Item 04 – Sector Program review

For GSSB discussion

Date	26 November 2024
Meeting	12 December 2024
Project	Sector Program review
Description	This paper presents the results of the Sector Program review and puts forward a set of recommendations for the GSSB to discuss.
	Five years into the start of the first Sector Standard project, the Standards Division carried out a review to assess the progress of the Sector Program and adoption of the published Sector Standards to date. The paper consolidates findings from desk research, internal and external interviews, and learnings from developing and implementing the Sector Standards.
	The findings confirm the relevance and value of the Sector Standards and give rise to several recommendations to enhance their application, efficacy, and reach.
	The GSSB is asked to consider the recommendations in light of the development of the ongoing projects and the 2026-2028 GSSB Work Program.

Contents

1 Introduction

2 The Global Sustainability Standards Board (GSSB) approved the Sector Program in February 2019.

3 The Sector Program aims to develop GRI Sector Standards (Sector Standards) for approximately 40

4 high-impact sectors. The Sector Standards are designed to help identify a sector's most significant

5 impacts and reflect stakeholder expectations for sustainability reporting. They describe the

6 sustainability context for a sector, outline organizations' likely material topics based on the sector's

7 most significant impacts, and list relevant disclosures for the sector to report on. The Sector

8 Standards aim to provide clarity on which issues constitute a sector's most significant impacts from a

9 sustainable development perspective, focus sustainability reporting on the issues that matter most,

10 and help surface emerging issues for future development in the Standards.

11 Until now, the following Sector Standards have been developed:

12 - *GRI 11*: *Oil and Gas Sector 2021* (effective date: 1 January 2023)

13 - *GRI 12: Coal Sector 2022* (effective date: 1 January 2024)

14 - *GRI 13: Agriculture, Aquaculture, and Fishing Sectors 2022* (effective date: 1 January

15 2024)

16 - *GRI 14: Mining Sector 2024* (effective date: 1 January 2026)

17 Sector Standards are currently being developed for financial services (including banking, capital

18 markets, and insurance) and textiles and apparel, with expected releases of final Standards in

19 2026.

20 Five years into the start of the first Sector Standards project, the Standards Division (SD) initiated a

21 review process to assess the uptake of the Sector Program and the published Sector Standards to

22 date, including whether they deliver the original ambition to strengthen the quality of sustainability

23 reporting by sectors and identify any areas for improvement. In recent years, unprecedented

24 developments have also been seen in making sustainability disclosure mandatory for tens of

25 thousands of companies in jurisdictions like the EU. This has surfaced questions regarding GRI and

26 GSSB's priorities in standard-setting and how that fits into alignment and collaboration efforts with

27 other key players.

28 To test the relevance and value of the Sector Standards, the SD collected views from teams involved

29 in Standards development, teams that engage with users of Sector Standards, and teams that assess

30 content indexes of reports prepared using Sector Standards. The SD also conducted desk research

31 and stakeholder interviews to understand the (initial) uptake of the Sector Standards,[1] their usefulness

32 and user case, as well as whether Sector Standards are recognized at the jurisdictional level.

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[1] *GRI 11*, *GRI 12*, and *GRI 13* were assessed for the uptake of Sector Standards. *GRI 14* was not included in the assessment, as it was only published in 2024.

33 The results, outcomes, and recommendations of this review are presented to the GSSB for discussion
34 to determine potential course corrections or amendments to the Sector Standards contents and
35 reporting model, as well as to inform the development of the GSSB Work Program 2026-2028.

36 Results

37 Qualitative results from internal and external
38 interviews and sustainability report analysis

39 This Section has been informed by learnings from the Sector Standards development process by the
40 SD and other GRI staff interacting with Sector Standards contents and users, representing
41 perspectives from Policy, Services, Community, and Networks teams.

42 The Section also summarizes key inputs from interviews with sustainability report preparers and
43 information users regarding their experiences using *GRI 11*, *GRI 12,* or *GRI 13* for reporting or
44 engagement purposes.[2] The interviews with reporters focused on understanding the drivers,
45 challenges, and advantages of using the Sector Standards, including which components of the Sector
46 Standards reporters derive most value from. Information users were asked to provide feedback on the
47 usefulness of Sector Standards as a tool for engagement and their relevance in advancing
48 transparency among businesses.

49 To complement these inputs, the SD reviewed a sample of sustainability reports to understand
50 whether the use of Sector Standards has increased the relevance of reporting by organizations
51 implementing them. The SD specifically considered the completeness of reporting and adherence
52 with the 'in accordance' requirements set out in *GRI 1: Foundation 2021*. The assessment included 36
53 reports from organizations that had previously reported in accordance with or with reference to the
54 GRI Standards and were now using *GRI 11*, *GRI 12,* or *GRI 13*.

55 The assessment primarily looked at the GRI content index to assess whether the organization:

56   • included the likely material topics listed for its sector in its reporting;

57   • listed GRI Topic Standard disclosures; and

58   • reported any additional sector disclosures and reasons for omission as required in *GRI 1*.

59 The findings are summarized below.

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[2] The Sector Program team conducted 27 interviews: 16 with reporting organizations and 11 with information users. Five additional interviews were conducted with reporters in groups 2-4 of the GRI Sector Program - List of prioritized sectors. These interviews were used to test the idea of developing a sector-specific resource as an interim step before a Sector Standard is developed. See Recommendation 4 and Annex 3 for more information.

Concept and reporting model of Sector Standards

Reporters and information users value GRI's global recognition as the developer of the most robust and comprehensive global disclosure standards for reporting on impacts, finding them to enhance the credibility, comparability, and quality of reported information. GRI is seen as defining best practices for disclosure, offering a common language to evaluate business conduct, and is a useful tool for information users to engage with organizations on their impacts.

The GRI Standards are generally regarded as generating useful information for various stakeholders and are most often used by large organizations recognized as frontrunners. While we can point to regional successes in promoting sustainability reporting among small and mid-sized organizations (SMEs),[3] some stakeholders still perceive SMEs as facing a barrier due to the significant resources needed to produce a sustainability report.

The value of GRI reporting is also acknowledged in the context of complying with increasing regulatory requirements, with consistent calls from both reporters and information users alike to continue alignment efforts with other significant standard-setters.

Reporters consider the Sector Standards as useful, providing structure for their sustainability reporting and assisting in communicating about sustainability strategy, targets, and impacts.[4] Also, reporters consider the Sector Standards to reinforce the quality and quantity of the information disclosed. This was also discernible from the qualitative assessment of sustainability reports conducted by the SD, which showed that organizations were disclosing additional information at a more granular level than before. This was true both for organizations reporting in accordance with the GRI Standards and with reference, even when the information was not complete for all disclosures. Data quality will likely improve as reporters become more familiar with the Sector Standards and improved processes are set up to enable better data.

The main challenges reporters face relate to the length of sustainability reports, the 'cost of compliance', and the lack of resources needed to collect and deliver report data, given the increased expectations for detailed information on impacts as set out in the Sector Standards. Reporting practitioners call for more efforts to improve interoperability between standard-setters to reduce the volume of reporting and support the reporting process, for example, through the facilitation of data collection and digital solutions.

Qualitative assessment of GRI reports using the Sector Standards supports the view of organizations reporting more information than before, indicating that Sector Standards are a step forward in terms of

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[3] The Competitive Business Program (CBP), implemented by the GRI Latin America Network and funded by SECO, was in 2024 awarded the Intergovernmental Working Group of Experts on International Standards of Accounting and Reporting (ISAR) Honours by the United Nations Conference on Trade and Development (UNCTAD). The program integrated close to 3,500 new reporting companies, with 92% being SMEs linked to global supply chains.

[4] A recent report published jointly by GRI and the World Benchmarking Alliance (WBA) revealed a positive correlation between sustainability reporting and better sustainability performance, the positive correlation is most pronounced among reporters that demonstrated strict adherence to the GRI Standards.

