



# Item 02 – Public comments on topic Boundary and sustainable development dimensions in the Universal Standards exposure draft

## For GSSB discussion

<b>Date</b>	4 December 2020
<b>Meeting</b>	10 December 2020
<b>Project</b>	GRI Universal Standards Project
<b>Description</b>	<p>This document contains an extract of public comments related topic Boundary, and the dimensions of sustainable development, received on 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. It does not present an analysis of the feedback – the analysis will be presented by the Standards Division directly at the meeting.</p> <p>The GSSB is kindly asked to review the document ahead of the meeting and to share any questions about the comments or highlight any comments for discussion, with the Standards Division by <b>9 December</b>.</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 10 December.</p>

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## 2 Public comments

### 3 1. Comments on topic Boundary

4 Please refer to lines 358-366 and 382-385 in the [Explanatory memorandum](#).

5 Table 1. Comments on topic Boundary

No.	Comment	Name of organization or individual	Country	Stakeholder group	Submission type
1	(2) By a different perspective, the notion of topic boundaries could have still helped the entity to understand the scope of its impacts. The lack of this concept should be compensated by a further stress and reliance on stakeholders engagement activities especially during the first time adoption of the standards.	Alessandro Mantini	Italy	Business	As an individual
2	Deloitte supports the GRI103 disclosure simplifications and believes the removal of the term “boundary” will be well received as we believe it has caused much confusion over the years.	Deloitte	United States	Consultant	On behalf of an organization, group or institution
3	I personally saw the value of the topic boundary concept and drew the attention of report users to its importance in the past. Understanding the topic boundary application per company makes it easier to prorate to a full picture and make comparisons among industry peers. But i am sure a lot of though went into this revision so i won't contest it.	Eszter Vitorino	Netherlands	Investor	As an individual
4	(3) Further clarity and guidance are required in order to determine boundaries to an organisation's responsibilities and the impacts it is accountable for.	European Accounting Association's	Canada	Academic	On behalf of an organization,

		Stakeholder Reporting Committee			group or institution
5	(7) MT-2 Material topics and related impacts <ul style="list-style-type: none"> <li>• 103-1-b has been revised: It now requires reporting, for each material topic, whether the organization is involved with the negative impacts through its own activities or because of its business relationships (see MT-2-b-ii). In addition, the term 'topic Boundary' is no longer used. ERM CVS recommends retaining 'Topic boundary' as, based on our experience, a material topic such as water stress can be very significant but within a very specific (organisational) boundary and this may be needed for stakeholder understanding. Alternatively, adding a note on identification of where the impact occurs or is significant within the organization's operations would add further transparency.</li> </ul>	ERM Certification and Verification Services (ERM CVS)	Netherlands	Assurance provider	On behalf of an organization, group or institution
6	Removal of the term topic boundary and revision of concept brings more clarity on reporting impacts for a material topic, by dividing into actual and potential, positive and negative.  Step 2 of identifying material topics (Clause 2380) helps organization to identify impacts in a more comprehensive way than current GRI 103, clarifying that organization should consider actual and potential negative impacts it causes or contributes to through its own activities, as well as those directly linked to its operations, products, or services by its business relationships. This aligns with "Balance", the reporting principles (Clause 476).	Fuji Xerox (Hong Kong) Limited	Hong Kong	No response	No response
7	Line 358, removal of topic boundary needs to be carefully studied again as it is the essential concept for organizations' value chain.	International Development Center of Japan	Japan	No response	No response
8	The DIHR is concerned that the Standards do not adequately reflect that some human rights issues are very context specific, whereas others are wide-spread and that for a company's due diligence to be effective and aligned with the UNGPs it needs to be implemented corporate wide in both a horizontal and vertical understanding of that term, i.e. across functions and across regional and country level presences. Relatedly,	Danish Institute for Human Rights	Denmark	National human rights institution	On behalf of an organization, group or institution

