Transition to GRI Standards

Summary of Public Consultation Feedback on the Exposure Drafts of the GRI Standards

Initial Draft – for GSSB Information Only

Date	28 July 2016
Meeting Date	4 August 2016
Description	This document sets out an initial, high-level summary of the feedback received on the Exposure Drafts of the GRI Standards, during the consultation period from 19 April to 17 July 2016.
	This document summarizes main themes from stakeholder feedback received via the online consultation platform, as well as input from the stakeholder workshops carried out in selected regions, and any official feedback submissions received via email.
	GSSB Members – please note this is a **rough draft** of the write-up of main themes from the public consultation. It is intended only for initial review by the GSSB to help identify the key points raised during consultation.
	This document will eventually form the foundation for the 'Basis of Conclusions' document required by the Due Process Protocol. The Standards Division will carry out further editing and review of this document, and will add in the remaining sections (i.e. GSSB action taken) over the coming weeks.

Introduction

About this document

This document sets out a summary of the feedback received by the Global Sustainability Standards Board (GSSB) in response to their public consultation on the Exposure Drafts of the GRI Standards (released for comment on 19 April and 3 June 2016). This includes:

- Comments received through GRI's online consultation platform (including questionnaire responses as well as detailed comments on specific draft Standards)
- Feedback received from 13 stakeholder workshops held in 11 countries between May and July 2016[1]
- Additional feedback submissions received directly via email

This summary document also sets out the GSSB's decisions and changes related to the GRI Standards, after consideration of the comments received.

> **Commented [SD1]:** **Note for the GSSB**: These sections have not been added yet – there are comment boxes with proposed actions throughout, only for your information at this point

Background and Objectives for the Transition to Standards

The Transition to Standards was initiated in November 2015 by the Global Sustainability Standards Board (GSSB), GRI's independent standard-setting body. This initiative aims to restructure content from the G4 Guidelines and Implementation Manual into a set of modular, interrelated GRI Sustainability Reporting Standards (GRI Standards).

The transition from G4 to GRI Standards mostly focuses on improvements to the structure and format of the G4 content. This aims to make the GRI Standards easier to keep up-to-date, and more suitable for referencing in policy initiatives around the world. The following specific objectives were established by the GSSB when commencing the Transition to Standards, and have been considered throughout the project:

- devising a modular format that allows the Standards to be updated independently when the need arises and that facilitates continuous improvement;
- ensuring minimal disruption of G4 disclosure requirements and their methodologies;
- preserving the Reporting Principles and the focus on materiality;
- clarifying certain G4 concepts and disclosures that are not clearly understood by users, based on available G4 FAQs and GSSB input;
- clarifying what is required, versus what is recommended or what is just guidance
- reducing unnecessary duplication of content;

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[1] This includes all official workshops held by the GRI Standards Division during the consultation period. Additional workshops held by GSSB members in Norway and Japan have not been counted as part of this total. See Annex D for a full list of Stakeholder workshops

- making individual elements of G4 easier to find; and
- allowing for flexibility in reporting options and formats.

The Transition to Standards was carried out in line with the GSSB's Due Process Protocol, which requires public exposure of all draft Standards. Exposure drafts of each of the proposed 36 GRI Standards, as well as the GRI Standards Glossary, were therefore released for public comment from April to July 2016.

Scope of the public consultation

As the Transition to Standards focused primarily on changes to the structure and format of G4, respondents were asked to focus on these changes in their responses to the public consultation. Any comments received that relate to areas out of scope for the Transition to Standards (such as suggested content updates) will be noted by the GSSB to help inform future work priorities.

During this consultation period, the GSSB asked for feedback on the following specific areas:

1. the structure, format and usability of the draft Standards
2. revisions to the text on making claims related to the GRI Standards (including in accordance options)
3. the use of instructive verbs ('shall', 'should', and 'can') throughout the draft Standards
4. the revised structure of *SRS 301: Management Approach*, including the revised description of topic Boundary
5. the clarity of text throughout the draft Standards

In addition to these areas, the GSSB sought public feedback on specific content updates related to 'employee'/ 'worker' and related terminology. These updates resulted from a separate review project carried out in parallel to the Transition to Standards; but were included in the public Exposure Drafts of the GRI Standards. More information on the Employee/ worker terminology review can be found on the project website.

Participation in the public comment period

Stakeholders were able to give feedback on the draft Standard accessing via GRI's online consultation platform, attending in-person workshops held in selected markets, submitting comments and/or submitting feedback directly to the GRI Standards Division via email.

Online consultation platform

The Transition to Standards was carried out in line with the GSSB's Due Process Protocol, which requires public exposure of all draft Standards. GRI and the GSSB developed a dedicated online consultation platform to allow responders to access, review, and comment on the Exposure Drafts of the 36 GRI Standards and the Glossary. See Annex A for a full list of the

Exposure Drafts. The consultation platform could be accessed via the GRI and GSSB websites, and users were required to register once in order to submit feedback.

Exposure Drafts of the three 'universal' GRI Standards (*SRS 101: Foundation*, *SRS 201: General Disclosures*, and *SRS 301: Management Approach*) were released for public comment on 19 April 2016, along with *SRS 403: Indirect Economic Impacts*, *SRS 505: Emissions*, and *SRS 615: Public Policy*. SRS 401, 505, and 615 represented three examples from the set of topic-specific Standards, one each from the Economic, Environmental, and Social series. These six drafts, plus the draft Glossary of Terms (Part 1), were exposed for a 90-day period from 19th April to 17 July 2016.

Exposure drafts of the additional 33 topic-specific Standards, and Part II of the Glossary, were released for public comment for a 45-day period from 3 June to 17 July. This shorter exposure period was due to the fact that this consultation focused on the changes to format and structure (rather than content) and these Standards follow the same structure as the first set of topic-specific Standards.

Each Exposure Draft had a short questionnaire with questions about the format, structure, and clarity of the document. In addition, respondents had the option to also leave detailed comments directly on the PDF document. See Annex B for an overview of questionnaire questions.

Stakeholder workshops

As part of the public consultation process, the GSSB and GRI's Standards Division carried out 13 in-person stakeholder workshops between May-July 2016. See Annex D for the list of workshops by location. The first session was held as part of the GRI Global Conference in Amsterdam, and was attended by +100 participants. The remainder of the workshops were stand-alone events and were limited to approximately 30 participants in order to encourage robust dialogue.

