



Barbara Strozziiaan 336
1083 HN Amsterdam
The Netherlands
gssbsecretariat@globalreporting.org

Review of GRI's universal Standards

Project Proposal

Approved by the Global Sustainability Standards Board (GSSB) on 26 March 2019

Project background

The universal Standards (GRI 101, 102 and 103) were created in 2016 as part of the transition to GRI Standards. This transition was primarily focused on restructuring the existing content of the GRI Guidelines into a set of modular standards; no significant content revisions were made.

During the transition, the GSSB identified the Reporting Principles and sections of *GRI 102: General Disclosures* – which have not undergone a comprehensive review since 2006 – as well as the ‘in accordance’ criteria as areas that should undergo a revision once the modular structure was in place and first experience has been gained with the implementation of the GRI Standards.

The GSSB issued a number of clarifications to core concepts underpinning the reporting framework during the transition. These were notably to address areas that were commonly misunderstood, such as the focus on the organization’s outward impacts on the economy, the environment, and society, how to define the ‘topic Boundary’ and how to report on topics not covered by the GRI Standards, as well as providing further clarity in selected general disclosures and in the management approach.

In recent years the field of responsible business conduct has continued to evolve with new approaches such as the United Nations Guiding Principles on Business and Human Rights (2011) now being adopted by many organizations. The core concepts and principles of the UN Guiding Principles have also extended beyond the field of human rights and are increasingly being applied to other areas of responsible business conduct, such as the environment, as evidenced by the OECD Guidelines for Multinational Enterprises (2011) and the OECD Due Diligence Guidance for Responsible Business Conduct (2018). Since 2018, a GRI Technical Committee has been developing recommendations on how to update GRI’s human rights-related Standards in light of these developments, including how these developments may impact core concepts, principles and disclosures in the GRI Standards.

The above developments and the recommendations arising from the review of GRI’s human rights-related Standards result in the need for revisions to the universal Standards; principally to:

- incorporate the expectation of due diligence into *GRI 103: Management Approach*,
- embed new mandatory human rights-related disclosures for all reporting organizations, and
- review core reporting concepts, such as materiality, stakeholder inclusiveness and topic Boundary, in light of developments in responsible business conduct set out in key instruments.

In order to continuously improve the GRI Standards and to enhance the experience for reporting organizations and other stakeholders, general disclosures and the ‘in accordance’ criteria in the universal Standards will be considered for revision alongside the structure and presentation format of the GRI Standards.

Project objectives and scope

The primary driver for revising the universal Standards is to address the recommendations arising from the current review of GRI’s human rights-related Standards (see Work Stream 1 below). Feedback received from the GSSB during the transition to Standards and from reporting organizations and other stakeholders, as well as information gathered through reviews of sustainability reports using the GRI Standards, have provided further areas of the universal Standards to be addressed (see Work Streams 2 to 4 below).

Overall the project aims to:

- Integrate the expectation of due diligence into the GRI Standards
- Provide greater clarity on key concepts, reporting principles and disclosures in the universal Standards and ensure they are aligned with recent developments in the area of responsible business conduct
- Assist reporting organizations in understanding the reporting requirements and how they demonstrate compliance in a transparent way
- Drive consistent application of the GRI Standards
- Encourage more relevant and comprehensive reporting for experienced reporting organizations
- Enable first time reporters and SMEs to more easily apply the GRI Standards
- Improve overall usability of the GRI Standards.

The project is split into 4 work stream areas which can be addressed independently and the GSSB will carry out this project in separate concurrent work streams as detailed below. Note that any recommendations arising in Work Streams 1, 2 and 3 will impact upon Work Stream 4.

A sub-committee of 3 GSSB members will be convened to provide overall advice and direction on all areas of the project, with the existing GRI Technical Committee on Human Rights Disclosure providing specific input for Work Streams 1 and 2.

For Work Streams 2, 3, and 4 the Standards Division will perform research and consult third party research to understand current reporting practices and will hold discussions with reporting organizations and other stakeholders to understand challenges in adoption of the existing reporting principles and disclosures in the universal Standards, as well as overall clarity and accessibility of the structure and presentation of the GRI Standards.

A stakeholder consultation process will be undertaken to assess the feasibility and practicality of all recommendations arising from all four work streams.

The project will follow the GSSB [Due Process Protocol](#), the implementation of which will be overseen by the Due Process Oversight Committee (DPOC).

Upon approval of this project proposal, the Standards Division will develop a Terms of Reference for the GSSB Sub-Committee for approval by the GSSB, which will outline the specific mandate of the Sub-Committee and a detailed timeline for all work streams.

Work Stream 1: Human rights and due diligence related disclosures

This work stream will look at incorporating into the universal Standards the following recommendations made by the GRI Technical Committee on Human Rights Disclosure:

- human rights disclosures which will be mandated for all reporting organizations
- due diligence concept (based upon the UN Guiding Principles and the OECD Due Diligence Guidance) into *GRI 103: Management Approach*

As a result of the above changes *GRI 412: Human Rights Assessment*, and potentially other GRI human rights-related Standards, will be removed. Specific recommendations will be made as to where in the universal Standards the human rights disclosures will be located, and related impacts on structure and length of existing universal Standards will be considered as part of Work Stream 4.

Work Stream 2: Reporting Principles

This work stream will look at revising the Reporting Principles for defining report content in *GRI 101: Foundation* and related disclosures in *GRI 102: General Disclosures*. The revisions will be informed

by the recommendations of the GRI Technical Committee on Human Rights Disclosure and through research conducted by the Standards Division on current application of the GRI Standards in sustainability reports, along with research conducted by other parties. This work stream is likely to include revisions to the concepts of stakeholder inclusiveness, materiality and topic Boundary.

There may be some implications for the Reporting Principles for defining report quality resulting from these revisions which will be evaluated.

Work Stream 3: ‘In accordance’ criteria

The two options for preparing a report in accordance with the GRI Standards: Core and Comprehensive determine specific requirements for reporting organizations to meet and impact upon the extent of disclosures reported. The GSSB has previously committed to revisiting the ‘in accordance’ criteria for amendment and therefore, through research conducted on existing sustainability reports which apply the GRI Standards and investigation of reporting mechanisms used by other standard setters, a revised reporting model will be recommended.

This work stream will aim to build on the concept of the GRI-referenced claim and the related Standard Interpretation to GRI 101: Foundation 2016. Finally, this work stream will consider the contents currently developed in the Sector Program.

Any changes to the reporting model will need to consider any potential impact upon SMEs and first-time reporters, general disclosures, other GRI Standards, as well as implications for the process for organizations to notify GRI of the use of the Standards, and transition periods for adoption.

Work Stream 4: General disclosures

Based upon reviews of existing sustainability reports there may be revisions recommended for specific general disclosures. These can include:

- consolidation and development of disclosures directly arising from revisions made in other work streams of this project.
- clarification or revision of existing disclosures
- removal of outdated disclosures, and

These revisions to the general disclosures are likely to increase the overall length of *GRI 102: General Disclosures* and a review of its structure will therefore be undertaken.

Structure and format of universal Standards

The project will consider the impacts upon all GRI Standards as a result of changes adopted in Work Streams 1 to 4; e.g., the introduction sections and references to revised universal Standards.

It will also consider the overall format and presentation of the Standards, their usability, navigation and communication of changes to improve accessibility and understandability by reporting organizations and other stakeholders.