91 transparency and accountability. While the findings suggest that more topics and disclosures are
92 reported by organizations after implementing the GRI Sector Standards than before, a larger sample
93 set is needed to understand whether this translates to more transparency. Annex 1 presents detailed
94 information about the qualitative assessment and its results.

Structure and use of the Sector Standards

96 The GRI Sector Standards lay out the topics that are likely to be material for most organizations in a
97 given sector (likely material topics), describing the impacts most commonly associated with the
98 sector's activities and listing relevant disclosures on those topics for the sector to report on. The
99 reporting mainly consists of GRI Topic Standard disclosures and, where relevant, additional sector
100 reporting.

Box 1: Sector Standards and reporting in accordance with the GRI Standards (*GRI 1: Foundation 2021*)

If an applicable Sector Standard is available, an organization is required to use it when determining its material topics, as set out in **Requirement 3** (*GRI 1*, p. 12). In practice, an organization shall review the GRI Sector Standard(s) that apply to its sector(s) and:

- determine whether each topic in the applicable Sector Standard(s) is a material topic for the organization;

- list in the GRI content index any topics from the applicable Sector Standard(s) that the organization has determined as not material and explain why they are not material.

Requirement 5 (*GRI 1*, p. 13) specifies expectations for disclosures. For each material topic covered in the applicable GRI Sector Standard(s), an organization shall either:

- report the disclosures from the GRI Topic Standards listed for that topic in the Sector Standard(s); or

- provide the 'not applicable' reason for omission and the required explanation in the GRI content index.

Guidance for this requirement clarifies that if the disclosures from the Topic Standards do not provide sufficient information about the organization's impacts, then the organization should report additional disclosures, which can include the additional sector disclosures recommended in the GRI Sector Standards.

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101 The likely material topics and detailed reporting disclosures were often mentioned as the most valued
102 components of the Sector Standards in the stakeholder interviews. However, which Sector Standard
103 contents provide the most value for reporters differs depending on the organization's maturity in
104 sustainability reporting. For long-time reporters, the disclosures are often the most relevant content,
105 while beginners deem the topic descriptions useful, as they provide context on impacts and help

106　understand the disclosure expectations (see Section 'Additional sector reporting' for more information

107　on sector disclosures).

108　While the GRI Sector Standards structure was generally seen as clear, reporters frequently perceive

109　the GRI Standards system – the combination of Universal, Sector, and Topic Standards – as

110　complex. Findings from the qualitative assessment of sustainability reports and feedback collected

111　from the GRI Services team observe various deficiencies with organizations' implementation of the

112　Sector Standards according to the requirements in *GRI 1*. This could indicate a lack of understanding

113　of the expectations and the intended model for applying different Standards.

114　The qualitative assessment showed that while it is a requirement for organizations reporting in

115　accordance with the GRI Standards to explain in the content index why they are not reporting

116　information on material topics listed in a Sector Standard, this practice is not consistently complied

117　with. Some reporters deem this requirement as an unnecessary burden. However, information users

118　frequently applaud it as adding accountability and reducing 'cherry-picking' topics for reporting. Some

119　even call for more rigor to mandate reporting on specific key topics, perceiving it as problematic to

120　have companies determine their own materiality.

121　The GRI Content Index service has similarly observed a lack of alignment between material topics

122　reported, likely material topics listed in a Sector Standard, and what is listed in the GRI content index

123　(e.g., grouping topics under other headings or some material topics not included in the index at all).

124　Part of the issue derives from organizations' limited understanding of using the content index for

125　Sector Standards, for which a tailored content index could provide a solution (see recommendation 5

126　for more information).

127　In other cases, this may indicate challenges in conducting materiality assessments. The following are

128　common issues observed:

129　　　• negligence from reporters in performing and disclosing their process for identifying the

130　　　organization's impacts;

131　　　• the lack of understanding on how to group those into topics, and therefore, how to 'match' an

132　　　organization's impacts with the likely material topics; and

133　　　• evaluating which disclosures are relevant to report on for each topic.

134　While the Sector Standards provide a helpful list of topics for easier and more realistic identification of

135　an organization's impacts, supporting mechanisms are needed for organizations to self-assess and

136　understand whether the materiality assessment was appropriately conducted. Guidance in using the

137　Sector Standards to determine material topics for organizations of different sizes and business

138　models, along with practical examples and peer learning, could further support reporters.

139　In addition, organizations do not tend to comply with Requirement 6 in *GRI 1: Foundation 2021* to

140　report reasons for omission that are not reported in GRI Topic Standard disclosures but are listed as a

141　material topic in a Sector Standard. This finding was consistent across the assessment of

142　sustainability reports and the GRI Content Index service conducted for Sector Standard reports.

Additional sector reporting

As stated above, each likely material topic is accompanied by a reporting section, listing the relevant GRI Topic Standard disclosures and additional sector reporting for impacts not covered by existing GRI disclosures. The Sector Standards contain two types of sector-specific reporting:

1. Additional sector recommendations (when it adds a sector-specific angle to an existing GRI disclosure); and

2. Additional sector disclosures (when no related GRI disclosure exists).

The table below illustrates both types of reporting within one topic from the *GRI 14: Mining Sector 2021*.

Table 1. Types of reporting for Sector Standards

Topic: 14.11 Rights of Indigenous Peoples				
GRI Standard	**GRI disclosure**	**Sector reporting**	**Ref. number**	**Type**
GRI 3: Material Topics 2021	GRI 3-3 Management of material topics	Describe the policies or commitments, and actions taken to respect Indigenous Peoples' cultural heritage.	14.11.1	*Additional sector recommendation complementing topic management disclosure*
GRI 411: Rights of Indigenous Peoples 2016	Disclosure 411-1 Incidents of violations involving rights of Indigenous Peoples	Describe the identified incidents of violations involving the rights of Indigenous Peoples.	14.11.2	*Additional sector recommendation complementing GRI Topic Standard disclosure*
n/a	n/a	List the locations of operations and proven reserves where Indigenous Peoples are present and are or may be affected by the activities of the organization.	14.11.3	*Additional sector disclosure where no relevant GRI Topic Standard disclosure exists*

As set out in *GRI 1*, organizations are only required to report the GRI Topic Standard disclosures listed for reporting on a material topic. Any sector-specific reporting is not required but recommended. Similarly, reasons for omission are not required for these disclosures. The assessment of the sample of sustainability reports conducted for this review confirmed that organizations do not commonly report additional sector recommendations and disclosures.

The interviewed reporters and information users generally welcomed the flexibility of having sector-specific reporting listed as recommended disclosures while recognizing the relevance of the additional

160 sector reporting. The sector disclosures are especially valued for comparing performance amongst

161 peers and as a differentiator from other organizations.

162 Feedback collected from previous stakeholder engagements (e.g., public comment periods) raised

163 concerns over the optionality of sector reporting, with the potential of leaving a gap in reporting for

164 topics that are highly sector-specific and are not likely to be covered by a Topic Standard in the future.

165 The same applies to a topic with an existing Topic Standard that has no relevant disclosures for

166 sector reporting.

167 Furthermore, the sector disclosures currently lack guidance on their application. This has posed

168 challenges for topics that lack definition in the GRI Standards and often results in longer topic

169 descriptions that attempt to support reporters wishing to report additional sector disclosures. Similarly,

170 when key impacts are reported using sector disclosures, the lack of a mandate to develop new GRI

171 Glossary terms can be problematic.[5]

172 Development process

173 The Sector Standard projects follow the GSSB Due Process Protocol, as detailed in the Sector

174 Program description. The Standard development process was originally intended to comprise

175 preliminary desktop research, forming a working group or technical committee to provide input on the

176 impacts and expectations for the sector, public exposure, and revision according to public feedback.