These workshops were designed to give reporting organizations, consultants, and other practitioners an overview of the 'Transition to Standards' project, and to solicit their feedback on specific areas of the draft Standards through small group work and discussion. The workshops covered the following main areas for feedback:

- The design and layout of the draft Standards, including overall user-friendliness and accessibility
- The introduction sections of each Standard, and whether users could clearly understand the structure and use of the Standards based on this information
- The revised standard on management approach (*SRS 301: Management Approach*), including the revised description of 'topic Boundary'
- The revised section on 'Making claims related to the use of the GRI Standards' (from *SRS 101: Foundation*, based on the 'in accordance' options from G4)

Each small group was provided with excerpts from the draft GRI Standards and asked to answer specific questions related to the areas above. Each small group was asked to record feedback on a flip chart for discussion with the full workshop audience. Each participant was also given an individual response sheet where they could leave additional comments, concerns, or suggestions.

Feedback via email

Although GRI and the GSSB encouraged stakeholders to utilize the online consultation platform wherever possible, responders that wanted to provide additional feedback on the draft Standards were able to submit feedback via email to standards@globalreporting.org during the consultation period of 19 April – 17 July 2016. This feedback was reviewed and analyzed by the GRI Standards Division and the GSSB, along with the comments received from workshops and the online consultation platform.

Total participation during the public comment period

During the public comment period from 19 April to 17 July 2016, 89 individuals or organizations from 29 countries submitted feedback via the online consultation platform. Of these, 47 represented submissions on behalf of an organization or groups of organizations (such as an industry association or trade group).

In total, the feedback via the online consultation platform represented 1,121 comments across the Exposure Drafts of the 36 GRI Standards and the Glossary of Terms. In addition, there were 3,305 individual responses to questionnaire questions via the online platform.[2]

14 consultation submissions were also received via email, although 4 of these respondents also submitted comments through the online consultation platform. Out of the remaining 10 submissions by email, 8 represented the views of organizations (or groups of organizations), and 2 were submitted on behalf of an individual.

In addition to the comments received via the online platform and by email, more than 450 stakeholders attended in-person workshops and provided detailed feedback on the format, structure, and clarity of the draft Standards.

For more detail, see:

- Annex B for an overview of the questionnaire questions;
- Annex C for an overview of all submissions via the online consultation platform, and received by email, with a breakdown by region and constituency;
- Annex E for a table with all individual comments received via the consultation platform;
- Annex F for the full set of consultation feedback received via email.

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[2] This includes all 'yes' and 'no' responses to the questionnaire questions. It excludes any respondents who answered 'no comment' to a question

Summary of public feedback

This section summarizes the main issues raised by respondents during the public comment period. Every individual submission and comment received was reviewed by the Standards Division to establish commonalities and to identify all individual themes. All individual comments, together with an analysis of main themes, was provided the GSSB for further review and discussion.

The feedback is organized into the following sections, and grouped by main themes within each section:

1. Overarching feedback (*themes that apply to all Standards*)
2. Feedback on SRS 101: Foundation
3. Feedback on SRS 201: General Disclosures
4. Feedback on GRI 301: Management Approach
5. Feedback on the topic-specific draft Standards (Series 400, 500, and 600)
6. Feedback on the GRI Glossary of Terms
7. Feedback out-of-scope for the Transition to Standards

1. Overarching feedback

Through the public consultation, respondents were asked to provide feedback on the structure and format of the draft Standards. This section includes feedback on the design, layout and structure of the draft Standards, as well as areas which are relevant for the full set of Standards, such as the effective date and proposed changes to 'employee'/'worker' terminology.

Structure, format, and usability

a) *The modular structure and clarifications in the draft Standards are generally regarded as an improvement over G4*

Respondents in general were positive about the new structure and improved accessibility of the draft Standards. Some respondents commented that the draft Standards were easier to use and navigate, are more clear, and should be easier to adopt for new reporters. However, a couple of respondents were concerned that the new structure is still complex, and emphasized that supporting materials will be critical to help existing reporters make a smooth transition from the G4 Guidelines to the GRI Standards.

> **Commented [SD2]: Note for the GSSB:**
> No specific action has been proposed in response to this theme; work on supporting materials such as mapping documents is already in the Standards Division work plan

b) *Having a separate PDF document for each GRI Standard could make the documents more challenging for users*

Respondents indicated that while they understand the reasons for the modular structure of the GRI Standards, this could adversely impact usability of the Standards. A main concern was that users would have to access multiple PDF documents, rather than being able to find and search all content in one or two documents as with G4. Respondents also cited the fact that

> **Commented [SD3]: Note for the GSSB:**
> As discussed on the 21 July 2016, the Standards division will propose a mock-up version of combining SRS 101 and 201 for GSSB review. The GSSB felt that it was important to keep the Management Approach as a separate standard in order to
>
> Further discussion will be held with the GSSB on the possibility of developing an online tool to allow Standards to be combined and downloaded together

there would be lots of duplicative content for users of multiple Standards, since the Introduction sections are repeated in each Standard. In addition, respondents noted that some key concepts such as the topic Boundary or Materiality principle, are currently divided across multiple Standards.

Layout and design

a) *Distinguishing between requirements, recommendations, and guidance is very useful, but design features should more clearly emphasize the difference between requirements and other content*

In general, respondents were very positive about the clearer distinction between requirements, recommendations, and guidance in the draft Standards. However, respondents felt that the distinction between 'requirements' and other sections (i.e. recommendations and guidance) should be more evident to help users easily identify mandatory text. Respondents recommended using design features (such as shading, boxes, or bold text) to emphasize requirements.

Some respondents also recommended having an overview of all requirements at the front of each document. This would serve as a summary of the essential content, with recommendations and guidance at the back. This would have the benefit of setting out the minimum mandatory instructions in one place; however, it would also make it more likely for reporters to overlook related guidance or reporting recommendations.

> **Commented [SD4]: Note for the GSSB:** Bold text and clearer section headings has been used to more clearly distinguish between requirements and recommendations in the latest design versions
>
> Each standard also now includes an overview of all disclosures at the beginning
>
> We are not proposing to have a short section setting out all requirements at the front of each Standard, as this would make it very likely that users would overlook the recommendations/ guidance content

b) *The numbering system for requirements and disclosures can be confusing for users*

Participants at stakeholder workshops and respondents via the online consultation platform raised concerns that the numbering system in the draft Standards can be confusing. This is due to the fact that disclosures and individual clauses (i.e. requirements) have different numbering systems. They recommended simplifying this numbering system to help users more easily navigate the documents, and adding in an overview of all disclosures at the beginning of each Standard.

