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GSSB summary of the meeting held on 20 May 2020

| *Approved by the GSSB on 18 June 2020*

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18 Participants

19 Present:

Name	Constituency
Corli le Roux	Mediating institution
Evan Harvey	Investment institution
Gustavo Sinner	Mediating institution
Jennifer Princing	Business enterprise
Judy Kuszewski	Chair
Kent Swift	Civil society organization
Kirsten Margrethe Hovi	Business enterprise
Loredana Carta	Labor
Michel Washer	Business enterprise
Peter Colley	Labor
Robyn Leeson	Vice-Chair
Tung-Li (Tony) Mo	Civil society organization
Vincent Kong	Business enterprise

20 Apologies:

Name	Constituency
Bruce Klafter	Business enterprise
Rama Krishnan Venkateswaran	Investment institution

21 In attendance:

Name	Position
Gillian Balaban	Team Assistant, Standards Division
Helen Miller	Senior Coordinator, Governance Relations
Laura Espinach	Senior Manager, Standards Division
Margarita Lysenkova	Manager, Sector Program, Standards Division
Sarah-Jayne Dominic	Senior Strategic Advisor, Standards Division

22 List of abbreviations

GSSB	Global Sustainability Standards Board
OECD	Organisation for Economic Co-operation and Development
PWG	Project Working Group
SD	Standards Division
SME(s)	Small and medium sized enterprises
TC	Technical Committee
UN	United Nations

23 Decisions and action items

24 *Decisions*

25 **GSSB Decision 2020.09** The GSSB resolved to approve [Item 01 – Draft summary of the GSSB](#)
 26 [meeting held on 23 April 2020](#).

27 **GSSB Decision 2020.10** The GSSB resolved to approve [Item 03 – Proposed Project Working](#)
 28 [Group membership for the Agriculture and Fishing Sector Standard](#).

29 **GSSB Decision 2020.11** The GSSB resolved to approve [Item 02 – Exposure draft of Universal](#)
 30 [Standards: GRI 101, 102, and 103](#) for public comment.

31 *Action items*

GSSB	
Session 2	<ul style="list-style-type: none"> GSSB to give feedback to the proposed public comment questions for Universal Standards exposure draft. GSSB to reach out to the SD with any suggestions of stakeholders to target for response to the Universal Standards exposure draft.
Standards Division	
Session 2	<ul style="list-style-type: none"> SD to reword the altered sentence in Item 02 lines 170-171 (Proposed change 1) to a finessed version of: 'It should address actual negative impacts through remediation, for those impacts that it has caused or contributed to'. SD to ensure that sufficient context is given in the public comment materials to avoid confusion among respondents when reviewing the proposed changes. SD to look into providing a number of industry-specific examples of what is meant by 'total number of operations' in the guidance for ACT-I-b-i, and encouraging organizations to specify how they determine what an operation is. SD to send the complete list of questions proposed for the public comment survey for the Universal Standards exposure draft to the GSSB for comment.

32 Session 1: Welcome

33 GSSB Chair Judy Kuszewski (henceforth the Chair) welcomed the GSSB and presented an overview
34 of the meeting agenda.

35 The GSSB was presented with Item 01 – Draft summary of the GSSB meeting held on 23 April 2020
36 for discussion and approval.

37 **GSSB Decision 2020.09** The GSSB resolved to approve [Item 01 – Draft summary of the GSSB](#)
38 [meeting held on 23 April 2020](#)

39 Update on Agriculture and Fishing Project Working Group proposed 40 membership

41 The GSSB was presented with [Item 03 – Proposed Project Working Group membership for the](#)
42 [Agriculture and Fishing Sector Standard](#).

43 The GSSB had previously approved 17 members of the project working group (PWG) for agriculture
44 and fishing. An 18th member had withdrawn as a result of a change in circumstance, and a
45 replacement, also from the civil society constituency, had been sought.

46 The SD proposed a candidate from the same organization, with similar expertise in human rights,
47 including the rights of local communities and indigenous peoples.

48 **GSSB approval of Item 03**

49 The Chair asked the GSSB if there were any questions or concerns regarding the proposal, and
50 hearing none considered Item 03 approved.

