



Item 03 – GRI Sector Standards Project for Food - Draft Project Proposal

For GSSB approval

Date	7 October 2021
Meeting	21 October 2021
Description	<p>This document sets out the draft project proposal to develop a Sector Standard for the food sector. This is presented for Global Sustainability Standards Board (GSSB) discussion and approval to send to the GRI Board and Stakeholder Council for feedback.</p> <p>The proposed scope for the sector includes food retailers as well as tobacco product and alcoholic beverages manufacturers. For different reasons, this may be of concern to some stakeholders.</p> <p>After feedback from the GRI Board and Stakeholder Council has been received and incorporated, the Standards Division will present the proposal to the GSSB for final approval, in accordance with the Due Process Protocol.</p> <p>Please note: the development and submission of this draft project proposal marks the intention for the GRI Sector Standards Project for Food to be the next to commence under the GRI Sector Program. The commencement date of this project has not been determined and is subject to the resource availability.</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.

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Project background

In February 2019, the Global Sustainability Standards Board (GSSB) approved the [GRI Sector Program](#) to improve clarity and consistency in sustainability reporting.

The first sector standard – *GRI 11: Oil and Gas Sector 2021* – is finalized and has been released; the Standards for coal, and agriculture, aquaculture, and fishing have completed their public comment periods and a fourth Sector Standard, for mining, is under development. A draft project proposal for a Sector Standard for textiles and apparel is also being presented to the GSSB

Food¹ is the next sector in line to have a standard developed, according to the [list of sectors](#) approved by the GSSB in November 2020. In this decision, consideration was given to the high sustainability impacts of its activities and to the synergies that this sector will have with the Agriculture, Aquaculture and Fishing Project.

Sector overview

It is proposed that the Sector Standard for food will apply to organizations whose primary focus lies on:

- Food processing
- Manufacturing of beverages, both alcoholic and non-alcoholic
- Manufacturing of tobacco products
- Retail of these products.

This sector covers manufacturing and retail activities. It excludes primary producers, which are covered under the Sector Standards Project for Agriculture, Aquaculture, and Fishing.

Two parts of the scope deserve special attention:

1. Retail.

Most of the key sustainability impacts that food producers identify as material are also applicable to the retailers, such as labelling and marketing, packaging, waste, and product safety.

Including retailers will have important implications for this Standard; supermarkets will be an important constituent that will need to be consulted in the process. It will also have implications for a future retail standard, that will need to exclude food retailing from its scope. This option and the alternative of including food retailing in a Sector Standard for retail both present risks and challenges that will need to be overcome.

The Standards Division recommends including retailers in the scope of this Standard but understands that some stakeholders may have an opposite view and will explicitly enquire about this aspect in the consultations with the Stakeholder Council.

2. Alcoholic beverages and tobacco

Alcoholic beverages and tobacco are grouped in the same Standard with food processing companies by all the classifications in Table 1. They are all manufacturing companies processing agricultural products and they are similar in terms of technology and industrial structure. Their sustainability impacts are largely similar as well; food, alcoholic beverages and tobacco producers are equally concerned about their impacts on the agricultural value chain, from waste, packaging, and labelling.

¹ For the purposes of this project proposal 'food' or 'food sector' refers to the organizations that fall within the description of the sector included in the Sector overview section, including food, beverages, and tobacco manufacturers as well as retailers.

30 The impact on human health from alcoholic beverages and tobacco is different to those of food
 31 companies, and as such, many stakeholders view these organizations differently.

32 The Standards Division recommends including alcoholic beverages and tobacco producers in the
 33 scope of the standard subject to consultations with relevant stakeholders. Excluding them from the
 34 scope of this sector will either result in these sub-sectors having no applicable Standard or devoting
 35 more resources to produce other Standards specific to alcoholic beverages and tobacco.

36 It is proposed that this project is titled 'GRI Sector Standards Project for Food'. The scope and
 37 name of this standard may deviate from this proposal following recommendations from the Food
 38 Working Group.

39 Table 1 lists the relevant classifications from external classification standards, specifically the Global
 40 Industry Classification System (GICS®), Industry Classification Benchmark (ICB), International
 41 Standard Industrial Classification of All Economic Activities (ISIC), Industry Classification Benchmark
 42 (ICB), and SICS Sustainable Industry Classification System® (SICS®)².

