International developments from the Global Sustainability Standards Board at Global Reporting Initiative (GRI)

Carol Adams, GSSB Chair

The GRI Standards

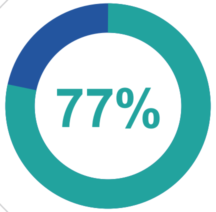
Impact on sustainability reporting practices

The GRI Standards have become the **most widely used framework globally**, promoting consistency and comparability in reporting practices

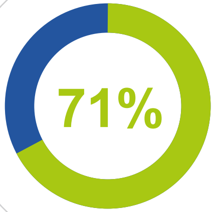
The global adoption of the GRI Standards **has helped standardize sustainability reporting**, allowing stakeholders to more easily assess and compare organizations' impacts

The GRI Standards have contributed **to increased transparency and accountability**, driving organizations to improve their sustainability strategies, processes, and disclosure practices

Globally:



of the largest 250 global companies report with the GRI Standards

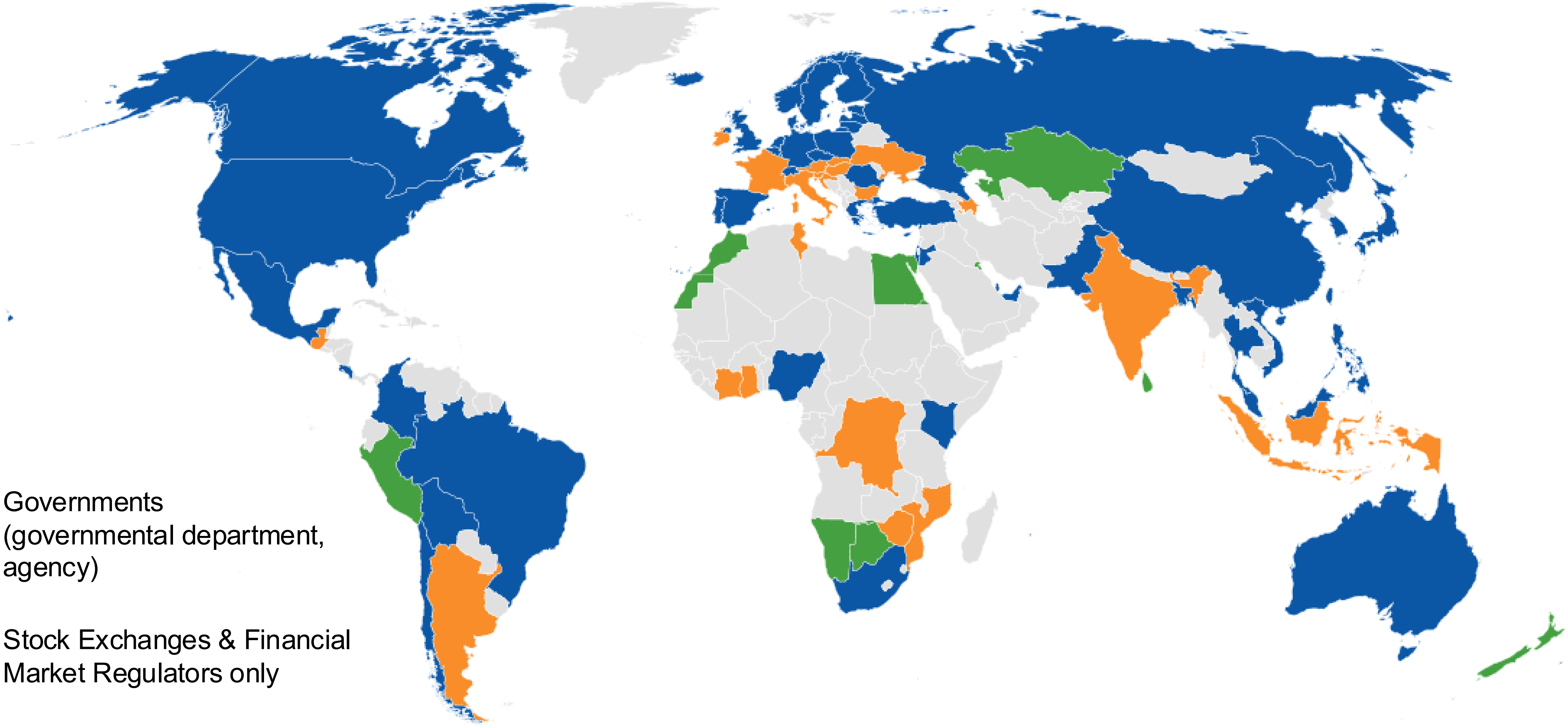


of the N100 companies report with the GRI Standards

Source: [KPMG International, The move to mandatory reporting: State of Sustainability Reporting, 2024]

