



GSSB Global
Sustainability
Standards Board

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Item 03. Summary of technical questions on the GRI Standards

For GSSB information

Date	9 November 2016
Meeting	23 November 2016
Description	<p>This paper provides an overview of technical enquiries that have been sent to the standards inbox, as of 4 November 2016. The intent is to inform the GSSB about the type of questions that have been received, and to signal which questions may need to be discussed.</p> <p>A log of all technical enquiries is provided in the Annex.</p> <p>The GSSB is asked to discuss and provide input on the two specific questions in Section 2, and to identify any further enquiries which may also require additional GSSB action.</p>

This document has been prepared by the GRI Standards Division. It is provided as a convenience to observers at meetings of the Global Sustainability Standards Board (GSSB), to assist them in following the Board's discussion. 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. Summary of technical enquiries

As of 4 November 2016, 25 technical enquiries have been received through the 'Standards' inbox. This email address is the main point of contact on the GRI and GSSB websites for any technical queries related to the Standards, and it will eventually replace the 'guidelines@globalreporting.org' email which was used for G4 questions.

The most prevalent theme for questions relates to the status of the Sector Disclosures (e.g. how are they integrated into the Standards, and when will the G4 Sector Disclosures be replaced?). Other common themes include the effective date of the Standards (e.g. how long can the G4 Guidelines be used?), whether GRI's services will be updated, the definition of 'impacts' as related to materiality, and the revised content index requirements.

For these types of questions, the Standards Division does not provide specific advice or interpretations; instead the Standards Division refers the enquirer back to the relevant sections of text in the Standards. Questions related to updating services (such as the Content Index service) are forwarded to GRI's Services team to respond directly.

2. Questions for the GSSB to discuss

The Standards Division has identified two questions that might warrant further GSSB attention and discussion. At the moment these points were each raised only once, but the Standards Division will continue to monitor technical queries to determine if they become more prevalent in the future.

- Non-compliance with reporting requirements for a specific disclosure:** During the staff training on the GRI Standards, a question was raised about cases where an organization preparing a report in accordance with the Standards is reporting a specific disclosure but cannot meet one of the *reporting requirements* related to that disclosure (i.e., on how to compile or present the information).

The example given was Disclosure 301-3 on 'Reclaimed products and their packaging materials' in *GRI 301: Materials*, and how an organization should proceed if they wanted to report the disclosure but could not comply with requirement 2.4.1 (on excluding rejects and recalls of products).

In this case, would the organization report the disclosure but use a reason for omission (if so, which one?), or should the organization not report the disclosure if they cannot comply with all (mandatory) reporting requirements?

This issue is not currently clarified in the Standards, and the reasons for omission are designed to be more appropriate for cases where a disclosure (or part of a disclosure) is omitted.

Proposed action: At this point in time, the Standards Division suggests further action from the GSSB is probably not needed; however, if this issue causes more confusion in the future then it may require the GSSB to develop a specific interpretation, in line with the Due Process Protocol.

At the moment, the Standards Division proposes responding to any potential questions by directing the enquirer to Table I in *GRI 101*, which requires organizations to 'comply with all reporting requirements' for the disclosures reported (for the Core and Comprehensive

43 options). The Standards Division would also then include a reference to section 3.2 on
44 Reasons for omission. We would acknowledge that it is not clear in the Standards exactly
45 how to use a reason for omission if a reporting requirement has not been complied with;
46 therefore, it is up to the organization's judgement in this case.

47 The Standards Division does not propose trying to provide additional guidance on this issue
48 (beyond the text of the Standards) without further instruction from the GSSB.

49 2. **Definition of impacts as related to materiality:** One of GRI's certified training partners
50 raised a question about the definition of 'impacts' as related to materiality. The training
51 partner expressed a concern that 'relevance for the organization' continues to be a major
52 factor used in materiality assessments, and from their perspective, is an important
53 consideration, especially for new reporters. However, with the clarification of 'impacts' in
54 the new Standards, it is not clear where this would fit in the materiality process.

55 In addition, the training partner noted that there may be some contradiction between the
56 guidance around the Materiality principle and the principle itself. The guidance includes a
57 number of factors (e.g., within the 'tests' section) which are not directly linked to the two
58 dimensions of the principle, and it is therefore not clear how the organization is expected
59 to take these factors into account in identifying material topics.

60 **Proposed action:** The Standards Division provided the response below to this query. At
61 this time, we don't believe further clarification is required from the GSSB, but wanted to
62 flag this issue for GSSB discussion because we expect we will see further questions on this
63 in the future.

