



Item 07 – GRI Universal Standards Project – Public comment feedback on reporting principles

For GSSB information

Date	8 February 2021
Meeting	25 February 2021
Project	GRI Universal Standards Project
Description	<p>This document contains an extract of public comments related to Section 4. Reporting principles in <i>GRI 101: Using the GRI Standards</i> in the Universal Standards exposure draft, which was made available for public comment between 11 June and 9 September 2020.</p> <p>The document presents the comments received via the online survey and via letters, for GSSB reference.</p> <p>Note to reading the comments:</p> <p>Comments have been included verbatim. Where a respondent has raised several distinct points in one comment, each point has been numbered and presented in a separate row. The point number is indicated in brackets before the verbatim comment. In addition to this, comment numbers have been included in the first column to help facilitate the discussion during the meeting on 25 February.</p>

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.

1 Public comments

2 Please refer to pages 18-23 in the [Universal Standards exposure draft](#).

3 Table 1. Comments on Section 4. Reporting principles in GRI 101: Using the GRI Standards

No.	Comment	Name of organization or individual	Country	Stakeholder group	Submission type
General comments					
1	For clarification to accomplish with the principles, could be listed some examples to help some companies to accomplish them. Specially for SMEs.	AG Sustentable	Argentina	Consultant	On behalf of an organization, group or institution
2	(3) 4. Although we do appreciate that not every disclosure can be quantified, to aid in stakeholder analysis, we strongly recommend requiring a trend analysis of indicators to be disclosed.	PwC	United Kingdom	Assurance provider	On behalf of an organization, group or institution
Accuracy					
3	Accuracy: GRI should add content in the Guidance section to emphasize the importance of accuracy in qualitative content of non-financial reports. The requirement for Accuracy uses the word "information." The Guidance (lines 467 – 473) refers to "qualitative" only once, and to "data" three times. Organizations can make broad claims and assertions that influence readers of non-financial reports. Examples: "Acme takes all reasonable steps to eliminate forced labor and child labor from our supply chain" or "Acme's environmental management system ensures full compliance with laws, regulations and binding obligations." Auditing plays an important role in ensuring the accuracy of claims and assertions.	Douglas Hileman	United States	Consultant	As an individual
4	Option 2 from 'factually correct and sufficiently detailed to enable the assessment of the organization's impacts'. TO sufficiently factually	Hong Kong University of Science and Technology	Hong Kong	No response	No response

	correct and detailed to enable the assessment of the organization's impacts. REASON: 'Factually correct' implies exactly correct which is an impractically high standard to achieve given the large number of items in a report. Consider: some items reported currently are 'estimates' rather than 'facts'. In the future these are not allowed so I guess organisations will need to advise they cannot determine such items sufficiently precisely to report them. This is not helpful				
5	Accuracy should never be subject to the requirements of the user. The organisation must maintain a higher level of accuracy regardless of the technical literacy of the users.	Dr Aljaohra Altuwaijri	Saudi Arabia	Academic	No response
Comparability					
6	(3) The new draft now focuses on changes between the current and previous reporting period, instead of looking at all previous reporting periods. This change is positive, as comparing to all previous reporting periods is a requirement that creates more of a burden than a benefit to stakeholders, since the disclosures are public. However, as the requirement does not refer to significant changes, this may create more of a burden to organizations than a benefit to stakeholders since the disclosures are public, therefore accessible for comparison purposes.	ERM Certification and Verification Services (ERM CVS)	Netherlands	Assurance provider	On behalf of an organization, group or institution
7	Comparability: [cross-reference, Disclosure REP-2 Restatements ... at 1043 to 1075]. Comparability and Restatements. GRI should add a requirement (after Line 511) that if errors have been noted in prior years' reporting, that the data be corrected in data provided to enable Comparability, and that this be noted in this section. This should be re-stated and reinforced in Restatements. Organizations may find errors in data or qualitative information (e.g., claims or assertions) after the close of the reporting period, or after a "final close" in preparation of the report. These may not be corrected in time for publication of a non-financial report for various reasons; for example, an investigation may be underway, or regulatory authorities may be involved. Organizations may become aware of errors or misleading statements after publication of the non-financial report, such as from employees or other stakeholders. These errors can affect data from one or more prior reporting periods, such as discovery of an error in calculation of emissions or wastewater data. Without complete, accurate reporting of information and data – including any discussed or referenced from prior reporting periods (such	Douglas Hileman	United States	Consultant	As an individual