	<p>when reporting material topics in accordance with MT-2, the Standards should support organisations in including topics that may be of context specific nature, but still considered material as well as topics that may be of relevance throughout a company. For instance, it is useful to understand whether a material topic is considered a group-wide issue or is a concern only in select countries of operation or in connection with select products or business segments. Secondly, we are not convinced that the Standards adequately capture the degree to which a reporting organisation is involved with or exposed to the impacts of a given material topic. MT-2-b does not currently guarantee that reporting organisations provide readers with insight into these dimensions, although the guidance for MT-2-b-ii addresses the issue in part. To ensure these important contextual pieces of information are disclosed, DIHR recommends adding a new requirement iii to MT-2-b. Suggested text: 'MT-2-b-iii describe how and to which extent the organisation is exposed to the material topic'. Associated guidance should encourage reporting organisations to disclose whether the material topic is considered material across the organisation or is included due to its relevance to certain geographies, products, activities or similar AND to provide context on the magnitude of the company's exposure to the risk (e.g. insight into how big a share of the company's suppliers or company subsidiaries are estimated to be exposed to the material topic.</p>				
9	<p>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</p>	Douglas Hileman	United States	Consultant	As an individual

	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.				
10	Identification of material topics and related impacts; Guidance to MT-I-a-I and MT-I-a-ii. GRI should provide a mechanism for material topics to be identified by the organization at the aggregated level, and that additional material topics can be reported as appropriate for selected organizational units or high-profile topics with more limited financial and operational footprint at the organization. The selection of material topics is done at the aggregated level of an organization, consistent with consolidated financial reporting. However, sustainability topics can be material at a dis-aggregated level from an environmental or people/human rights perspective. A diversified global organization could have one business unit that uses chocolate as a raw material, posing risk of forced labor or child labor in the supply chain. Another diversified organization can have a small unit that uses electronics in a product, posing risk of conflict minerals, use of banned or restricted substances, or products' improper disposal. Although GRI emphasizes that materiality must consider topics through the eyes of others, the process still favors aggregation, and eliminating many issues that pose substantial risk.	Douglas Hileman	United States	Consultant	As an individual
11	(5) In Identifying impact (2443-2451) the GRI listed a number of levels to carry out the initial assessment, what is missing in the GRI Standards is the consideration of facility-level data in the scoping of materiality topics, particularly in industrial sectors. The lack of addressing this level in the GRI Standards and the prominence of aggregates in the reports could impact the principle of Clarity (489) and the contextualisation of the data particularly for companies operating in different locations. This has a direct impact on materiality and material topics that vary across geography and sector, and thus impact disclosures on performance.	Dr Aljaohra Altuwaijri	Saudi Arabia	Academic	As an individual

## 6 2. Comments on human rights and climate change reporting

7 Table 2. Comments on human rights and climate change reporting

No.	Comment	Name of organization or individual	Country	Stakeholder group	Submission type
1	Reporting on human rights has become fundamental and compulsory in the proposed revision. Based on GRI Standards 2016, human rights-related topic disclosures are reportable only if it is one of the reporter's material issues. This is a good implementation to push reporters to report on its impact on human rights issues.	City Developments Limited	Singapore	Business	On behalf of an organization, group or institution
2	(2) The revisions are welcomed. The focus on impacts is important - as is highlighting human rights.  Alignment with other guidance is a step in the right direction. The language used in sustainability circles needs to be clearly defined with shared understanding of meaning.	ELEVATE	Hong Kong	No response	On behalf of an organization, group or institution
3	There is a lot of emphasis on the importance of human rights impacts throughout the standards in a way that could be seen as too human-centered and too focused on individual legal rights rather than on broader sustainability impacts. This includes the statement: "The most acute impacts an organization can have on people are those that negatively impact their human rights." (GRI 101, Ln 135-136). This statement seems to take a very broad view of human rights as the lens through which any impacts on people should be viewed; for example it could be interpreted to mean that the most important element of a workplace fatality is the infringement of a person's right to live rather than that they are dead. In general, the U.S. corporate community does not view human rights on such broad terms and further clarity and education would be needed in order to ensure that many U.S. companies continue using GRI.	ERM	United States	Consultant	On behalf of an organization, group or institution

