

Guidance Document for Sustainability Reporting Based On GRI Standards 2021

2ND EDITION



Dhaka Stock Exchange Limited

Message From The Managing Director of DSE



Bangladesh is one of the fastest growing economy in the world having a steady GDP growth of around 7% during a decade. It is the second-largest economy in South Asia, and 33rd largest in the world in nominal terms, and 25th largest by purchasing power parity. One of the key drivers of its economy is the vibrant and growing corporate sector. A sound financial market structure of the country contributes to become an attractive investment destination of the region.

Dhaka Stock Exchange Limited (DSE) is the main bourse of Bangladesh and has been contributing to the country's industrialization, development of infrastructure and overall economic growth for a period of 70 years. With the advancement of economy, DSE is also shaping its role in providing an efficient and transparent market place for domestic and foreign investors. It is also in line with the world wide campaign of sustainability reporting to ensure and achieve sustainable development goal. Despite of various global and domestic challenges, DSE has been continuing its thrives towards sustainable development through building local and international partnership. As a part of its collaboration, DSE has been maintaining a mutual understanding and cooperation with Global Reporting Initiative (GRI) for last 6 years.

We proudly recognize and record a fruitful advancement of sustainability reporting practices among the listed securities of Dhaka Stock Exchange Limited. We are hopeful that this initiative will be landmark event which will pave the way not only for advancement of sustainability reporting but also will create opportunity through exchanging views to identify challenges and way forward in the days ahead.

GRI has been helpful since 2018, conducting a number of workshops and events, creating the awareness among the key stakeholders which culminated into DSE's publication of the "Guideline on sustainability reporting for Listed Companies in Bangladesh" in the year 2019. GRI is revising the Guideline, in order to align it with the GRI Universal Standards 2021.

On behalf of Dhaka Stock Exchange, I express my gratitude to GRI and other partners who have done this excellent work for the benefit of the industry of Bangladesh and global communities at large.

Thank You

A handwritten signature in white ink, appearing to be 'Dr. ATM Tariquzzaman'.

Dr. ATM Tariquzzaman, CPA

Managing Director

Dhaka Stock Exchange Limited

Message From The Chief Executive of GRI



We are living in a world that is changing fast. With the advent of new technologies and capabilities, disruptive intervention is taking place in manufacturing, trade and commerce. Coupled with the high rate of change throughout, impacts on economy, environment and people are also increasing, both in positive and negative directions. On the one hand, 2023 happens to be hottest year in the history of mankind, which sees ever increasing climate breakdown, high number of heatwaves, high rate of downpours, floods and cyclones, and on the other hand, it is a year also that is seeing greater consensus of global players on climate action and social justice.

With every passing day, need for a globally uniform, comparable and detailed standard for measuring and reporting on sustainability performance of enterprises in diverse sector, is becoming more and more pronounced. Since 1997, GRI is working hand in hand with the industry to help organizations to be transparent and take responsibility for their impacts, so that a sustainable future can be weaved.

GRI has created the global common language for organizations to report their impacts - which enables informed dialogue and decision making around those impacts. Thus, GRI has earned the global recognition of a standard setting organization, focusing on impact reporting and sustainable development.

Today, GRI provides the most comprehensive sustainability reporting Standards, on which 78% of the G250 companies report their sustainability performance. The use of GRI standards is consistently growing, which not only is adding value to the organizations themselves, but also making great contributions to sustainable development and achievement of the SDGs.

The call for adopting sustainable development models and reporting on sustainability performance transparently and materially, is growing louder every day. GRI alone can not achieve its central objectives of enhancing sustainability performance by setting standards. It needs active participation of the industry groups, associations, and other platforms with their own initiatives to bring organizations into the practice, culture and where applicable, jurisdiction for reporting on sustainability performance.

It is a matter of great pleasure that Dhaka Stock Exchange had published its “Guideline on sustainability reporting for Listed Companies in Bangladesh.” It was written in line with the requirements of GRI Universal Standards 2021.

It is a matter of great pleasure that Dhaka Stock Exchange had published its “Guideline on sustainability reporting for Listed Companies in Bangladesh.” It was written in line with the requirements of GRI Universal Standards 2016.

This edition of the document is being released with all the updates necessary to fulfill the requirements of GRI Universal Standards 2021. This is a remarkable service by GRI South Asia, which supported Dhaka Stock Exchange to have this revision done.

I wish Dhaka Stock Exchange all the success for promoting sustainable development in Bangladesh.