> **Commented [SD5]: Note for the GSSB:** We are proposing to address this by grouping the requirement for each disclosure (i.e. 'The reporting organization shall report the following information …) into the disclosure box along with the information points to be disclosed. This eliminates the use of conflicting numbering systems around the disclosure.
>
> An example will be shared with the GSSB for review during the 4 August conference call

c) *The order of Guidance content should be more consistent throughout each document, and background information should be distinguished from more practical guidance*

Respondents requested that the 'Guidance' content throughout the draft Standards be reviewed so that background context was distinguishable from more practical advice or guidance related to a specific requirement. It was noted that the placement of 'Guidance' sections could be improved and made more consistent. For example, all guidance could be grouped and presented at the end of the section, rather than having guidance interspersed throughout the document.

> **Commented [SD6]: Note for the GSSB:**
> The guidance sections have been reorganized to follow a consistent order throughout the standards and different types of guidance has been clearly identified with sub-headings (i.e. background information vs. practical guidance related to a specific requirement). Some 'background' guidance that comes at the front of a standard is now formatted as plain introductory text, rather than being located in a 'guidance' box.

Language and terminology

a) *Although simplification of language is appreciated, there was mixed feedback on some terminology, such as the acronym 'SRS' and replacing 'indicator' with 'disclosure'*

Respondents were generally positive about the proposed change to replace the term 'Aspect' from G4 with 'topic' for all sustainability topics. However, several comments asked for a clearer explanation of the terms 'topic' and 'material topic' in the Glossary.

Some respondents disagree with the proposed change to replace 'indicator' with 'disclosure', as they felt the term 'indicator' is already widely understood. There was a concern that 'disclosure' can refer to many different types of information, and therefore it might not be clear what is covered under a specific disclosure.

Some workshop participants were also confused by the use of the acronym 'SRS' for 'Sustainability Reporting Standard', and how this related to GRI, the GSSB, and the set of GRI Standards. In general, workshop participants expressed a strong preference to refer to each Standard as a 'GRI Standard' (i.e. GRI 101) and to use the term 'GRI-referenced' claim rather than 'SRS-referenced' claim.

b) There were some concerns about using the verbs 'shall' and 'should' to signify requirements and recommendations; however, others recognized the benefits of using established ISO terminology

A number of respondents raised concerns about using 'shall' and 'should' to signify requirements and recommendations throughout the draft Standards. Comments suggested that that these verbs can be interpreted in a very similar way for users, which would be confusing. Others felt these verbs will be difficult to translate into languages such as Spanish. Some comments suggested using the verb 'must' instead of 'shall' to denote requirements.

However, other respondents supported the alignment with ISO terminology (e.g. 'shall' and 'should') in the Exposure Drafts, and felt that using internationally-recognized language would help with translation issues. Overall, respondents emphasized the importance of providing a clear explanation for any instructive verbs used.

Introduction sections

a) Introduction sections should be shortened to reduce duplication, and should clearly indicate how that specific Standard fits into the overall set of GRI Standards

Respondents generally felt the Introduction sections of the Standards were clear; however, they wanted to see this content shorter and more focused to avoid unnecessary repetition in each Standard. Participants at the stakeholder workshops reviewed the Introduction section from the Exposure Draft of *SRS 403: Indirect Economic Impacts,* and provided detailed feedback on this text.

Workshop participants suggested making a better use of hyperlinks and cross-references to where general information on the Standards can be found (e.g., in *SRS 101: Foundation*), and to key concepts such as 'material topics'. Participants also recommended clarifying in the Introduction how that specific Standard fits within the overall set of GRI Standards; for example, 'SRS 401 is one of the topic-specific Standards in the Economic category'.

b) The standardized text in all economic Standards, which relates to the use of accounting standards such as IFRS, should be revised to be more complete

Commented [SD7]: Note for the GSSB: As advised by the GSSB on the conference call on 21 July 2016, we are proposing to refer to each standard as a GRI Standard (i.e. GRI 101) and to use 'GRI-Referenced claim.

We are not proposing any change to the use of the term 'disclosure', since the GRI Standards will have a range of different types of disclosures, and this word was determined to be more appropriate.

We have added an additional clarification in the Glossary related to the difference between topic and material topic

Commented [SD8]: Note for the GSSB: As discussed on 21 July 2016 with the GSSB, we are not proposing to change from the verbs 'shall' and 'should'

Commented [SD9]: Note for the GSSB: The Introduction sections have been substantially revised to be shorter, less duplicative, and to give a clearer indication of where each Standard fits in the overall set of Standards.

Several respondents recommended revising the standardized text found in all draft economic standards, which states that the information can be compiled from figures in the organization's audited financial statements or internally-audited management accounts, followed by a reference to the International Financial Reporting Standards (IFRS), and to national or regional standards accounting standards.

One respondent suggested including a reference to the International Public Sector Accounting Standards (IPSAS) – to make the guidance applicable to public sector entities; whereas another respondent recommended not referencing any specific accounting standard, but to instead ask the organization to disclose the basis used. One other respondent recommended that data for financial related topics 'shall' come from accounting systems (although not necessarily are accounts subject to audit, either external or internal).

Commented [SD10]: Note for the GSSB: This issue has been marked for further GSSB discussion in the drafts which will be posted on Annotate

Effective date

a) *Some respondents felt the proposed effective date of 1 January 2018 was too soon, especially for organizations that would need to implement IT system changes or would need to wait for translated versions of the Standards*

A number of respondents via the online platform and some participants at stakeholder workshops believed the proposed effective date of 1 January 2018 would not give organizations enough time to easily transition from G4 Guidelines to the GRI Standards. However, at other stakeholder workshops, participants felt the proposed date allowed sufficient transition time, and wanted asked whether reporters could adopt the new Standards earlier than January 2018 if they wished to.

Commented [SD11]: Note for the GSSB: As per discussions on 21 July 2016 we are proposing to make this 1 July 2018

'Employee'/ 'worker' terminology revisions

Proposed changes for 'employee', 'worker' and related terminology were marked clearly throughout the Exposure Drafts on the online consultation platform. Stakeholders were asked specifically to comment on these changes, as they related to a separate technical review of employee/ worker terminology which was carried out in parallel with the Transition to Standards (for more information see the project website).