4	(2) Adding further definition on human rights in this context would be positive to help organizations define their impact in this area. Acknowledgement of human rights impacts may be a challenge for organizations in certain regions, such as North America. However, ERM CVS believes it is a good addition to bring this conversation to the table.	ERM Certification and Verification Services (ERM CVS)	Netherlands	Assurance provider	On behalf of an organization, group or institution
5	To be aligned with UNGP and the OECD Due Diligence Guidance for Responsible Business Conduct impacts on human rights/ salient issues should be emphasized.	Ethical Trade Norway	Norway	MSI	On behalf of an organization, group or institution
6	We welcome the focus on human rights, due diligence, responsible business conduct, governance and verifiability of data.	Institution of Occupational Safety and Health (IOSH)	United Kingdom	Chartered body for OSH Professionals	On behalf of an organization, group or institution
7	(2) Human rights should not be a required general disclosure. Not all companies have (material) issues with human rights.	ISOS Group	United States	Consultant	On behalf of an organization, group or institution
8	The integration of the human rights lens has enhanced the Universal Standards.	KPMG	Australia	Consultant	On behalf of an organization, group or institution
9	(5) These proposed revisions will integrate reporting on human rights in the GRI's Universal Standards and apply to all companies reporting according to the GRI. We consider this an important and positive development that can contribute to more comprehensive corporate human rights reporting. As we explain in our Expectations on Human Rights, we believe that all companies have a responsibility to respect human rights in their own operations, as well as in supply chains and other business relationships. <sup>2</sup> Respecting human rights is an inherent part of good business practice and risk management. Companies should integrate human rights considerations into their policies, corporate	Norges Bank Investment Management (NBIM)	Norway	Investor	On behalf of an organization, group or institution



	<p>strategy, risk management and reporting.</p> <p>We expect companies to disclose their human rights strategies, policies and processes and to report on their implementation of relevant international standards. They should, for example, disclose information about their human rights policy commitment, governance structures, due diligence, including risk and impact assessments, taking a value chain perspective. Information about stakeholder engagement and remediation processes should also be disclosed where appropriate. Performance reporting should include relevant metrics that enable year-on-year comparison.</p>				
10	(2) Climate change is a material topic for all sectors and should be mandatory.	Shelley Anderson	Australia	Consultant	As an individual

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### 8 3. Comments on sustainable development dimensions

9 These comments relate to the sustainable development dimensions covered in the definition of 'material topic': impacts on the economy, environment, and  
10 people, including impacts on human rights.

11 Please refer to pages 8 and 103 in the [Universal Standards exposure draft](#).

12 Table 3. Comments on sustainable development dimensions

No.	Comment	Name of organization or individual	Country	Stakeholder group	Submission type
1	(2) For the same reason, as far as material topic definition is concerned I would have avoided to add a specific stress on impact on human rights which can be brought back to impacts on people. As there are many prepares (especially in developed countries) for which impacts on human rights are not material (due to the presence of a working and effective regulatory framework), the introduction of this specific measure facing a principle-based approach could be redundant.	Alessandro Mantini	Italy	Business	As an individual
2	(2) However, I suggest wording : impacts on people, planet, communities and economies. I do not think it is necessary to specifically call out human rights in this definition. Impacts on people and communities includes human rights. But people could be construed as individuals, where in many cases, companies are central players in local communities and economies, which specifically refers to groups of people, so I think this should be more explicit.	Beyond Business Ltd	Israel	No response	On behalf of an organization, group or institution
3	(2) However, the COVID19 pandemic has brought economic and social turmoil and tragedy, bringing a new dimension to risk, impact and responsibility regarding nature – the world must halt the loss of biodiversity and put nature on a path to recovery by 2030. We would therefore like to see a specific mention of nature (biodiversity and ecosystems) in the new materiality definition, accompanying the addition	BirdLife International	United Kingdom	Non-government organization	On behalf of an organization, group or institution

