



Item 03 – Overview of feedback received on GRI Standards

For GSSB discussion

Date	3 October 2023
Meeting	17-18 October 2023
Description	This paper presents an overview of the feedback received on the GRI Standards in 2023, until 3 October, and the Standards Division's recommendations for addressing the feedback. This paper is presented for GSSB feedback and discussion.

This document has been prepared by the GRI Standards Division and is made available to observers at meetings of the Global Sustainability Standards Board (GSSB). 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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1 Introduction

2 Interested parties are invited to submit feedback on the GRI Standards to
3 gssbsecretariat@globalreporting.org for the consideration of the GSSB.

4 This paper presents an overview of the feedback received on the GRI Standards in 2023, until 3
5 October, and the Standards Division's recommendations for addressing the feedback. This paper is
6 presented for GSSB feedback and discussion.

7 This paper does not include feedback received as part of the draft GSSB Work Program 2023-2025,
8 the draft Biodiversity Standard, or the draft Mining Standard, which were available for public
9 consultation earlier in 2023.

10 Feedback

11 Reporting gender breakdowns in Disclosure 2-7

12 Feedback received

13 The following feedback was received from an anonymous respondent on 4 June 2023, through
14 info@globalreporting.org.

15 Dear Global Reporting Initiative,

16 I am a novice communication specialist. I just started working at an agency specialized in giving
17 sustainability related services two months ago. One of the services we provide is the translation of
18 GRI reports from Turkish into English.

19 I want to quickly summarize the event that urged me to email you. A superior of mine gave me
20 revisions about the gender terminology I used at the social sustainability part of the report. I chose to
21 use the words "men" and "women" in reference to the gender of the personnel the company had
22 employed. My superior wanted me to change it to "male" and "female". I defended my original
23 translation by saying that this part of the report is about social sustainability, and the word gender
24 refers to the social counterpart, whereas male and female refer to the biological sex.

25 We then thought the best course of action would be to look at the templates on the official GRI
26 website. To my surprise, in your "Consolidated Set of the GRI Standards", you used the words "male"
27 and "female" alongside with the "other" and "undisclosed" options.

28 First and foremost, as a queer person, I want to thank you for using the "other" option in your report, I
29 really appreciate it. It gives recognition to many marginalized communities.

30

31 Unfortunately, however progressive these gender options you have given in your template may be, I
32 want you to be aware of the fact that on the reports prepared in developing countries like Turkey, the
33 possibility of adding the “other” section is almost impossible for various different political and cultural
34 reasons. And the copywriters handling these reports make partial use of your template and prepare
35 heteronormative and patriarchal reports which is the exact opposite of the point in writing a gender
36 equality section!

37 The reason I am writing this email is not to blame you for the misuse of your template by other parties,
38 but it is to make you aware of this situation.

39 I believe regardless of this experience I had, the use of the terms “male” and “female” are incorrect
40 while talking about gender equality.

41 But it becomes especially problematic in countries where the use of “other” is out of the question.
42 Even though it will always be problematic to use dichotomies while talking about such complex
43 notions, the words “women” and “men” seem to be the most suitable given the current norms.

44 I, therefore, feel the need to kindly ask you to revise your templates as a novice copywriter and a
45 queer person. I know the politically correct terminology changes over time, and as the Global
46 Reporting Initiative you want to create objective, valid, and long-lasting reports. I believe you can
47 come up with a better way to find a balance between providing representation and creating long-
48 lasting reports.

49 Thank you for taking the time to read my concerns.

50 I know I am just one individual talking about their concerns, but I hope my email had the power to
51 urge you to make necessary changes.