43 *Table 1: Proposed sector key for the food sector project.*

Classification Standard	Classification N°	Classification Name
ISIC	10	Manufacture of food products
	11	Manufacture of beverages
	12	Manufacture of tobacco products
	4711	Retail sale in non-specialized stores with food, beverages or tobacco predominating
	472	Retail sale of food, beverages and tobacco in specialized stores
ICB	45101010	Brewers
	45101015	Distillers and Vintners
	45101020	Soft Drinks
	45103010	Tobacco
	45102020	Food Products
	45102030	Fruit and Grain Processing
	45102035	Sugar
	45201010	Food Retailers and Wholesalers
GICS	301010	Food and Staples Retailing
	30201010	Brewers
	30201020	Distillers & Vintners
	30201030	Soft Drinks
	30202030	Packaged Foods & Meats
	30203010	Tobacco
SICS	FB-PF	Processed Foods
	FB-AB	Alcoholic Beverages
	FB-NB	Non-Alcoholic Beverages
	FB-MP	Meat, Poultry & Dairy
	FB-TB	Tobacco
	FB-FR	Food Retailers and Distributors

² [Sustainable Industry Classification System](#)® is the classification system of SASB.

44 Sustainability impacts

45 The food sector is present throughout the world and provides for the most basic need of humanity. It
46 is an important employer (2% of the labor force in the EU, excluding retail) and has numerous
47 environmental impacts.

48 Food manufacturers and retailers have a direct impact on people's health. Their performance in
49 selecting, processing, packaging, transporting and marketing food and beverages will determine what
50 people consume and will influence their health and wellbeing. Because they are in direct contact with
51 consumers, they face intense scrutiny and demands for transparency.

52 Producers of alcoholic beverages and tobacco products are under an increased pressure to label and
53 market their products in a responsible way.

54 Besides the direct impact of their own activities, the food sector contributes to the sustainability
55 impacts in the agriculture, aquaculture and fishing sectors through its supply chains. Because very
56 often these primary producers are small in scale and far removed from consumers, it is food
57 producers who face the demands from stakeholders to ensure sustainable practices in agriculture and
58 aquaculture production, and fishing.

59 Project objectives

60 The primary objective of this project is to develop a Sector Standard that improves the sustainability
61 reporting of food organizations, making reporting more complete and consistent across the sector.

62 This Sector Standard will:

- 63 • Identify and describe the topics that are likely material for a reporting organization in the food
64 sector based on the sector's most significant impacts.
- 65 • Provide evidence and authoritative references for these topics to assist organizations to
66 identify if they are material for them.
- 67 • Identify and list relevant disclosures for reporting on those topics.

68 Following the rollout of the revised GRI Universal Standards, organizations in the food sector that
69 want to report in accordance with GRI Standards will be required to use this Sector Standard.

70 Recommendations may also be made by the Food Working Group regarding:

- 71 • The scope, key and name of the Sector Standard.
- 72 • Considerations that may be relevant to Sector Standards for related sectors.
- 73 • Revisions or updates to other GRI Standards.

74 Impacts identified within this project for which no GRI Standard exists will be assessed and prioritized
75 by the GSSB for future GRI Standards development.

76 Special consideration will be given to the interaction between this standard and the Sector Standard
77 for agriculture, aquaculture and fishing. Many of the likely material topics in the food sector may
78 reflect impacts that organizations cause through their suppliers among primary producers. This
79 project will explore and define the best way to organize this interaction among sectors.

80 **Division of responsibilities**

81 A multi-stakeholder working group will be formed to contribute to identifying the most significant
82 impacts for the food sector and give recommendations on the development of the Sector Standard.
83 The Standards Division will draft the Standard, and the GSSB will have oversight and final approval
84 over the Standard before its release.

85 The Standards Division will ensure coherence between the Food, Beverages and Tobacco Sector
86 Standard and any Standards approved or under development.

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

88 **Timeline**

89 The starting date of this project has not been determined and is subject to resource availability. Table
90 2, on the following page, outlines the anticipated project duration. The starting date, along with the
91 predicted dates of other key milestones will be confirmed once known.

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Table 2: Estimated duration of Sector Standards Project for Food³

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
Project commencement	1	█																							
Open call & recruitment of PWG	3		█	█	█																				
GSSB approval of Working Group membership	-				◆																				
Content development by Working Group	9					█	█	█	█	█	█	█	█	█											
GSSB approval of exposure draft	1														◆										
Public comment period	3															█	█	█							
Analysis of public comments and revision of draft	6																		█	█	█	█	█	█	
GSSB approval of final standard	1																								◆
Total (months)	24																								

³ Project scheduling changes may occur over the course of the project, including extensions to the duration of project due to approval processes or other circumstances.

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