management approach guidance

38 Rationale

39 Given the focus of reporting on specific topics and impacts in G4 (such as emissions, energy or
40 water), rather than on broad groupings (such as environmental impacts in general), a catch-all
41 Aspect and Indicator on environmental expenditures no longer fits here conceptually. This
42 proposal is also made because, unlike topics such as water or emissions, Overall (or expenditures)
43 is not a sustainability topic which should be subject to materiality. Instead, expenditures or
44 resources should be part of an organization's approach to manage a topic or its impacts.

45 Information on resources (such as financial, human or technological) allocated for managing the
46 material topics is already covered in the management approach disclosures of G4.

47 Moreover, Indicator G4-EN31 focuses on waste disposal, emissions treatment, and remediation
48 costs, as well as prevention and environmental management costs. An Indicator should not
49 prescribe reporting on multiple topics, as the reported topics depend on the organization's
50 materiality assessment. As such, research indicates that most organizations do not fully report on
51 this Indicator. They provide information for a limited number of the topics covered (e.g.,
52 remediation, or waste disposal), but not for all of them.

53 The Standards Division thus proposes that the Overall Aspect be discontinued, and that Indicator
54 G4-EN31 be repurposed as management approach guidance in either SRS 301 (Management
55 Approach) or in the relevant topic-Standards (e.g., Emissions, Effluents and Waste).

56 Transport

57 The Transport Aspect in G4 contains one Indicator:

58 *G4-EN30 Significant environmental impacts of transporting products and other goods and materials for*
59 *the organization's operations, and transporting members of the workforce.*

60 Proposal

61 The Standards Division proposes to:

- 62 • Discontinue the Transport Aspect
- 63 • Delete Indicator G4-EN30 due to duplication
- 64 • Cover information on transport-related impacts within each relevant topic-Standard, as
65 these get revised in the future

66 For example, Scope 3 emissions related to transportation and logistics would be covered
67 under the Emissions topic-Standard; and road safety and traffic related injuries and
68 fatalities would be covered under the Occupational Health and Safety topic-Standard.

69 Rationale

70 An organization's transport activities can lead to a wide range of environmental (and other types
71 of) impacts (e.g., energy efficiency, emissions, safety). Transport impacts related to energy
72 consumption and GHG emissions are already covered in other G4 Indicators: G4-EN4 and G4-
73 EN7 (Energy) and G4-EN17 (Emissions).

74 As content on the environmental impacts of transport activities is currently duplicated in other
75 G4 Aspects, the Standards Division questions whether the Transport Aspect and the
76 corresponding Indicator (G4-EN30) are fit to become a separate Standard.

77 In addition, since Indicator G4-EN30 does not provide specific measurements or methodologies,
78 research indicates that this Indicator is generally not well reported. Many reporters reference
79 other environmental Indicators (e.g., G4-EN17 on Scope 3 emissions) when responding to G4-
80 EN30.

81 Moreover, G4 focuses reporting on specific topics and impacts (e.g., energy consumption, GHG
82 emissions), rather than on broad groupings (e.g., environmental impacts, impacts of transport).
83 There are many activities that lead to environmental impacts, such as manufacturing, the use of
84 products, transport, or agriculture. The focus is not the activity, but the topic/impact.

85 Therefore, the Standards Division considers it conceptually reasonable to cover transport-related
86 impacts within each relevant topic-Standard, rather than having a separate Standard covering all
87 the environmental impacts of transport. The Standards Division then proposes to discontinue the
88 Transport Aspect and delete Indicator G4-EN30 due to duplication. When topic-Standards are
89 updated in the future, transport-related impacts should be considered as part of the content
90 revision projects.

91 Products and Services

92 The Products and Services Aspect in G4 contains two Indicators:

- 93 • *G4-EN27 Extent of impact mitigation of environmental impacts of products and services*
- 94 • *G4-EN28 Percentage of products sold and their packaging materials that are reclaimed by*
- 95 *category*

96 Proposal

97 The Standards Division proposes to:

- 98 • Discontinue the Products and Services Aspect
- 99 • Delete Indicator G4-EN27 due to duplication
- 100 • Move Indicator G4-EN28 to the Materials Aspect of the Environmental Category
- 101 • Cover information on product and service-related impacts within each relevant topic-
- 102 Standard, as these get revised in the future

103 For example, Scope 3 emissions related to the use of sold products would be covered
104 under the Emissions topic-Standard; and energy efficiency of products and services would
105 be covered under the Energy topic-Standard.