GRI adoption in global policies

261 national or **jurisdictional policies** that apply in **128 countries** reference or require the GRI Standards for reporting



Governments (governmental department, agency)

Stock Exchanges & Financial Market Regulators only

Both

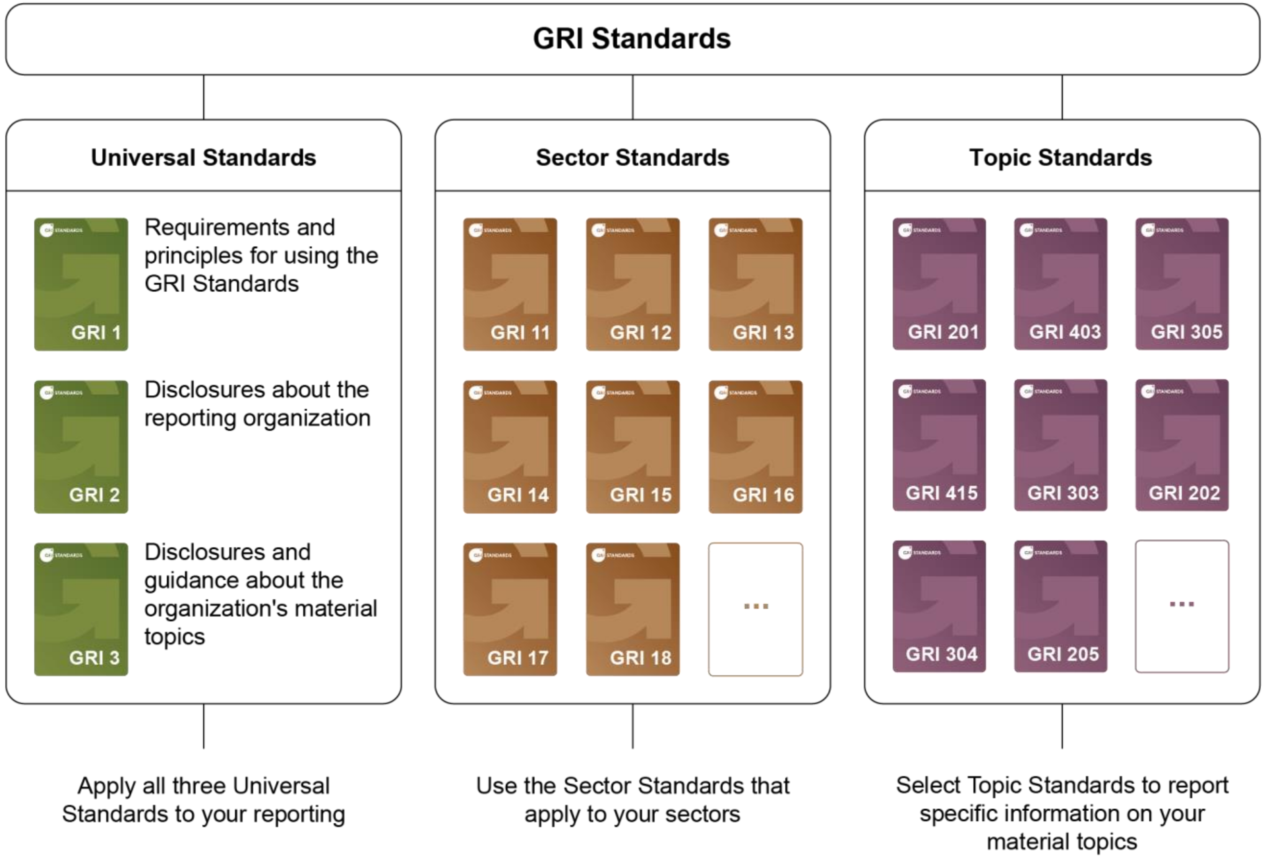
Source: Carrots & Sticks

Many stock exchanges reference or require GRI

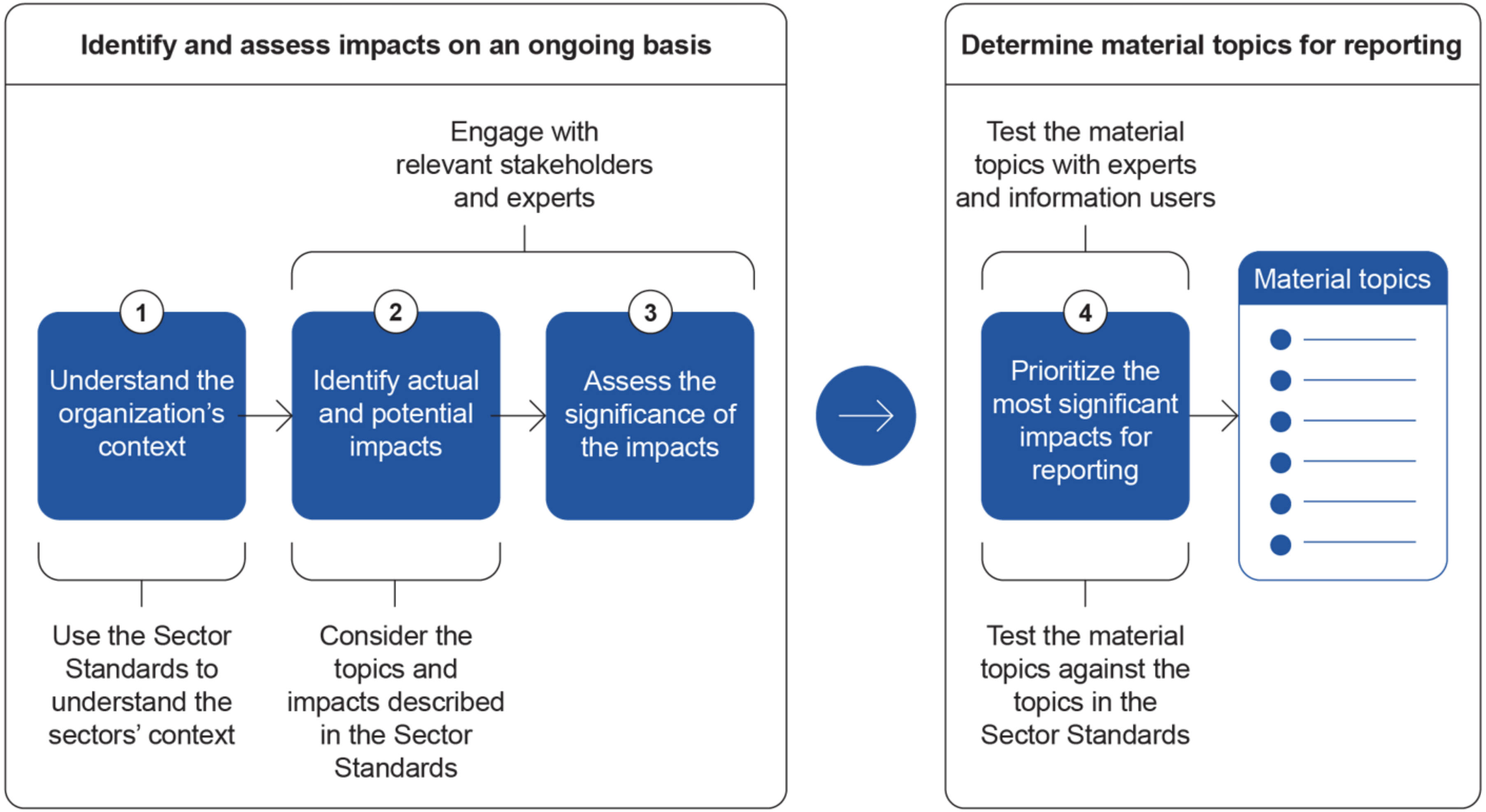
More than 40 stock markets and regulators all around the world have set sustainability reporting policies for their listed companies that highlight the GRI Standards

System of GRI Standards

- The GRI Standards are designed to enable an organization to **publicly disclose its most significant impacts** on the economy, environment, and people and how they are managed
- The GRI Standards are a **modular system** comprising three series of standards:
  - **Universal Standards**
  - **Sector Standards**
  - **Topic Standards**



Determining material topics – process



Assessing the significance of impacts

Assessing the **significance** of a potential negative impact (step 3) is determined by the severity and likelihood of the impact.

