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## GSSB summary of the meeting held on 23 April 2020

| *Approved by the GSSB on 20 May 2020*

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## 3 Participants

4 Present:

Name	Constituency
<b>Bruce Klafter</b>	Business enterprise
<b>Corli le Roux</b>	Mediating institution
<b>Gustavo Sinner</b>	Mediating institution
<b>Jennifer Princing</b>	Business enterprise
<b>Judy Kuszewski</b>	Chair
<b>Kent Swift</b>	Civil society organization
<b>Kirsten Margrethe Hovi</b>	Business enterprise
<b>Loredana Carta</b>	Labor
<b>Michel Washer</b>	Business enterprise
<b>Peter Colley</b>	Labor
<b>Rama Krishnan Venkateswaran</b>	Investment institution
<b>Robyn Leeson</b>	Vice-Chair
<b>Tung-Li (Tony) Mo</b>	Civil society organization
<b>Vincent Kong</b>	Business enterprise

5 Apologies:

Name	Constituency
<b>Evan Harvey</b>	Investment institution

6 In attendance:

Name	Position
<b>Bastian Buck</b>	Chief of Standards, Standards Division
<b>Gillian Balaban</b>	Team Assistant, Standards Division
<b>Helen Miller</b>	Senior Coordinator, Governance Relations
<b>Laura Espinach</b>	Senior Manager, Standards Division
<b>Margarita Lysenkova</b>	Manager, Sector Program, Standards Division
<b>Mia D'Adhemar</b>	Senior Manager Sector Program, Standards Division
<b>Sarah-Jayne Dominic</b>	Senior Manager, Standards Division

## 7 List of abbreviations

GSSB	Global Sustainability Standards Board
IIRC	International Integrated Reporting Council
SD	Standards Division

## 8 Decisions and action items

### 9 *Decisions*

10 **GSSB Decision 2020.07** The GSSB resolved to approve [Item 01 – Draft summary of the GSSB](#)  
11 [meeting held on 26 March 2020](#).

12 **GSSB Decision 2020.08** The GSSB resolved to approve [Item 02 – Proposed Project Working](#)  
13 [Group Composition for the Agriculture and Fishing Sector Standard](#).

### 14 *Action items*

Standards Division	
Session 2	<ul style="list-style-type: none"><li>• SD to begin the process of formulating a revised oil and gas Standard, which will be submitted for further public comment.</li><li>• SD to prepare a more detailed scenario surrounding draft content for the coal sector.</li></ul>
Session 3	<ul style="list-style-type: none"><li>• SD to continue to seek the involvement of the labor constituency to fill two positions on the PWG for the agriculture and fishing Sector Standard.</li><li>• SD to interview replacement civil society constituency candidate for the PWG for the agriculture and fishing Sector Standard, inform the GSSB accordingly, and if necessary, seek an electronic vote on the replacement.</li><li>• SD to mention both an applicant’s individual location and their geographic responsibility in future PWG composition proposals.</li></ul>
Session 4	<ul style="list-style-type: none"><li>• SD to submit the exposure draft of GRI 101: Using GRI Standards (GRI 101), followed with with targeted questions, for public comment.</li></ul>

## 15 Session I: Welcome

16 GSSB Chair Judy Kuszewski (henceforth the Chair) welcomed the GSSB and presented an overview  
17 of the meeting agenda.

18 The GSSB was presented with Item 01 – Draft summary of the GSSB meeting held on 26 March  
19 2020 for discussion and approval.

20 **GSSB Decision 2020.07** The GSSB resolved to approve [Item 01 – Draft summary of the GSSB](#)  
21 [meeting held on 26 March 2020](#)

22 The Chair announced an addition to the agenda regarding the convening of an ad hoc sub-committee  
23 of the GSSB, to study the GRI Standards in relation to the European Commission’s desire to re-

24 open the EU non-financial reporting directive and to develop European non-financial reporting  
25 standards.

26 The Chair invited GSSB Members to offer recommendations regarding this sub-committee, and to  
27 express their interest in taking part.

28

## 29 Session 2: Scope of the oil, gas, and coal 30 Sector Standard

31 The GSSB was presented with [Item 05 – draft GRI Sector Standard: oil, gas and coal](#) (continued from  
32 26 March 2020).