52 Sincerely,

53 **Standards Division’s recommendations**

54 Disclosure 2-7 Employees in *GRI 2: General Disclosures 2021* requires to break down employee data
55 by gender. Disclosure 2-7 does not define the term 'gender' nor does it prescribe how to report the
56 gender breakdowns. Table 1 for Disclosure 2-7 lists examples of gender breakdowns such as
57 'female', 'male', 'other' (as specified by the employees themselves), and 'not disclosed'. Table 1
58 contains an example of how to present the information, and as such, the gender breakdowns listed in
59 Table 1 are not required to be used. Therefore, reporting organizations are free to use 'men' and
60 'women' instead of 'male' and 'female' to report in accordance with the GRI Standards.

61 The Standards Division recommends:

- 62 • publishing an FAQ on the GRI website on how to report gender breakdowns based on the
63 explanation above;
- 64 • this feedback be considered as part of the GRI Topic Standard Project for Labor.

65 At this stage, the Standards Division does not recommend amendments to Disclosure 2-7 Employees,
66 but amendments could be considered in the future subject to the outcome of the GRI Topic Standard
67 Project for Labor.

68 **Reporting age breakdowns in Disclosure 405-1**

69 **Feedback received**

70 The following feedback was received from Vera Shatunova on 29 August 2023, through
71 info@globalreporting.org.

72 Dear all,

73 i'm writting you about "Disclosure 405-1 Diversity of governance bodies and employees"

74 The reporting organization shall report the following information:

75 a. Percentage of individuals within the organization's governance bodies in each of the following
76 diversity categories:

77 i. Gender;

78 ii. Age group: under 30 years old, 30-50 years old, over 50 years old;

79 iii. Other indicators of diversity where relevant (such as minority or vulnerable groups).

80 b. Percentage of employees per employee category in each of the following diversity categories:

81 i. Gender;

82 ii. Age group: under 30 years old, 30-50 years old, over 50 years old;

83 iii. Other indicators of diversity where relevant (such as minority or vulnerable groups).

84 The age limits of this social group are not clearly defined and may vary depending on the country,
85 organization, and purpose of the study. The lower age limit is usually set at the level of 14-16 years,
86 the upper - between 24 and 35 years. However, deviations are possible. For example, the UN directly
87 admits that "there is no universal concept" and [proposes](#) to consider people aged 15 to 24 as young
88 people, noting that other age limits can be used by a number of its own divisions, as well as in
89 member states of the organization. The WHO uses a different [classification](#) , in which, from a medical
90 point of view, the age from 25 to 44 is considered young.

91 My suggestion is to change age groups like this: under 24 years old, 24-35 years old, 36-50 years old,
92 over 50 years old.

93 Thanks a lot!

94 Vera Shatunova

95 **Standards Division's recommendations**

96 *GRI 405: Diversity and Equal Opportunity 2016* is being revised as part of the GRI Topic Standard
97 Project for Labor. The Standards Division recommends that this feedback be considered as part of
98 this project.

99 **Reporting energy and emissions intensity**

100 **Feedback received**

101 The following feedback was received from an anonymous respondent on 18 July 2023, through
102 info@globalreporting.org.

103 Dear team,

104 It has been observed that companies with diverse product portfolios are adopting cumulative
105 production as the denominator for calculating energy and emission intensity. By doing so, the
106 denominator value of the ratio would increase, thus reducing the actual intensity values, which may
107 not be the case in actuality. This misrepresented information may lead to inappropriate conclusions
108 derived by the intended users of the sustainability report.

109 The justification provided by these companies is that the GRI disclosure recommendations provide for
110 organizations to choose from a list of denominators, namely 'unit of product', which according to the
111 companies is their cumulative production.

112 Considering the GRI reporting principles – Balance and Compatibility, companies with diverse product
113 portfolios opting to report intensity values based on their top-line/revenue would be an adequate
114 representation.

115 Audited top-line or revenue figures of such companies is a financial proxy, inclusive of multiple
116 demand and market drivers, which are publically available for verifiability of KPIs.

117 Further, most rating agencies and other global frameworks are requesting intensity disclosures
118 primarily based on revenue.

119 Request you to kindly provide guidance for reporting in this regard to ensure harmonization of
120 reporting on intensity disclosures.

