gssbsecretariat@globalreporting.org

Item 03 – GRI Topic Standard Project for Pollution – Elaborated scope

For GSSB discussion

Date	31 May 2024
Meeting	20 June 2024
Project	GRI Topic Standard Project for Pollution
Description	This document presents the background and elaborates on the scope of the GRI pollution-related disclosures. In preparation for the June 2024 GSSB meeting, we invite the GSSB to review the elaborated project scope and provide the following: 1) Any final observation(s) on the elaborated project scope and to confirm the questions and the comments raised by the GSSB in the 14 March meeting are clarified to the extent the Standards Division is able to proceed with the project and to start the public call for working group experts. 2) Recommendation(s) on key stakeholders for engagement. 3) A sponsor to the Topic Standard Project for Pollution.

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Background

Topic Standard Project for Pollution

The GSSB Work Program 2023-2025 foresees the start of a new Topic Standard Project for Pollution. It includes the revision of the existing Disclosures 305-6 Ozone-depleting substances, 305-7 NO_x, SO_x, and other significant air emissions, and Disclosure 306-3 Significant spills.

The project proposal for the Topic Standard Project for Pollution was approved during the meeting on 14 March 2024, under the understanding that questions and comments will be addressed in the scoping process.

This document builds on the approved project proposal and elaborates on the scope. Firstly, it provides an overview of what pollution is, including the role of organizations in relation to pollution. Secondly, it explains how future disclosures related to pollution will be structured and the linkages with other GRI Standards.

Pollution

Due to human activity, pollution is pushing the planetary boundaries to a state where humanity can no longer thrive. The concept of 'planetary boundaries' presents nine indicators for the boundaries of planet Earth. Six of these have already been crossed,[1] and two of the boundaries, novel entities[2] and biochemical flows,[3] can be directly linked to pollution. It is important to note that the two other boundaries that can be directly linked to pollution, stratospheric ozone depletion[4] and atmospheric aerosol loading,[5] remain within limits.

Additionally, the achievement of the Sustainable Development Goals (SDGs) is affected by pollution. Most notably, SDG3 Good Health and Well-being, SDG6 Clean Water and Sanitation, SDG12 Responsible Consumption and Production, SDG14 Life Below Water, and SDG15 Life on Land are affected by pollution.

[1] Richardson K, Steffen W, Lucht W, Bendtsen J, Cornell SE, Donges JF, Drüke M, Fetzer I, Bala G, von Bloh W, Feulner G, Fiedler S, Gerten D, Gleeson T, Hofmann M, Huiskamp W, Kummu M, Mohan C, Nogués-Bravo D, Petri S, Porkka M, Rahmstorf S, Schaphoff S, Thonicke K, Tobian A, Virkki V, Wang-Erlandsson L, Weber L, Rockström J., *Earth beyond six of nine planetary boundaries*, 2023.

[2] The control variable for Novel entities is the percentage of synthetic chemicals released to the environment without adequate safety testing.

[3] The control variables for biochemical flows are Phosphate global: P flow from freshwater systems into the ocean; regional: P flow from fertilizers to erodible soils (Tg of P year−1), and Nitrogen global: industrial and intentional fixation of N (Tg of N year−1).

[4] The control variable for Stratospheric ozone depletion is Stratospheric O_3 concentration via the release of gaseous halocarbon compounds from industry and other human activities.

[5] The control variable for Atmospheric aerosol loading is Aerosol optical depth (AOD). AOD can come from pollution from factories but also dust, wildfires etc. Source: Nasa, Aerosol Optical Depth, https://earthobservatory.nasa.gov/global-maps/MODAL2_M_AER_OD, accessed on 1 April 2024.

Human activity, including activities by organizations, plays a role in respecting the boundaries of planet Earth and achieving the SDGs. Reporting about pollution allows organizations and their stakeholders to understand and manage the related impacts.

The UN Statistics Division Environment Glossary states that pollution is the '1. presence of substances and heat in environmental media (air, water, land) whose nature, location, or quantity produces undesirable environmental effects; 2. activity that generates pollutants'.[6] The same Glossary defines pollutant (or contaminant) as 'any physical, chemical, biological or radiologic substance or matter that has an adverse effect on air, water, land/soil or biota'.