33 The SD resumed discussion of the oil, gas and coal Standard unfinished at the last GSSB meeting.  
34 Subsequent to an earlier approval of the sector project proposal, three stakeholder submissions had  
35 raised concerns about coal being included in a single sector standard alongside oil and gas.

36

### 37 **Feedback from the project working group (PWG) for the oil, gas and coal Sector** 38 **Standard**

39 The SD presented the findings of the PWG on the scope of the Sector Standard.

40 **Similarities across sectors:** Technical work to date suggests that the topics identified in the draft  
41 Sector Standard, together with reporting expectations, are applicable across the oil, gas, and coal  
42 sectors, and that climate change is the most relevant impact for all sectors.

43 **Differences between sectors:** There are some differences in the way the way that topics need to  
44 be described within the Standard, including the likely transition pathways of these sectors towards a  
45 lower-carbon economy; the differences in nature of the activities undertaken by organizations in the  
46 two sectors, and so of the source of an impact.

47 Views collected during additional external engagement largely reflect the comments of the PWG.

48 The PWG does not have a unanimous view on this issue, but the majority of the members believe  
49 that inclusion of the two sectors (oil and gas, and coal) in a single Standard will be a major  
50 impediment to the uptake, primarily for the oil and gas sector, and advocate that the two sectors  
51 not be included in a single Standard.

### 52 **Context to changes of scope of a Sector Standard for oil, gas, and coal**

53 The SD pointed out that the Sector Program Description allows for scope and name changes prior  
54 to final approval of a Sector Standard, either before or after public comment.

55 The SD explained that it has accounted for the potential need to separate the draft Sector Standard,  
56 and ascertained that this is technically possible, but that it will have an impact on the schedule.

57 The SD identified two viable options for changing the scope of the Sector Standard:

58 **Option 1:** *Keeping oil, gas and coal as a single Standard, and proposing the question of separation*  
59 *as part of the public comment.*

60 The SD suggested that although this option enables the current schedule, it:

- 61                   • means a potential loss of support for the pilot project, which is of more concern  
62                   because this is the first project for this program;
- 63                   • may lead to the need for a second public comment, if feedback results in the need to  
64                   separate at a later date.

65                   **Option 2:** *A separation of coal content prior to public comment.*

66                   The SD explained that this option:

- 67                   • responds to stakeholder concerns and PWG opinion;
- 68                   • means that oil and gas will move to public comment, and that a new engagement  
69                   process for coal needs to be defined;
- 70                   • will not require a change to topics or appropriate disclosures listed;
- 71                   • involves a limited schedule delay;
- 72                   • does have potential implications for equivalency of Standards across the program as  
73                   a whole, but that this can be managed.

74                   The SD emphasized that Option 2 addresses a packaging issue, about how it is taken to the  
75                   market, and that the content already agreed by the PWG will not change.

## 76                   **SD proposal for the oil, gas and coal sector standards**

77                   The SD proposed moving forward with Option 2 – that coal content be removed from the Sector  
78                   Standard, and that a sector standard for oil and gas be exposed for comment and a supplementary  
79                   process defined for coal – and recommended this option to the GSSB for comment.

## 80                   **GSSB comment and discussion**

81                   The Chair asked the SD for clarification on whether the presumption is that there will be a stand-  
82                   alone sector for coal.

83                   SD response: The SD confirmed that preliminary opinion was that coal would form a stand-alone  
84                   sector, but that other options will be considered, including a combination with mining. The SD  
85                   added that one concern about a combination with mining is the dilution of commentary and content  
86                   around climate change.

87                   A GSSB member pointed out coal might have as many dissimilarities with mining as a sector as it  
88                   does with oil and gas, and raised the possibility of a third alternative: that oil and gas, coal, and metal  
89                   and mining all be combined in an extractive industries sector standard or series of sector standards.

90                   SD response: The SD has considered this option, but as representation on the PWG does not go  
91                   beyond oil, gas and coal, this would mean bringing in new expertise to broaden the scope. The SD  
92                   will look into this as the process develops, but it does not present an immediate solution if the  
93                   process is to move forward with the content that has been developed so far. Feedback from  
94                   stakeholders and the PWG has strongly been that acceptance of what is being developed is not  
95                   safeguarded if oil, gas and coal are co-located in one standard, and that broadening the scope to  
96                   cover extractive industries would lead to significant delay.