Most responders did not have substantial comments or concerns related to the employee/ worker terminology changes; the comments that were received are summarized below:

a) *There was a request to simplify the worker-related terminology used in the disclosures in SRS 603: Occupational Health and Safety*

Although no comments recommended changing the scope of the disclosures in OH&S, it was suggested to review the current language of 'workers performing work that is controlled by the reporting organization or that is being performed in workplaces that the organization controls'. The existing wording was viewed as overly complicated and not user-friendly.

Commented [SD12]: Note for the GSSB: The Standards Division is considering whether it is possible to simplify this wording and will identify this as an area for specific GSSB review

b) *There is a concern that the change in definition for 'young worker' (from workers under 18 years of age to under 24 years of age) could increase the reporting burden, due to the fact this could create additional reporting work*

One responder noted that the proposed change in 'young worker' in *SRS 608: Child Labor* could increase the reporting burden for organizations, and pointed out that the UN Reference against which this definition has been aligned is used more for statistical purposes. This responder therefore recommended not changing the existing G4 definition of young worker.

c) *There were a few other diverse comments on the employee/ worker terminology proposed revisions*

One respondent suggested avoiding the term 'worker' (as it can be interpreted as offensive in some jurisdictions). One respondent recommended creating a different category for 'public servants', and one comment recommended adopting the terms 'collaborator', 'associate', and 'coworker' throughout the draft Standards. One comment also noted that it is important to differentiate between the employees of the reporting organization and workers of subcontractors.

Other areas of overarching feedback

In addition to those outlined above, the following themes were also raised by participants at stakeholder workshops and comments received via email and the online consultation platform:

a) *Data accessibility and XBRL compatibility*: Some respondents questioned the XBRL-readiness of the Standards. They were unsure about the viability of the current design and format of the Standards for taxonomies.

b) *Alignment with Integrated Reporting*: Some respondents wanted to see a stronger linkage between the GRI Standards and an Integrated Reporting approach. For example, one commenter recommended that data should be disclosed in the context of the organization's business relations, such as commercial values and the percentage values of business for the organization. One respondent requested that the GRI Standards make it more evident that financial data doesn't need to be repeated in the sustainability report if provided elsewhere. Participants at stakeholder workshops in the Netherlands and South Africa also supported stronger linkages between the GRI Standards and Integrated Reporting; however, this was not raised as a significant theme at stakeholder workshops in other regions.

2. *Feedback on SRS 101: Foundation*

Reporting Principles

a) *Use of the verb 'should' with the Reporting Principles (in Section 1) contradicts the requirement in section 2 for all organizations to apply the Reporting Principles*

Many respondents pointed out that using 'should' for each Reporting Principle is confusing, since applying these principles is a requirement in Section 2 for all reports prepared in accordance with the Standards. Most respondents suggested using 'shall' for the Reporting Principles in Section 1 in order to make this clearer for reporters.

Commented [SD13]: Note for the GSSB: The Employee/ Worker Technical Committee discussed this again and determined they would support reverting back to the G4 definition of under 18 years

This will be flagged for GSSB review in the Child Labor Standard

Commented [SD14]: Note for the GSSB: None of these comments has been implemented.

Commented [SD15]: Note for the GSSB: We have proposed making all these Reporting Principles 'shall' statements rather than 'should' statements. See Section 1 of SRS 101 for more detail

b) **The Reporting Principles continue to be very important, and more emphasis should be placed on implementing the Principles and documenting how the Principles have been applied**

A number of respondents asked for additional clarification on how organizations should be applying the Reporting Principles and documenting how the principles have been implemented. Many comments agreed that the Reporting Principles are fundamental and should be emphasized clearly in the Foundation standard. Some comments mentioned that the 'tests' associated with each Principle are very useful.

Clarification of the term 'impacts'

a) **The clarified definition of 'impacts' in the draft Standards overlooks the importance of impacts on the organization itself**

While some respondents appreciated the clarification provided for the term 'impacts' in the draft Standards, others felt that in clarifying this definition to focus only on effects on the economy, the environment, or society, the importance of impacts on the organization itself had been lost. Respondents felt that impacts on an organization's strategy or business are important to take into account and can influence the materiality process.

Some comments recommended that GRI revise the definition to explicitly acknowledge impacts on the organization; while others asked for a clearer link to be established between impacts outward (i.e. on the economy, environment or society) and impacts back on the organization itself. A couple of respondents opposed this clarification as they felt it was contradictory to GRI's objectives of preserving the Reporting Principles and the main concepts from G4.

A few respondents also suggested re-instating sections of the guidance for the Materiality principle which relate to impacts on the organization. These sections from G4 had been removed in the Exposure Draft of *SRS 101: Foundation* as part of the clarification of the term 'impacts'.

Making claims related to the GRI Standards (in accordance and 'SRS-referenced' options)

a) **The guidance on 'in accordance' options is generally clearer than in G4, but additional improvements will reduce duplication and further improve clarity**

Respondents were generally positive about the revised section on in accordance criteria (Section 3 of *SRS:101 Foundation*), and felt this was fairly clear for users. This section was discussed at all stakeholder workshops in detail, and participants recommended revising the guidance text to reduce duplicated content and to better explain when each claim option would be appropriate. Participants also recommended expanding the content in Table 2 (on 'criteria for making an in accordance claim') to include, for example, reporting on material topics not covered by the GRI Standards. Participants also recommended adding a clearer distinction between the two 'in accordance' options and the 'SRS-referenced' claim option, as they felt these represent very different uses of the Standards.

Commented [SD16]: Note for the GSSB: We have proposed adding more detail into the reporting recommendations for Disclosure 201-46 (Defining report content and topic Boundaries). This will now recommend that as part of documenting the application of the Reporting Principles, organizations should explain the criteria used to identify material topics.

The other points here should be covered in the (new) reporting recommendations already included for Disclosure 201-46. See SRS 201 for more detail

Commented [SD17]: Note for the GSSB: We have proposed expanding the definition of impacts in the Glossary to include another note that acknowledges the relationship between impacts on the economy, environment, and society and impacts on the organization itself.

This will be discussed further with the GSSB on 4 August 2016.

Commented [SD18]: Note for the GSSB: As discussed on 21 July 2016, we have proposed to revise Section 2 of SRS 101 to reduce and clarify the guidance, to expand Table 2 (criteria for in accordance claims) to be more complete, and to reduce duplication between the content in this table and the requirements in this section.