Thank You

Signature

Eelco van der Enden

Chief Executive, GRI

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Declaration

This revision of the Guidance Document for preparing sustainability report, compiled for Dhaka Stock Exchange, has been compiled using the previous version of the guidance document. All the sections and texts which were written based on GRI Universal Standards 2016 have been edited to make it fully aligned with the GRI Universal Standards 2021. In doing so, extensive use of GRI 1: Foundation 2021, GRI:2 General Disclosures 2021 and GRI 3: material topics 2021, have been made. In some cases, the requirements of aforementioned standards have been used verbatim to ensure flawlessness. Integration of SDG in the sustainability report has been addressed using the 3 publications of GRI and UNGC (Business Reporting on the SDGs) mentioned in the appendix 2. This document is dynamic and subject to revision, updation or correction, at any point in time, as the situation warrants.

The best practice checklist of writing sustainability report is for reference only. Reporting organization needs to comply with all the requirements of GRI standards for writing a sustainability report in accordance with the GRI standards. If there is any conflict between this document a requirement of the GRI standards, the latter shall prevail.

1.0 About the document

During the last 2 decades, a transformational shift of paradigm has taken place with respect to standardizing disclosures for reporting sustainability performance of enterprises. Numerous guidance documents, standards and platforms have emerged, in line with the prevailing authoritative inter-governmental instruments, aiming to facilitate uniform sustainability reporting practices. GRI Published its first version of Guideline Document (G1) in the year 2000, which was the first ever framework for reporting on sustainability performance. The GHG Protocol was first published in 2001 and the CDP had its reporting platform in 2002. Sustainability reporting gained pace year over year, creating progressively compulsive environment for the enterprises to report on their impact on the Tripple Bottom Lines.

In a survey of more than 1,000 corporate CEOs, 93% stated they consider sustainability important to the future success of their business.

Adoption of the SDGs in 2015 by the UN was a transcendental milestone which has catalyzed reporting culture profoundly, across the world. SDGs demand disclosure of performance by the enterprises that contribute to sustainable development. Specifically, SDG 12 and its target 12.6 requires large enterprises to report sustainability information into their reporting cycles.

German Supply Chain Due Diligence Act needs organization to enhance sustainability performance and report publicly. EU Corporate Sustainability Reporting Directive (CSRD), adopted in 2022, took one step further to legally require certain organizations to report on their sustainability performance.

Establish in 2009, Sustainable Stock Exchange Initiative is progressively bringing in guidelines for reporting sustainability performance to the bourses of the world, through influence and advocacy.

Both Dhaka Stock Exchange and Chittagong Stock Exchange subscribe to SSEI and hence it is imperative that they provide sustainability reporting guidelines to the listed companies.

DSE, with support from GRI, published a Guidance Document for sustainability reporting for the member companies in 2018. Obviously, it was written addressing the requirements of the GRI Universal Standards 2016. From January 2023, GRI Universal Standards 2016 have been made obsolete and therefore the Guidance Document was in need to be updated.

This document addresses the above needs, and it is prepared considering various changes in the requirements, including introduction of new requirements, as per the GRI Universal Standards 2021.

2.0 Background on sustainability reporting

Since the publishing of the Brundtland Commission Report in 1987, the world is gradually coming to terms with the growing urgency for action for responsible business practices and counteract negative impacts on the environment, economy, people, including on human rights. In recent years, the global supply chains are undergoing substantial transformation, facing mounting

demand from stakeholders to contribute to Sustainable Development Goals. Along with this, a growing demand for transparency about the impacts on economy, environment, and people, has been fostering a culture of sustainability reporting across all the geographies and sectors.

The GRI standards, which is one of the many frameworks for reporting sustainability, have been the pioneer in championing the sustainability reporting culture. Used by more than 10,000 organizations in more than 100 countries, the standards are advancing the practice of sustainability reporting, and enabling organizations and their stakeholders to take action that creates economic, environmental, and social benefits for everyone.

A survey conducted across the world has revealed that GRI provides the 'first and foremost' global standards, used by more large companies than ever before.

The 2022 survey of the [KPMG on sustainability reporting](#) examined the disclosure practices of the world's biggest 250 companies by revenue (the G250), as well as, the top 100 businesses in each of 58 countries (the N100).