64 *[From GRI Standards Response]: The Materiality principle requires organizations to identify material topics
65 that 1) reflect the organization's significant economic, environmental, and social impacts; or 2) that substantively
66 influence the assessments and decisions of stakeholders. Complying with this requirement is mandatory, to
67 claim a report has been prepared in accordance with the Standards.*

68 *The Guidance and accompanying tests are meant as helpful advice, to support organizations in the
69 implementation of the requirements, but they are not in itself intended as specific requirements or disclosures
70 to comply with.*

71 *In addition, within guidance it is stated that "These internal and external factors are to be considered when
72 evaluating the importance of information for reflecting significant economic, environmental, and/or social
73 impacts, or for stakeholders' decision making." Meaning that these factors are to be taken into account in
74 relation to an organization's impacts on the economy, the environment, and society.*

75 *We would also expect many of these other factors to come up through the stakeholder dimension of the
76 principle. However, the key clarification is that these other factors cannot be assessed standalone or take the
77 place of evaluating topics based on their impacts on the economy, the environment, and society.'*

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79 3. GSSB input requested

1. Does the GSSB wish to develop further guidance or interpretations for either of the questions outlined above?
2. Are there additional technical queries from the [Annex](#) that the GSSB believes should be discussed further?

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81 *Annex: Full log of technical enquiries on the GRI Standards, as of 4 Nov 2016¹*

Date received	Category	GRI Standard	GRI Disclosure	Enquiry
6/22/2016	Sector Disclosures	-	-	I have a question concerning how the transition from G4 to GSSB will affect the use of Sector Specific Guidance. For example, I am particularly interested in the Oil and Gas Sector Disclosures (https://www.globalreporting.org/resourcelibrary/GRI-G4-Oil-and-Gas-Sector-Disclosures.pdf). Will this transition affect the content of this sector supplement? For this current consultation period, are you seeking out feedback concerning such sector supplements? Is there a new version available?
7/7/2016	Other	-	-	We produce a GRI G4-compliant report for a large FTSE250 company. The next one is due in March 2017 - will we still be able to report against G4 or will it have to use the new 'GRI Standards' please?
9/7/2016	Sector Disclosures	-	-	Do you know if Sector Disclosures will survive after the publications of new GRI standards?
9/28/2016	Other	-	-	Specially after the webinar explaining the transition to G4 Standards Webinar, they have come to us to express their desire to implement the Standards as soon as they come out, and for their FY 2016 report. One of the concerns that has been voiced is regarding XBRL and its implementation with the Standards, and whether or not it will become mandatory in the future.
10/4/2016	Other	-	-	I will like to know when the G4 Guidelines will be Standards? And when the G4 will lost their validity? It's possible that for the next year we use the G4 Guidelines in the Sustainability Report? Or we must use the Standards?
10/7/2016	Other	-	-	I would like to know if, following the last GSSB meeting in September, what was the decision about the GRI Standard? Do we know when they will be adopted?

¹ Note this log includes only questions received through the 'Standards' email inbox – it does not include other questions from webinar audiences, launch events, or internal GRI Staff queries, unless they were also sent through to the Standards email address.

Date received	Category	GRI Standard	GRI Disclosure	Enquiry
10/10/2016	Other	-	-	I am trying to find the draft of the standards or at list the table of correspondence of the previous indicators with the new ones. I have searched the website but I can't find them, are you able to assist me?
10/16/2016	External assurance	-	-	Please note that we are currently developing a scope of work to provide Sustainability Reporting Assurance Services for a client who recently joined the GRI Standards Pioneers Program. Before finalizing our assurance scope, we would need to understand the main differences between GRI Guidelines versus Standards and how this transition would impact any assurance process. We would greatly appreciate if you could share with us any available information that could help us to readjust our assurance processes.
10/19/2016	Sector Disclosures	-	-	<ul style="list-style-type: none"> • Are existing sector supplements no more valid after 30 June 2018? • Will GRI develop new sector supplements according to new standards?
10/19/2016	Other	-	-	I have recently attended your GRI standards webinar and I would like to send you this question: How to maintain the opportunity to compare our report with others of our similar industry sector if companies now can choose only some of its material topics to report? what happen if my material topics are different of others of my equal industry?
10/19/2016	Sector Disclosures	-	-	Our client is a real estate company that used the Construction and Real Estate Sector Disclosures for their G4 report last year. Do the new GRI Standards incorporate any sort of "Specific Standard Disclosures for Sectors" (e.g., Construction and Real Estate)? If yes, how and when will they come into effect?
10/23/2016	Other	-	-	Wanted to check whether GRI was going to publish an updated XBRL taxonomy for the newly launched GRI Standards and if so, when.
10/24/2016	Content index	-	-	Further to the below, wondered if you could also advise whether an excel version of the "GRI Content Index" template is available yet and if not, when it will be so.