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b) *There is a risk that the 'SRS-referenced' claim option could encourage organizations to pick and choose only selected disclosures, rather than preparing a full sustainability report based on the Reporting Principles*

Many respondents commenting on the 'SRS-referenced' claim expressed concern that by formalizing this option, it could encourage a move away from preparing a report in accordance with the GRI Standards based on the Reporting Principles and a materiality assessment. Comments indicated that this could lead to organizations 'picking and choosing' from the Standards rather than meeting the criteria to prepare a report in accordance with the Standards.

However, there were several respondents that were supportive of this option and felt it would improve transparency in other uses of the Standards, or provide greater flexibility, e.g. for new reporters.

A few respondents recommended that if the 'SRS-referenced' claim is allowed, the Reporting Principles for defining report quality should be requirements ('shall' statements) rather than a recommendation. However, participants at some stakeholder workshops expressed a different view, believing that the requirements for an SRS-referenced claim in the draft Standards are already too specific.

> **Commented [SD19]: Note for the GSSB**: As discussed on 21 July 2016, we are proposing to keep the SRS referenced claim option (now called 'GRI-referenced'), and not to change the criteria for using this claim. However, we have clarified in guidance in Section 3 when this claim is appropriate to be used and have given examples to help differentiate between this option and preparing a report in accordance with the Standards

Use of sector disclosures

a) *Sector-specific materials are important for users of the GRI Standards, and their use should be emphasized more strongly in the Standards*

Respondents and workshop participants gave GRI strong feedback that sector-specific materials are important for reporters and they would like to see further development of sector disclosures or guidance in the future. Several respondents felt that the 'guidance' status of the reference to sector disclosures in *SRS 101: Foundation* was not strong enough to reflect the importance of these materials, and suggested making this a recommendation instead.

> **Commented [SD20]: Note for the GSSB:** As discussed with the GSSB on 21 July 2016, this will now be a recommendation to consult the sector disclosures (if applicable) rather than guidance. See SRS 101 for more detail.

3. Feedback on SRS 201: General Disclosures

Suggested revisions to disclosures

a) *Some respondents disagreed with incorporating the content on banned products and services (formerly G4-PR6) into Disclosure 201-2 (related to Activities, brands, products and services)*

One respondent recommended deleting this element of the disclosure (201-2-c), while several other comments suggested including a qualifier such as 'if applicable,' so that all reporters wouldn't be required to report this. Respondents recommended that if this content is now mandatory (as part of *SRS 201: General Disclosures*), additional clarification would be needed on the criteria to identify these products or services (For example, how should an organization determine which products are the subject of stakeholder questions? This could include almost every product for some organizations).

> **Commented [SD21]: Note for the GSSB:** We are proposing to move this content from disclosure 201-2 to a reporting recommendation, in response to these valid concerns. This now would be a recommendation about what information to include when reporting the organization's primary brands, products and services in 201-2-b.
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> This will be flagged for GSSB review in the revised draft of SRS 201

b) *There was a request for additional clarity on how Disclosure 201-8 (information on employees and other workers), has been calculated*

Respondents noted that because reporters can use multiple approaches to report on Disclosure 201-8, there should be a requirement to clarify the unit of measure and how it was calculated.

c) *There was divided feedback on the status of the reporting recommendations for Disclosure 201-14 (Statement from the senior decision maker) in the Strategy section*

Several respondents had different opinions on the status of the reporting recommendations ('should' statements) for Disclosure 201-14 which asks for a statement from the senior decision make. One respondent felt that reporting on main challenges should become part of the 'requirements, as this will make the CEO statement more balanced; while other respondents recommended making this guidance (rather than a recommendation), to allow more flexibility. One respondent appreciated the brevity and clarity of the revised disclosure (due to the fact content had been moved from the G4 indicator to reporting recommendations).

d) *It was recommended that Disclosure 201-22 (on collective bargaining) should be moved from the Governance section to the Stakeholder Engagement section of SRS 201*

It was suggested that Disclosure 201-22 would be more logically situated in the section of *SRS 201: General Disclosures* on Stakeholder Engagement, since its relationship to other governance disclosures is not apparent.

e) *Additional clarifications were requested for Disclosure 201-55 (on the Content Index)*

Respondents asked for several points to be clarified related to the Content Index, such as whether content for the disclosures, or the Content Index itself can be located in different places. Respondents also wanted more specific requirements on how to title the Content Index, and asked for clarifications on whether this section referred to a specific GRI content index, or could refer to any table of contents for a report.

Other areas of feedback

Respondents also provided various additional suggestions to revise and clarify wording throughout the draft Standard. For example:

a) One respondent noted that the words 'topic' and 'impact' are used interchangeably in some of the governance related disclosures, and requested more consistency on the use of these terms

b) One respondent asked for better clarity on the use of the term 'remuneration' in Disclosure 201-36 (Process for determining remuneration) and 201-37 (Stakeholders' involvement in remuneration). It was not clear whether this term relates to all remuneration or relates only to remuneration of the highest governance body

Commented [SD22]: Note for the GSSB: We have proposed including a requirement to report the approaches taken to calculate this information.

We are also proposing including clearer hyperlinks in Guidance to the defined terms (e.g. employee) that are critical to this disclosure

This will be flagged for GSSB review in the revised draft of SRS 201 which will be posted on Annotate

Commented [SD23]: Note for the GSSB: We are not proposing any change in the status of these recommendations, as feedback was mixed on this point

Commented [SD24]: Note for the GSSB: We have proposed to relocate Disclosure 201-22 from the governance section to the Stakeholder Engagement section – it fits more logically there.

This will be flagged for GSSB review in the revised draft of SRS 201 which will be posted on Annotate

Commented [SD25]: Note for the GSSB: We have proposed a number of clarifications in the guidance related to the Content Index and moved some recommendations to 'requirements' to improve consistency of reporting here. For example, requiring the words 'GRI Content Index' in the title.

This will be flagged for GSSB review in the revised draft of SRS 201 which will be posted on Annotate

Commented [SD26]: Note for the GSSB:
These comments have all been flagged for GSSB reviewers of SRS 201, and the Standards Division will do further work to address the use of 'topic' and 'impact'

c) One respondent asked for additional clarification on the distinction between collective bargaining agreements and trade unions, as related to Disclosure 201-41

4. Feedback on SRS 301: Management approach

a) **The proposed structural changes in SRS 301: Management approach are generally regarded as an improvement**

Respondents in general were positive about the structural changes introduced in SRS 301, including presenting the management approach as a standalone standard, relocating the topic Boundary and grievance mechanisms contents into the management approach, as well as the new section introduced on general requirements (for how to combine disclosures for a group of topics or what to report when there isn't a management approach). However, a few respondents felt this Standard is now overly lengthy and complicated, compared to the much shorter approach in G4.