Great strides have been made in advancing the culture of sustainability reporting in past years which is manifest in the KPMG report. Some highlights are:

- 78% of the G250 now adopt the GRI Standards for Reporting (up from 73% in 2020);
- 68% of the 5,800 N100 companies use GRI standards (up from 67% in 2020, when N100 was a smaller sample size);
- Overall, 96% of G250 (unchanged from 2020) and 79% of N100 (77% in 2020) report on sustainability or ESG ;
- Carbon reduction is widely disclosed (80% of G250 and 71% of N100) – yet under half (46% of G250, 40% of N100) report on biodiversity.
- Almost three-quarters of those surveyed (74% of G250, 71% of N100) report on the SDGs;
- GRI offers the only reporting standards used by a majority of surveyed companies in all regions (75% in the Americas, 68% in Asia-Pacific and Europe, 62% in ME & Africa).

The realization that the risks and opportunities arising from the impact of an organization's activities and business relationships on the economy, environment and people can be material to understanding an organization's financial performance, has also influenced the investor communities and users of general-purpose financial reports.

Sustainability reporting provides a broader view of a company's performance than financial disclosures alone. The idea that 75% of the value of an organization's intangible has an inherent risk of disproportionate value collapse arising out of events not foreseen to be critical, related the

organization's adverse impact on environment and people. Many precedents are available, from the Exxon Valdez and Enron to the recent cases of bankruptcies and divestments.

In recent years, extreme climatic events, and natural disasters have caused a deeper introspection in the stakeholders across the world, including the investors community, asset owners, asset managers, regulators, and governments. Progressively stringent requirements are emerging through international collaboration, in the form of authoritative intergovernmental instruments, legislature, policy frameworks, guidance documents, and best practice documents. Advocacy and activist mobilizations are on the rise around the world. Various decisions of the investor communities are also going in favor of Sustainable Development and transparent disclosure of sustainability performance.

The cumulative effect of all the above-mentioned factors has now reached a tipping point, where reporting on sustainability performance has become not only a necessity for information users' decision making process, but also a hallmark of responsible business enterprises in both the mature and developing economies.

3.0 Why report on sustainability

Gone are the days when profitability and growth used to be the sole yardsticks to measure the success of an enterprise. Since the day of the "Our Common Future" and the Rio Summit, information on risks and opportunities arising from the organization's impact on economy, environment and people became material to the users of the general-purpose financial reports. Adoption of the millennium Development Goals and the SDGs subsequently lent momentum to the need for reporting on sustainability performance.

Integrating environmental, social, and corporate governance (Sustainability) policies and practices into a company's strategy and daily operations is increasingly being recognized by investors as relevant to the company's ability to capture long-term value. Therefore, transparency around how a company manages its sustainability risks and opportunities is part of its value proposition, and the financial communities are increasingly recognizing that, to thoroughly assess an investment, it must also analyze relevant sustainability factors.

The United Nations Sustainable Stock Exchanges (SSE) Initiative encourages stock exchanges to provide guidance to their issuers on Environmental, Social and Governance (Sustainability) reporting. Acting as conduits between issuers, investors, regulators and other capital market stakeholders, stock exchanges are ideally placed to support the transition to greater sustainability disclosures and thereby to attract new investment flows with a focus on sustainability.

"Institutional investors need a higher volume of companies, both public and private, reporting quality sustainability information. Different investors have different informational needs, but there is a growing level of consistency in incorporating material sustainability factors into investment decision-making."

As of today, 71 out of 122 Stock Exchanges tracked by SSEI have published their sustainability reporting guidance documents.

The SSE's supports stock exchanges to provide listed companies with guidance on sustainability reporting by providing Model Guidance Document (<https://shorturl.at/coGKV>). The purpose of the model guidance compiled by the SSE is to help exchanges address the need for member exchanges to publish their own guidance document for sustainability reporting. In addition to this guidance, stock exchanges can find a number of other tools available to them on SSEI webpage.

The SSE also tracks the sustainability related activities of stock exchanges in the SSE database, for example, how many stock exchanges require sustainability reporting as a listing rule, provide sustainability-related training or have written guidance on sustainability reporting.

Examples of these guides are the [LSEG's Your Guide to sustainability reporting](#) and more locally the sustainability guidance of the Bombay Stock Exchange [guidance document on sustainability disclosures](#). There is also the [sustainability reporting guidelines by the Philippine Securities and Exchange Commission](#). Many more can be found in the [SSE Database](#). The present guidance document is one of the latest. The [model guidance on reporting sustainability information to investors](#) was also prepared by the SSE.