106 Rationale

107 An organization's products and services can lead to a wide range of environmental (and other
108 types of) impacts (e.g., materials use, energy efficiency, emissions, safety). Impacts of products and
109 services related to materials, energy consumption and GHG emissions are already covered in
110 other G4 Indicators: G4-EN1 and G4-EN2 (Materials), G4-EN4 and G4-EN7 (Energy), and G4-
111 EN17 (Emissions).

112 As content on the environmental impacts of products and services is currently duplicated in other
113 G4 Aspects, the Standards Division questions whether the Products and Services Aspect and the
114 corresponding Indicator (G4-EN27) are fit to become a separate Standard.

115 In addition, since Indicator G4-EN27 does not provide specific measurements or methodologies,
116 research indicates that this Indicator is generally not well reported. Many reporters reference
117 other environmental Indicators (e.g., G4-EN7, G4-EN17) when responding to G4-EN27.

118 Moreover, G4 focuses reporting on specific topics and impacts (e.g., energy consumption, use of
119 materials), rather than on broad groupings (e.g., environmental impacts, impacts of products and
120 services). There are many activities that lead to environmental impacts, such as manufacturing, the
121 use of products, transport, or agriculture. The focus is not the activity, but the topic/impact.

122 Therefore, the Standards Division considers it conceptually reasonable to cover product and
123 service-related impacts within each relevant topic-Standard, rather than having a separate Standard
124 covering all the environmental impacts of products and services. The Standards Division then
125 proposes to discontinue the Product and Services Aspect and delete Indicator G4-EN27 due to
126 duplication. When topic-Standards are updated in the future, product and service-related impacts
127 should be considered as part of the content revision projects.

128 Lastly, the Standards Division proposes to move Indicator G4-EN28 to the Materials Aspect of
129 the Environmental Category. Conceptually, it could fit within this Aspect as it measures the extent
130 to which materials from products and services are reclaimed. However, it should be noted that
131 the other two Indicators within the Materials Aspect currently refer to *input materials* (i.e., those
132 used to produce and package the organization's products and services). Therefore, including
133 materials related to products and services (i.e., output materials) under this Aspect will require
134 some additional clarification around the definition of this Aspect and what it encompasses.

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

135 Investment

136 The (Human Rights) Investment topic in G4 contains two Indicators and topic-specific
137 management approach guidance:

- 138 • *G4-HR1 Total number and percentage of significant investment agreements and contracts that*
139 *include human rights clauses or that underwent human rights screening*
- 140 • *G4-HR2 Total hours of employee training on human rights policies or procedures concerning*
141 *aspects of human rights that are relevant to operations, including the percentage of employees*
142 *trained*
- 143 • Topic-specific management approach guidance to complement Indicator G4-HR1 (G4
144 Implementation Manual, p. 175)

145 Proposal

146 The Standards Division proposes to:

- 147 • Discontinue the Investment Aspect
- 148 • Delete Indicator G4-HR1 and the topic-specific management approach guidance
149 permanently
- 150 • Move Indicator G4-HR2 to the Assessment Aspect (renamed Human Rights Assessment
151 in the Standards), next to Indicator *G4-HR9 Total number and percentage of operations that*
152 *have been subject to human rights reviews or impact assessments*

153 Rationale

154 Indicator G4-HR1 requests organizations to report the total number and percentage of significant
155 investment agreements and contracts that include human rights clauses or that underwent human
156 rights screening. As well as the definition of ‘significant investment agreements’ used by the
157 organization. In this context, investment is meant the organization’s investing activities, for
158 example joint ventures.

159 Research indicates that Indicator G4-HR1 is generally not well understood, nor reported.
160 Research shows that organizations sometimes provide information on their supply chain
161 performance in response to this Indicator, or do not cover reporting on human rights specifically
162 – instead, they cover sustainability topics in general.

163 The Standards Division then proposes that the Investment Aspect is to be discontinued and
164 Indicator G4-HR1 and the topic-specific management approach guidance deleted.

165 Ultimately, Indicator G4-HR1 is trying to measure the extent to which an organization has
166 conducted due diligence in its investing activities, with regards to human rights. This can be
167 sufficiently covered with the management approach disclosures of G4.

168 Indicator G4-HR2 on employee training on human rights policies does not conceptually fit under
169 Investment. The Standards Division then proposes to move it to the Assessment Aspect (to be
170 renamed Human Rights Assessment in the Standards). The Division considers this to be the most
171 appropriate location for this Indicator, given the limitation in terms of changes that can be done
172 as part of this transition project.