

Item 06 – GRI Topic Standard Project tion of the cssb for Climate Change – Public comment feedback

For GSSB review

Date	26 September 2024	
Meeting	16 October 2024	
Project	GRI Topic Standard Project for Climate Change	
Description	This document summarizes the significant issues raised by comments received on the <u>GRI Climate Change</u> and <u>GRI Energy</u> exposure drafts during the public comment period.	
	The exposure drafts were published for public comment from 21 November 2023 to 29 February 2024.	
	This document is circulated to the GSSB for review and discussion. A final Basis for conclusions document will be released with the final approval of <i>GRI XX: Climate Change 2025 and GRI XX: Energy 2025.</i>	
	The full set of public comments can be downloaded from the <u>Topic Standard</u> <u>Project for Climate Change page</u> on the GRI website.	
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About this document 1

2 This document summarizes the significant issues raised by respondents regarding the GRI Climate Change

- and GRI Energy exposure drafts during the public comment period from 21 November 2023 to 29 February 3 4 2024.
- 5 The document includes the feedback from respondents through the public comment survey hosted on the

6 Topic Standard Project for Climate Change page and the feedback submitted by email. The full set of

comments received can be downloaded from the Topic Standard Project for Climate Change page on the 7

8 GSSB website.

Introduction 9

stine Objectives for revising the GRI climate change-related disclosures 10

11 The project proposal for the review of the climate change-related disclosures in GRI 302: Energy 2016, GRI 305: Emissions 2016 (Disclosures 305-1 to 305-5), and GRI 201: Economic Performance 2016 (Disclosure 12 13 201-2: Financial implications and other risks and opportunities due to climate change) was approved by the

Global Sustainability Standards Board (GSSB), GRI's independent standard-setting body, at its meeting on 14

15 February 2023. The project's primary objective was to review the GRI climate change-related disclosures to

16 represent internationally agreed best practice and align with recent developments and the relevant

17 authoritative intergovernmental instruments in the field of climate change.

18 The project followed the GSSB Due Process Protocol. In May 2023, the GSSB appointed a multi-stakeholder technical committee comprising 13 experts representing all five GRI constituencies. The technical committee 19

20 informed the revision of the Standards by convening throughout 2023-2024 in 6 meetings.

21 The following specific objectives were established by the GSSB when commencing the revision of the 22 Standards and were considered throughout the project:

Scope of the public comment 23

- The GRI Climate Change and GRI Energy exposure drafts were open for public comment, as required by the 24 25 GSSB Due Process Protocol, from 21 November 2023 to 29 February 2024.
- 26 Respondents were invited to submit feedback on the clarity, feasibility, and relevance of the significant 27 proposals in the exposure drafts.
- 28 Several outreach activities were conducted during the public comment period, including webinars and
- regional workshops. Almost 1,000 participants attended the regional webinars in Africa, China, Latin 29 America, and North America. Approximately 3,000 individuals attended the global webinars. In addition, GRI 30
- 31 participated in events at COP 28.
- 32 Comments collected during PCP activities such as workshops or webinars, though not considered official
- 33 public comment submissions, were also considered when they aided understanding of the official
- 34 submissions or flagged a significant issue not raised in the official submissions.

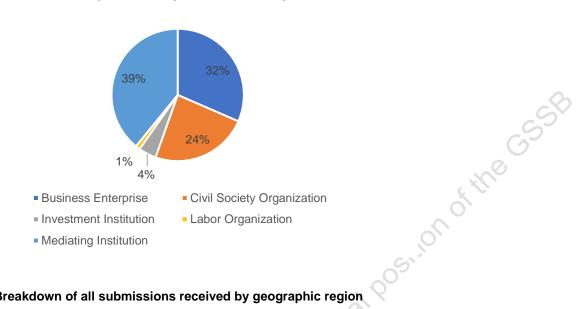
Overview of participation in public comment 35

36 Respondents were invited to submit comments on the Climate Change and Energy exposure drafts using an online survey. The link to the survey was made available on the Climate Change project page. Respondents 37 38 could also submit an official letter or statement to the GSSB.