	as in graphical depictions of trends) – reports can be incorrect or misleading. This is not consistent with a core objective of accurate, transparent non-financial reporting.				
8	In order to guarantee the comparability of the information, we recommend for each material quantitative topic/disclosure, that the reporting of at least the current and previous year should be mandatory, as long as that topic was material in the previous period. However, in those cases in which the company reports a topic for the first time, it should not be mandatory to provide comparative information from the previous period.	PwC	United Kingdom	Assurance provider	On behalf of an organization, group or institution
Completeness					
9	Lines 541 – 543 (p. 21) Completeness (also cross-reference Lines 989 et seq a for Disclosure REP-2 of Organization’s entities included in its sustainability reporting, p. 40). The Universal Standards should state that organizations should state the scope for completeness purposes, and, where some facilities are excluded (including only for some parameters), the organization should state so at the appropriate location(s) in the report, and provide the basis for this. The Universal Standards and guidance state or imply that the non-financial reporting should be complete. This is impractical in many cases, or at least for some parameters. It may be feasible to report on some topics that are centrally managed, and apply across the entire organization – such as human resources policies. Some material topics may apply at larger facilities, but not at others – such as water usage and wastewater generation in a large organization with satellite offices or employees working from home. “Materiality” can apply to some locations, and perhaps for some topics at those locations.	Douglas Hileman	United States	Consultant	As an individual
Sustainability context					
10	(1) We are still not clear about how to specify organization-specific sustainability norms, or standards of performance, against which such impacts are reported to have occurred (context-based principle)	European Accounting Association's Stakeholder Reporting Committee	Canada	Academic	On behalf of an organization, group or institution
11	(7) • Line 566: we suggested there should be more focus on creating social value without causing harm, so are pleased to see reference to ‘societal expectations’.	Institution of Occupational Safety and Health (IOSH)	United Kingdom	Chartered body for OSH Professionals	On behalf of an organization, group or institution

12	The PRI fully supports the inclusion of the Sustainability Context principles, lines 558 to 580 as placing the context of an organisations impacts against global thresholds is a very important aspect which should be followed through in all disclosures.	UN Principles for Responsible Investment	United Kingdom	Mediating institution	On behalf of an organization, group or institution
13	See letter	Members of the Sustainability Context Group and r3.0	No response	Mediating institution	On behalf of an organization, group or institution
Verifiability					
14	(2) Changing reliability to Verifiability also increase the positive pressure towards transparency and actual demonstration of change and disclosure.	Virginie Poulin	France	No response	No response
15	The Universal Standards should add a requirement that “Verifiable data includes systems and controls to prevent and detect fraud in the information and data included in the report.” There should be separate bullet points in Guidance for prevention of fraud (via policies, procedures, systems, controls) and detection of fraud (often done via monitoring, IT systems, and audits). The exposure draft references OECD Guidelines and UN Guiding Principles (Lines 573 – 574 and many other instances). These – and other guidelines referenced – all aspire to ethical business conduct and reporting. Prevention and detection of fraud is a cornerstone of financial reporting, yet fraud is not explicitly mentioned in these publications, or explicitly in the Universal Guidelines. Verifiability (Lines 600 – 624) does not mention prevention or detection of fraud in the requirement or in the guidance. Prevention and detection of fraud is essential to trustworthy information, and to enable stakeholders to make appropriate decisions about how or whether to engage with the organization. Internal Audit (the 3LOD) and 2LOD audits (IT, environmental, quality) are key compliance and risk mitigation activities to prevent and detect fraud.	Douglas Hileman	United States	Consultant	As an individual
16	Who are these 'individuals'?	Dr Aljaohra Altuwajiri	Saudi Arabia	Academic	No response
17	The renaming/substitution of the ‘reliability’ principle as ‘verifiability’ could be confusing. It is possible that information is ‘reliable’ without being ‘verifiable’. Reliability concerns whether the information is representationally faithful. Verifiability is the susceptibility of such information to independent verification. As such, these concepts are not synonymous and should both be considered.	PwC	United Kingdom	Assurance provider	On behalf of an organization, group or institution

18	<p>(1)The requirement for Accuracy is loosely written and does not provide enough guidance as to what the organization should do to “apply the Accuracy principle.” Specifically, The IIA recommends an additional statement in which the organization should “provide independent, objective assurance over the accuracy of the information being reported through an internal audit function.”</p> <p>Organizations can make broad claims and assertions that influence readers of nonfinancial reports. Internal auditing plays an important role in ensuring the accuracy of claims and assertions. The guidance should emphasize the importance of accuracy in qualitative content of nonfinancial reports.</p>	The Institute of Internal Auditors	United States	Standard setter	On behalf of an organization, group or institution
19	<p>(2)This section does not mention internal assurance. The IIA recommends: Edit lines 608 and 609. “Ensure that individuals other than those involved in preparing the reported information are able to review the supporting internal controls and documentation, with assurance provided by an internal audit function over the controls and the information and data included in the report.”</p> <p>Edit to Lines 613 and 614. “If the organization designs information systems for its sustainability reporting, design these systems in a way that they can be examined as part of internal and external assurance processes.”</p> <p>The requirement and guidance would also benefit with reference to internal controls focused on prevention or detection of fraud, essential to information that enables stakeholders to make appropriate decisions about engaging with organizations.</p>	The Institute of Internal Auditors	United States	Standard setter	On behalf of an organization, group or institution