121 Regards,

122 **Standards Division's recommendations**

123 Disclosure 302-3 Energy intensity and Disclosure 305-4 GHG emissions intensity allow organizations
124 to choose the organization-specific metrics (denominators) to calculate the ratios. The guidance for
125 these disclosures suggests the following metrics for the denominator:

- 126 • units of product;
- 127 • production volume (such as metric tons, liters, or MWh);

- 128 • size (such as m² floor space);
- 129 • number of full-time employees;
- 130 • monetary units (such as revenue or sales).

131 The Standards Division recommends that this feedback be considered as part of the GRI Topic
132 Standard Project for Climate Change, as these disclosures are currently being revised as part of that
133 project.

134 **Proposal to the Standards related to the Russian** 135 **invasion of Ukraine**

136 **Feedback received**

137 The following feedback was received from Yaroslav Bielov on 12 June 2023, through
138 gssbsecretariat@globalreporting.org.

139 Dear colleagues

140 I am writing to you on behalf of a group of Ukrainian sustainable development and ESG experts.

141 By this letter we would like to address to you regarding the issue of ESG reporting of entities
142 that continue to operate in Russian Federation, the country that started a terrible war against Ukraine
143 in the centre of Europe.

144 Nowadays the world's largest companies report on sustainable development and ESG. This
145 is, in fact, a response to requests of investors, consumers of products and society as a whole to have
146 access to information about the impact of business on various spheres of life, as well as related
147 environmental, governance, social and other.

148 For companies compliance with ESG becomes a standard, which allows to demonstrate goals,
149 values, quality and competence of management as well as to attract investors. Investing in the
150 securities of companies that meet ESG standards helps to avoid situations where companies are held
151 accountable by government bodies, regulators and courts for unethical practices, resulting in a loss of
152 capitalisation and investors' confidence.

153 As you know, on February 24, 2022, Russia launched a large-scale war against Ukraine. As a
154 result of the war thousands of people were killed, millions lost their homes and jobs, and became
155 refugees. Russia destroys ecology, infrastructure, massively violates people's rights, kills and kidnaps
156 Ukrainian children.

157 Recently the russian forces destroyed the Kakhovka dam, triggering the largest ecological,
158 technogenic and humanitarian disaster in Europe in recent decades.

159 However foreign companies like Nestle, Procter&Gamble, PepsiCo, SLB, Metro AG, Unilever,
160 Xiaomi, Philip Morris, OTP Bank and many others continue to operate in Russia strengthening its
161 economy and paying multimillion taxes. The total annual turnover of 1200+ international companies
162 operating in Russia is almost 290 billion dollars (20 percent of the GDP). They pay multibillion-dollar

163 taxes to the Russian budget, 30 percent of which is spent on defence, namely on killing, robbing and
164 raping innocent people.

165 These companies continue releasing well-written reports on positive contribution to sustainable
166 development, and their work in a country that is itself a terrorist does not affect their ESG ratings.

167 Some of these companies even improved their ESG scores in 2022 when Russia was already
168 killing Ukrainians. For example: SLB (Schlumberger) - world's largest oilfield firm received in 2021 and
169 2022 an AA rating from MSCI despite the fact that it has boosted its business in Russia by cherry-
170 picking service and equipment contracts from rivals who
171 left [https://www.reuters.com/markets/commodities/slb-wins-russia-business-oilfield-rivals-exit-after-
172 ukraine-invasion-2023-01-19/](https://www.reuters.com/markets/commodities/slb-wins-russia-business-oilfield-rivals-exit-after-ukraine-invasion-2023-01-19/)

173 In our opinion, the activities of companies in the territory of the Russian Federation have an
174 impact on their ESG assessment and must be displayed in their sustainability and ESG reports. By
175 paying taxes to the Russian budget, helping Russian propaganda, carrying out mobilization measures for
176 their employees, companies support Russia in the war with Ukraine which contradicts the very idea of
177 the United Nations Sustainable Development Goals and ESG principles. Thus, their activity leads to the
178 following consequences and risks:

179 - Companies sponsor the war that has catastrophic consequences for the environment. *According to
180 the estimates of the Ministry of Environmental Protection and Natural Resources, the environmental
181 damage caused by the Russian invasion amounted to more than 50 billion US dollars.*

182 - Companies pay taxes to the country that created a humanitarian disaster (life and health of millions of
183 Ukrainians, refugees, displaced persons, human rights violations, destruction of social infrastructure,
184 etc.).