51 **GSSB Decision 2020.10** The GSSB resolved to approve [Item 03 – Proposed Project Working](#)
52 [Group membership for the Agriculture and Fishing Sector Standard](#).

53 Session 2: Approval of exposure draft of 54 Universal Standards

55 The GSSB was presented with [Item 02 – Exposure draft of the Universal Standards: GRI 101, 102,](#)
56 [and 103](#).

57 The Chair thanked GSSB members for written questions and comments regarding the proposed
58 changes to the Universal Standards shared with the SD prior to the meeting.

59 The SD had addressed these issues, and a summary had been circulated among GSSB members.
60 Some comments had been addressed with a written explanation, others were open for discussion in
61 the meeting, and some had prompted the SD to propose additional changes to the exposure draft.

62 The SD presented the proposed statements of use, revised following feedback made during an
63 earlier meeting with the GSSB. A different statement will be used for each approach to reporting
64 with the GRI Standards (Approaches A and B). The SD also presented the relevant questions
65 proposed for the public comment survey that will accompany the exposure draft of the Universal

66 Standards. The questions focus on whether such a statement of use should be required, and on
67 whether the statement of use should be extended to include quality and veracity of the information.

68 A GSSB member acknowledged that the revised statements made it clearer who should sign the
69 statements but said that it was still not clear exactly what they were signing on to. This can be
70 understood in different ways, and greater clarity is needed in this respect.

71 There are further questions regarding this point proposed for the public comment survey, and the
72 SD will send the full list of questions to the GSSB.

73 The SD then presented the proposed changes to the exposure draft made in response to GSSB
74 feedback ahead of the meeting.

75 **Proposed change 1**

76 The SD proposed the deletion of ‘and prevent their recurrence’ from the original wording of lines
77 170-171 of [Item 02](#). The revised text reads: ‘The organization should address potential negative
78 impacts through prevention or mitigation. It should address actual negative impacts through
79 remediation [deletion].’ This aligns it with the United Nations (UN) *Guiding Principles on Business and*
80 *Human Rights*, and the Organisation for Economic Co-operation and Development (OECD) *OECD*
81 *Guidelines for Multinational Enterprises*.

82 A GSSB member raised the issue of the difficulty of taking the same approach as the UN and OECD
83 instruments when it comes to, e.g., environmental impacts, where certain impacts are beyond an
84 organization’s control and cannot be remediated. It was suggested that the text should stipulate only
85 ‘prevention or mitigation’.

86 Discussion continued as to the challenge the revision presented. A GSSB member pointed out that
87 the text uses the word ‘should’, which, unlike ‘shall’, in a GRI context does not impose obligation.
88 Others suggested that phrases such as ‘whenever relevant’ or ‘whenever possible’ be used regarding
89 remediation of potential impacts. Discussion also focused on the definition of ‘impact’, and on
90 whether the addition of a phrase such as ‘whenever relevant’ would still be in alignment with the UN
91 and OECD instruments.

92 The SD pointed out that in the due diligence section of GRI 101, it is made clear that remediation is
93 only expected when a company causes or contributes to a negative impact. The due diligence
94 section was developed in line with the UN and OECD instruments, so it is important not to redefine
95 the concept within the Standards.

96 The SD explained that disclosures in GRI 103 cover the measures a company takes to prevent,
97 mitigate and remediate negative impacts. If a company does not carry out such measures, it can
98 report that this is the case and thus claim to be in accordance with GRI Standards, as long as it
99 provides this transparency. These points are clearer when the revised sentences are read in context.

100 The SD proposed an expanded text that will be a finessed version of: ‘It should address actual
101 negative impacts through remediation, for those impacts that it has caused or contributed to’.

102 The Chair commented that reviewing the sentence out of context had led to concern, and
103 requested that the SD ensure that sufficient context was provided in the public comment materials
104 to avoid confusion among respondents when reviewing the proposed changes.

105 The Chair then noted that the GSSB expressed support for the SD’s proposal.

106 **Proposed change 2**

107 The SD proposed a change to clarify the meaning of Requirement A-3-b in GRI 101 (lines 258-264 of
108 [Item 02](#)) in order to make clear that sector standards cannot replace an organization’s own process
109 for identifying material topics.