- 39 A total of 92 submissions from individuals and organizations were received, consisting of 89 completed
- 40 surveys and three letters. See Figure 1 and Figure 2 for a breakdown of submissions by stakeholder
- 41 constituency and region. Submissions were received from all five stakeholder constituencies represented by
- 42 the GSSB: business enterprises, civil society organizations, investment institutions, labor, and mediating
- 43 institutions.

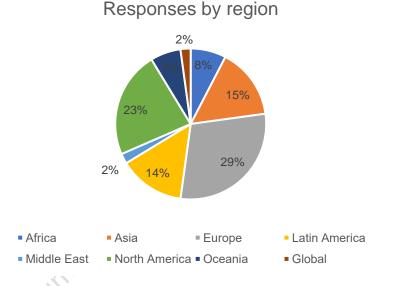


44 Figure 1. Breakdown of all submissions received by constituency



Responses by constituency





- 46 For more details on the submissions received, see:
- Full set of comments on the Climate Change project page. 47 •

Methodology for analyzing comments 48

- 49 The Standards Division collated all comments submitted by respondents.
- 50 Each comment was categorized according to its relevance to a specific Standard, section, disclosure, or
- 51 group of disclosures in the Climate Change and Energy exposure drafts or as a cross-cutting theme. Each

52 comment was then sub-categorized by the respondent's:

- support for proposed content, based on its clarity, feasibility, and relevance to reporting;
- opposition to the proposed content, based on its clarity, feasibility, and relevance to reporting;



- concern about the proposed content, based on its clarity, feasibility, and relevance to reporting; •
- proposals for new content.
- When a respondent raised several points in one comment, the points were separated into distinct comments. 53

54 The qualifiers in Table 1 have been used to indicate the percentage of respondents who provided feedback

on a significant issue. Given that the survey mostly contained open questions to enable respondents to 55

56 provide feedback on sections of interest, not all respondents provided comments on all sections of the

exposure draft. Consequently, certain sections or disclosures have a relatively low number of comments 57 compared to the overall number of respondents. 58

59 Table 1. Qualifiers indicating the percentage of comments that provided feedback.

Qualifier	Comments
Majority	> 50%
Many	30-50%
Some	10-30%
A few	< 10%
One	1
Significant issues	anoffici

Significant issues 60

This section summarizes the significant issues raised by respondents and organizes them into the following 61 62 sections:

- Summary of top feedback 63 •
- 64 Issues by disclosure •
- 65 Cross-cutting issues • 66

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67 The section 'Summary of top feedback' outlines the technical committee (TC) suggested changes to the

Climate Change and Energy exposure drafts. Any changes to the drafts will need to be considered and 68 approved by the GSSB. 69



70 Summary of top feedback

71 GRI CC Climate Change Standard

GRI CC-1 and CC-2: Transition and Adaptation plans disclosures

- 72 A few comments were received in support of keeping the two disclosures separate, while others questioned
- 73 whether Transition and Adaptation plans should be separate disclosures as certain aspects are common for 74 both plans (o g, governance)
- both plans (e.g., governance).
- 75 The TC suggested maintaining Transition and Adaptation plans as separate disclosures, as transition and
- adaptation strategies may lead to different sets of impacts. In order to address the comments received, it is
- suggested that guidance be added to both disclosures to clarify that their transition and adaptation strategies are interconnected and that they might have common elements.
- are interconnected and that they might have common elements

GRI CC-2 and GRI CC-3: Just transition and adaptation

- A few comments stated that just transition should relate to both an organization's transition and adaptationplans.
- 81 The TC suggested revising the Disclosure CC-3 as follows: '*The organization shall, as a result of its*'
- 82 transition or adaptation plan, report (..)'. Further, cross references to adaptation plan are suggested to be
- added in the guidance. Moreover, it is suggested to require organizations to describe how the adaptation
- 84 plan is aligned with the principles of just transition under Disclosure CC-2.

GRI CC-5: Scope 3 GHG Removals

- A few comments were received on the unfeasibility of reporting Scope 3 removals.
- 86 In light of the difficulties in reporting Scope 3 GHG removals, the TC suggested removing the requirement to
- 87 report Scope 3 removals and moving it to the guidance, in line with the Land Sector and Removals Guidance
- 88 from the GHG Protocol.