177 Notably, this assumption did not consider developing any sector-specific reporting disclosures.

178 During the pilot Sector Standard project, the working group responsible for developing content for the

179 oil, gas, and coal sectors regarded it as critical to also supplement existing GRI disclosures with

180 sector-specific reporting, as otherwise, key impacts would not have received the attention required.[6]

181 The expansion of the scope has had several implications on the process, namely on the timeline,

182 resourcing, and external expertise needed for a Standard development.

183 At the onset of the Sector Program, the project timeline for a Sector Standard was expected to be 15

184 months. However, with the expanded scope of describing topics, identifying relevant GRI disclosures,

185 and developing additional sector reporting, the project lifecycle is, on average, around 30-33 months

186 from the project initiation (including research) until the publication of a final Standard. Differences

187 between projects also exist. The time commitment can be shorter if prior work can be leveraged, as

188 was the case for the development of *GRI 14*, which benefited from the similar impacts researched and

189 validated for the other extractive Sector Standards *GRI 11* and *GRI 12*. The timelines can extend

190 beyond the average for complex projects such as the ongoing Financial Services project.

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[5] This is based on the perception that a Sector Standard working group / technical committee would not necessarily have sufficient topic expertise to arrive at a technically solid definition, and as such the responsibility resides with the Topic Standard team.

[6] For oil, gas, and coal organizations, issues such as climate transition plans, closure, decommissioning, and involuntary resettlement are examples of critical information needs from the sectors not covered by any GRI Standard disclosures.

191 With the current pace – having approximately four to five Standards projects running concurrently and
192 assuming the same level of resources in the Sector Program – it would take until 2040 to complete
193 the full set of ~40 Sector Standards committed to by the GSSB. This estimate does not consider the
194 resources needed for the roll-out of the Standards or the alignment of published Sector Standards
195 with new and revised Topic Standards.

196 Moreover, the expanded scope of the Sector Standards has increased demand for project and
197 support resources. Should it be possible to grow the Sector team and have more Standards projects
198 running concurrently, other teams holding responsibility over technical and editorial aspects,
199 corporate engagement over Standards, communicating on public consultations and launch moments,
200 and building capacity and educating stakeholders would likewise need to see scale-up to support the
201 projects.

Other observations

203 While the interviews acknowledged the importance of a voluntary framework like GRI's role as a
204 blueprint for best practice, it was also mentioned as a vulnerability that enables Standards users to
205 make false claims, whether driven by ill-intent or lack of knowledge. Both reporters and information
206 users emphasized the importance of having a mechanism to ensure reports claiming 'in accordance
207 with' GRI Standards have the same level of quality. This feedback is consistent with the findings from
208 the GRI Services team, which regularly encounters reports that do not fulfill the 'in accordance with'
209 requirements.

210 Other feedback on the voluntary nature of GRI includes a lack of clarity on the positioning of GRI vis-
211 a-vis mandatory frameworks. Some interviewees see the role of GRI as defining best practices,
212 complementing baseline regulatory requirements, and, in certain jurisdictions, as a relevant
213 framework supporting compliance and differentiating among peers. Interoperability and alignment with
214 mandatory frameworks were seen as critical, including providing clarity about the commonalities.

Quantitative analysis

General adoption of GRI Sector Standards

217 To evaluate the uptake of Sector Standards among GRI reporters, a sample of sustainability reports
218 was assessed in Q3 2024 for the use of the Sector Standards. Sector Standard 'use' was represented
219 by the organization, including the most popular title of the Sector Standard (e.g., *GRI 12* or Coal
220 Sector Standard) in its report or GRI content index. The depth or completeness of standard use (e.g.,
221 the number of disclosures included or the quality of content associated with particular disclosures) fell
222 outside the scope of this exercise. Therefore, the results of this analysis present a general
223 quantitative indication of the uptake of the Sector Standards among large public companies.

224 The assessment includes companies meeting the following criteria:

225   • They are publicly listed.

226   •   They satisfy a country-based minimum revenue threshold in 2023 (see Annex 2, Table 8).

227   •   They are classified in the appropriate Thomson Reuters Business Classification (TRBC)
228   sector.

229   •   They had a publicly available sustainability report in July 2024 that:
230   o   had a title year of, at the earliest, 2022 for *GRI 11* or 2023 for *GRI 12* and *13*;[7]
231   and
232   o   mentioned 'GRI' or 'Global Reporting Initiative'.

233 These criteria generated a sample of 205, 24, and 24 companies for *GRI 11, 12*, and *13 use*,
234 respectively.

Results

235 The observed results indicate significant use of *GRI 11* in the oil and gas sector, with 40% of the
236 assessed companies using the Sector Standard in their sustainability reporting. While the sample sets
237 for the coal and agriculture, aquaculture, and fishing sectors were inherently smaller, the use of these
238 Sector Standards also appears non-negligible. It is possible that future iterations of this study, for
239 example, 12, 18, or 24 months after these Standards' effective date, will indicate increased uptake.

240 **Table 2. Sector Standards use**

Sector Standard	Effective date	Sample of Companies	Sector Standard use rate
GRI 11: Oil and Gas Sector 2021	January 2023	205	82 (40%)
GRI 12: Coal Sector 2022	January 2024	24	13 (54%)
GRI 13: Agriculture, Aquaculture and Fishing Sectors 2022	January 2024	24	9 (38%)

241 Annex 2 further presents Sector Standard use by country and revenue, as well as Standard download
242 statistics, which indicate the interest in each Standard.

243 # Use of Sector Standards at a jurisdictional level

244 The reporting landscape is quickly changing, and legislators are increasingly beginning to mandate
245 sustainability disclosures. There is growing interest to see a global baseline being adopted that

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[7] The minimum title year corresponds to the 'effective date' of each Sector Standard; this was done to ensure that observed uptake patterns would not reflect non-use from documents published prior to the Sector Standard's use requirement.

246 includes IFRS and GRI as the standards used for reporting on sustainability-related financial risks and

247 opportunities and impacts on the economy, environment, and people, respectively.

248 A search was carried out from the Carrots and Sticks database to understand the relevance of the

249 Sector Standards in different jurisdictions. The search revealed that three jurisdictions (Chile, South

250 Africa, and Sri Lanka) currently reference GRI Sector Standards in a policy document. Securities

251 exchanges issued these documents referring to GRI in their guidelines to assist listed companies.[8]

252 The European Union is the furthest ahead in terms of developing a set of sector standards. The

253 European Corporate Sustainability Reporting Directive (CSRD) mandates that companies (listed and

254 non-listed) of a certain size report on their impacts on people and the environment and the risks and

255 opportunities of sustainability topics. The first set of cross-cutting and topical standards was launched

256 in late 2023. EFRAG foresees complementing this first set with sector standards, and GRI has been

257 actively engaging with them to develop these standards. Table 3 gives an overview of these sector

258 standards and their status.

259   **Table 3. EFRAG sector-specific draft standards**

Sector	Current phase	Next Step
Oil and gas	Approval of Exposure Draft	Issuance of Exposure Draft
Mining, quarrying and coal mining	Approval of Exposure Draft	Issuance of Exposure Draft
Road transport	Ongoing	Strategic direction from Sustainability Reporting Board
Textiles. Accessories, footwear and jewellery	Ongoing	Strategic direction from Sustainability Reporting Board
Financial institutions	Ongoing	Education sessions to governance bodies
Agriculture, farming and fishing	Early phase - Research	
Motor vehicles	Early phase - Research	
Energy production and utilities	Early phase - Research	

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[8] Bolsa Santiago (2021), Guía de Reporte y Divulgación de Sostenibilidad para Emisores en Chile.; Johannesburg Stock Exchange (2022) Sustainability Disclosure Guidance 2022; Colombo Stock Exchange (2023) CSE Sustainability Reporting Guide (Version 3). The Guides for Chile and Sri Lanka were issued in collaboration with GRI.