## 97                   **GSSB validation of the SD's proposal**

98                   The Chair expressed support for the SD's recommendation, for the sake of efficiency and for the  
99                   success of the program, and noted the support expressed by a number of GSSB members.

100 The GSSB agreed with the SD's proposal that coal content be removed from the Sector Standard,  
101 and that a sector standard for oil and gas be exposed for comment and a supplementary process  
102 defined for coal.

### 103 **Actions**

- 104 • SD to begin the process of formulating a revised oil and gas Standard, which will be  
105 submitted for further public comment, and to prepare a more detailed scenario surrounding  
106 draft content for the coal sector.

107

## 108 **Session 3: Agriculture and Fishing Project** 109 **Working Group update**

110 The GSSB was presented with [Item 02 – Proposed Project Working Group Composition for the](#)  
111 [Agriculture and Fishing Sector Standard](#).

112 The GSSB was presented with [Item 03 – Overview of Project Working Group Applicants –](#)  
113 [Agriculture and Fishing Sector Standard](#).

114 The SD gave an overview of the applications process for the PWG for agriculture and fishing:

- 115 • A wide outreach resulted in 189 full applications (and an additional 13 that were  
116 incomplete). Seven did not give consent for personal details to be shared with the GSSB.
- 117 • Forty interviews were conducted, and 18 nominees are being put forward.
- 118 • Proposed members represent 14 countries across six regions, and most of the proposed  
119 candidates have more than 15 years of experience.
- 120 • The sectors include a number of commodities, so the proposed group is larger than usual.
- 121 • Expertise covers agriculture and fishing and food quality, with knowledge of crops, livestock  
122 and fishing. There is representation from environmental science and agronomy, as well as  
123 business, banking and investor relations.

124 The list of nominees for the PWG proposed by the SD consists of:

- 125 • **Business** – 7 candidates
- 126 • **Mediating institutions** – 5 candidates
- 127 • **Investment** – 2 candidates
- 128 • **Civil society** – [4] candidates
- 129 • **[Labor** – 2 candidates]

130 The SD brought to the GSSB's attention that it has not been possible to finalize the candidates from  
131 the **labor** constituency, but that it has reserved two positions for labor candidates and will continue  
132 proactively to seek the involvement of that constituency to fill the positions.

133 The SD explained that one **civil society** candidate has unexpectedly changed organizations and  
134 withdrawn their nomination. The organization has proposed another candidate, who the SD thinks  
135 will be a reasonable replacement. The SD will confirm this via an interview, inform the GSSB

136 accordingly, and may seek an electronic vote on the replacement. However, the SD is confident the  
137 three existing civil society nominations adequately represent the constituency and cover the range of  
138 necessary expertise.

### 139 **GSSB Discussion**

140 A GSSB member confirmed that the Global Council of Unions is actively seeking candidates from the  
141 labor constituency, but that work has been delayed by the corona virus outbreak. Both the  
142 International Union of Food and Allied Workers' Associations and the International Transport  
143 Workers' Federation have good potential candidates working in food, agriculture and fishing, and it  
144 is hoped that this issue be resolved in the short term.

145 The member also noted the positive indications for global recognition of the GRI as shown by  
146 interest in participating in the PWG by such organizations as the WWF, other international  
147 environmental NGOs, and government entities.

148 The GSSB raised some questions around regional representation. Latin America has two civil society  
149 candidates, but none from the business constituency. Although there were a large number of  
150 applications from Africa, only one was recommended for inclusion in the PWG.

151 SD response: The SD paid close attention to geographic diversity, and had put forward more  
152 candidates from those regions in the short list. Language was sometimes a barrier to African  
153 candidates, who had expected French to be an alternative working language. The SD will specifically  
154 reach out to these two regions during the public exposure. The SD also pointed out that countries  
155 indicated are those given on the application form. Candidates may work in a different region, or have  
156 global responsibility within a sector, so their given location does not necessarily align with their  
157 geographic responsibilities. The SD suggested that for future PWG composition proposals both  
158 individual location and geographic responsibility be mentioned.

### 159 **GSSB decision on proposed PWG composition**

160 The Chair asked the GSSB if there were any reasons for withholding approval of the proposed  
161 composition of the PWG for the agriculture and fishing sector Standard, and hearing none moved to  
162 approve the proposal.

163 **GSSB Decision 2020.08** The GSSB resolved to approve [Item 02 – Proposed Project Working](#)  
164 [Group Composition for the Agriculture and Fishing Sector Standard](#).