89 **GRI EN Energy Standard**

GRI EN-1: Impacts associated with energy consumption and transition to renewables

- A few comments suggested adding content on impacts related to energy consumption and the transition to
 renewable energy, preferably at the requirement level.
- 92

93 The TC suggested adding a requirement to report impacts related to energy consumption and transition to

- renewable energy sources. Further guidance is suggested to be developed to report impacts on people and
- 95 the environment. This includes examples of positive and negative impacts on people and biodiversity.

GRI EN-3: Upstream and downstream energy consumption - excessive reporting burden

- 96 Some comments expressed worries about the reporting burden of collecting the data to report under
- 97 Disclosure EN-3 in terms of:
- 98 a) Feasibility of collecting the data for the upstream and downstream
- b) Accuracy of the data in the downstream value chain, concerns about 'product energy footprint'
- 100 (c) Methodological challenges to report energy consumption in the value chain
- 101 A few comments suggested replacing the metrics of EN-3 to give it a qualitative focus, making the disclosure
- a narrative one, and focusing more on policies and actions involving the value chain to facilitate the energytransition.
- 104 After consultation with technical experts and best-in-class reporters, the TC suggested keeping the ambition
- and the metrics on upstream and downstream energy consumption in the Disclosure, as qualitative aspects concerning energy transition are already covered under EN-1.



- 107 The suggestion is to slightly amend the requirement to clarify that information for each of the 15 categories is
- 108 not required. Moreover, further guidance is suggested to specify that if the organization is unable to use
- 109 primary data to report on significant energy consumption, the organization can use estimations.
- 110 Additional guidance is suggested to explain that the organization should report all reasonable and
- supportable information available at the reporting date to disclose the required information. 111 This document does not represent an official position of the cases

GSSB

112 Appendix I

GRI CC-Climate Change Standard

114 Issues by disclosure

115 **GRI CC-1 Transition Plan**

Scenario analysis

- A couple of comments suggested to require, rather than recommend, organizations to disclose which climate
- scenarios were used to develop the transition plan.

Investments in transition plan

- 118 Some comments suggested to consider a different wording rather than investment (including 'financing',
- 119 'resourcing', 'spend' etc.) in requirement CC-1-c.
- 120 GRI received comments on how to report investment using Capex and Opex, namely:
- A few comments on the complexity of reporting CapEx without a reference to legislation such as the EU Taxonomy.
- A few comments recommend that OpEx should have the same emphasis as CapEx in the guidance.
- One comment suggested requiring CAPEX amounts invested in fossil fuel-related activities,
 including coal, oil, and gas. On the other hand, GRI received another comment about changing the
 'can' to a 'should' to report CapEx amounts invested in fossil fuel-related activities.

Process of preparing a Just Transition Plan

Some feedback suggested to reference the process of preparing a Just Transition Plan and to include alsoqualitative metrics.

129 GRI CC-2 Adaptation Plan

Transition and Adaptation Plans Disclosures

- 130 A few comments were received in support of keeping the two disclosures separate, while another few
- questioned whether Transition and Adaptation plans should be separate disclosures, as certain aspects are
 common for both plans (e.g., governance).

Transition and physical risks and financial risks

- A few comments were received on how transition and physical risks and opportunities are included in the disclosure, asking for explanations, more examples, and guidance.
- A few comments were related to financial materiality, asking for additional guidance on the potential financial
- risks on organizations, additional indicators on how climate risk and opportunity assessment are
- 137 incorporated in strategic or business decisions, alignment with IFRS metrics to a maximum extent, and how
- 138 GRI 201-2 is incorporated in this disclosure.

Impacts associated with the adaptation plan (CC-2-c) and with climate-related risks and opportunities (CC-2-a)

- A few comments asked to clarify the difference between the impacts covered in requirements CC-2-a andCC-2-c.
- 141 A few comments stated that it is difficult and overly granular to assess the impact of companies' climate
- 142 change adaptation efforts and ask for further clarifications, practical guidance, and additional examples.
- 143 Respondents are also asking to clarify how 'impacts' are related to climate-related risks and whether both
- 144 positive and negative impacts are included.