	of human rights: 'topic that reflects the organization's most significant impacts on the economy, environment, and people, including impacts on human rights AND NATURE'.				
4	(2) Materiality We recognize the need to uphold human rights and eradicate their abuse, and support global efforts that support this goal. As such, we support the inclusion of human rights within GRI's proposed definition of materiality, as it is a non-diversifiable risk that affects all industries, and therefore requires special attention. However, we also believe that climate change is a universal, non-diversifiable risk (as set out by TCFD) that not only affects nearly all industries, but leads to multiple impacts within society, the economy and the environment. As a result, we believe climate change should be specifically included alongside human rights within GRI's definition of materiality.	Deloitte	United States	Consultant	On behalf of an organization, group or institution
5	The document has singled out human rights, yet it is not clear how the addition of the word will change organisational behaviour. It does not give justice to the depth of sustainable development which includes many other aspects, including human rights.	Dr Aljaohra Altuwajiri	Saudi Arabia	Academic	As an individual
6	(4) However, we note that that the definition of 'material topic' still favors and prioritizes the financial & economic impact, at least in order of the listed impacts. Therefore, we urge to revise the definition as follows:  'topic that reflects the organization's most significant impacts on the environment, the people (including impacts on human rights) and the economy'	European Accounting Association's Stakeholder Reporting Committee	Canada	Academic	On behalf of an organization, group or institution
7	(2) we would suggest that the latter reads "topic that reflects the organization's significant impacts on the economy, environment, and people, including impacts on their safety, health, wellbeing and human	Institution of Occupational Safety and Health (IOSH)	United Kingdom	Chartered body for OSH Professionals	On behalf of an organization, group or institution

	rights". We believe this would help emphasise important OSH issues as material topics.				
8	Explicitly including "impact on human rights" is unnecessary as "impact on people" already comprises human rights. This line of thinking (when including "human right") would require to also explicitly include "impact on climate" for example. I prefer a clear and consistent definition : "topic that reflects the organization's most significant impacts on the economy, environment, and people'.	Manuela Huck-Wettstein	Switzerland	Consultant	As an individual
9	<p>(1) The definition of sustainability set out in lines 31 – 43 underpins the standards and we support the approach adopted to require organisations to consider both positive and negative impacts.</p> <p>The underlying definition is based on the triple bottom line. Whilst profit, people, planet – or economy, environment, and people (EEP) – is a good point to start from, it is very vague and opens the door for impression management. This means that it leaves room for companies to evade the spirit of the GRI standards and present themselves in the best possible light, whilst still meeting the standards. In the amendments this room is reduced due to the introduction of references to 'human rights'. However, it is not clear why the issue of human rights was picked, whilst at the same time many other issues are being overlooked.</p> <p>It would be more suitable to refer companies to the Sustainable Development Goals (SDGs) and ask to use the SDGs as a framework for reporting – 17 dimensions plus profit / economy. Given the explanatory material and the clear definitions throughout the indicators the room for impression management would be reduced. This would mean that the spirit of the GRI standards and the text of the GRI standards would be further aligned.</p>	Network for Sustainable Financial Markets CIC	United Kingdom	Non-government organization	On behalf of an organization, group or institution
10	A GRI Technical Committee on Human Rights Disclosure is inevitably going to want to emphasise human rights in the definition; but if there was a TC on Climate Risk it might put a global heating augmentation onto 'environment' and so on. Best to have a principle of weighted	Next Level Sustainability	Australia	GRI Certified Training Partner in Australia	On behalf of an organization, group or institution

