



1 **Item 03 – GRI Topic Standard Project**  
2 **for Climate – Draft project proposal**  
3 **For GSSB approval**

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<b>Date</b>	1 December 2022
<b>Meeting</b>	15 December 2022
<b>Project</b>	GRI Topic Standard Project for Climate – Draft Project Proposal
<b>Description</b>	<p>This document sets out the draft project proposal to review <i>GRI 302: Energy 2016</i>, <i>GRI 305: Emissions 2016</i> (Disclosures 305-1 to 305-5), and <i>GRI 201: Economic Performance 2016</i> (Disclosure 201-2: Financial implications and other risks and opportunities due to climate change).</p> <p>This draft is presented to the GSSB for discussion and approval to send to the GRI Board and Stakeholder Council for feedback.</p> <p>After feedback from the GRI Board and Stakeholder Council has been received and incorporated, the Standards Division will present the final proposal to the GSSB for approval in accordance with the Due Process Protocol.</p>

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This document does not represent an official position of the GSSB

## 5 Project background

6 As part of the Global Sustainability Standards Board (GSSB) Work Program 2020-2022, the GSSB  
7 identified the review of climate-related Standards, *GRI 302: Energy 2016*, *GRI 305: Emissions 2016*  
8 (Disclosures 305-1 to 305-5), and *GRI 201: Economic Performance 2016* (Disclosure 201-2: Financial  
9 implications and other risks and opportunities due to climate change) as a priority for 2022.

10  
11 Since the GRI Standards and disclosures on climate-related issues were last revised in 2013, the issue  
12 of climate change has received significant attention at the international level and in the global  
13 sustainable development agenda. This attention is in line with the increasing recognition of the need for  
14 more effective climate action as recognized in the Paris Agreement (2015) by the Intergovernmental  
15 Panel on Climate Change (IPCC)'s reports and by the International Energy Agency (IEA).

### LATEST IPCC AND UNITED NATIONS' INSIGHTS ON CLIMATE CHANGE

Climate change is the defining challenge of our time. The scientific evidence in the Intergovernmental Panel on Climate Change (IPCC) reports are unequivocal: climate change threatens human well-being and the planet's health. The 2015 Paris Agreement states that restricting the increase in the global average temperature to well below 2°C above pre-industrial levels and pursuing efforts to limit the temperature increase to 1.5°C above pre-industrial levels would significantly reduce the risks and impacts of climate change.<sup>1</sup>

The Earth is about 1.1°C warmer than it was in the late 1800s, and emissions continue to rise. Policies currently in place with no additional action will result in a projected 2.8°C global warming over the twenty-first century.<sup>2</sup> That is well above the goal of the Paris Agreement and would lead to catastrophic changes in the Earth's climate. Therefore, to limit global warming to no more than 1.5°C in just eight years, global greenhouse gas (GHG) emissions must be reduced by 45% to reach net zero by 2050, compared to where they are headed under the current policies.<sup>3</sup> A delay in global climate action will miss the rapidly closing window to secure a livable future.

Human-induced climate change is causing dangerous and widespread environmental disruption and affecting the lives of billions of people around the world, despite current mitigation and adaptation efforts. Even temporarily exceeding this warming level will result in additional severe impacts, some of which will be irreversible. Climate change is the single biggest health threat facing humanity, and between 2030 and 2050, climate change is expected to cause approximately 250,000 additional deaths per year.<sup>4</sup> Risks for society will increase, including infrastructure and low-lying coastal settlements, and increased heatwaves, droughts, and floods are already exceeding the planet's tolerance thresholds, driving mass mortalities in species.<sup>5</sup>

16 Since the GRI Standards and disclosures on climate-related issues were last revised in 2013, the UN  
17 Sustainable Development Goals (SDGs) were developed and launched from 2015 onwards. Climate  
18 change is a key theme in the UN's 2030 Agenda for Sustainable Development. Therefore, governments  
19 and private sector organizations are urgently being called upon to address the UN SDGs.

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<sup>1</sup> Paris Agreement 2015 [https://unfccc.int/sites/default/files/english\\_paris\\_agreement.pdf](https://unfccc.int/sites/default/files/english_paris_agreement.pdf)

<sup>2</sup> UNEP Emissions Gap Report 2022 - <https://www.unep.org/resources/emissions-gap-report-2022>

<sup>3</sup> UNEP Emissions Gap Report 2022 - <https://www.unep.org/resources/emissions-gap-report-2022>

<sup>4</sup> WHO <https://www.who.int/news-room/fact-sheets/detail/climate-change-and-health>

<sup>5</sup> IPCC The Working Group II Report: Climate Change 2022: Impacts, Adaptation and Vulnerability - <https://www.ipcc.ch/report/ar6/wg2/>

## Project objectives

21 The primary objective of this project is to review and revise the content of *GRI 302: Energy 2016*, *GRI*  
22 *305: Emissions 2016* (Disclosures 305-1 to 305-5), and *GRI 201: Economic Performance 2016*  
23 (Disclosure 201-2: Financial implications and other risks and opportunities due to climate change). To  
24 represent internationally agreed best practice and align with the recent developments and the relevant  
25 authoritative intergovernmental instruments in the field of climate change, greenhouse gas (GHG)  
26 emissions, and energy. The scope of the revision includes both emissions and energy, as using energy  
27 more efficiently and opting for renewable energy sources is essential for combating climate change and  
28 lowering an organization's overall environmental footprint.