The **severity** of an actual or potential negative impact is determined by:

- **Scale**: how grave the impact is.
- **Scope**: how widespread the impact is, for example, the number of individuals affected or the extent of environmental damage.
- **Irremediable character**: how hard it is to counteract or make good the resulting harm.

The **likelihood** of a potential negative impact refers to the chance of the impact happening. The likelihood of an impact can be measured or determined qualitatively or quantitatively.

Global reporting system

- GSSB has approved a project to develop guidance on the **link between impacts, risks and opportunities. TNFD and Sustainability Standards Board Japan** are collaborating partners.
- GSSB has developed a position paper on the **global reporting system** which will become available later this year.
- GSSB has discussed options to accelerate work on **sector standards** with a project proposal for a streamlined approach to setting sector standards scheduled for discussion in November 2025.
- GSSB and the Standards Division continue to deliver on the MoU with the **ISSB**, supporting the thematic research phase and providing input on the revision of the SASB Standards, and collaborate with **EFRAG** on the amended ESRS.

Draft GSSB paper on global reporting system

Key contents:

- **Need for a unified global reporting system**: Fragmentation of sustainability reporting across different frameworks and regulatory efforts creates challenges.
- **Complementary roles of GRI and IFRS standards**: GRI Standards (impact-focused) and IFRS Sustainability Disclosure Standards (financial-risk focused) together provide a complete framework for corporate reporting.
- **Impact reporting as the foundation of risk identification**: GRI Standards help organizations uncover their most significant impacts on people, environment, and the economy, which translate into sustainability-related risks and opportunities that become financially material over time.
- **Adaptability to different reporting needs**: The global system must allow proportionality—enabling large, complex companies to provide comprehensive disclosures while allowing smaller organizations to focus on their most material issues without being overburdened.
- **Emerging governance and collaboration**: Cooperation between GRI, ISSB, IAASB, IESBA is critical for building a coherent, credible, and globally accepted reporting system that supports accountability, decision-making, and sustainable development.

From impacts to risks and opportunities

- **Most**, if not all, of the **impacts** of an organization, **will eventually translate into risks** and opportunities
- The **impacts** of an organization can **affect** the availability, quality, and affordability of the **resources** and **relationships** it depends on, **creating risks** and **opportunities** for the organization
- These risks and opportunities can **affect** the organization's **business model** or **strategy** and, consequently, its cash flows, access to finance, or cost of capital over the short, medium, or long term
- Understanding **impacts is a necessary first step** in identifying risks and opportunities that result from an organization's impacts
- GRI's GSSB is developing **guidance** on how to do this

Climate change: Using GRI 102 and IFRS S 2 together

GSSB

Benefits

- Provide information to meet the needs of a range of **stakeholders, including investors**, about the **most significant impacts** of organizations on the economy, environment, and people
- Inform the disclosure of information about climate-related risks and opportunities that arise from an organization’s most significant impacts
- Facilitates **better management and oversight** of impacts and risks

Using GRI and IFRS S Standards together

Why?