185 - Pay funds to the Russian budget, which are used in an illegal and corrupt manner to finance private
186 military companies, purchase ammunition, pay for propaganda, bribe politicians and voters, etc.

187 - Risk to suffer reputational damage, mistrust of responsible investors and customers, recognition of
188 companies as war sponsors, etc. *Ukrainian National Agency on Corruption Prevention added Procter
189 & Gamble, OTP Bank, Metro AG and many other companies to the list of International sponsors of
190 war* <https://sanctions.nazk.gov.ua/en/boycott/>.

191 - Face the possibility of losing control over the property, property rights and securities of companies
192 associated with unfriendly foreign countries in connection with the adoption of the Putin's Decree No.
193 302, "On Temporary Management Over Certain Assets" dated April 25, 2023.

194 - May be subject of sanctions imposed by countries or governmental organizations, accusations of
195 facilitating the evasion of sanctions, etc.

196 - Companies will definitely be a subject of pressure from government and regulatory bodies, investors,
197 customers, society in connection with the recognition of Russia as a sponsor of terrorism, an aggressor,
198 etc. *Since the start of the invasion, Russia has been placed under international sanctions and has been
199 accused of war crimes and massive violation of human rights. European Parliament and other national
200 parliaments declared Russia to be a state sponsor of terrorism. The UN GA Resolution A/77/L.65
201 "Cooperation between the United Nations and the Council of Europe" refers to the "unprecedented*

202 *challenges" facing Europe "following the aggression of the Russian Federation against Ukraine and*
203 *earlier against Georgia" calling Russia an aggressor.*

204 We are confident that additional risks may be revealed in the process of a more in-depth
205 assessment of the impact of the companies' activities in Russia.

206 Having examined the Full set of GRI Standards we would like to highlight the following
207 statements:

208 "In the GRI Standards, impact refers to the effect an organization has or could have on the
209 economy, environment, and people, including effects on their human rights, as a result of the
210 organization's activities or business relationships. The impacts can be actual or potential, negative or
211 positive, short-term or long-term, intended or unintended, and reversible or irreversible. These impacts
212 indicate the organization's contribution, negative or positive, to sustainable development".

213 "The impacts of an organization's activities and business relationships on the economy,
214 environment, and people can have negative and positive consequences for the organization itself.
215 These consequences can be operational or reputational, and therefore in many cases financial".

216 Taking into account the above we consider that we should bring into attention of investors the
217 information related to any direct and indirect forms of cooperation with Russia and other countries with
218 anti-democratic regimes that violate international law, human rights, Sustainable Development Goals
219 etc. We would also like to request you to consider the possibility of including this obligation into the GRI
220 Standards.

221 From our side, we are ready to join the work on this issue.

222 Thanking you in advance for cooperation and your prompt reply in this matter!

223 Best regards,

224 Yaroslav Bielov

225 **Standards Division's recommendations**

226 *GRI 3: Material Topics 2021* provides guidance on determining the material topics and suggests
227 assessing an organization's sustainability context in order to identify its impacts. This includes
228 assessing – at local, regional, and global levels – the economic, environmental, human rights, and
229 other societal challenges related to the organization's sectors and the geographic location of its
230 activities and business relationships. These challenges, for example, include a lack of law
231 enforcement or political conflict. *GRI 3* also provides organizations with a framework to report on their
232 due diligence efforts to address any negative impact they have identified, in line with expectations set
233 out in intergovernmental instruments such as the UN Guiding Principles on Business and Human
234 Rights and the OECD Guidelines for Multinational Enterprises.

