

16 February 2023

Global Sustainability Standards Board
Barbara Strozzi 101
1083 HN Amsterdam
The Netherlands

Via email only: gssbsecretariat@globalreporting.org

Dear Ms Kuszewski

Comment on the Draft GSSB Work Program 2023-2025

Deloitte Touche Tohmatsu Limited is pleased to comment on the draft Global Sustainability Standards Board (GSSB) Work Program 2023-2025 and the Project Schedule 2023.

We fully support the role the Global Reporting Initiative (GRI) plays in enhancing companies' transparency and accountability on their impacts on the economy, the environment, and people, through reporting to stakeholders. We consider this to be an integral part of a comprehensive global corporate reporting system that encompasses reporting on sustainability matters relevant to capital markets participants, and on those matters relevant to stakeholders more broadly.

We make some high-level observations below in response to the questions in the consultation.

Should the GSSB change the order of prioritisation of the existing GRI Topic Standards for review during the period covered by this work programme?

We have no direct suggestions on the proposed order of prioritisation for reviewing the existing GRI Topic Standards. However, we consider that, as an overall approach, revisions to the GRI Standards should seek to enhance interoperability with those developed and issued by the International Sustainability Standards Board (ISSB) and other significant sustainability standards-setters such as EFRAG. This is particularly important when those standards are under development and there is therefore an opportunity to work bilaterally to achieve greater alignment. We strongly encourage the GSSB to take into consideration the priorities and workplans of the ISSB and other standards-setters when finalising its own workplan. We consider that alignment, where possible, of terminology, structure, disclosures, and metrics is essential, to help to reduce the reporting burden for companies and enhance the consistency and comparability of reported information.

Which topics should the GSSB prioritise for the development of new GRI Topic Standards during the period covered by this work programme?

Of the priorities referenced in the document, we agree that expanding coverage of climate-related matters is important, in particular, coverage of adaptation and resilience, transition planning, and just transition.

Companies also highlight to us the increasing importance to them of reporting on social matters. We would therefore support the GSSB giving further priority to social topics. We consider that expanding existing content on the rights of indigenous peoples, economic inclusion and modern slavery are important both for public policy and business. We further note that the living wage was included in the 'expanded metrics' identified by the World Economic Forum in its Stakeholder Capitalism Metrics project, and therefore companies have identified its relevance as a business issue.

Furthermore, given the increasing prevalence of technology, and its impact on employees and society more broadly, we agree that the GSSB should consider broadening its coverage on data privacy and related areas. We observe that there is an increasing connection between technology/digital services and social cohesion, and encourage the GSSB to consider whether it should prioritise coverage of the broader impacts arising from digitalisation.

In the light of the agreement of the UN Convention on Biological Diversity at COP15, we conclude that business will be increasingly expected to identify, measure, manage and report on its impacts on nature and biodiversity. In that regard, we welcome the progress the GSSB has already made towards the revised GRI Standard 304 on Biodiversity. We consider there may be a case for further content on companies' impacts on natural ecosystems (either directly or through the value chain), to the extent this is not comprehensively addressed in the revised standard.

As before, we urge the GSSB to liaise closely with the ISSB and other standards-setters with the view of aligning the prioritisation of revised and new topical standards as far as possible, and so that each standards-setter may develop new standards that are interoperable with others, while still meeting the objectives of their own standards. In that regard, we note that the ISSB has announced its intention to enhance climate-related disclosures with further coverage of natural ecosystems and the just transition. It has also indicated it will consider a number of topics for future development, including biodiversity, ecosystems and ecosystem services; human capital, with an initial focus on diversity, equity and inclusion; and human rights, with an initial focus on labour rights and communities' rights in the value chain. We encourage the ISSB and the GSSB to align their development programmes as far as possible.

We also emphasise the importance of continuing to work with EFRAG and the Taskforce on Nature-related Financial Disclosures. In the case of transition planning, we think consideration should be given to recommendations and frameworks being developed by various task forces and other bodies – for example, in the UK by the Transition Plan Taskforce.

Are there any sectors currently listed in priority groups 2, 3, and 4 in the list of prioritized sectors that should be prioritized for development during the period covered by this work programme?