Human activities as a source of pollution can be linked to a wide variety of activities, such as engine combustion, discharge of toxic wastewater, use of pesticides, and spills. Additionally, products containing chemicals of concern, such as plastics or other hazardous substances, can pollute if not appropriately managed.[7]

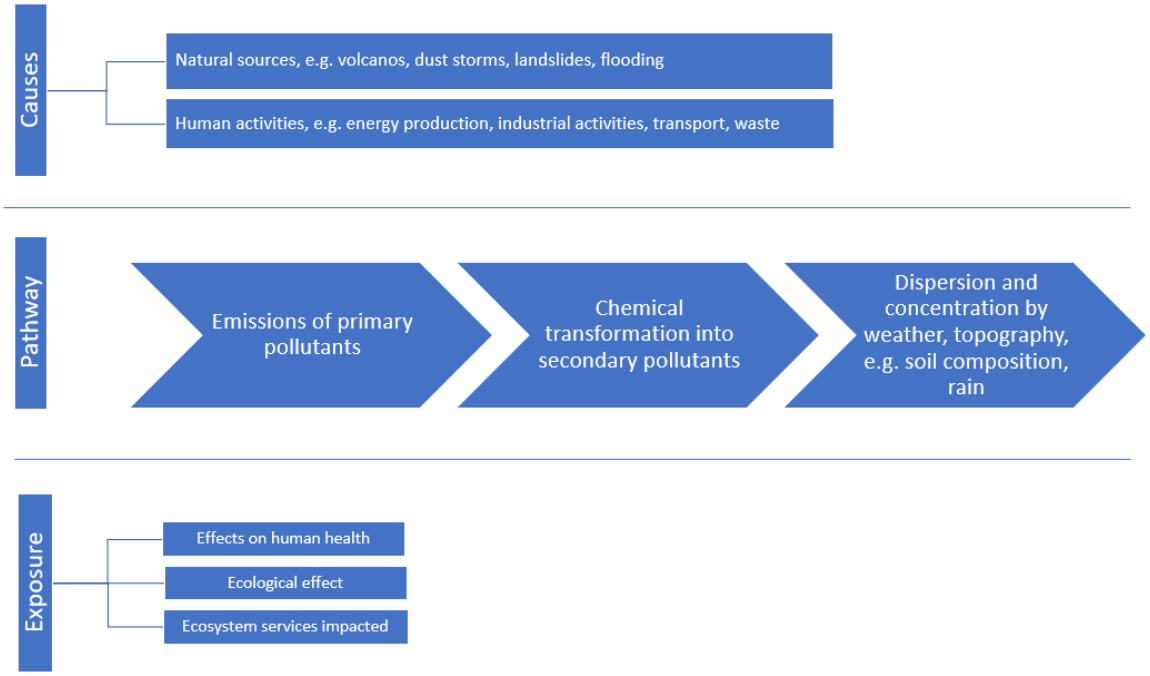
Primary pollutants, including emissions from human activities, are emitted directly from a source. Examples of primary pollutants are heavy metals, pesticides, pharmaceuticals, plastics, noise, smell, and vibrations. Primary pollutants can undergo a chemical transformation into secondary pollutants. For example, ground-level ozone is a gas that forms above the earth's surface. Ground-level ozone is formed when the primary pollutants, nitrogen oxides (NOx), and volatile organic compounds (VOC) react in sunlight and stagnant air.[8] Weather and topography influence the dispersion and concentration of pollutants. See Figure 1 below for an illustration of the pollution pathway, including causes and exposure.

[6] UN, department for economic and social information and policy analysis, *Glossary of Environment Statistics*, 1997.

[7] United Nations Environment Programme (UNEP), *Towards a pollution-free planet background report*, 2017.

[8] Government of Canada, Common air pollutants: ground-level ozone, https://www.canada.ca/en/environment-climate-change/services/air-pollution/pollutants/common-contaminants/ground-level-ozone.html, accessed on 1 April 2024.