235 The topic of conflict is currently featured in *GRI 11: Oil and Gas Sector 2021*, *GRI 12: Coal Sector*
236 *2022*, and in the exposure draft of the Mining Sector Standard. These standards include reporting
237 recommendations such as listing the locations of operations in areas of conflict, their due diligence
238 process, and the approach to ensuring adherence to international humanitarian law.

239 While there is no specific Topic Standard on the topic of conflict, the GRI Topic Standards cover many
240 topics relevant for organizations operating in conflict-affected areas, such as tax, procurement
241 practices, anti-corruption, water and effluents, and local communities. In its Work Program for 2023-
242 2025, the GSSB has identified the need for further research and the development of practical
243 guidance on International Humanitarian Law. The Standards Division recommends that the scope of
244 this practical guidance be expanded to report on situations of conflict more generally, including
245 International Humanitarian Law.

246 GRI published in May 2023 a [policy paper](#) exploring the key role of reporting in conflict-affected areas,
247 which reporting organizations can refer to in the meantime for additional guidance.

248 **GRI Standards architecture**

249 **Feedback received**

250 The following feedback was received from an anonymous respondent on 3 July 2023, through
251 gssbsecretariat@globalreporting.org.

252 Dear colleagues,

253 In an age of proliferation of standards setters on sustainability reporting (now the EU with Eufrag and
254 its redundant law on ESG add further con-fusion) I went to GRI to seek conceptual relaxation.

255 However, after a good impression of the logical framework and rigour of GRI 1,2, and 3, moving to
256 Sectoral Standards I was quite confused. This I am wondering if these topics do not interfere with
257 Topic Standards, at least for the identification of the impact.

258 By the way, the meaning of Disclosure is not explained, while the logical explanation of Requirements
259 linked to Disclosures and Sustainability Reporting is not always clear for reporting entities. It seems
260 that the GRI Standard would copy the EU Red Tape on the issue.

261 In addition, the evolution of economy threatens the rigid classification you are going to
262 prepare expecting a regulative framework for 40 or 45 Sectors. Probably, next year you will realise
263 that sectors will be 55 or more.

264 In my view, sectors should be limited to the most important ones for the environment, while the impact
265 on society, governance, HR, is the same for the rest, falling in Others categories. This will facilitate
266 the understanding of the GRI structure.

267 Best

268 **Standards Division's recommendations**

269 The Sector Standards Program responds to the demand from stakeholders that organizations in the
270 same sector should report in a uniform way. The Standards Division considers that this demand
271 persists even if the boundaries of sectors are not fixed but move with technological and regulatory
272 changes, as the respondent rightly suggests.

273 No sector classification is perfect, and many organizations may not find a sector into which they can
274 fit comfortably. Two important features of the sector program can help to alleviate this challenge:

- 275 1) The list of sectors is not closed but is subject to changes and additions.
- 276 2) Organizations that do not find a GRI Standard for their sector can still report in accordance
277 with the GRI Standards.

278 The Standards Division recommends maintaining the ambition to produce Sector Standards that will
279 cover most economic activities and produce Sector Standards according to a schedule that prioritizes
280 the sectors with the most significant impacts on the economy, environment, and people.

281 With respect to the recommendation to focus the prioritization on environmental impacts only, the GRI
282 Standards consider the impacts of organizations on the economy, environment, and people, without a
283 hierarchy between these categories. It has been observed in the first Sector Standards developed
284 that there can be significant differences across sectors regarding impacts on people. Thus, likely
285 material topics vary by sector when it comes to impacts on people.

286 **Integration, benchmarking and industry professional** 287 **feedback**

288 **Feedback received**

289 The following feedback was received from an anonymous respondent on 11 July 2023, through
290 gssbsecretariat@globalreporting.org in response to the [Letter from the GSSB Chair](#) issued on 11 July
291 2023.