110 A slight adjustment has been made to the requirement itself, so that Requirement A-3-b now reads
111 that an organization shall use the relevant Sector Standards ‘when identifying its material topics’
112 rather than ‘to identify its material topics’.

113 The point is already made in GRI 103, and the relevant passage is now repeated in the guidance for
114 Requirement A-3-b:

115 The Sector Standards provide information on the most likely material topics for
116 organizations in a given sector. Using Sector Standards, however, is not a substitute
117 for the organization’s own process for identifying material topics.

118 The Chair invited discussion from the GSSB, and there being none noted the GSSB’s approval of the
119 proposal.

120 **Proposed change 3**

121 The SD proposed changes in the section on internal controls in GRI 101 (lines 635-639 in [Item 02](#))
122 to clarify the paragraph that covers situations where corporate governance codes require directors
123 to inquire and, if satisfied, to confirm the adequacy of an organization’s internal controls in the
124 annual report:

125 In some jurisdictions, corporate governance codes require directors to inquire and,
126 if satisfied, to confirm the adequacy of an organization’s internal controls in the
127 annual report. This confirmation might only relate to the adequacy of the internal
128 controls for financial reporting. It does not necessarily provide information on
129 whether the same internal controls are also adequate to assess the credibility of the
130 organization’s sustainability reporting. If the organization relies on internal controls
131 related to financial reporting, it should assess the relevance of these controls for its
132 sustainability reporting. In cases where these controls are inadequate, the
133 organization should identify and use additional internal controls to assess the
134 credibility of its sustainability reporting.

135 The GSSB supported the proposed change.

136 **Proposed change 4**

137 The SD proposed amendments to Disclosure ACT-I-b of GRI 102 (lines 1099-1102 in [Item 02](#)) in
138 order to avoid misunderstanding. An organization is not being required to name the entities
139 upstream and downstream from the organization, but to give information on their characteristics.

140 The change consists of stipulating ‘characteristics of the entities’ in requirements ACT-I-b-ii and
141 Disclosure ACT-I-b-iii and adjusting the corresponding guidance accordingly.

142 The Chair noted the GSSB’s support for the amendments.

143 **Proposed change 5**

144 The SD proposed additions to the guidance for ACT-I-b-i in GRI 102 (lines 1130-1132 in [Item 02](#)).

145 The SD had previously proposed removing Disclosure 102-7-a-ii and Disclosure 102-7-a-v, which
146 required information on the total number of operations and the quantity of products or services
147 provided by an organization. Subsequent GSSB feedback indicated that it was still useful to include
148 this information, as it could provide an understanding of the size of an organization. It is proposed to
149 reinstate these in the guidance to ACT-I-b-i, as recommendations when describing an organization’s
150 main activities, products or services:

151 When describing its main activities, the organization should report the total number
152 of operations. [previously Disclosure 102-7-a-ii]

153 When describing its products and services, the organization should:

154 • report the quantity of products or services provided during the reporting
 155 period; [previously Disclosure 102-7-a-v].

156 A member of the GSSB commented that ‘number of operations’ is not a useful indicator of size,
 157 because operations can be defined and counted in different ways, whereas ‘quantity of products or
 158 services’ is more concrete.

159 The SD replied that the reason that the two deletions had originally been made was because of just
 160 such inconsistency in the understanding of what is meant by an operation. However, it is still
 161 important to have this information for certain industries. The expectation in having the former
 162 Disclosures as recommendations rather than requirements is that not all organizations will report,
 163 but, where relevant, certain organizations can be encouraged to do so.

164 The SD will look into providing a number of industry-specific examples of what is meant by ‘total
 165 number of operations’, and encouraging organizations to specify how they determine what an
 166 operation is.

167 The GSSB supported the proposed change.

168 **Proposed change 6**

169 The SD proposed a change to the text in the guidance on stakeholder engagement in GRI 103 (lines
 170 2381-2382 in [Item 02](#)) to strengthen a point about prioritizing stakeholders. This involves changing
 171 the word ‘can’ to ‘should’, to form the sentence: ‘The organization should prioritize the most
 172 severely affected or potentially affected stakeholders for engagement.’