Food and beverage	Early phase - Research	

260 At the global level, the International Sustainability Standards Board (ISSB), as part of its 2024-2026
261 workplan, will enhance the SASB Standards to support the implementation of IFRS S1 General
262 Requirements for Disclosure of Sustainability-related Financial Information and IFRS S2 Climate-
263 related Disclosures. The ISSB will enhance an initial set of priority SASB Standards and carry out
264 additional research to determine further priorities, including potential enhancements to the
265 Sustainable Industry Classification System®.

266 The priority SASB Standards, which are all currently in the standard-setting phase, are:

267 • The eight industries in the Extractives & Minerals Processing sector:

268 o Coal Operations;

269 o Construction Materials;

270 o Iron & Steel Producers;

271 o Metals & Mining;

272 o Oil & Gas – Exploration & Production;

273 o Oil & Gas – Midstream;

274 o Oil & Gas – Refining & Marketing;

275 o Oil & Gas – Services;

276 • The Electric Utilities & Power Generators industry in the Infrastructure sector; and

277 • Three industries in the Food & Beverage sector:[9]

278 o Agricultural Products;

279 o Meat, Poultry & Dairy; and

280 o Processed Foods.

281 The stakeholder interviews and feedback collected across Sector Standard development processes
282 highlight the importance of GRI's collaboration and interoperability efforts with the other major
283 disclosure standard-setters. To date, this has entailed board and working-level discussions,
284 information sharing on topics and disclosures included in existing GRI Sector Standards, and regular
285 exchanges to understand where alignment in concurrently running projects is or is not possible.

286 To ensure the continued relevance of GRI for regulatory reference for sectors not yet under
287 development by the GSSB, GRI will need to match and/or exceed the activity levels of the most
288 ambitious regulators and international standard setters to ensure that the GRI Standards are fit for
289 purpose for all regulatory ambitions and contribute to a comprehensive global reporting system.

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[9] Subject to further assessing the capacity of the ISSB and its stakeholders.

Recommendations

The results of the Sector Program review confirm the relevance and value of the Sector Standards. These results have also surfaced areas where refinements are needed to enhance the Sector Standards' application, efficacy, and reach.

The GSSB is asked to consider recommendations 1-4 in light of ongoing projects and the upcoming work program development, noting that some of the proposals would have implications for the reporting model, product offering, and/or template of the Sector Standards. The SD is seeking the GSSB's views on these proposals in the meeting on 12 December 2024. Should the GSSB's feedback be favorable, the SD will bring forward concrete (project) proposals on each recommendation that detail the timelines and resources needed, in due course, for GSSB approval.

Recommendations 5-6 arise from the Sector Program assessment but are not expected to have direct implications on the work of the GSSB. The information is nevertheless relevant, and the GSSB is welcome to share its views.

1. Introduce requirements around sector reporting for key impacts and topics not likely to be covered by GRI Topic Standard disclosures.

For organizations who wish to report 'in accordance with' the GRI Standards, reporting additional sector recommendations and disclosures is optional. While the sector additions are often regarded as representing leading practice by reporters, sector-specific disclosures can also reflect minimum stakeholder expectations on some of the most significant impacts of a sector, particularly in cases where no GRI Topic Standard(s) exists. The lack of transparency over these impacts can run contrary to the aim of the Sector Program – to focus reporting on the issues that matter most – undermining their value in the eyes of information users.

Therefore, the SD recommends introducing, in limited cases, requirements around sector-specific reporting in the Sector Standards. This would 'elevate' key sector disclosures to have the same status as GRI Topic Standard disclosures, making them subject to Requirement 5 in *GRI 1: Foundation 2021.* These disclosures would only be required for reporting once a topic has been determined as material. The disclosures would also be subject to Requirement 6, providing reasons for omission in cases when the disclosure is not relevant to the organization's impacts (see Box 1). Required sector reporting would only be proposed for cases where impacts are significant and/or unique for the sector and for which a Topic Standard or applicable disclosures do not exist and/or are unlikely to be developed.

When the Sector Standards were introduced, together with the revised GRI Universal Standards in 2021, the flexibility of recommended sector reporting was deemed necessary to moderate the changes introduced with the new modular approach of the GRI Standards, which increased reporting expectations. The GSSB committed to revisit the decision once the pilot Sector Standard projects

326 were finalized. The SD recommends that the option to introduce requirements around sector reporting
327 be considered for inclusion in the upcoming GSSB Work Program via an amendment to the *GRI 1:*
328 *Foundation 2021*. The SD recommends making this change effective only once the ongoing Topic
329 Standards revision projects are completed (i.e., climate change, labor, economic impacts, and
330 pollution). This would reduce the need to develop disclosures for which Topic Standards are being
331 developed but do not yet exist and reduce the workload of aligning Sector Standards once revised
332 Topic Standards are released.

333 Introducing required sector-specific disclosures is expected to result in a need to develop additional
334 guidance to ensure clarity and consistency of reporting. While this might result in more time needed
335 for disclosure development, it is expected that more concise topic descriptions would save time, as
336 these sometimes serve the role of providing context for (sector) disclosures.

337 Moreover, a more complete set of GRI Topic Standards would reduce the need for Sector Standard
338 project teams to develop reporting for impacts that are not fully sector-specific. As discovered during
339 the first four Sector Standards projects, the additional sector reporting often addressed informational
340 gaps in the GRI Topic Standards, representing important impacts for the sector but not uniquely so.
341 Once the GRI Topic Standards are fully updated, it is expected that the Sector Standards
342 development can focus on identifying purely sector-specific gaps.

343 For any Sector Standards in development or already published, it is recommended that mandatory
344 reporting would only be considered upon the next full revision of the Standard.

345 346 2. Introduce updates to the referencing system of additional sector reporting.

347 To increase the prominence of additional sector reporting in the short term (i.e., before any sector-
348 specific disclosures would potentially be mandated), the SD recommends introducing reference
349 numbers and naming for all additional sector recommendations and additional sector disclosures in
350 the Sector Standards.[10] This is proposed to be considered for the ongoing and future Sector Standard
351 projects.

352 In the Sector Standards developed to date, the additional sector reporting recommendations and
353 disclosures do not have disclosure titles. Moreover, only 'Additional sector disclosures' have a
354 reference number listed in the 'What to report' table (see Table 1 for an example), whereas 'Additional
355 sector recommendations' are listed under the same reference number as the related existing GRI
356 disclosure. However, Requirement 7 in *GRI 1*: Foundation 2021 requires listing disclosure names and
357 reference numbers in the content index for reporting in accordance with the GRI Standards.[11]

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[10] The difference between 'additional sector recommendations' and 'additional sector disclosures' is that the former are sector-specific additions to existing GRI Topic Standard disclosures, whereas the latter are standalone sector-specific disclosures without existing related GRI Topic Standard disclosures.

[11] The organization is required to include a list of the reported disclosures, including the disclosure titles, the titles of the GRI Standards and other sources that the reported disclosures come from, and the GRI Sector Standard reference numbers for the disclosures from the applicable Sector Standard(s).

358 The SD proposes to add reference numbers and disclosure titles into the 'What to report' tables listed
359 for each likely material topic, which would be listed automatically in the content indexes for each
360 Sector Standard (see recommendation 5). This application would enable clarity for organizations
361 when documenting reported disclosures in the GRI content index and add transparency for external
362 stakeholders to assess whether an organization has reported the sector-specific information listed as
363 relevant.