In our comments above on priorities for new topics to be considered for development as standards, we emphasised the increasing importance of social topics to business. While we support the need for standards that address sectors that have the most significant environmental impacts, we encourage the

GSSB further to consider whether sectors that may have low environmental impacts but high impacts on society and its prosperity more generally have been sufficiently prioritised.

We suggest that the GSSB should discuss and consider the plans of the ISSB for industry guidance and also standards in sectors being addressed by EFRAG to maximise opportunities for alignment (for example, agriculture and transportation).

Finally, we observe that the activities of SMEs may lead to high impact on the economy, the environment, and people, including through their role in the value chain of the largest companies. As a result, such companies are increasingly coming into scope of mandatory sustainability reporting. Proportionality may therefore become a more important consideration for the GSSB when developing its standards.

What activities or materials should the GSSB prioritise with regard to co-operation with other standard-setting bodies and international organizations?

We welcome the GSSB co-operating with the ISSB and other global and jurisdictional standards-setting bodies to advance complementarity and interoperability between standards. In that regard, we believe that the Workplan identifies the primary organisations that the GSSB should co-operate with, although we believe the Taskforce for Nature-related Financial Disclosures should also be explicitly included, especially as the GRI and the GSSB already collaborate through their respective work on biodiversity and nature.

As we have written elsewhere in this response, we consider it important that the GSSB seeks to maximise alignment on establishing priorities for standards-setting and on the content of standards themselves, to achieve interoperability such that the same definitions, disclosure requirements and metrics are used when they are consistent with the objectives of the standards-setter.

We consider it a priority overall that the GRI and the GSSB cooperate with the ISSB to the maximum extent. We therefore welcome the collaboration agreement concluded by the two organisations as a basis for pursuing that aim. In particular, we think it is important that the GRI and the GSSB advocate for and are active participants in developing a global comprehensive and interoperable system for corporate reporting of sustainability information. This system should bring together the baseline of sustainability information that drives enterprise value, which is essential to capital markets and their ability to direct capital to long-term, resilient business; and reporting related to the information needs of broader stakeholders primarily concerned with an entity's impacts on the economy, the environment, and people. The ISSB's IFRS Sustainability Disclosure Standards and the GRI Standards should be viewed as the sets of interrelated and compatible standards that serve the two distinct perspectives making up this global comprehensive corporate reporting system. At the level of development of standards, the cooperation should aim to achieve commonality, connectivity and interoperability, when possible, between the two sets of standards.

We also believe that the GSSB should continue to work closely with EFRAG, with the aim to support the development of European Sustainability Reporting Standards that take account of international sustainability standards to the greatest extent possible (including the GRI Standards) and therefore to help achieve a global baseline of sustainability information for capital markets and greater consistency in reporting to other stakeholders.

The Workplan references cooperation with the International Audit and Assurance Standards Board (the IAASB). We observe that companies are increasingly seeking external assurance over their sustainability disclosures to enhance confidence and trust in reported information. Some jurisdictions are introducing

mandatory assurance of sustainability disclosures. We therefore welcome GSSB's collaboration with the IAASB, and underline the importance that the GSSB continues to work to ensure the GRI Standards are developed to enable them to be considered as suitable criteria for the purposes of assurance assignments in accordance with the characteristics of suitable criteria set out in the International Standard on Assurance Engagements 3000 Revised (ISAE 3000) and as may be further developed by the IAASB in its ISSA 5000 series.

Finally, we note an increasing interest in greater measurement of impacts, including the potential for monetisation of sustainability impacts. We work with a number of organisations around the world that are developing impact measurement frameworks and methodologies. We suggest that the GSSB continues to monitor developments in this space, and note that the GRI and the GSSB may be able to play a role in the future to convene some of these organisations with the aim of encouraging alignment of thinking and outputs and promote consistency with the GRI Standards.

Yours sincerely

A handwritten signature in black ink, appearing to read 'V. Poole', on a light-colored background.

Veronica Poole

Global IFRS and Corporate Reporting Leader
Deloitte Touche Tohmatsu Limited