- 145 A few comments asked whether the adaptation plan and impacts to be reported refer to the whole
- 146 organization's value chain or only to its own operations.

Resilience

147 A few comments were received asking to reference resilience in Disclosure CC-2, also in relation to 148 adaptation targets.

Adaptation targets

A few comments on adaptation targets, asking for clarifications and more guidance on which targets should be included.

Scenario Analysis

A few comments were received on scenario analysis, asking for clarifications on which scenarios should be used.

153 GRI CC-3 Just transition

Just transition and adaptation

A few comments stated that just transition should relate to both an organization's transition and adaptation plans.

GRI CC-3: Scope and structure of Just transition disclosure

- A few comments were received to clarify whether the scope of the disclosure included the organization'svalue chain or not.
- 158 A few comments were received on replacing the term jobs with employees/workers.

GRI CC-3: Gender breakdown in Just transition disclosure

159 A few comments were received on considering gender breakdowns in the disclosure requirements.

Total employees redeployed (requirement CC-3-c)

- 160 One comment suggested to require organizations to report the total number of employees redeployed.
- 161

Basic pay and the cost-of-living estimates

162 Few comments were received on reconsidering the use of the term 'adequate remuneration'.

New requirement to disclose methodology to report Just Transition disclosure

- 163 Feedback requested additional guidance on methodology to report Disclosure CC-3, highlighting reporting
- 164 challenges due to the difficulty of assessing whether the change in the number of workers recruited,
- terminated and redeployed is due to transition or adaptation plans or changes in business conditions and
 business structure.
- 167

Decent work and just transition principles

- 168 A few comments were received on incorporating decent work and just transition principles in the disclosure
- 169 requirements such that the disclosure enables organizations to report more broadly on the social impacts of 170 transition.



171 GRI CC-4 GHG emissions reduction target setting and progress

Target boundary

- 172 A few comments suggested including specific content on target boundary and alignment with the full
- 173 organizational inventory boundary.

Separate or combined targets

- 174 A few comments were received to require organizations to report only separate targets and remove the
- 175 option to report combined targets. In the case of combined targets, another comment recommended adding
- the requirement to disclose the share related to each respective GHG emission Scope.

Market-based targets

- 177 A few comments were received on market-based targets, with one stating that it should be a requirement
- 178 instead of guidance to report whether the emissions reduction targets are set using the location-based or
- 179 market-based approach. Different comments disagreed on which method should be prioritized.

Target timeframe

- 180 A few comments were received asking to require interim or medium-term targets. A few comments were
- 181 received on short- and long-term targets, asking for more guidance information.

Scope 3 GHG emissions target

- 182 A few comments were received on Scope 3 targets, with comments pushing for more guidance to be
- 183 provided. A few comments were received suggesting that the Scope 3 target should not be required, as
- 184 these are extremely challenging to meet.

Base year

- A few comments were received on the base year, requesting additional guidance. A comment highlights that
- there is a duplication of this requirement with the Scopes disclosures.

Progress against the target

- 187 A few comments were received on how the progress of the target was achieved, asking for clearer guidance
- 188 or stating that it is difficult to attribute the reduction to different factors and to demand separation. Comments
- 189 urge GRI to include further guidance.

Target revision policy

A few comments were received on the target revision policy, mainly asking for more guidance on how to report it.

192 GRI GH-1, GH-2, GH-3, GH-4 Scopes Disclosures

Reporting challenges on Scopes Disclosures

A few comments regarding reporting challenges were received. The main difficulties appear to be in Scope 3 reporting, biogenic emissions, and breakdown by gases.

Consolidation approach

A few comments address the topic of consolidation approach and interoperability with other reporting standards and frameworks.

Scope 2 market-based approach

- 197 On Scope 2, a few comments were received on the market-based approach, including how to use the
- residual mix and quality criteria, mostly on temporal and physical connection and its feasibility/applicability to global markets.