29  
30 The Standards Division proposes excluding the *GRI 305: Emissions 2016* disclosures 305-6 and 305-  
31 7 (air) pollution-related disclosures from the project and addressing those in the future revision of  
32 pollution-related topics disclosures. The review of the *GRI 201: Economic Performance 2016*  
33 (disclosure 201-1, 201-3, and 201-4) disclosures will be addressed in the economic-related Standards  
34 project that is expected to commence in 2023.

35  
36 The project will not be limited to reviewing the current contents of existing GRI climate-related  
37 disclosures. However, it will incorporate new issues to reflect the stakeholder expectations related to  
38 climate reporting that have evolved and broadened beyond energy and emissions reporting.

39  
40 The Sector Standards Program and the ongoing review of the GRI Topic Standard on biodiversity have  
41 also expressed the view that the GRI Standards lack a structure for reporting on the full scope of climate  
42 change-related considerations, which may result in unclear or abstract reporting.<sup>6</sup> The Working Group  
43 for *GRI 11: Oil and Gas Sector 2021* and *GRI 12: Coal Sector 2021* has consistently advocated for  
44 enhanced reporting related to climate change, in particular on the topic of climate resilience, adaption,  
45 and transition. They also specified that stakeholders expect to see reporting on aspects such as board  
46 responsibility for climate change, setting emissions targets, investment in emissions-intensive activities,  
47 climate change-related lobbying, and consideration of a just transition.

48  
49 The review of the climate-related Topic Standards will not only build on our existing GRI Standards but  
50 will also align with other climate-related reporting standards underway. These include the proposed  
51 standards by the International Sustainability Standards Board (ISSB) of the IFRS Foundation and  
52 jurisdictional regulatory initiatives, such as the European Sustainability Reporting Standards (ESRS).

53  
54 GRI and the IFRS have agreed to make interoperability a core ambition of their respective standard  
55 setting activities and to promote disclosure perspectives as complementary and on an equal footing.<sup>7</sup>  
56 GRI will therefore seek to develop the climate-related Topic Standards to reach maximum alignment  
57 and ensure interoperability to the climate-related standard(s) of the ISSB.

58  
59 GRI will continue in-depth exchanges with the European Financial Reporting Advisory Group (EFRAG)  
60 to ensure alignment and interoperability of the GRI climate-related standards with the European  
61 Sustainability Reporting Standards.

62  
63 As a result, the revised climate-related topic Standards will enable an organization to disclose publicly:

- 64  
65
- 66 • its most significant impacts on climate change and how the organization manages these  
67 impacts, enhancing the transparency of the organization's impacts and increasing  
68 organizational accountability;
  - 69 • its broadened climate-related impact beyond energy and emissions to potentially include  
climate resilience, adaption, and transition.

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<sup>6</sup> GRI Sector Standards Project for Oil, Gas, and Coal – Input on GRI Topic Standards.

<sup>7</sup> <https://www.globalreporting.org/news/news-center/gri-and-issb-provide-update-on-ongoing-collaboration/>;  
<https://www.globalreporting.org/news/news-center/ifrs-foundation-and-gri-to-align-capital-market-and-multi-stakeholder-standards/>

## 70 **Division of responsibilities**

71 A Technical Committee will be formed in accordance with the Due Process Protocol to provide technical  
72 advice for the development of the revised Topic Standards, with the mandate to provide  
73 recommendations in the following areas:

- 74
- 75 • defining the scope of the climate-related Standards revision;
  - 76 • revising the existing climate-related disclosures: *GRI 302: Energy 2016*, *GRI 305: Emissions*  
77 *2016* (Disclosures 305-1 to 305-5), and *GRI 201: Economic Performance 2016* (Disclosure  
78 201-2: Financial implications and other risks and opportunities due to climate change);
  - 79 • developing new disclosures to broaden the scope to include new impact areas such as  
80 transition, resilience to climate change, and adaptation strategies;
  - 81 • ensuring that the revision and development of new climate-related disclosures will be in line  
82 with the most updated authoritative references.

83 The field of climate change is very broad, and the Standards Division believes that convening a  
84 Technical Committee appointed by the GSSB could support the review and development of new  
85 climate-related disclosures.

86

87 The Standards Division will draft the climate-related Topic Standards, and the GSSB will have oversight  
88 and final approval over the climate-related Topic Standards before their release. The Standards Division  
89 will ensure coherence between the climate-related Topic Standards and other GRI Standards approved  
90 or under development.

91

92 The project will be conducted in accordance with the [GSSB Due Process Protocol](#).

## 93 **Timeline**

94 This project is envisioned to commence in February 2023. Table 1, on the following page, outlines the  
95 anticipated project duration. The exact starting date and the predicted dates of other key milestones  
96 will be confirmed during the GSSB meeting on February 2023.



Table 1: Estimated duration of Topic Standards Project for Climate

Phase	~Duration (months)	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12	Month 13	Month 14	Month 15	Month 16	Month 17	Month 18	Month 19	Month 20	Month 21	Month 22	Month 23	Month 24	Month 25
Project commencement	1	█																								
GSSB approval of Technical Committee				◆																						
Content development	13			█	█	█	█	█	█	█	█	█	█	█	█	█										
GSSB approval exposure drafts	1																◆									
Public comment period of draft standard(s)	3																	█	█	█						
Analysis of public comments and revision of the draft(s)	6																				█	█	█	█	█	█
GSSB approval of set of final standard(s)	1																									◆
Total (months)	25																									