Some respondents recommended additional improvements to the structure, such as moving the section on General requirements upfront.

b) **There was divided feedback on the level of detail the management approach should request**

A few respondents were concerned with the additional level of detail now being requested for the management approach, especially the requirement to describe certain components of the management approach (e.g., policies, specific actions) for each material topic, if the management approach includes that component. Whereas other respondents wanted to see even more reporting requirements and recommendations being added.

A few respondents asked to clarify the level of detail that needs to be provided for the description of the components of the management approach.

c) **For topic Boundary, most respondents asked for a more simplified disclosure and terminology, as well as examples, with some recommending a 'value chain' approach instead of the 'inside'/'outside' concept**

Most respondents commenting on the revised topic Boundary asked for an even more simplified disclosure and explanation. Some respondents questioned the usefulness of the requested information; others indicated that the requirement to list the entities that cause the impacts and to provide their geographic location is too burdensome. Some respondents suggested explaining the topic Boundary from a value chain perspective (rather than using the 'inside' and 'outside' concept), as many organizations are already familiar with and applying this approach.

Many respondents also considered the terminology used (e.g., 'topic Boundary', 'inside', 'outside', and 'entity') to be too complicated and technical, and suggested simplifying this. A

Commented [SD27]: Note for the GSSB: As discussed on 21 July 2016, we are proposing to move the section on 'General requirements' upfront.

Commented [SD28]: Note for the GSSB: We have proposed to emphasize even more that the description of the components of the management approach is applicable only if the management approach includes those components. We have also proposed to add new guidance to clarify the level of detail that needs to be provided for the description of the components of the management approach.

We are proposing not to delete existing, or add new, reporting requirements, due to the fact that respondents were divided on this issue.

Commented [SD29]: Note for the GSSB: As discussed on 21 July 2016, we are proposing to simplify the disclosure by:
- taking away the 'inside'/'outside' concept in favor of a value chain approach
- taking away the requirement to 'list' the entities that cause the impacts and to provide their geographic location. Instead, organizations can group entities by their attributes (e.g., location, type)
- adding examples of how to define and report the topic Boundary

GSSB feedback is sought on the proposed changes, as well as on whether to further simplify or clarify the terms 'topic Boundary' and 'entity'.

few respondents suggested asking simpler, prosaic questions instead such as 'who is causing the impact'.

Most respondents asked for examples to be provided.

5. *Feedback on the topic-Specific draft Standards (Series 400, 500, and 600)*

The 33 Exposure Drafts of the topic-Specific GRI Standards (series 400, 500, and 600) are all structured in the same format. Therefore, comments that relate to the format, design, or clarity of the topic-specific Standards have been grouped together under 'Overarching feedback'. Comments that relate to proposed revisions to employee/ worker terminology have also been addressed together in Section 1 ('Overarching feedback').

The remaining feedback on the topic-specific Standards has been categorized into high-level themes, as set out below:

a) *Suggestions to revise the content of disclosures, or to add additional disclosures*

Respondents had a number of suggestions to improve the content of existing disclosures in the draft topic-specific Standards, or to add additional content to disclosures. For example:

- A couple of respondents recommended expanding Disclosures 613-1 and 613-2 in *SRS 613: Local Communities* to include community engagement or voluntary community contributions made by organizations, as this is a material issue for many companies.
- Several respondents indicated that the scope of Disclosure 401-2 (on climate change) in *SRS 401: Economic Performance* is too narrow, and recommended expanding this disclosure to take into account other environmental and social impacts.

b) *Requests for clarification on how to report existing disclosures, or more specification on which methodologies should be used to calculate information*

Respondents requested additional clarifications on a number of disclosures which were considered not clear or could be open to interpretation. For example:

- Several respondents asked for definitions of commonly-used terms such as 'main' and 'significant' (see also feedback on the GRI Standards Glossary of Terms).
- One respondent also asked for clarification on how to report disclosures in *SRS 605: Diversity and Equal Opportunity* related to basic salary, as the term was not clear from the definition provided.
- One respondent suggested revising *SRS 505: Emissions*, to change the phrase 'Standards, methodologies, assumptions and calculation tools used' to 'Approaches used', in order to be more flexible and less detailed.

c) *Feedback on the use of instructive verbs (e.g. 'shall', 'should')*

Most respondents were generally supportive of the proposed use of instructive verbs throughout the topic-specific Standards. On the online consultation platform, Question 2 on

Commented [SD30]: Note for the GSSB: These type of comments are summarized in each topic-specific Standard for your detailed review; however most were determined to be out of scope

Proposed generic response: Changes to content of disclosures were considered to be out of scope for the Transition to Standards initiative. To improve or clarify disclosures would require the formation of a dedicated Project Working Group, in line with the GSSB's Due Process Protocol. These comments have been documented, and will be considered as part of the revision process for the topic-specific Standards in the future.

Commented [SD31]: Note for the GSSB: These type of comments are summarized in each topic-specific Standard. Where we are proposing a change in response to comments this has also been highlighted in the relevant standard

Proposed generic response (which will go in the eventual Basis for Conclusions document): Additional clarifications were determined to be out of scope for the Transition to Standards initiative if they would require drafting new technical content or could affect the way organizations are already reporting the existing disclosures. However, where clarifications related to edits that were made as part of the Transition to Standards initiative, these comments were considered by the GSSB and were implemented if determined they would improve clarity and user-friendliness, without affecting the content of the disclosure requirements.

Commented [SD32]: Note for the GSSB:
For most cases where only one respondent suggested changing instructive verbs we have not implemented these changes. They are however flagged for GSSB review in the documents

If a respondent disagreed with the status of a reporting requirement and provided a solid rationale as to why this should be a recommendation, we have supported these changes and flagged them for GSSB review

the questionnaire for each topic-specific Standard asked whether the respondent suggested any changes to the use of instructive verbs.

Out of the consolidated feedback across all topic-specific Standards, 76% percent of questionnaire respondents suggested no changes to the instructive verbs, 11% did not comment, and 13% suggested some changes or improvements.

Respondents that suggested changes to the instructive verbs included, for example:

- In *SRS 505: Emissions*, one respondent suggested elevating the recommendation to provide breakdowns of emissions data (e.g., by business unit, by country) to a reporting requirement.