3. Continue engagement and alignment with other relevant standard setters.

366 GRI has already signed MoUs with relevant standards setters that cover the development of Sector
367 Standards. For example, in 2022, GRI signed a MoU with the IFRS Foundation aiming to provide a
368 seamless, global, and comprehensive sustainability reporting system for companies looking to meet
369 the information needs of investors and a broader range of stakeholders. EFRAG and GRI have also
370 enhanced collaboration by releasing interoperability indexes and conducting ongoing exchanges on
371 sector standards development.

372 The importance of interoperability and alignment was highlighted as a key priority for reporters during
373 the interviews and an important attribute for GRI to maintain its relevance and add value to the
374 sustainability landscape. The SD recommends continuing and strengthening the ongoing institutional
375 collaboration with the alignment of work programs and standard-setting activities, and the operational
376 collaboration with the regular exchange between projects.

377 As the SD identifies proposals that enhance further alignment, for example, on sector classification, it
378 will bring them to the GSSB for their discussion and approval.

4. Develop interim sector resources for sectors without a Sector Standard.

381 There are over 30 sectors in the list of sectors for the GRI Sector Program for which a Sector
382 Standard has not been developed or is not under development. Given the human and financial
383 resources and time needed for the development of a Sector Standard, it will take more than a decade
384 until Sector Standards for all these sectors are available. To guide and orientate sector reporting until
385 a Sector Standard is published, the SD recommends that the option to introduce an interim sector
386 resource be considered for inclusion in the upcoming GSSB Work Program. The GSSB is asked to
387 discuss the two options formulated in Annex 3 and provide guidance on whether one of the options
388 warrants to be elaborated and brought forward to the GSSB as a project proposal.

5. Provide more support for organizations to better comply with the 'in accordance' model, including the correct use of the content index, reasons for omission, and determining materiality.

As part of Sector Standards' launch and roll-out activities, the SD recommends providing reporting practitioners with additional guidance and support on using the Sector Standards. This includes providing guidance on:

- using the GRI Standards together with the Topic and Universal Standards;

- determining material topics for organizations of different sizes and business models; and

- sharing practical examples and peer learning opportunities.

The supporting materials and activities would complement the in-depth GRI Academy offering, ideally including digital tools for reporting. Organizations starting their sustainability reporting with the Sector Standards would also benefit from having access to case studies or opportunities to learn from other reporters, for example, as part of pilot reporting groups.

In addition, the SD and GRI Services teams recommend introducing tailored content indexes for each Sector Standard. This would streamline organizations' preparation of the content index by clearly listing the likely material topics included in the respective Sector Standard and the GRI Topic Standards, and additional sector disclosures expected for reporting. This would likely increase the completeness of sustainability reports, as organizations would have a visual representation – a 'checklist' – of the relevant topics and disclosures alongside clear indications of where explanations or reasons for omission are necessary.

6. Monitor the adoption of Sector Standards

To follow the uptake of the Sector Standards and to assess whether the objectives of the Sector Program are being met, regular monitoring of the Standards' uptake is recommended in collaboration with GRI's policy, Standards and Research functions. In addition to adding sector-specific queries to the Adoption Study, it is recommended to continue to evaluate the quality of reporting via sustainability report assessments and stakeholder interviews. The results of such evaluation can be used to engage with stakeholders on transparency and accountability on disclosure and management of impacts.

418 Annexes

419 Annex 1 – Qualitative analysis

420 External interviews

421 The SD carried out 27 interviews with sustainability report preparers (16) and information users (9) to

422 gain insights into experiences of using *GRI 11*, *GRI 12,* or *GRI 13*.[12]

423 The interviews with reporters focused on understanding the drivers, challenges, and advantages of

424 using the Sector Standards and gathering feedback on their structure (i.e., which components

425 reporters find most value from). Interviews with information users focused on the usefulness of Sector

426 Standards as a tool for engagement and their relevance in advancing transparency among

427 corporates.

428 **Table 4. Number of interviews per Sector Standard**

Sector Standard	Reporters	Information users
GRI 11: Oil and Gas Sector 2021	9	6
GRI 12: Coal Sector 2022	2	
GRI 13: Agriculture, Aquaculture and Fishing Sectors 2022	5	3
Not sector specific		2
Total	16	11

429 **Table 5. Number of interviews per constituency**

Number of interviews per constituency	
Business enterprises	14
Civil society	5
Investment institutions	2
Mediating institutions	6
Labor organizations	0

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[12] Five additional interviews were carried out with reporters in groups 2-4 of the GRI Sector Program - List of prioritized sectors. These interviews were used to test the idea of the development of a sector-specific resource as an interim step before a Standard is developed for sectors that are lower in the prioritization list. See annex 3.

430 **Table 6. Number of interviews per region**

Number of interviews per region	
Global	7
North America	3
Latin America	5
Europe	5
Asia	5
Africa	2

431 The key takeaways from the interviews are:

432 *Interviews with reporters*

433 • The main drivers for using GRI as a reporting framework are:

434 o Its recognition as the most robust global framework for sustainability reporting.
435 The Sector Standards, in particular, provide a relevant, useful, and structured
436 framework for companies to develop the sustainability report.

437 o The credibility/trust and quality it adds to their sustainability reports and
438 reputational gains as it is being used by business leaders/frontrunners.

439 o The usefulness of meeting stakeholders' information needs (e.g., regulators,
440 investors, civil society).

441 o The role that the development of a sustainability report has in informing strategy,
442 setting targets, and driving internal continuous improvement in their operations.

443 o As a building block to ensure compliance with mandatory frameworks.

444 o The alignment with other standards-setters and rating agencies (e.g.,
445 IFRS/SASB, TNFD, CDP, and increasingly ESRS) was seen as beneficial and an
446 opportunity for GRI to increase the added value and relevance of its framework.

447 • Given the rise of mandatory frameworks (e.g., ESRS, local financial regulations that align
448 with IFRS S1 and S2), companies need to prioritize compliance. Companies with limited
449 resources may be required to put on hold GRI.

450 • The main challenges mentioned in the use of the Sector Standards are:

451 o Availability of and efforts to collect and process data; setting up data collection
452 systems requiring additional financial and human resources.

453   o Convince internal stakeholders about the need to report increasingly granular
454   data due to evolving stakeholder expectations for disclosure.

455   o Navigating the Sector Standards in combination with the Universal Standards and
456   Topic Standards to ensure their sustainability reports are complete and thorough.

457   o While the Sector Standards are more relevant than sector agnostic standards,
458   there are topics that are not relevant in certain geographies/contexts. Some
459   terms used in the Sector Standard are not relevant to the context in which some
460   organizations operate.

461   o The sustainability reports are already lengthy documents. As the required
462   information increases, communicating in a simpler way will be more challenging,
463   and other formats will be deprioritized (e.g., stories/testimonials). A few reporters
464   expressed concerns about the increased detailed data that needs to be reported,
465   not only because of the amount of resources needed (financial and human) but
466   also because, in their view, with excessive detailed data, its added value
467   decreases and may confuse information users.

468   • Although the implementation of the Sector Standards is just starting, reporters confirmed
469   that the quality and quantity of the information that the organizations publicly disclose has
470   increased.

471   • On the structure and contents of Sector Standards:

472   o The overall concept was considered comprehensive, and the different sections of
473   the Sector Standards were considered useful and relevant. In particular, reporters
474   referred to the list of likely material topics to guide materiality assessments, along
475   with the detailed disclosures, to structure the data gathering and to compare
476   performance with other companies.

477   o Depending on where the companies are in their sustainability journey, the added
478   value of the different sections of the standards differ. The topic descriptions
479   provide useful context and information for organizations to understand the
480   disclosures at the onset of their reporting journey. The disclosures are the most
481   relevant for organizations with more experience in reporting. Over time, as the
482   sustainability functions in the companies mature, they develop more robust
483   processes and mechanisms that help them keep up to date with the evolving
484   stakeholder expectations.