Global warming potential (GWP)

A few comments were received on GWP, specifically on the reference to the latest IPCC report on GWP

values. The comments noted that this requirement will often lead to emissions recalculation, as organizations

usually do not use the latest IPCC report GWP values. Also, comments noted that sometimes nationally

calculated emission factors are not updated to the latest IPCC report, and therefore, organizations will need
 to recalculate emissions.

205 **GRI CC-5 GHG removals**

Scope 3 GHG Removals

A few comments were received on the unfeasibility of reporting Scope 3 removals,

Quality criteria for each type of storage pool

A comment was received on quality criteria, stating that it may be too granular to require organizations to disclose how quality criteria are monitored at the level of each storage pool.

Product pools

209 A few comments were received on product pools, asking why they are excluded.

Impacts associated with GHG Removals

- A few comments were received on the need for further clarification on how to report on impacts associated
- with GHG removals within and beyond the value chain and on the challenges of reporting impacts on people
- and biodiversity.

213 **GRI CC-6 Carbon Credits**

Quality criteria

- 214 Some comments were received on quality criteria. Respondents stated that information on quality criteria is
- available in project registries, asking whether a reference to certification/quality standards or project
 registries would be sufficient.
- A couple of comments pointed out that in certain cases, local regulations may allow organizations to cancel credits that do not respect all the quality criteria listed in the requirement.
- 219 Moreover, a few comments suggested including a reference to sustainable development benefits and 220 safeguard.

Issuing registry and host country required under Requirement CC-6-b

- 221 One comment suggested requiring organizations also to report: the issuing registry, host country, and
- 222 certification standard name.

Impacts

- A few comments questioned whether the organizations should report the impacts and trade-offs associated
- with the carbon credit projects, as these are under the responsibility of carbon credit registries and their verifiers.
- 226 Other comments requested more guidance on reporting trade-offs.

227 Cross-cutting issues

Interoperability

- A few comments highlighted the importance of having the highest possible level of interoperability with other
- 229 standards and frameworks, for example, IFRS Sustainability Disclosure Standards and ESRS.



Reference to GRI 101 Biodiversity Standard and other environmental impacts

- 230 A few comments focus on biodiversity, most of them suggesting clarifying the examples of impacts on
- biodiversity and adding, where possible, further references to GRI 101: Biodiversity. Two comments suggest 231
- 232 broadening the wording from 'biodiversity' to 'environment'.

Sectoral guidance

233 A few comments noted that further sectorial guidance on climate change topics is needed.

Mitigation hierarchy

- 234 Some comments were received on the need for more flexibility on residual emissions (e.g., in the forest,
- 235 land, and agriculture (FLAG) sector). A few comments suggested not exclusively referencing specific
- programs, such as the Science Based Targets Initiative (SBTi). 236

Assurance

- 237 A few comments stating that assurance of GRI disclosures would be important to enhance reporting
- 238 robustness. Moreover, a few comments on third-party verification of GHG emissions reduction targets were
- ries Jins received, asking whether a third party verified or assured the targets and correspondent GHG inventory. 239



GRI EN: Energy Standard 240

GRI EN-1 Energy policies and commitments 241

Impacts associated with energy consumption and transition to renewables

242 Some comments suggested adding content on impacts related to energy consumption and the transition to 243 renewable energy, preferably at the requirement level.

GRI EN-2 Energy Consumption and self-generation within the organization 244

Standard Disclosure's scope and structure

- 245 A few comments were received on the overall requirements' structure rationale and requirements and 246 guidance clarity.
- Another few comments revealed doubts on the scope of the disclosure, specifically on whether and how 247
- 248 energy generation is covered and the absence of requirements on self-generated non-renewable electricity
- consumption (parallel to CC-2-c) and fuel sold (parallel to CC-2-d). 249

Contractual instruments' quality criteria and purchased electricity information

- A few comments were received on the formulation of contractual instruments' quality criteria, particularly 250 physical and temporal connection, expressing concerns about their feasibility and universal applicability. 251
- 252 A few comments required to include information on how to report on renewable electricity certificates
- (RECs), both purchased and consumed and sold after self-generation. 253
- 254 Other comments required further guidance on how to use national grid/grid average/residual mix information
- 255 when reporting the breakdown by renewable and non-renewable energy sources for purchased electricity
- 256 when contractual instruments are not available.