The guidance document serves as a voluntary technical tool for stock exchanges. As stated in the guidance: "Once a company has established which sustainability themes to report on, it can begin to disclose specific performance indicators to demonstrate progress. These indicators may be generic, industry-specific or company-specific. It is recommended that companies use widely accepted indicators developed via a credible national or international process. The GRI, for example, produces the most widely used set of indicators for corporate sustainability reporting with detailed guidance on their application."

There is a growing trend for governments, stock exchanges and other regulators to translate global goals into laws, regulations and requirements for sustainability performance and reporting on non-financial data. For example, the World Federation of Exchanges (WFE) has published revised sustainability guidance for their member exchanges. The [WFE sustainability Guidance and Metrics](#) represents the best sustainability practices, and covers indicators such as emissions, climate risk mitigation, gender, human rights, ethics, and anti-corruption, in full alignment with the [GRI sustainability reporting standards](#). Businesses that are at the start of their reporting journey can adopt the GRI standards to elaborate their sustainability reporting and use this [linkage document](#) to map their disclosure against WFE guidance.

The SDGs are the underlying roadmap for the business communities of the world for sustainable development and thus the stakeholders, specially the investors rely on the sustainability reports where the contribution of the organization to the SDGs can be traced.

To understand these dynamics better, publications such as *In focus: Addressing Investor Needs in Business reporting on the SDGs* can help companies make their disclosures most relevant for investors.

In any case, the investors community has decided to manage their investment risks through judicious decision-making based on the information obtained through the sustainability reports of the enterprises.

Therefore, sustainability reporting by the listed companies is of paramount importance and for that to happen, the exchange should provide guidance documents to be followed by the listed enterprises.

If we summarize why enterprises need to report on their sustainability performance, there will be 3 key points:

3.1 Investor interest in sustainability factors

By the middle of 2015, the UN Supported organization Principles for Responsible Investment (PRI) had nearly 1,400 signatories with USD 54 trillion in assets under management (AUM), which had 800 signatories with USD 22 trillion AUM in 2010. The growth is highly significant, which indicates that the asset managers are moving towards sustainable business practices faster than before.

3.2 Getting ahead of regulatory developments

Governments around the world are taking action to address the demands for high-quality corporate reporting on sustainability information. A number of jurisdictions have introduced regulatory requirements governing corporate disclosure of sustainability information. In 2013 there were over 180 sustainability-related disclosure regulations and other instruments across 45 countries (a threefold increase since 2006). 19 of the G20 member states and nine of 32 national securities commissions on the board of the International Organisation of Securities Commissions (IOSCO) have implemented at least one mandatory reporting initiative or regulation on social and environmental matters.

Publishing sustainability reports may be optional today for some jurisdictions, but the trend shows that sooner than later, this is going to be regulatory matters for the listed companies.

3.3 Strengthening financial performance

Studies show that there are business cases for companies to fully integrate sustainability into their business strategy. The evidence suggests that strong sustainability performance of corporates correlates positively with improved cost of capital and financial performance.

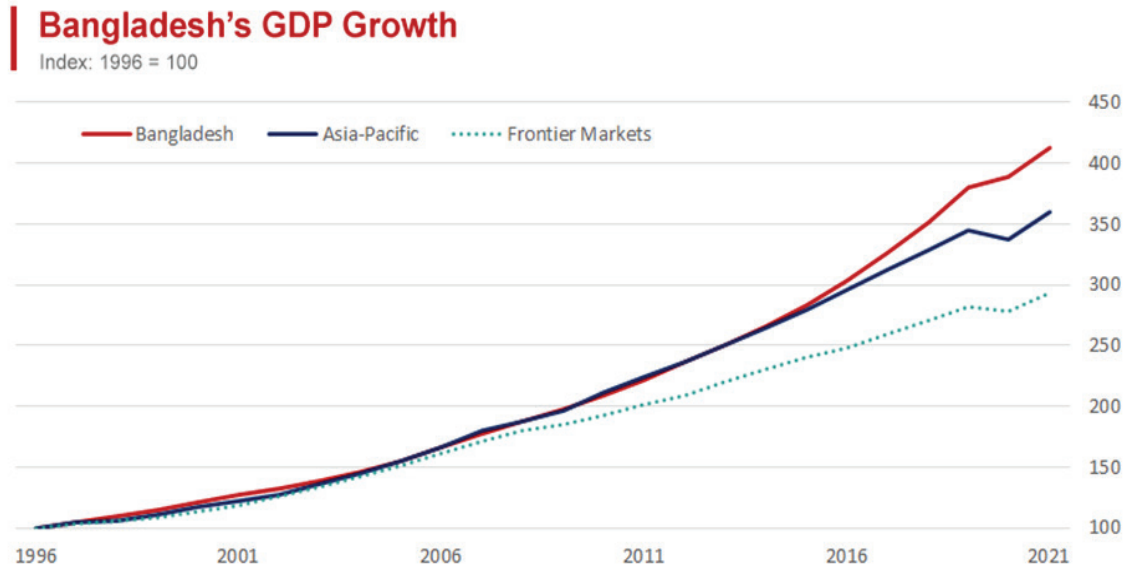
A 2015 study suggests that companies that perform well on material sustainability topics significantly outperform peers with poor performance on these.