485   o Whether additional sector reporting should become mandatory to report in
486   accordance with GRI Standards, reporters expressed the need to maintain
487   flexibility as collecting the data is costly. However, the relevance of the additional
488   sector reporting was recognized (e.g., to compare performance amongst peers as
489   a differentiator of performance).

490   ○   A few reporters commented on the usefulness of references/resources in the
491   Sector Standards.

492 •   Suggestions to enhance the usability and impact of the Sector Standards included:

493   ○   the development of more guidance (e.g., content index per sector, what is
494   needed to report on when a Sector Standard exists, double materiality
495   assessments);

496   ○   engagement with relevant actors to support the uptake (e.g., regulators,
497   investors, associations); and

498   ○   tailored resources for SMEs, learning circles with other reporters and case
499   studies, ensuring that reports that claim 'in accordance with' GRI Standards have
500   the same level of quality.

501 *Interviews with information users*

502 •   The state of corporate transparency on impacts varies depending on the sector, the topic,
503   where the organization is in the value chain, and where it operates. However, in the last
504   few years, general and topic-specific transparency has increased, but there is still a long
505   way to go. GRI has promoted increased corporate transparency and is an important
506   reference in the reporting landscape. However, its role needs to be seen within a larger
507   ecosystem of actors driving change and with the GRI Standards as one framework
508   amongst many others.

509 •   Currently, mandatory frameworks are shaping the sustainability landscape, and there is a
510   call for GRI to influence and align its work with other standards setters and enable
511   interoperability. There is a lack of clarity on the positioning of GRI as a voluntary
512   framework vis a vis mandatory frameworks, and it presents risks and opportunities. Some
513   interviewees see the role of GRI as defining best practices, complementing baseline
514   regulatory requirements, and as a relevant framework supporting compliance.

515 •   Sector Standards provide a useful and tailored common language to compare practices
516   between companies/countries. Not all information users have used the GRI Sector
517   Standards as a tool to engage with organizations, but they see the potential GRI
518   Standards have in this respect.

519 •   On the structure and contents of the GRI Sector Standards:

520   ○   Regarding additional reporting requirements, the general sentiment was that
521   having both minimum requirements and recommendations is important. The
522   flexibility of the current model is useful and enables companies of different sizes
523   to report according to their means. Recommended disclosures can be a space for
524   leaders in the sector to differentiate themselves and provide flexibility. If practices
525   that have been recommendations become requirements, consideration should be

526		given to small and mid-size companies, and there should be sufficient time for
527		reporters to adapt.
528	o	The list of likely material topics, including topic descriptions, Topic Standard
529		disclosures, and additional sector reporting, is a crucial contribution of the Sector
530		Standards. Information users who are very familiar with the sector find more
531		value in the disclosures and acknowledge that for newcomers, the topic
532		descriptions provide relevant context that is useful for understanding the
533		disclosures.
534	•	Suggestions to enhance the usability and impact of the Sector Standards include:
535	o	providing less flexibility and better substantiation of what can be considered
536		material for an organization;
537	o	improving user-friendliness (e.g., better articulation of the Universal Standards
538		with the Topic Standards and Sector Standards, less technical language, ease of
539		data collection, use of direct links in content index);
540	o	increasing interoperability with other frameworks;
541	o	monitoring the uptake of the Sector Standards and using its results to engage
542		with stakeholders on corporate accountability.

543 Sustainability report analysis

544 36 sustainability reports were assessed from companies that used *GRI 11*, *GRI 12,* or *GRI 13* and
545 had also previously reported 'with reference' to or 'in accordance with' the GRI Standards. The
546 assessment focused on the information available in the content index and assessed whether the
547 companies:

548 • report on the likely material topics identified in the respective Sector Standard;

549 • substantiate the required reasons for omission;

550 • report GRI Topic Standard disclosures;

551 • report additional sector recommendations and/or additional sector disclosures.

552 The sample for the assessment was based on recommendations from GRI Services, Community and
553 Networks teams, and also comprised companies included in the 2023 Adoption Study to ensure a
554 minimum number of 10 reports assessed per sector. The sample is not representative, and the results
555 cannot be generalized or extrapolated. However, the results provide a useful indication of the current
556 use of the Sector Standards.

557 **Table 7. Sustainability reports assessed per Sector Standard**

Sector Standard	Number of sustainability reports assessed	Countries (Headquarters)
GRI 11: Oil and Gas Sector 2021	16	Brazil, France, Kazakhstan, Oman, Poland, Peru, Philippines, Saudi Arabia, Spain, Turkey, United Arab Emirates, Qatar.
GRI 12: Coal Sector 2022	10	Australia, Colombia, Indonesia, South Africa, Thailand
GRI 13: Agriculture, Aquaculture and Fishing Sectors 2022	10	Argentina, Brazil, France, Germany, Indonesia, Malaysia, Thailand, The Netherlands
Total	36	

558 The main observations from the assessment of the content index of the sustainability reports across
559 sectors are:

560 • It is too early to affirm increased transparency at a sector level, but organizations using
561 Sector Standards disclose more information than before and at a more granular level.

562 • The introduction of the GRI Sector Standards has promoted increased disclosure of
563 information (quantity and quality) and increased comparability amongst sustainability
564 reports, even for users that report 'with reference' and when the information is not
565 complete for many disclosures.

566 • Uptake of the Topic Standard disclosures listed for likely material topics is observed, but
567 sector reporting is not common. Additional sector disclosures are seldom reported. The
568 reporting of additional sector recommendations is rare.[13]

569 • There is room for improvement in the use of the context indexes and reasons for
570 omission. Reasons for omission are generally included for topics that are not deemed
571 material by organizations but are less common for particular disclosures within topics and
572 often not further explained.

573 • Not all organizations that claim to report 'in accordance with' follow the requirements
574 outlined by GRI to make this statement.

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[13] Additional sector recommendations do not have their own number in the content index, so random checks in the sustainability report were carried out.

Annex 2 – Quantitative analysis

General adoption Sector Standards

A note on sample size

577 While an exhaustive assessment of Sector Standard use would be ideal, the sample set sizes
578 ultimately reflect a balance between comprehensiveness and feasibility. Theoretically, all companies
579 relevant to a completely comprehensive assessment are those that, within the context of the GRI
580 framework, *should* be using a Sector Standard – that is, they operate in the sector of interest and
581 claim to formally use GRI. For the study at hand, this demographic was reduced to those that, within
582 a sector, are large and public and had indicated any degree of GRI use in the 2023 Adoption Study.
583 Because standard use is typically correlated to company size and investor relations, this
584 approximation is expected to capture the vast majority of the theoretical pool.

585 Then, within the initial company pool, documents also had to be produced for analysis: To be included
586 in the study, the company had to have a sufficiently recent, publicly available sustainability report with
587 confirmed GRI use. Because identifying and verifying these documents is a manual and time-
588 intensive process, the initial company pools were not assessed at a rate of 100%. Instead, this
589 process was performed on 89%, 97%, and 65% of the theoretical pools of *GRI 11, 12,* and *13* users,
590 respectively. This produced 205, 24, and 24 eligible reports, respectively.

591 Ultimately, the substantially bigger sample size of the *GRI 11* group relative to the *GRI 12* and *13*
592 groups primarily reflects two phenomena. First, fewer public companies operate in the coal and
593 agriculture, aquaculture, and fishing sectors than in the oil and gas sectors globally. Second, due to
594 the later effective date of the latter two Standards, the publication window for eligible documents was
595 only six months (January-June 2024).