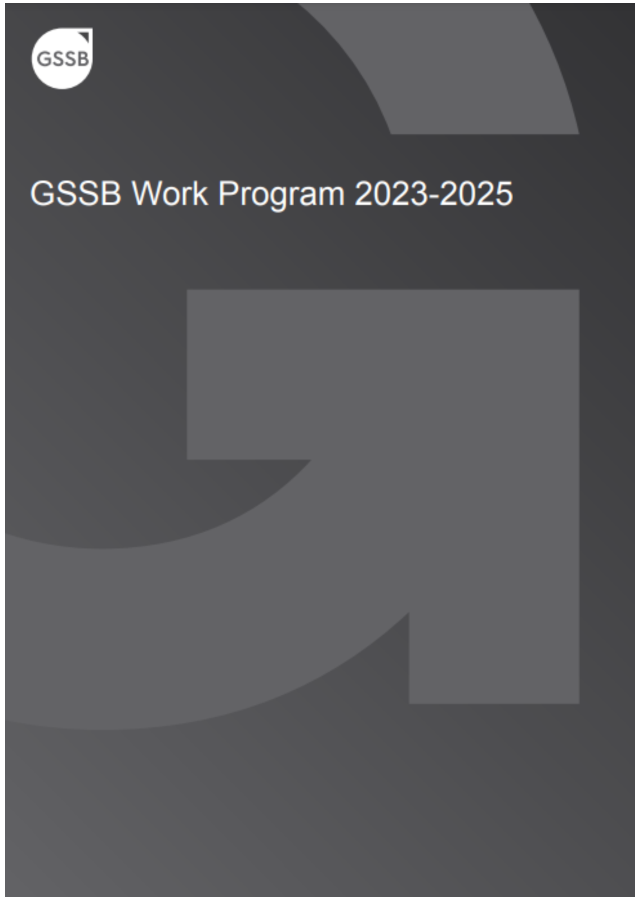
- To address sustainable development.
- Significant impacts, risks and opportunities are all **relevant to a broad range of stakeholders.**
- Reporting significant impacts, risks and opportunities leads to **better decision making** by organizations, their stakeholders and investors.
- **Significant impacts lead to risks and opportunities** that are financially material over time.
- The **cumulative impacts** of many organizations over time affects resources and relationships on which organizations depend.

Outlook

- GSSB has commenced discussions on the Work Program 2026-2028. GSSB aims to approve a public consultation draft of the Work Program 2026-2028 in Q4 2025.

GSSB priority areas 2023-2025

- Development of GRI Standards
  - Development of new Topic Standards
  - Revision of Topic Standards
  - Development of new Sector Standards
  - Revision of Sector Standards
- Implementation of GRI Standards
  - Translations
  - Standard Interpretations, FAQs and guidance material
  - Digital taxonomy
- Cooperation with other standard-setting bodies and international organizations



- GSSB has approved a project schedule addendum for 2025.

Topic Standards under development

Topic	Standards	Milestones
Labor *Phase 1*	Employment Renumeration and Working Time Standard Interpretation on Control of Work	Public exposure concluded. Consideration of feedback.
Labor *Phase 2 and 3*	Phase 2: Training and Education Employment Labor / Management Relations Phase 3 Set 1 Diversity and Equal Opportunity Non-discrimination Phase 3 Set 2 Freedom of Association and Collective Bargaining Forced and Compulsory Labor Child Labor Workers of business relationships	Public exposure Phase 2 Q1 - 2 2025 concluded. Public exposure Phase 3 Set 1 Q3 2025 Public exposure Phase 3 Set 2 Q4 2025

Topic Standards under development (continued)

Topic	Standards	Milestones
Economic Impacts *Phases 1 and 2*	Phase 1 Economic Performance Phase 2 Anti-corruption Anti-competitive Behavior Public Policy	Public Exposure Phase 1 and 2 Q3 –Q4 2025
Economic Impacts *Phase 3*	Indirect Economic Impacts Procurement Practices Market Presence	Start content development Q2 2025
Pollution	Emissions (Disclosures 305-6 and 305-7) Effluents and Waste (Disclosure 306-3)	Ongoing content development

Sector Standards under development

Sector Standards	Milestones
Banking	Public exposure Q1 - 2 2025 concluded.
Capital Markets	Public exposure Q1 - 2 2025 concluded.
Insurance	Public exposure Q 1- 2 2025 concluded.
Textiles and Apparel	Public exposure Q2 - 3 2025

Completed Topic Standards and Sector Standards

Topic / Sector	Standards	Milestones
Biodiversity	GRI 101: Biodiversity	Released Q1 2024 – All 10 languages available. Project concluded.
Climate Change	GRI 102: Climate Change GRI 103: Energy	Released Q2 2025 during London Climate Week.
Mining	GRI 14: Mining	Released Q1 2024 – All 10 languages available. Project concluded.

Research

Projects	Status
Public sector	Completed. Final research paper available.
Digitalization, data protection, cybersecurity, artificial intelligence, and privacy	Completed. Final research paper available.

Implementation of GRI Standards

Projects	Status
GRI Standards XBRL Taxonomy	Released in Q2 2025.
Guidance to identify risks and opportunities that arise from impacts	Project approved in Q2 2025. Joint case studies with TNFD released in Q2 2025.

THANK YOU

GSSB

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