In all respects, with the hind-sights and fore-sights, promotion of sustainability reporting of corporate sustainability performance is becoming an imperative across the entire spectrum of business and investments. This lays a definitive responsibility to the exchanges to guide their listed companies for publishing high-quality sustainability reports on their sustainability performance.

4.0 Sustainability context in Bangladesh

Bangladesh is a rapidly growing economy, maintaining a 6% to 7% growth rate since 1996. This growth trajectory is taking Bangladesh to the doorsteps of the global community and Bangladesh is now required to look into the emerging business standards and best practices that enable the

countries to play positive roles in the context of sustainable development.



* GDP in Purchasing Power Parity terms with added estimates for the size of the [informal economy](#) and adjustments for out-of-date [GDP base year](#) data.

There is a substantial collaboration between Bangladesh and the international business community, beyond the commercial interaction, through exchange of knowledge, support for technology and capacity buildings, and through Foreign Direct Investments. The audience that judge the performance of the enterprises of Bangladesh are no more confined to the local population, rather it is progressively becoming multi-national and multi-cultural, with consequent transformation of the needs and expectations that the businesses face today.

Adoption of the emerging trends, standards and best practices is crucial for the industry of Bangladesh as it depends heavily on exports. In every sphere of business, trade and commerce, Bangladesh needs to focus on how it can promote the principles and practices that mature economies have accepted as established norms.

Measuring the performance of an enterprise in the context of its contribution to sustainable development is already an established norm in the mature economies. This is being done systematically, based on regulations, standards, benchmarks, and best practices around the world. Same has to be the case for Bangladesh, more so, as it is going to graduate as a developed economy in the year 2041, as projected.

Bangladesh is highly aware of this and when it comes to the protection and improvement of the environment and biodiversity, the Constitution of the People's Republic of Bangladesh states that, "The state shall endeavor to protect and improve the environment and to preserve and safe-guard the natural resources, biodiversity, wetlands, forest and wildlife for the present and future citizens."

The pursuit of sustainable development is, therefore, the central focus of all development activities in Bangladesh.

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All development plans and programs inherently endeavor to conform to this dictum of the constitution.

The 8th five year plan of Bangladesh (July 2020 to June 2025) has emphasized on appropriate policies, frameworks and has devised suitable and sustainable development strategies for promoting prosperity.

There are 6 core themes that dominate the current five-year plan, which are:

- 4.1 Rapid recovery for COVID-19 to restore human health, confidence, employment, income and economic activities.
- 4.2 GDP growth acceleration, employment generation, productivity acceleration and rapid poverty reduction.
- 4.3 A broad-based strategy of inclusiveness with a view to empowering every citizen to participate fully and benefit from the development process and helping the poor and vulnerable with social protection- based income transfers.
- 4.4 A sustainable development pathway that is resilient to disaster and climate change; entails sustainable use of natural resources; and successfully manages the inevitable urbanization transition.
- 4.5 Development and improvement of critical institutions necessary to lead the economy to UMIC status.
- 4.6 Attaining SDG targets and coping up the impact of Least Developed Country (LDC) graduation.

Analyzing the 8FYP of Bangladesh, one will be very quick to grasp the fact that there is good integration of the core themes of sustainable development and the prevailing SDGs and targets into it, carried out in a meticulous manner. As it is often said, planning is half the battle, it can be said that Bangladesh has done its due diligence in the planning phase for achieving the SDGs.