Figure 1. Pollution to air, water and soil



Source: adapted from United Nations Environment Programme (UNEP), *Towards a Pollution-Free Planet. Background Report*. 2017.

Role of organizations: operations, products and services

The OECD Guidelines for Multinational Enterprises on Responsible Business Conduct mention that enterprises can be involved in air, water, and soil pollution. The Guidelines set out the expectation that enterprises should 'avoid and address adverse environmental impacts and contribute to […] pollution prevention, reduction and control'.[9]

Organizations contribute to pollution through their operations, products, and services, including their upstream supply chains and downstream entities. Through due diligence, 'an organization identifies, prevents, mitigates, and accounts for how it addresses its actual and potential negative impacts on the economy, environment, and people, including impacts on their human rights'.[10] This includes its own activities and those of its business partners that can be directly linked to the organization.

Organizational activities can be directly linked to the emissions of primary pollutants in their operations, products, and services. The Topics Standard Project for Pollution will focus on an organization's operations, products, and services, including supply chains and downstream entities.

GRI 301: Materials 2016 and *GRI: 306 Waste 2020* include elements of a circular economy, which is an approach to managing pollution by products and services. The revision of *GRI 301 (2016)* and *GRI 306 (2020)* is foreseen in the Topic Standard Project for Circularity and Material Resources. These

[9] Organisation for Economic Co-operation and Development (OECD), *OECD Guidelines for Multinational Enterprises on Responsible Business Conduct*, 2023.

[10] *GRI 1: Foundation 2021.*

Standards will not be revised as part of the Topic Standard Project for Pollution but are acknowledged as relevant to reporting on pollution.

Structure of the Disclosures

The topic of pollution is broad. Aspects of pollution can be found across different GRI Standards. Reporting organizations might need to use disclosures from different Standards to report on their impacts related to pollution.

The project will revise selected existing pollution-related disclosures and develop new ones for identified gaps. These disclosures will be incorporated into one or more Standard(s). An additional document will be developed to provide an overview of all pollution-related disclosures in GRI Standards.

The project proposes to develop the following:

- Disclosure(s) on non-GHG emissions to air. This is based on the revision of Disclosure 305-6 Ozone-depleting substances and Disclosure 305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions in *GRI 305: Emissions 2016*.
- Disclosure(s) on emissions to soil. This is a new disclosure.
- Disclosure(s) on critical incidents. This will include the revision of Disclosure GRI 306-3 Significant spills in *GRI 306: Effluents and Waste 2016*.
- Whitepaper/guidance/Standard Interpretation on GRI Standards and how to report on pollution. This document will provide an overview of pollution-related disclosures across various GRI Standards. These disclosures can be part of the project, e.g., the revised Disclosure 305-7, but can also be found in GRI Standards that are not part of the project, e.g., Disclosure 303-4 Water discharge. Reporters can use this document to navigate GRI Standards for reporting on pollution-related impacts. This document will also support stakeholders of organizations, such as local communities, in their understanding of what can be expected to be reported concerning pollution.

The following information informs the elements of pollution-related disclosures:

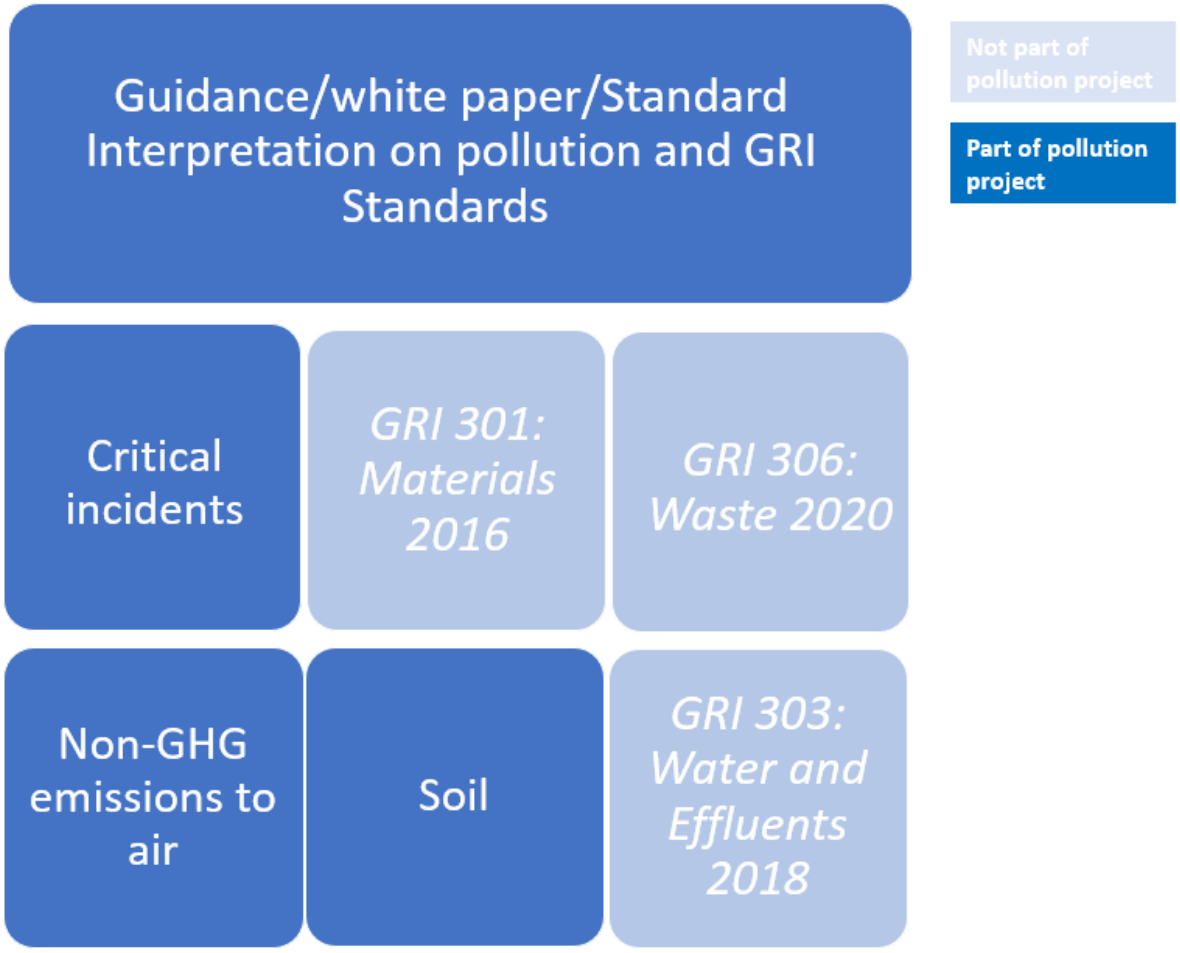
- Part of the definition of pollution is emissions to water. These emissions can be reported with *GRI 303: Water and Effluents 2018*. Specifically, Disclosures 303-1 Interactions with water as a shared resource, 303-2 Management of water discharge-related impacts, and 303-4 Water discharge are relevant to pollution. However, these Standards also address other factors that impact the availability and quality of water, i.e., water withdrawal and consumption. For reporting organizations and their stakeholders, it is helpful to understand all the factors that can have impacts on the availability of clean water. In the GSSB Work Program 2023-2025, the revision of *GRI 303: Water and Effluents 2018* is not mentioned as part of the Topic Standard Project for Pollution. Therefore, this Standard's revision is not considered part of the

Topic Standard Project for Pollution. Organizations can currently use GRI 303 to report on water pollution.

- Critical incidents might be the cause of pollution, but they also might not have a polluting effect. The disclosure(s) allows organizations to report on critical incidents that fit their circumstances. Explicit references to related Standards, such as *GRI 403: Occupational Health and Safety 2018*, can be considered for inclusion during the disclosure(s) development.
- The structure prevents a complete overhaul of existing GRI Standards, with the risk of taking out disclosures and having 'leftover' disclosures.
- The standards in the project will include reporting pollution related to operations (facilities), products, and services, including in supply chains and downstream entities. Emissions linked to products and services addressed by the circular economy approach will become part of the revision of *GRI 301: Materials 2016* and *GRI 306: Waste 2020*.