292 Dear GSSB representatives,

293 I react to the recent message and call for feedback on the GRI standards. I represent the real estate
294 development company [...], specializing in sustainable architecture. We have constructed the first
295 LEED Zero Carbon certified building in the region, pioneered green roofs on every project and last
296 year, after completing the GRI professional course, published our first sustainability report according
297 to the GRI standards [...]

298 While the GRI standards are very clear and comprehensive, there are a number of areas where we
299 could see improvement.

300 Firstly, integration should be deepened with the myriad of frameworks and standards which are
301 currently thrust upon SME's. As a representative of a company with less than 200 employees, I can
302 see that there are often requirements from EU Taxonomy, ESRS, etc. which are mandated directly or
303 via financial institutions, that create a massive bureaucratic overload which is difficult to guide through
304 and integrate for smaller companies who are just starting their reporting. Mapping different
305 frameworks throughout GRI standards in a way that the data needs to be gathered in a unified way
306 and disclosed simultaneously would be a great help for companies.

307 Secondly, benchmarking should be included. For larger companies with extensive portfolios that have
308 decades of data it is much easier to set sustainability targets and already have a clearer path from
309 year 1 of reporting. For smaller companies, there is often a complete lack of past data, since they are
310 often not forced or capable of gathering data required for many disclosures. Furthermore, as a
311 company long focused on sustainability but with a relatively short history, it is difficult to define future
312 targets since our portfolio is already on a high level of sustainability. We are then disadvantaged
313 against larger companies whose overall impacts are worse and their future targets can simply be to
314 start constructing real estate with the same level certification as our baseline. Including base level
315 benchmarks for carbon intensity of real estate for example would make it easier for us to compare
316 data from year 1 to a set industry baseline and also create more objective comparison between
317 companies, as they would measure against the same goals.

318 Thirdly, I would like to get informed on how development of new standards aimed at real estate or
319 integration with EU regulations will work in relation to industry professional feedback? Oftentimes,
320 standards for sustainable development are created on a political level without the inclusion of
321 practitioners in the field, which creates big problems down the road. As a company with big focus on
322 sustainability and ESG, as well as prior experience with reporting, we would certainly like to be
323 included in the process to ensure that GRI standards, or GRI influenced standards such as ESRS, are
324 based on rational, achievable and evidence-based principles.

325 I will be glad to hear your feedback on this and/or our company report.

326 Kind regards,

327 **Standards Division's recommendations**

328 Regarding the first point on integration with other standards, as set out in the GSSB Work Program
329 2023-2025, cooperating with global, national, and other jurisdictional standard-setting bodies to
330 ensure complementarity and interoperability between standards is a key commitment of the GSSB.

331 As [announced](#) on August 23, 2023, EFRAG and GRI are considering enhancing their technical
332 cooperation. EFRAG and GRI will establish and make available for public reference the list of the
333 ESRS disclosure requirements and data points that correspond to GRI disclosure requirements and
334 data points and illustrate the high level of commonality achieved. This list will enable straightforward
335 reporting with reference to GRI standards. In particular, the two organizations intend to work on a
336 digital taxonomy and a multi-tagging system for their respective standards to simplify reporting
337 processes. In addition, GRI also intends to publish a complete mapping document between the GRI
338 Standards and the ESRS to assist organizations in using both sets of standards in conjunction with
339 additional educational support.

340 Regarding the second point on benchmarking, *GRI 1: Foundation 2021* currently states that 'It is
341 important to note that the GRI Standards do not set allocations, thresholds, goals, targets, or any
342 other benchmarks for good or bad performance.' The information reported through the GRI Standards
343 can be used by third parties to benchmark organizations. In keeping with the objectives of the GRI

344 Standards, the Standards Division does not recommend setting benchmarks through the GRI
345 Standards.
346 Regarding the third point, the Standards Division has responded with information on how practitioners
347 are involved in the development of the GRI Standards as well as how to get involved.

This document does not represent an official position of the GSSB