### 165 **Actions**

- 166 • SD to continue to seek the involvement of the labor constituency to fill two positions on the  
167 PWG for agriculture and fishing Sector Standard.
- 168 • SD to interview replacement civil society constituency candidate for the PWG for the  
169 agriculture and fishing Sector Standard, inform the GSSB accordingly, and if necessary seek  
170 an electronic vote on the replacement.
- 171 • SD to mention both an applicant's individual location and their geographic responsibility in  
172 future PWG composition proposals.

## 173 **Session 4: Universal Standards:** 174 **management statement**

175 The GSSB was presented with [Item 04 – Universal Standards: management statement](#).

176 The SD presented a brief summary of Item 04, and explained that it has been investigating the  
 177 inclusion of a management responsibility statement into the Universal Standards. This reflects a  
 178 desire for improved quality of sustainability reporting.

179 The SD identified two elements for strengthening accountability within a responsibility statement:

180     • Who should assume responsibility within the responsibility statement.

181     • What the statement should include.

182 The SD presented the two statements, as given in Item 04, that it proposed including in Section 3 of  
 183 GRI 101: Using the GRI Standards. The first was for reporting ‘in accordance with’, and the second  
 184 for reporting ‘with reference to’ the GRI Standards. The SD pointed out that as reporting ‘with  
 185 reference to’ the GRI Standards will in future require a content index, there is a responsibility to  
 186 affirm that information has been prepared with reference to the GRI Standards cited.

187 The SD pointed out that thinking has evolved regarding both the wording, and who should make the  
 188 statements. The SD drew attention to the change in both statements from ‘claim’ to ‘statement of  
 189 use’, and to the term ‘senior decision-maker’, as presented in Item 04:

190             **“The organization shall include the following statement in its GRI content index:**

191             *[Title of senior decision-maker of the organization] acknowledges responsibility for the following*  
 192             *statement of use:”*

193 The Chair invited comment from the GSSB on the statement and the extent of responsibility, as well  
 194 as on who is being required to make the statement.

195 **GSSB comments**

196 A GSSB member sought clarification as to whether taking responsibility involved an obligation to  
 197 ensure that due diligence processes had been undertaken.

198 The SD responded that the statement is intended to confirm that an organization has reported the  
 199 disclosures and followed the requirements in the Standards that apply to them, and to identify that  
 200 there is a responsibility within the organization of somebody appropriately senior. It is not intended  
 201 to extend to the veracity of the information. As such, it is not fundamentally different from the  
 202 statement of use that organizations make at present.

203 A GSSB member made the point that what or who the senior decision maker is needed definition,  
 204 and that both the title and name of the person is needed to make the statement relevant.

205 **SD amended proposal**

206 The SD expanded on the statement as presented in Item 04. Various terms relating to senior  
 207 positions or governing bodies are used in *GRI 102: General Disclosures 2016*. The SD proposed that  
 208 only two terms be used in the revised GRI 102:

209     • **highest governance body [revised]**

210         formalized group of persons charged with the highest authority in an organization

211     • **senior executive [revised]**

212         high-ranking member of the management of an organization, such as the Chief Executive  
 213         Officer (CEO) or an individual reporting directly to the CEO or the highest governance  
 214         body.

215 The SD then proposed the following for the management responsibility statement:

216 [Title of the most senior executive or the highest governance body of the organization]  
217 acknowledges responsibility for the following statement of use:  
218 the information reported by [name of organization] for the [reporting period] has been  
219 prepared in accordance with the GRI Standards,

220 **GSSB comments**

221 The GSSB raised some concerns about the addition of ‘the most’ to ‘senior executive’, as this could  
222 indicate a difference in expectation. Concerns were raised that, depending on what is being signed  
223 off on, this could be loading considerable responsibility onto a director or senior executive. A GSSB  
224 member raised the issue of litigation in regions like the US if a named person is seen as being  
225 required to take personal liability. Although this is already the case for financial reporting in many  
226 regions, this risked organizations being less likely to disclose information or less likely to use GRI.  
227 The GSSB suggested that legal consequences be further explored.