Energy consumption activities

- A few comments were received on the formulation of contractual instruments' quality criteria, particularly 257 258 physical and temporal connection, expressing concerns about their feasibility and universal applicability.
- A few comments asked for further information on the level of detail to be reported of the 'activities' in which 259 260 energy is consumed.

261 GRI EN-3 Upstream and downstream energy consumption

Excessive reporting burden

- 262 Some comments expressed worries about the reporting burden of collecting the data to report under Disclosure EN-3 in terms of: 263
- 264 a) Feasibility of collecting the data for the upstream and downstream
- b) Accuracy of the data in the downstream value chain, concerns about 'product energy footprint' 265
- 266 Methodological challenges to report energy consumption in the value chain C)
- A few comments suggested replacing the metrics of EN-3 to give it a qualitative focus, making the disclosure 267 a narrative one, and focusing more on policies and actions involving the value chain to facilitate the energy 268 269 transition.

GRI EN-4 Energy intensity 270

Intensity ratio on value chain energy consumption

- 271 Some feedback expressed doubts about EN-4-b-ii – on calculating energy intensity using energy
- 272 consumption upstream and downstream in the value chain – noting that upstream and downstream energy consumption is difficult information to gain.
- 273



Comparability issue

- A few comments noted that the way the disclosure is currently phrased is very flexible and, therefore, does
- 275 not allow easy comparability among organizations, suggesting changing to require specific denominators276 instead.
- A few comments were suggested, including methodological guidance on how to calculate energy intensity to improve and ease comparability.
- 279 **GRI EN-5 Reduction of energy consumption**

Value chain energy consumption reduction

280 Some comments suggested it is not feasible to report energy reduction in the value chain due to difficulties in 281 collecting data from both the upstream and downstream value chains.

Reductions in energy requirements of products and services

A few comments recommended keeping a stand-alone disclosure on products and services. However, most of these comments underlined the importance of this separate information in business-specific cases.

284 Cross-cutting issues

Methodology framework and assurance

- A few comments were received highlighting the importance of providing guidance or methodologies to
- 286 calculate energy consumption, set targets, and quantify energy consumption reductions to enhance
- 287 comparability. In this context, data assurance was also mentioned to increase robustness.



Appendix 2. Participation in global and

regional events

290 Table 2: Overview of events and webinars

Events	Date	Number of attendees
Global webinar – morning session	28 November 2023	946 attendees 2481 registered
Global webinar – afternoon session	28 November 2023	603 attendees 1758 registered
COP28 - Systematic transformation with circularity in mind (Sustainable Innovation Forum)	5 December 2023	N/A
COP28 - Climate – Nature nexus in global sustainability reporting	6 December 2023	N/A
COP28 - Frameworks and Standards for nature and climate	9 December 2023	30 attendees
COP28 - Impact of corporate disclosures on climate action, learnings from the energy sector, and the feasibility of using methane disclosures in the agri- food	5 December 2023	N/A
Global Q&A webinar – morning session	18 January 2024	844 attendees 2542 registered
Global Q&A webinar – afternoon session	24 January 2024	539 attendees 1630 registered
Africa		
Alternative Mining Indaba	7 February 2024	20 attendees
Webinar for Africa	20 February 2024	109 attendees
China		
Stock Exchange Event (Syntao) - China SIF Annual Conference	5 December 2023	110 attendees
2024 CSO Global Summit (Syntao annual meeting)	16 January 2024	200 attendees
2024 CSO - GRI Climate Change & Energy workshop	16 January 2024	40 attendees
Webinar for China	30 January 2024	125 attendees
Latin America		
UNEP FI LATAM Roundtable	30 January 2024	400 attendees
Webinar for Latin America (in Spanish)	22 February 2024	368 attendees 959 registered
Webinar for Latin America (in Portuguese)	21 February 2024	154 attendees 364 registered
North America		
GreenBiz	13 February 2024	35 attendees
Webinar for West Coast	21 February 2024	173 attendees 330 registered
Total		