Table 8. Country-based minimum revenue threshold (total, annual) for initial eligibility for

company inclusion

annual revenue threshold:	≥250 M USD	≥100 M USD	≥20 M USD			*none*
region	n/a	ASEAN	Africa	Latam	South Asia	all EU
Countries	all countries not otherwise specified	Indonesia Malaysia Philippines Singapore Thailand Vietnam	Botswana Cote d'Ivoire Egypt Ghana Kenya Mauritius Nigeria South Africa Uganda Zambia Zimbabwe	Argentina Bolivia Brazil Chile Colombia Costa Rica Ecuador Mexico Peru	Bangladesh Pakistan Sri Lanka	Austria Belgium Bulgaria Croatia Cyprus Czech Republic Denmark Estonia Finland France Germany Greece Hungary Ireland Italy Latvia Lithuania Luxembourg Malta Netherlands Poland Portugal Romania Slovak Republic Slovenia Spain Sweden

Table 9. Sector Standard use per country[14]

Country	GRI 11		GRI 12		GRI 13	
	Number of companies					
	Total in sample set	Users of Sector Standard	Total in sample set	Users of Sector Standard	Total in sample set	Users of Sector Standard
Argentina	0	0	0	0	1	1
Australia	4	2	3	2	1	1
Austria	1	1	0	0	0	0
Belgium	1	0	0	0	0	0
Bermuda	12	2	0	0	0	0
Brazil	6	2	0	0	1	1
Canada	26	9	0	0	0	0
Chile	1	0	0	0	2	0
China	8	1	2	0	0	0
Colombia	3	2	0	0	0	0
Croatia	1	1	0	0	0	0
Cyprus	1	0	0	0	0	0
Denmark	0	0	0	0	1	0
Finland	1	1	0	0	0	0
France	2	2	0	0	0	0
Germany	0	0	0	0	1	0
Greece	6	2	0	0	0	0
Hungary	1	0	0	0	0	0
India	3	2	0	0	0	0
Indonesia	3	1	10	6	3	2
Israel	1	0	0	0	0	0
Italy	4	2	0	0	0	0

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[14] The 'Users of Sector Standard' columns do not represent the complete, absolute number of Sector Standard users per country, but rather those that were identified within the sample sets of this study. See Section '***Error! R eference source not found.***for more information.

Country	GRI 11		GRI 12		GRI 13	
	Number of companies					
	Total in sample set	Users of Sector Standard	Total in sample set	Users of Sector Standard	Total in sample set	Users of Sector Standard
Japan	6	2	1	0	1	0
Kazakhstan	1	1	0	0	0	0
Kenya	1	1	0	0	0	0
Korea; Republic (S. Korea)	5	2	0	0	0	0
Lithuania	1	0	0	0	0	0
Luxembourg	2	0	0	0	1	0
Malaysia	6	2	0	0	3	1
Mexico	1	1	0	0	0	0
Netherlands	2	2	0	0	1	0
New Zealand	0	0	0	0	1	0
Nigeria	2	1	0	0	0	0
Norway	10	4	0	0	0	0
Pakistan	1	0	0	0	0	0
Peru	1	1	0	0	1	0
Philippines	2	2	1	0	0	0
Portugal	1	0	0	0	0	0
Qatar	2	1	0	0	0	0
Republic of Serbia	1	1	0	0	0	0
Romania	3	2	0	0	0	0
Russia	3	2	0	0	0	0
Saudi Arabia	2	0	0	0	0	0
Singapore	5	3	1	1	0	0
Slovenia	1	1	0	0	0	0
South Africa	0	0	3	2	0	0

Country	GRI 11		GRI 12		GRI 13	
	Number of companies					
	Total in sample set	Users of Sector Standard	Total in sample set	Users of Sector Standard	Total in sample set	Users of Sector Standard
Spain	2	1	0	0	0	0
Sri Lanka	1	0	0	0	0	0
Sweden	1	1	0	0	0	0
Switzerland	1	0	0	0	0	0
Taiwan	1	1	0	0	0	0
Tanzania	0	0	0	0	0	0
Thailand	8	4	1	1	2	2
Turkey	2	1	0	0	0	0
Ukraine	0	0	0	0	2	0
United Arab Emirates	4	1	0	0	0	0
United Kingdom	11	4	0	0	1	0
United States of America	28	10	2	1	1	1
Vietnam	2	0	0	0	0	0

599 **Table 10. Sector Standard use and company revenue**

Country	Sector Standard use by company revenue					
	GRI 11		GRI 12		GRI 13	
	Entire sample set	Users of Sector Standard	Entire sample set	Users of Sector Standard	Entire sample set	Users of Sector Standard
Median revenue [million USD, fiscal year 2022]	2,055	3,575	1,615	1,643	807	783
Number of companies	205	82	24	13	24	9

600 **Downloads**

601 To augment the general uptake of the GRI Sector Standards, the GRI Sector Standards are
602 translated into 10 languages. The download of these Standards from the website gives an indication
603 of the interest in sector reporting.

604 **Table 11. Individual Sector Standards and Consolidated GRI Standards downloads**[15]

Sector Standard	2021	2022	2023	Oct. 2024	Total
GRI 11: Oil and Gas Sector 2021	4.044	11.032	18.899	13.470	47.445
GRI 12: Coal Sector 2022	NA	5.084	6.989	4.784	16.857
GRI 13: Agriculture, Aquaculture and Fishing Sectors 2022	NA	7.776	12.294	9.182	29.252
GRI 14: Mining Sector 2024	NA	NA	NA	8.243	8.243
Total					**101.797**
Consolidated and zip file aggregate sets	24.240	100.641	125.273	95.569	362.744

[15] The consolidated set of the GRI Standards is updated each time a new or revised Standard is launched.

Annex 3 – Proposal for an interim sector resource

605

606 The GRI Sector Program – List of prioritized sectors defines a total of 40 sectors categorized by four

607 priority groups for which a Sector Standard is to be developed. Over half of the Sector Standards in

608 the sectors included in priority group 1 have been developed or are under development.

609 As mentioned in the Section 'Development process', the project lifecycle of a Sector Standard is, on

610 average, 30-33 months.[16] Therefore, with the current level of resources (running 4-5 projects in

611 parallel), developing Sector Standards for all 40 sectors will take over a decade.

612 While efficiencies can be found to reduce the time needed to develop a Sector Standard over time,[17]

613 and/or if additional resources can be added to the Sector team to run additional projects in parallel,

614 the scalability of the current model is limited. Should the capacity of the Sector team be increased,

615 additional resources would be needed for other SD teams, particularly those that provide technical

616 and editorial support, translations, and other functions in GRI to support the development, roll-out,

617 and adoption of the Sector Standards. Additional SD resources are also needed to align the Sector

618 Standards with the new and revised Topic Standards (see project description here).

619 The results of the external interviews confirm the relevance and usefulness of the Sector Standards

620 as they are. However, given the extensive timeline required to develop a fully-fledged sector standard,

621 it is worthwhile considering the option to offer an interim resource to orientate and support reporters

622 until a Standard for their sector has been developed. This annex elaborates and compares two

623 options for the development of an interim sector resource to fill this gap.

Relevance of an interim sector resource

624

625 The GRI Sector Program includes segments of the economy in its sector list, with a wide range of

626 activities and diverse levels of maturity of the organizations in their sustainability journey, particularly

627 in their reporting efforts. The external interviews indicated that for reporters, the usefulness of the

628 different sections of the Sector Standard (i.e., topic descriptions and disclosures) depends on how

629 advanced the organization is with its sustainability reporting. An organization that is just starting to

630 understand its impacts on the environment, people, and the economy would benefit from detailed

631 topic descriptions, while an organization with mature reporting practices will mainly use the reporting

632 disclosures. The interviews also revealed that some reporters in sectors without an existing Sector

633 Standard still consult the GRI G4 Sector Disclosures for reporting.[18]

634 In the absence of a full-fledged Standard, an interim sector resource is suggested to provide a list of

635 likely material topics for a sector, with short descriptions of relevant impacts and links to existing GRI

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[16] Without considering resources needed for roll-out and for the alignment with revised/new Topic Standards.