228 The SD responded that in some regions the requirement is already specified in legislation, also with  
229 regards to non-financial reporting. The SD is trying to capture who is making the statement on  
230 behalf of the company. As regards the specifications of ‘most’ and ‘highest’, the SD always tries to  
231 move the responsibility to the highest level possible, but some leeway is given as to who can make  
232 the statement: an executive or governance body.

233 A GSSB member made the further point that the statement requires somebody who might have no  
234 detailed knowledge of GRI to sign off that the report has been completed in accordance with the  
235 GRI Standard. The person who does that should be someone who knows what the GRI Standards  
236 are and has responsibility in reporting, not in governance.

237 **SD proposal**

238 The Chair noted some discomfort among some members of the GSSB with what was being  
239 proposed, and asked if there were any components of the proposal that the GSSB felt the SD could  
240 move forward with. The SD was asked if it could propose a way forward.

241 The SD responded that its aim is to improve quality and accountability in GRI Standards reports, and  
242 to have a global application. The SD is aware of the implications of this, and of the challenge in  
243 coming up with something that applies universally. Stakeholders interviewed in Europe and Asia  
244 express the belief that non-financial reporting is headed towards more transparent accountability.

245 The SD believes that a body or individual within an organization needs to take ownership of the  
246 responsibility statement, otherwise it loses its power. The SD is proposing to go forward with the  
247 management statement in the knowledge that it is challenging and that there will be reaction to it,  
248 but in the belief a draft needs to be exposed for public comment in order to receive and deal with  
249 this reaction.

250 The SD visually presented its proposal to make the changes in the exposure draft of GRI 101 and to  
251 include the following questions for public comment:

252 **Question 1:** Should the GRI Standards require the most senior executive or the highest  
253 governance body of the organization to include a statement acknowledging their  
254 responsibility for preparing the reported information in accordance with, or with reference  
255 to, the GRI Standards?

256 **Question 2:** Should the statement be extended to the quality and veracity of the reported  
257 information?

258 A member of the GSSB agreed with the direction being taken, but reiterated that a responsibility  
259 statement should not become an obstacle for the implementation or uptake of GRI Standards.  
260 Various GSSB members expressed support for public consultation, with some suggesting that it

261 would be relevant to see what emerges from the IIRC process for integrated reporting, as this is  
262 also a point in IIRC deliberations.

263 The Chair asked the GSSB whether it was comfortable to take the new provisions in the Standard to  
264 public comment for feedback.

265 A GSSB member asked whether there was value in an interim step of gathering further feedback,  
266 particularly from the business constituency, before a more public consultation.

267 The SD responded that it has already had a number of such targeted consultations. The variety of  
268 response indicates that further consultation would not lead to any more specificity on who or what  
269 body should sign off on a responsibility statement. The common denominator was that this very  
270 much depended on the jurisdiction of where an organization is headquartered. Public consultation,  
271 however, offers the opportunity for a wider set of comments. The SD will actively promote  
272 feedback from the business constituency, regulators and the global community of GRI reporters.

273 A further consideration is that the GSSB needs to reflect on the exercise that organizations are  
274 being asked to conduct, in relation to similar expectations that exist for financial reporting. The  
275 dynamic is similar in the sense that non-financial organizations are increasingly working with  
276 adoption through regional legislators. However, the GRI has a comprehensive, global set of  
277 Standards and, as standard-setter, has to articulate who it wants to express an opinion about  
278 whether or not a report is in accordance.

279 The Chair noted a number of expressions of support for sending an exposure draft for public  
280 comment.

281 One GSSB member said that while being comfortable with sending a draft for public consultation, it  
282 should be made clearer what is being requested. It is important to get the wording of a sign-off right  
283 and to place it at the right level,

284 The Chair suggested that the SD and GSSB spend time making sure the question is formulated in a  
285 way that elicits the kind of feedback that is required, and that it is accompanied by specific, targeted  
286 questions. The Chair asked if the GSSB was happy in principle to go ahead with the preparation of  
287 the public comments process. No objections were recorded.

288 The Chair asked the SD whether this constituted a reasonable set of instructions to proceed to the  
289 next stage, and received an affirmative answer.

290 **Action**

- 291 • SD to submit the exposure draft of GR 101, followed with targeted questions, for public  
292 comment.

## 293 Session 5: Any other business and close of 294 public meeting

295 No other business was raised and the Chair closed the public sessions of the meeting at 3.34 p.m.  
296 CET (Central European Time).

## 297 Session 6: Private session

298 This was a private session.