173 The Chair invited discussion from the GSSB, and there being none noted the GSSB’s approval of the
 174 proposal.

175 **[Vote on approval of Item 02 – Exposure draft of the Universal](#)**
 176 **[Standards: GRI 101, 102, and 103](#)**

177 The Chair invited any overall comments or questions on the draft and proposed changes, and heard
 178 none.

179 The Chair called for a vote on the approval of [Item 02 – Exposure draft of the Universal Standards:](#)
 180 [GRI 101, 102, and 103](#) for public comment.

181 Table 1. GSSB approval vote for the Exposure draft of the Universal Standards: GRI 101, 102, and
 182 103 for public comment.

GSSB member	Vote
Bruce Klafter	—*
Corli le Roux	In favor
Evan Harvey	In favor
Gustavo Sinner	In favor
Jennifer Princing	In favor
Judy Kuszewski	In favor
Kent Swift	In favor
Kirsten Margrethe Hovi	In favor
Loredana Carta	In favor

Michel Washer	In favor
Peter Colley	In favor
Rama Krishnan Venkateswaran	—*
Robyn Leeson	In favor
Tung-Li (Tony) Mo	In favor
Vincent Kong	In favor
* GSSB member absent for vote.	

183 **GSSB Decision 2020.11** The GSSB resolved to approve [Item 02 – Exposure draft of the Universal](#)
184 [Standards: GRI 101, 102, and 103](#) for public comment.

185 The Chair thanked the SD for their efforts in a significant undertaking, and the SD Senior Strategic
186 Advisor thanked the GSSB on behalf of the SD for its input over many months, and extended thanks
187 to the entire SD team for its work.

188 **Next steps and timeline**

189 The SD explained that while the initial plan had been to run the public comment periods for the
190 Universal Standards and for the first Sector Standard (oil, gas, and coal) in parallel, the decision to
191 separate coal from oil and gas means this is not possible. The SD plans to release the Sector
192 Standard for oil and gas for comment one month after the public comment period for the Universal
193 Standards commences, with an overlap of 60 days between the two.

194 The SD outlined its strategy for public release of the exposure draft of the Universal Standards. The
195 public comment period will run from 11 June to 9 September 2020 and will be directed at five GRI
196 constituencies (business, investment institutions, labor organizations, mediating institutions, and civil
197 society organizations), targeting report preparers, information users, and regulators.

198 In addition to the exposure draft, explanatory annexes and the public comment survey, the SD will
199 release a mapping document that shows where content in the existing standards has been moved to
200 in the exposure draft.

201 The SD will also stage both thematic and overview webinars, as well as engaging in social media,
202 promotion at events, and the media.

203 The SD will share the public comment questions with the GSSB prior to release for feedback.

204 The SD requested the GSSB to use its networks to promote the exposure draft and encourage
205 response to the survey, and to reach out with any suggestions of stakeholders to target for
206 response.

207 **Actions**

- 208 • SD to reword the altered sentence in lines 170-171 of [Item 02](#) (Proposed change 1) to a
209 finessed version of: 'It should address actual negative impacts through remediation, for those
210 impacts that it has caused or contributed to'.
- 211 • SD to ensure that sufficient context is given in the public comment materials to avoid
212 confusion among respondents when reviewing the proposed changes.
- 213 • SD to look into providing a number of industry-specific examples of what is meant by 'total
214 number of operations' in the guidance for ACT-I-b-i, and encouraging organizations to
215 specify how they determine what an operation is.

- 216 • SD to send the complete list of questions proposed for the public comment survey for the
217 Universal Standards exposure draft to the GSSB for comment.
- 218 • GSSB to give feedback to the proposed public comment questions for the Universal
219 Standards exposure draft.
- 220 • GSSB to reach out to the SD with any suggestions of stakeholders to target for response to
221 the Universal Standards exposure draft.

222 Session 3: Any other business and close of 223 meeting

224 No other business was raised and the Chair closed the public sessions of the meeting at 2.01 p.m.
225 CET (Central European Time).