[17] For example, as new staff becomes more familiar and experienced with the development of Sector Standards or aligning differently the involvement of different SD teams in the development of a Sector Standard.

[18] 5 interviews were carried out with reporters in groups 2-4 of the GRI Sector Program – List of prioritized sectors. While not representative of the extend of sectors for which a Sector Standard has not been developed they offered important insights that were considered in the development of the options.

636 Topic Standards (where applicable). The interim sector resource would not identify which Topic
637 Standard disclosures would be relevant for reporting nor contain additional sector reporting. A list of
638 likely material topics is an important building block that contributes to the organization's materiality
639 assessment. Furthermore, the requirement to report *GRI 3-3* Management of material topics would
640 already generate essential information on any topics determined as material by the organization. This
641 can be an important step in the sustainability reporting process that can be complemented at a later
642 stage with more detailed disclosures when a comprehensive Sector Standard is available.

643 This interim sector resource would be useful for organizations at different maturity levels in
644 sustainability reporting. For those at the onset, it would guide their materiality assessment and provide
645 information about the relevant impacts of the sector, coupling those with the applicable Topic
646 Standards. At the same time, for those with more experience in reporting, it would help to corroborate,
647 refine, and improve the information they include in their reports.

648 Developing this interim sector resource as a step before developing a Sector Standard would
649 strengthen the positioning of GRI as the primary reporting framework for organizations of all segments
650 of the economy. It would support organizations in compliance with mandatory frameworks.

651 Currently, various sectors have abundant sustainability guidance, while others have minimal sector-
652 relevant information for organizations to identify, manage, and report their sustainability impacts. The
653 latter would particularly benefit from these interim sector resources as well as the people,
654 environment, and economies that are impacted by the activities in those sectors.

655 The interim sector resources would be developed in clusters of sectors (for example, with similar
656 impacts) to gain efficiencies and may include sectors currently in group 1.[19] Additionally, interim
657 sector resources would prepare the ground for future stakeholder engagement and provide a starting
658 point for content development for Sector Standards down the line, reducing the overall length of
659 developing a Sector Standard in the future.

660 However, without expanding the current capacities in the SD, the development of the interim sector
661 resources would deviate resources that could be used to develop new Sector Standards or other
662 priorities, pushing the timelines of Sector Standards even further into the future.

---

[19] The remaining sectors in Priority Group 1 without an active project are food and beverages, utilities, renewable
energy, forestry, and metal processing.

663 **Table 12. Main differences between Sector Standard and interim sector resource**

Features	Sector Standard	Interim sector resource
List of likely material topics	Yes	Yes
Topic description	Detailed	Short
Detailed topic disclosures relevant for the sector	Yes	Not included but link to relevant Topic Standards
Additional sector reporting (sector recommendations and sector disclosures)	Yes	No
References and resources	Yes	Yes
Publication	Developed and published per individual sector	Developed in clusters but individual sector resources published

664 Interim sector resources could be developed using different approaches/models with different
665 implications. Below are two options presented with advantages and challenges.

Options for the development of interim sector resources

667 **Option 1: Research paper**

668 Description:

669 • GSSB Due Process would not be followed. A selected group of peer reviewers
670 representing balanced stakeholder views provide input to drafts. No multi-stakeholder
671 engagement via working group / technical committees nor public comment period.

672 • The end result can be presented as a GRI research product, supporting GRI's role as a
673 thought leader in sustainability reporting.

674 • The development of a cluster of interim sector resources would take approximately 12-13
675 months per cluster. Assuming circa 30 interim sector resources would be developed in 4
676 clusters, their finalization would take 4-5 years.

677 Advantages:

678 • Presentation of a product as a research paper has a lower risk of creating confusion with
679 the Sector Standards and enables GRI to create a new product and new way to engage
680 with different audiences in sustainability reporting, strengthening GRI's positioning in the
681 sustainability landscape.

682 • The research paper would be a useful starting point for the future development of a
683 Sector Standard, speeding up project initiation and content development and reducing the
684 overall duration of a Sector Standard project.

685 • Supports reporters in compliance with other regulatory frameworks (e.g., ESRS). The list
686 of likely material topics can support reporters if regulatory frameworks require materiality
687 assessments.

688 Disadvantages:

689 • Reduced legitimacy due to development not following GSSB Due Process.

690 • The GRI Research team develops content with input from peer reviewers from relevant
691 sectors but with no involvement from a working group / technical committee.

692 • Use is not mandated in the GRI reporting model; therefore, reporters have fewer
693 incentives to consider it for sustainability reporting.

694 **Option 2: Reduced version of the Sector Standard following GSSB Due Process**

695 Description:

696 • A reduced version of Sector Standards aiming to be 'light' but remain authoritative and
697 included in the GRI reporting model.

698 • The interim sector resources would be developed in clusters, but individual sector
699 resources would be published.

700 • GSSB Due Process would be followed to ensure the multi-stakeholder nature and
701 robustness of the process. No working group / technical committee is involved. Peer
702 reviewers will inform proposals developed / multi-stakeholder engagement where needed
703 to collect input on sector-specific issues.

704 • 60-day public comment period to ensure inclusion of diverse stakeholder perspectives.

705 • The development of a cluster of interim sector resources would take approximately 20-22
706 months. Developing the interim sector resource for ~30 sectors would take about seven
707 years.

708 Advantages:

709 • Legitimacy is guaranteed by following GSSB Due Process and inclusion in the GRI
710 reporting model, ensuring uptake from reporters wishing to report in 'in accordance with'
711 and information users who would have an authoritative approach to rely on.

712 Disadvantages:

713 • Given the similarity with the Sector Standards, this may create confusion in the
714 sustainability reporting landscape. This confusion can be mitigated by embedding the

715   interim sector resource in the reporting model and replacing it with a fully-fledged Sector
716   Standard once it becomes available.

717   •   It may reduce the interest in engaging with a Sector Standard development and the
718   uptake of the Sector Standard once published due to the overlap in content and
719   stakeholder fatigue.

720   •   Relatively long timeline to finalize the interim sector resources for ~30 sectors.

721 Table 13 provides additional details on the different options divided into project phases used for the
722 development of GRI Sector Standards.

Table 13 – Options for interim sector resource – details per project phase

Option	Phase 0: Project initiation	Phase 1: Project commencement	Phase 2a: Topic scoping	Phase 2b: Draft development	Phase 3: Public Exposure	Phase 4: Standard revision	Phase 5: Standard approval and publication	Per option	For circa 30 sectors in 4 clusters	FTE per cluster
Project Phase (header spanning)								**Approximate duration**		**Staff needed**
Key activities	Scoping of project resulting on project proposal for GSSB approval	Formation and approval of working group / technical committee	Development of exposure draft		Public Comment Period	Basis for conclusion	Approval of Standard			
Option 1: Research paper	✓	x	✓	✓	x	x	✓	5 months per sector 12 months per cluster of 6-7 sectors	4-5 years	3 Research Associates 0.3 Research Lead
	3 months Includes identification key sources, stakeholders, and peer reviewers and rationale for sectors included in the cluster		3-4 months No exposure draft but Interim Resource for peer review input as there is no public comment period	2-3 months General links to GRI Topic Standards (without developing additional sector reporting)			3 months			

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| Option 2: Reduced version of the Sector Standard following GSSB due process | ✓ 4 months Includes identification of peer reviewers | x | ✓ 3-4 months Draft for peer review / stakeholder engagement | ✓ 4-5 months Exposure draft GRI topics (without developing additional sector reporting) | ✓ 3 months 60 days public comment period | ✓ 3 months | ✓ 3 months | 20-22 months per cluster | 6.7-7.3 years | 1 Project Manager 2 Senior Standards Officers 0.2 Team Assistant 0.2 Director |