Date received	Category	GRI Standard	GRI Disclosure	Enquiry
10/25/2016	Sector Disclosures	-	-	<p>Hope this finds you well! Just listened to the webinar recording on the Standards, fab work and I have a quick question.</p> <p>Where does this leave things for Sector Guidance? I've got a few clients that have been using Sector Supplements and I'd like to include GRI's positioning when I advise them on transitioning.</p>
10/25/2016	Other	-	-	<p>I just watched the 20 min presentation on the new standards – this is a really good resource for gaining a first overview of what's new and what to check further/keep in mind for the next report. Will there be a website similar to G4 online (https://g4.globalreporting.org/Pages/default.aspx) for the new standards? I really liked the online format and worked with that source a lot in the past.</p>
10/26/2016	Environmental Standard	GRI 300	-	<p><i>Original question in Portuguese:</i></p> <p>Please find below an email from [name omitted] from Whirpool - he is asking whether GRI will consider including content related to biobased material.</p>
10/26/2016	Reporting Principles	GRI 101	-	<p>First of all, thanks for the webinar this morning, it was very interesting. Nevertheless, I have a concern about the clarification of “impacts” related to materiality. I was reading the full description of Materiality (GRI 101 – P.10) and I am not sure I understand how you can quantify a topic according to the effect an organization has on the economy, the environment and/or society. As relevant topic, I found that transparency is very important in our sector (e.g. transparency in the operational cost and its impact on the water tariff). Next step, I would like to “quantify” this topics, taking into account the two dimensions of the matrix:</p> <ul style="list-style-type: none"> • Influence on stakeholders assessment & decisions: Clearly, there is a strong expectation of transparency and the topic will receive an high scoring. • Significance of economic, environmental & social impacts: I can quantify the impact of not being transparent on the organization but I do not understand how to quantify the relevance of this topics by taking into account the effect the organization has on “transparency”. Considering the new clarification of impacts (“impacts” refers to effects on the economy, the environment and/or society” and not “impact on the organization”), I would like to say that the company has low impact on transparency (e.g. it is not only depending on the company but other stakeholders) and the scoring will be low. Is that correct? Can you explain me how you will “quantify the topics “transparency” according to the dimension “significance of economic, environmental & social

Date received	Category	GRI Standard	GRI Disclosure	Enquiry
				<p>impacts”?</p> <p>I do not know if I make my point but I found difficult for some topics (such as transparency, economical performance, good governance) to “quantify” its relevance according to the company effects on the economy, environment and/or society. Can you give me more concrete example of how to quantify a topic according to how it reflects the reporting organization’s significant economic, environmental, and social Impacts?</p>
10/26/2016	Sector Disclosures	-	-	I have a question regarding the sector disclosures. What role does the sector disclosures play in the new GRI standards? Will they still be used the same way, or will they be updated?
10/26/2016	Sector Disclosures	-	-	<p>Dear all,</p> <p>I saw the new GRI Standards but I did not find anything related with the GRI Sector Disclosures.</p> <p>Please clarify if they are not more necessary .</p>
10/28/2016	Sector Disclosures	-	-	<p>We are considering the transition from G4 to GRI Standards.</p> <p>In GRI Standard 101(FOUNDATION), it is described that “the Sector Disclosures can be found on the GRI Standards website”.</p> <p>But we can’t find the Sector Disclosures in GRI Standards.</p> <p>Is the Sector Disclosures in GRI Standards, the same as the Sector Disclosures in G4 (the following link)? (https://www.globalreporting.org/information/g4/sector-guidance/sectorguidanceG4/Pages/default.aspx)</p> <p>If our understanding is not correct, please tell me the Sector Disclosures website link in GRI Standards.</p>
10/28/2016	Sector Disclosures	-	-	<p>Thank you for your reply.</p> <p>Our understanding, that GRI Standards Sector Disclosures is the same as G4 Sector Disclosures, was found to be correct.</p>

Date received	Category	GRI Standard	GRI Disclosure	Enquiry
				We have an additional question. On GRI website, it is described that “G4 Guidelines will be phased out on 1 July 2018”. Will G4 sector Disclosures be also phased out after July 2018 ?
10/28/2016	Content index	GRI 102	102-55	<ul style="list-style-type: none"> In the Standards Content Index, 102-55 6.4 says "When compiling the information specified in Disclosure 102-55, the reporting organization should include in the GRI content index the title of each disclosure made (e.g., Name of the organization), in addition to the number (e.g., 102-1)." While this is a recommendation and not a requirement, we would like to adopt this practice. However, some of the titles are very long, eg: 304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas. In such cases, would it be acceptable practice to shorten the title, eg: Sites in areas of high biodiversity?
10/28/2016	Reporting Principles	GRI 101	-	<ul style="list-style-type: none"> GRI 101, as I understand it, is guidance, not for disclosure? Is there any expectation that companies will disclose / comment on how they have applied the Reporting Principles?
10/28/2016	Content index	GRI 102	102-55	<ul style="list-style-type: none"> Also, in 102-55, the sample content index includes a line for GRI 101. What's the purpose of that line if there are no disclosures? Is it necessary to include that line in the Content Index?
11/4/2016	Reporting Principles	GRI 101	-	<p>Hello: I hope this finds you well. I attended a G4 standards launch event today (at Bloomberg in NYC), and I have a follow-up question about the standards for non-financial materiality assessments included in the G4 update. This is something that quite a few people asked about at the event, so I want to make sure that the following is a GRI-aligned way to share materiality findings (see below). The main issue raised was the turn away from recognizing the impact on the organization itself, which is something that many in the room recognized as a critical component. With that in mind, would the following organization of material issues be recognized by GRI as aligning with the G4 standards? Thank you!</p>