- In *SRS 601: Economic Performance*, one respondent suggested making the requirements for breakdowns in Disclosure 601-1 (i.e. by age) a recommendation rather than a requirement, due to the fact organizations should have flexibility to use the breakdowns of data they use on a regular basis

- In *SRS 603: Occupational Health and Safety*, one respondent suggested making the reporting recommendation for 601-3-b (Workers representation in formal joint management–worker health and 158 safety committee) a 'shall' statement rather than a 'should'. The recommendation currently reads: 'When compiling the information specified in Disclosure 603-1-b, the reporting organization should explain how the percentage was calculated, including any assumptions made, such as which workers were included in the calculation.' There was no rationale provided by the respondent for this change.

d) *Structural changes or suggested relocation of disclosures*

Some respondents recommended changing the location of disclosures or sections of content. For example:

- One respondent suggested moving the disclosures on workforce and payment from *SRS 201: General Disclosures* to *SRS 402: Market Presence.*
- One respondent recommended rephrasing Disclosure 401-1 from *SRS 401: Economic Performance* as 'the reporting organization shall report economic value generated and distributed in the form of a Value Added Statement' and then relocate this disclosure to *SRS 201: General Disclosures*, due to the fact this information would be material for all organizations.
- One respondent suggested dividing *SRS 506: Effluents and Waste* into three separate Standards: Waste, Effluents, and Spills. This is due to the fact that these topics are distinct, and this would give reporters more flexibility to report just the relevant disclosures.
- One respondent suggested bringing the supplier assessment disclosures into *SRS 301: Management Approach*, because this information belongs as part of the management approach.
- One respondent suggested combining 'Procurement Practices' with the other supply chain topics or renaming it 'Local Procurement Practices' to use it with 'Indirect Economic Impacts'.

Commented [SD33]: Note for the GSSB: None of these changes have been implemented, as they were all raised by only one commenter and were considered out of scope for the Transition to Standards. In some cases, implementing the change requested would affect the disclosure requirements for in accordance options. In other cases (such as moving the supplier assessment to the Management approach), this had been previously debated by the GSSB and the decision was made to keep these as separate standards, at least until further reviews were carried out

6. *Feedback on the GRI Glossary of terms*

a) *Additional definitions were requested for some terms that are used throughout the GRI Standards, or that relate to specific disclosures*

Respondents asked for definitions for some terms that are used frequently throughout the draft Standards, such as 'significant', 'main', 'social impact' and 'sustainability reporting'. These terms are open for interpretation, and respondents felt that providing clear definitions will improve the consistency of reporting.

Respondents also requested including new terms in the Glossary, such as value chain and collective bargaining.

b) *A few respondents asked for clarifications, or revisions to existing definitions in the Glossary in order to make them more clear and consistently-applied*

Respondents noted that some terms used for calculating specific disclosures are not clear, even with definitions provided in the Glossary. These include 'absentee rate', 'injury rate', 'basic salary', and 'operations', among others.

Commented [SD34]: Note for the GSSB: We are proposing not trying to define these generic terms such as 'significant'. However, we propose to add a disclaimer into the Glossary stating that for terms which are not defined in the Glossary, the standard dictionary definition applies.

We have moved the existing definition for collective bargaining from guidance into the Glossary, so that it can be cross-referenced easily in multiple standards

We will discuss with the GSSB the need for a definition of value chain, depending on the outcome of discussions related to topic Boundary

Commented [SD35]: Note for the GSSB: We are not proposing clarifying existing definitions that are highly technical or relate to calculation of specific disclosures (e.g. absentee rate).

We do agree the definition for operations in the Glossary is unclear and have flagged this for review by the GSSB

We propose that existing definitions that have been highlighted as not clear should be reviewed as part of the review projects for individual Standards.

7. *Feedback out-of-scope for the Transition to Standards*

Numerous comments were received via the online consultation platform and during stakeholder workshops which were not considered to fall within the objectives for the Transition to GRI Standards initiative. These comments are however important in assisting the Standards Division and GSSB to determine future work priorities.

The main themes are summarized below:

a) Respondents wanted more detail on how the Transition to Standards would impact assurance expectations, and many would like to see a more detailed assurance framework developed to accompany the new Standards

b) Respondents felt that sector-specific content is important for users of the GRI Standards and would like to see more work done to update and expand sector-specific materials in the future

c) Some respondents raised questions about the implications of moving to a Standard and whether certification would be required (similar to ISO standards)

d) Standards for future development or review:
   o Two respondents recommended creating a standard on the topic of Land.
   o One respondent recommended including SRS 503: Water for review in 2017.

This out-of-scope feedback has been carefully reviewed and recorded, and will be taken into consideration in determining the next three-year work program of the GSSB.

Annex A: Full List of Exposure Drafts from the GRI Online Consultation Platform

Standard Name and Number		Date added to the consultation platform	Date when consultation closed
Universal Standards			
101	Foundation	19 April 2016	17 July 2016
201	General disclosures	19 April 2016	17 July 2016
301	Management approach	19 April 2016	17 July 2016
Economic Category (topic-specific Standards)			
401	Economic performance	03 June 2016	17 July 2016
402	Market presence	19 April 2016	17 July 2016
403	Indirect economic impacts	03 June 2016	17 July 2016
404	Procurement practices	03 June 2016	17 July 2016
405	Anti-corruption	03 June 2016	17 July 2016
406	Anti-competitive behaviour	03 June 2016	17 July 2016
Environmental Category (topic-specific Standards)			
501	Materials	03 June 2016	17 July 2016
502	Energy	03 June 2016	17 July 2016
503	Water	03 June 2016	17 July 2016
504	Biodiversity	03 June 2016	17 July 2016
505	Emissions	19 April 2016	17 July 2016
506	Effluents and waste	03 June 2016	17 July 2016
507	Environmental compliance	03 June 2016	17 July 2016
508	Supplier environmental assessment	03 June 2016	17 July 2016
Social Category (topic-specific Standards)			
601	Employment	03 June 2016	17 July 2016
602	Labor/management relations	03 June 2016	17 July 2016
603	Occupational health and safety	03 June 2016	17 July 2016
604	Training and education	03 June 2016	17 July 2016
605	Diversity and equal opportunity	03 June 2016	17 July 2016
606	Non-discrimination	03 June 2016	17 July 2016
607	Freedom of association and collective bargaining	03 June 2016	17 July 2016
608	Child labor	03 June 2016	17 July 2016
609	Forced or compulsory labor	03 June 2016	17 July 2016
610	Security practices	03 June 2016	17 July 2016
611	Indigenous rights	03 June 2016	17 July 2016
612	Human rights assessment	03 June 2016	17 July 2016
613	Local communities	03 June 2016	17 July 2016
614	Supplier social assessment	03 June 2016	17 July 2016
615	Public policy	19 April 2016	17 July 2016
616	Customer health and safety	03 June 2016	17 July 2016
617	Marketing and labeling	03 June 2016	17 July 2016
618	Customer privacy	03 June 2016	17 July 2016