Figure 2 illustrates an overview of Standards directly related to reporting on pollution.

Figure 2: Overview of (future) pollution-related GRI Topic Standards/disclosures



Linked GRI Standards

Other GRI Standards can be linked to the topic of pollution because, for example, they are used to report on the effect of pollution (or exposure, see Figure 1). See Figure 3 for an overview of Standards related to the topic of pollution. They can be considered for reference in pollution-related disclosures.[11]

GRI 403: Occupational Health and Safety (OHS) 2018 is relevant as a polluted working environment and unhealthy levels of air from regular operations can affect workers' health. A critical incident like an oil spill can also cause an unhealthy environment. Additionally, these local emissions can impact local communities and Indigenous Peoples. Reporters can use *GRI 413: Local Communities 2016* and *GRI 411: Rights of Indigenous Peoples 2016* to report on this topic.

If a spill or leakage is created by sabotage, organizations might find the topic of security practices material. *GRI 410: Security Practices 2016* allows organizations to report on this topic.

GRI 101: Biodiversity 2024 refers to pollution as a driver for biodiversity loss. It directly refers to Disclosure 305-7 NO_x, SO_x, and other significant air emissions in *GRI 305: Emissions 2016* and Disclosure 306-3 Significant spills in *GRI 306: Effluents and Waste 2016*. It also refers to Disclosure 303-4 Waste discharge in *GRI 303: Water and Effluents 2018* to report on pollution to water and soil. An organization can also use this *GRI 101* to report how it has managed its impact on biodiversity.

Pollution takes place in the entire value chain of organizations. *GRI 204: Procurement 2016* and *GRI 308: Supplier Environmental Assessment 2016* informs organizations on reporting its management of suppliers.

The GRI Topic Standard for Climate Change, currently under revision, refers to pollution among the environmental impacts associated with the organization's transition and adaptation plans, along with the use of GHG removals and carbon credits.

[11] GRI Topic Standards refer to each other where relevant. For example, the guidance of Disclosure 101-6-c refers to Disclosure 305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions in *GRI 305: Emissions 2016*.

134 **Figure 3: Pollution – GRI Standards relevant for referencing**

Annex Definitions

- **Pollution**: 1. presence of substances and heat in environmental media (air, water, land) whose nature, location, or quantity produces undesirable environmental effects; 2. activity that generates pollutants

  Source: UN Statistics Division Environment Glossary
- **Contaminant**: any physical, chemical, biological or radiologic substance or matter that has an adverse effect on air, water, land/soil or biota. The term is frequently used synonymously with pollutant.
  - NB: the project will continue with the word pollutant.

  Source: UN Statistics Division Environment Glossary
- **Primary pollutant**: pollutant that is emitted directly from source to a medium

  Source: adapted from: UNEP, Towards a Pollution-Free Planet, 2017
- **Value chain:** range of activities carried out by the organization, and by entities upstream and downstream from the organization, to bring the organization's products or services from their conception to their end use
  - Note 1: Entities upstream from the organization (e.g., suppliers) provide products or services that are used in the development of the organization's own products or services. Entities downstream from the organization (e.g., distributors, customers) receive products or services from the organization.
  - Note 2: The value chain includes the supply chain.

  Source: *GRI Standards Glossary 2021*
- **Circular economy:** A systems solution framework that tackles global challenges like climate change, biodiversity loss, waste, and pollution. It is based on three principles, driven by design: eliminate waste and pollution, circulate products and materials (at their highest value), and regenerate nature.

  Source: Ellen McArthur Foundation
- **Circularity measures:** measures taken to retain the value of products, materials, and resources and redirect them back to use for as long as possible with the lowest carbon and resource footprint possible, such that fewer raw materials and resources are extracted and waste generation is prevented.

  Source: *GRI Standards Glossary 2021*