Item 02 – Exposure draft of Universal Standards: GRI 101, 102, and 103

Annex 2 – GRI Sector Program

information sheet

For GSSB information

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<td>Meeting</td>
<td>20 May 2020</td>
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<tr>
<td>Project</td>
<td>Sector Program/Universal Standards</td>
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<tr>
<td>Description</td>
<td>To help reviewers understand references to GRI Sector Standards included in exposure draft of Universal Standards, it is proposed to publish the following information sheet as an accompaniment to the other public comment materials. If an exposure draft of the Sector Standard for oil and gas is released prior to the end of the public comment period for Universal Standards, this information sheet will be superseded.</td>
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Public comment on the GRI Universal Standards

Information sheet on GRI Sector Program

The exposure draft of the revised GRI Universal Standards is available for public comment from 11 June 2020 to 9 September 2020. Because the exposure draft of the Universal Standards (GRI 101: Using the GRI Standards, GRI 102: About the Organization, and GRI 103: Material Topics) reference the forthcoming GRI Sector Standards (Sector Standards), this document serves to summarize the concept and the proposed structure of the Sector Standards. It is meant to assist in understanding how the Sector Standards will work in conjunction with the revised Universal Standards.

The first two pilot Sector Standards are currently under development. It is expected that the Sector Standard for oil and gas will be released for public comment in quarter 3 of 2020.

Background

Sustainability reporting using the GRI Standards enables an organization to publicly disclose its most significant impacts and how it manages these impacts. However, reporting by individual organizations has been inconsistent in addressing a sector’s key challenges and impacts. Possible reasons for this include lack of clarity on a sector’s most significant impacts and inconsistent application of the principles for defining report content in the existing GRI 101: Foundation 2016.

The Global Sustainability Standards Board (GSSB) initiated the Sector Program to develop standards that are specific to certain sectors. Sector Standards will identify and describe one or more sectors’ most significant impacts from a sustainable development perspective. The Sector Standards are intended to focus sustainability reporting on the impacts that matter most, as well as reflect stakeholder expectations for a sector’s sustainability reporting.

Sector Standards will:

- Describe the sustainability context for a sector;
- Outline topics that are likely material for a reporting organization in the sector based on the sector’s most significant impacts; and
- List appropriate disclosures to report on those topics.

In this way, the Sector Standards will clarify the reporting that is expected of organizations in a given sector and assist them in identifying material topics and what to report for each material topic.

Sector Standards are developed by a multi-stakeholder expert working group following the GSSB Due Process Protocol.
Using the Sector Standards

To identify material topics

GRI 101: Using the GRI Standards requires that a reporting organization use Sector Standard(s) that apply to its sector(s) to identify material topics, where these are available.

A Sector Standard describes topics that have been identified as likely material for organizations in a given sector. It explains why the topic might be material, outlining significant impacts and how these impacts occur in the sector as well as drawing on authoritative instruments and other supporting references.

When an applicable Sector Standard is available, an organization needs to determine whether the topics listed are material for the organization.

Sector Standards are not intended to substitute an organization’s own process for identifying material topics. Not all topics listed in a Sector Standard will be material for all organizations in a given sector. Also, topics that are material for an organization due to other factors (e.g., the organization’s geographic location) might not be represented in a Sector Standard. An organization is therefore still required to identify its own material topics according to its own circumstances.

To identify appropriate disclosures

If an organization identifies a topic in an applicable Sector Standard as material, the Sector Standard will also assist an organization in determining what to report for that topic.

GRI 101: Using the GRI Standards requires that an organization report appropriate disclosures on each material topic. A Sector Standard includes a list of disclosures identified as appropriate for reporting on a topic by an organization in the sector. This list includes appropriate disclosures from GRI Topic Standards (Topic Standards). If the Topic Standards do not provide disclosures that sufficiently capture the impacts associated with a sector, additional appropriate disclosures and sector-specific guidance might also be listed.

If an organization determines that some disclosures listed in a Sector Standard for a material topic do not adequately capture the impacts it has identified, the organization does not need to report these disclosures. Rather, it only needs to report those disclosures that adequately capture the impacts for its material topics.

It should be noted that, along with appropriate disclosures, an organization is also required to report how it manages each material topic and related impacts using GRI 103: Material Topics.

An organization might need to use more than one Sector Standard to report its material topics, depending on its activities.
Structure of Sector Standards

It is proposed that Sector Standards contain the sections depicted in Figure 1 and described below.

**Figure 1. Sections of a Sector Standard**

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**Introduction:** These sections provide organizations with background on the purpose of the Sector Standards and instruct them on how they should be used in conjunction with other GRI Standards, including the Universal Standards.

**Sector description:** These sections outline the types of organizations that should use the Sector Standard. Included are an overview of sector-specific activities and business relationships as well as a description of the sustainability context of the sector(s). This description is intended to help an organization identify and report on its material topics and related impacts. It can also help information users assess if an organization’s reporting meets stakeholder expectations.

**Sector topics:** These sections describe topics that are likely material for a reporting organization in a given sector(s) and that therefore might merit inclusion in their sustainability reporting.

Each topic description lists disclosures identified as appropriate for reporting on that topic by an organization in a given sector(s). The description will assist an organization in determining what to report for each material topic. This section specifies appropriate disclosures largely from Topic Standards, but might also include additional appropriate disclosures and sector-specific guidance.

Each topic description also lists resources that can assist an organization with its sustainability reporting.

**References:** These sections provide a list of defined terms that are used in the Sector Standard and references that were used to develop the content of the Sector Standard.
What comes next

The Sector Program is currently in a pilot phase and has commenced pilot projects for the oil, gas, and coal sectors and the agriculture and fishing sectors. The exposure draft of a Sector Standard for oil and gas is expected to be released for public comment in quarter 3 of 2020.

If you would like more information about the Sector Program or an update on either of the pilot projects, email sector@globalreporting.org.

Disclaimer

Information and descriptions provided in this information sheet are based on the work of pilot projects for the GRI Sector Program. Its contents might change and is subject to the approval of the GSSB and a public comment process.