



# GRI consults on new proposals

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Global IFRS Institute | Sustainability reporting | Ready for ESG reporting?



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## GRI has a key role in shaping impact reporting in the global ESG reporting ecosystem

Global sustainability reporting is here. International and European standards are final – and effective – and the SEC<sup>1</sup> climate rule is forthcoming. Alongside this, GRI<sup>2</sup> Standards are already used by 78 percent of G250 companies<sup>3</sup> globally.

To respond to emerging needs, the GRI has invited comments on its **climate change** and **energy** proposals.

We believe the GRI has a key role to play in improving the quality and consistency of global sustainability reporting practices. Sustainability reporting is increasingly being incorporated into regulatory requirements. At a global level, to achieve **equivalence**, a sustainability reporting package based on both IFRS<sup>®</sup> Sustainability Disclosure Standards and GRI Standards would address investor and broader stakeholder needs.

Given the current sustainability reporting landscape, we suggest the GRI consider whether GRI Standards remain unchanged at the current time and instead immediately focus on collaborating with the ISSB<sup>4</sup> and EFRAG<sup>5</sup> to the benefit of the global sustainability reporting ecosystem.

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## The potential for 'equivalence'

GRI Standards are designed to facilitate the reporting of impacts on the economy, environment and people. Together, ISSB<sup>™</sup> Standards and GRI Standards offer a potential solution for how a company (through its jurisdictional requirements) might arrive at sustainability reporting that is accepted by the European Commission as 'equivalent' to applying ESRs<sup>6</sup>.

## Promoting interoperability

To achieve the goal of equivalence, further GRI standard setting should promote interoperability, with the GRI actively collaborating on standard-setting projects with the ISSB and EFRAG.

Practically, this means that any independent projects undertaken by the GRI should be sensitive to advancing interoperability. Proposals to improve GRI Standards

**“The GRI has an important role to play in delivering an efficient and aligned global sustainability reporting ecosystem: it’s key to bridging the gap between ISSB Standards and ESRs.”**

1. Securities and Exchange Commission.
2. Global Reporting Initiative.
3. World’s 250 largest companies by revenue based on the 2021 Fortune 500 ranking.
4. International Sustainability Standards Board.
5. European Financial Reporting Advisory Group.
6. European Sustainability Reporting Standards.

should match the measurement principles and disclosures in ISSB Standards and/or ESRs as much as practicable, instead of simply being similar.

To the extent the GRI believes individual requirements in its standards should be updated, we recommend a more gradual two-step process.

1. Align with the terminology and requirements in ISSB Standards and/or ESRs in the first instance.
2. Work with the ISSB and EFRAG on longer-term improvements.

## Standard-setting collaboration

The GRI has considerable expertise in sustainability reporting, which we believe would benefit the future development of topical standards by the ISSB as well as sector-specific standards by the ISSB and EFRAG. In tandem, the GRI could update its own standards.

We believe this approach – if adopted as an explicit strategy – would strengthen the GRI's position in the global sustainability reporting ecosystem as a bridge towards equivalence.

## Find out more

Read our [full response](#).

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