	<p>equality in the definition: economy, environment and people. Since the new definition changes 'society' to 'people' that should be the compromise with explanatory text on human rights included in the Universal Standards and topic specific standards elsewhere.</p> <p>Concern: The new definition of material topic skews the whole emphasis of the GRI Standards towards a human rights framework which is inconsistent with the triple bottom line intent. The emphasis on "impact on human rights" is out of proportion to what might be material in a given jurisdiction, and potentially marginalises environmental impacts such as climate change (global heating) as a material issue. The new qualification of 'society' defined as 'people' creates an immediate conflict between environmental impacts and people impacts because human rights proponents could then use arguments to trump environmental concerns within the definition. The 'people' and 'human' rights impact now outweighs the 'environment' impact by 6 to 1 in terms of word weighting (content analysis). Accordingly, the new definition is an unnecessary augmentation to 'people' which does not require qualification in the definition, and signals an obvious demotion of 'environment'. 'Human rights' is better emphasised after the definition.</p> <p>My suggestion for lines 139-143 is as follows: "...topics that reflect its most significant impacts on the economy, environment, and people. In the GRI Standards, these are the organization's material topics. Examples of topics include impacts on human rights, climate change/global heating and occupation health and safety." [Note I've replaced "anti-corruption" with "human rights" and "water and effluents" with "climate change/global heating"].</p>				
11	<p>regarding the definition of "material topic" I think you should delete the last part of the sentence "including impacts on human rights", because it seems that human rights are more important or relevant than other topics related to people, such as health and safety, or you should include other examples, not just one.</p>	Prysmian Group	Italy	No response	No response
12	<p>(1) For the revised definition of material topics, to include an explanation or guidance as to how "governance" is included as well. Financial institutions, investors and ESG ratings adopt the term "ESG" frequently.</p>	RHB Bank Berhad	Malaysia	Business	On behalf of an organization, group or institution

	This would assist in ensuring alignment between material topic definition and ESG rating requirements or expectations.				
13	(2) My concern is adding 'including human rights' as this seems to elevate this topic over other topics. Human rights is included as part of the considerations of the materiality determination process, therefore am not clear as to the elevation. Is the intention that any negative human rights impact will trump all other impacts? If so, suggest that highlight this, as this is a significant emphasis of a particular topic.	SAICA	South Africa	Non-government organization	On behalf of an organization, group or institution
14	(2) MT: This revision creates more confusion as it refers to the TBL People/Planet/Profit.	SchweryCade	Switzerland	Consultant	On behalf of an organization, group or institution
15	(3) The addition " including impacts on human rights" sounds very strange assuming that we could understand the impact on the society/people excluding human right issues.	SchweryCade	Switzerland	Consultant	On behalf of an organization, group or institution
16	suggest "impacts on human rights" should not be emphasized in concept of " material topic", as if do so some topics might be ignored or missed.	SGS	China	No response	No response
17	(2) Don't think human rights needs to be specifically called out - it should be captured as an impact on people.	Think Impact Pty Ltd	Australia	Consultant	On behalf of an organization, group or institution

14 **4. Comments on Disclosure RBC-2 Policy commitments**

15 These comments relate to the scope of Disclosure RBC-2 Policy commitments.

16 Please refer to page 60 in the [Universal Standards exposure draft](#).

17 Table 4. Comments on Disclosure RBC-2 Policy commitments

No.	Comment	Name of organization or individual	Country	Stakeholder group	Submission type
1	While we agree with the requirements on disclosures of policy commitments, on human rights, we also believe GRI should go further and explicitly reference climate policies, including commitments that are made in line with the Paris agreement. We are concerned that the omission of climate mitigation could send reporters the wrong message about responsible business conduct. We believe climate commitments and targets, including (potentially) science-based targets should be included in the scope of responsible business. We also note that the reference in line 1655 to the UN declaration on environment in connection with health and the environment does not include an explicit linkage to the Paris agreement.	Deloitte	United States	Consultant	On behalf of an organization, group or institution
2	Anti-corruption should be one of the topics that is explicitly listed here as one of the policy commitments that should be described. Corruption is an issue of responsible business conduct that affects all others, and is a risk in literally every country in the world.	Engineers Without Borders Canada	Canada	No response	No response
3	(1) Policy commitments – Requirement a. overlaps with that of the individual topic disclosures for the material topics identified by the organization. Requesting this two-fold, though in a slightly different context seems unnecessary. This could be specifically about human rights only.	ERM Certification and Verification Services (ERM CVS)	Netherlands	Assurance provider	On behalf of an organization, group or institution

4	(1) - Adding disclosure of policy commitments to internationally recognised instruments and to respect human rights is relevant.	Network for Sustainable Financial Markets CIC	United Kingdom	Non-government organization	On behalf of an organization, group or institution
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