Standard Name and Number		Date added to the consultation platform	Date when consultation closed
619	Socioeconomic compliance	03 June 2016	17 July 2016
Glossary of Terms			
	GRI Standards Glossary of Terms Part 1	19 April 2016	17 July 2016
	GRI Standards Glossary of Terms Part II	03 June 2016	17 July 2016

Annex B: Questionnaire Questions from the GRI Online Consultation Platform

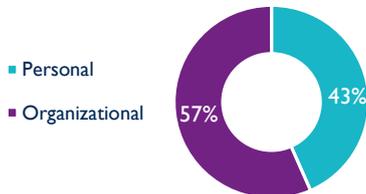| Questionnaire question	Applied to the following Exposure Drafts:
Based on the text in these Introduction sections, is it clear how this new structure works and how the GRI Standards are intended to be used?	SRS 101: Foundation SRS 201: General Disclosures SRS 301: Management Approach Topic-Specific Standards (series 400,500, 600)
Would you like to suggest any specific changes to the use of 'shall', 'should', and 'can' within this draft Standard?	SRS 101: Foundation SRS 201: General Disclosures SRS 301: Management Approach Topic-Specific Standards (series 400,500, 600)
Are there examples in the text where the wording is not clear and you would suggest changes to the text?	SRS 101: Foundation SRS 201: General Disclosures SRS 301: Management Approach Topic-Specific Standards (series 400,500, 600)
Are there any other changes to the structure or format of this draft Standard which would make it easier to use?	SRS 101: Foundation SRS 201: General Disclosures SRS 301: Management Approach Topic-Specific Standards (series 400,500, 600)
If applicable, do you have any comments about the proposed changes in this draft Standard related to the 'Employee/worker' review?	SRS 201: General Disclosures Topic-Specific Standards (series 400,500, 600)
Do you have any other comments about this draft Standard?	SRS 101: Foundation SRS 201: General Disclosures SRS 301: Management Approach Topic-Specific Standards (series 400,500, 600)
Based on the information in Section 3 of this Standard, is it clear what criteria an organization needs to meet in order to make a specific claim?	SRS 101: Foundation
Do you consider the revised structure of SRS 301: Management Approach an improvement over the current approach in G4 (in that it will result in more meaningful reporting of an organization's approach for managing each material topic?)	SRS 301: Management Approach
Do you suggest any changes to the terms or definitions in the draft GRI Standards Glossary?	GRI Standards Glossary of Terms (Part I) GRI Standards Glossary of Terms (Part II)

Annex C: Consultation submissions by representation, country, region, and constituency

Key statistics	
Total number of online submissions	89
Total number of submissions received via email	10
Total number of submissions	**99**

Online submissions related to Universal standards	
SRS 101: Foundation	71
SRS 201: General Disclosures	59
SRS 301: Management Approach	57

Number of submissions, by country (includes submissions online and via email)					
Country	Submissions	Country	Submissions	Country	Submissions
United States	16	India	3	Japan	1
United Kingdom	11	Mexico	3	Malaysia	1
Netherlands	9	South Africa	3	Morocco	1
Brazil	5	Taiwan	3	Peru	1
Germany	5	Austria	2	Sri Lanka	1
Spain	5	Chile	2	Sweden	1
Argentina	4	Finland	2	Thailand	1
Australia	4	Hong Kong	2	Vietnam	1
Russia	4	Italy	2	Zimbabwe	1
France	3	Pakistan	2		

Submissions by Representation

- Personal
- Organizational

57% 43%

Submissions by Region

- Africa
- Asia
- Europe
- Latin America and the Caribbean
- Northern America
- Oceania

4% 5% 15% 17% 15% 44%
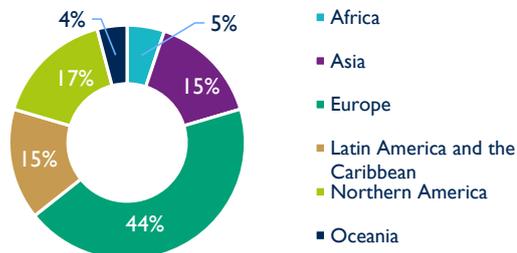
Submissions by Constituency Group

- Business Enterprise
- Investment Institution
- Labor
- Civil Society Organization
- Mediating Institution
- Other

21% 43% 18% 14% 2% 2%
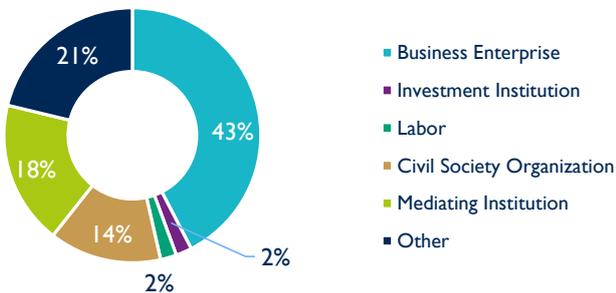
Annex D: Full list of Stakeholder Workshops Carried out During the Consultation Period

Country	City	Date
The Netherlands	Amsterdam	20 May 2016
United Kingdom	London	7 June 2016
The Netherlands	Utrecht	17 June 2016
Germany	Frankfurt	21 June 2016
Spain	Madrid	23 June 2016
Brazil	Sao Paulo	23 June 2016
United States	Chicago	28 June 2016
Canada	Toronto	29 June 2016
Colombia	Bogotá	29 June 2016
Italy	Milan	5 July 2016
India	Delhi	6 July 2016
	Mumbai	8 July 2016
South Africa	Johannesburg	13 July 2016

Annex E: Full set of comments received via the online consultation platform

[to be added later – this will be a table with all 1100+ comments received, along with the name, organization, and country of the respondent]

Annex F: Additional consultation submissions received via email

[to be added later – this will include copies of all 'official' submissions received via email]