In this plan, and the previous ones as well, emphasis has been put on increasing productive labor, creating more labor-intensive industries, and promoting small enterprises to increase jobs. Raising productivity in all areas including agriculture, manufacturing and services will be given

special focus. To ensure the best possible opportunities for a productive and healthy life for the people while maintaining the balance in nature and ensuring sustainability for future generations,

the country must have “human centered” sustainable development. Bangladesh will continue to meet the challenges of creating favorable social, economic, and environmental conditions that will support the overall sustainability of the nation. Sustainability has been deeply embedded within our people and is integrated in the lifestyles, livelihood and culture of the people of Bangladesh. The Ministry of Environment and Forest (MoEF) of Bangladesh has already taken initiative to ensure a green environment and a pollution free people, environmental Sustainability, ecological balance, forestry, conservation of natural resources and maintenance of quality of soil, air and water. For smooth implementation of this initiative, companies operating in Bangladesh should adopt a uniform reporting practice for ensuring transparency, flexibility, and progress towards Sustainability, building awareness among stakeholders, in line with global standards. The government can be a catalyst for ensuring speedy adoption of sustainability through policy initiatives which immediately pave the way for a sustainable people committed to sustainable development. A successful community can create demand for products and can also provide a supportive environment for business.

Bangladesh Bank (BB), the central bank and prime regulator of banks and non-bank financial institutions (NBFIs), has set an example by pioneering green banking initiatives, and proactively guiding banks and NBFIs towards diverse sustainable banking endeavors since 2011. These green banking initiatives can be broadly categorized into policy initiatives, monitoring the green banking activities of banks and NBFIs, refinancing facilities from BB in diverse green products/sectors (renewable energy, energy efficiency, solid waste management, liquid waste management, alternative energy, etc.) and BB’s own initiatives for environmental management. Reporting on Green Banking activities (Green Annual Report) following GRI Guidelines (<https://tinyurl.com/55cwxyd8>) has been made compulsory for banks under a guideline issued on February 2011.

The publishing of sustainability reports in Bangladesh has gradually grown, as listed companies of stock exchanges started publicly declaring a commitment to sustainability by publishing their sustainability reports, and regulatory bodies have tried to promote this development. To elevate corporate governance in the country, the Bangladesh Securities and Exchange Commission (BSEC) introduced the Corporate Governance Guidelines in 2006. Later, in 2012, BSEC made further progress and launched the Corporate Governance Guideline which established a basis for compliance for listed companies. Issues of sustainability in general and environmental impacts caused by the listed companies were not dealt with extensively. In June 2018, BSEC issued the [Corporate Governance Code \(CGC\)](#), and these issues are now directly incorporated. The transparency and accountability of a listed company can be increased when it complies with all the conditions contained in the new Code. All listed companies must comply with the new CGC as on December 2018.

5.0 Business benefits for action to contribute to sustainable development and reporting on sustainability performance

A sustainability report discloses an organization's most significant impacts it caused or contributed to, through its activities, as well as impacts directly linked to its operations, products, or services by its business relationships. It aims to capture all the significant impacts, positive or negative, caused by itself and by the value chain of which it is a part. The intent of the sustainability reporting standards, e.g. GRI standards, is to draw a clear picture of such impacts on economy, environment and people, including the impacts on human rights, and how the organization is addressing those impacts.

The scope of sustainability reports, thus extend from the organization itself, into the entire value chain.

However, there is always a continuum of control and influence when information on impact is required and management of the impacts is expected of organizations, which are not part of the reporting entity. Depending on the degree of such influence, the organization can exert itself to derive desired improvement and fulfil the obligation of due diligence.

As the world community is highly aware of the SDGs and obligation to achieve those, even at organizational levels, the stakeholders now seek information pertaining to the contribution of the organization to the achievement of the SDGs. Thus the report users intention is not only to obtain information about the organization's impact, but also whether those impacts contribute positively or negatively to the relevant SDGs.

Reporting on contributions to the SDGs in the sustainability report makes them more value added as the information for information users, specifically the investors, become more comprehensive and decision-useful.

The benefits of integrating sustainability into operations has been well documented over the last two decades. In the "Better Business, Better World" report, the Business & Sustainable Development Commission states that, "The growing body of evidence showing that higher sustainability performance means better financial performance is steadily gaining traction with investors. In a review of 200 studies on sustainability and corporate performance, Oxford University and Arabesque Partners, an investment management firm, concluded that 90 percent of studies in this area found that high environmental, social and governance (sustainability) standards reduced companies' cost of capital, and that 80 percent show a positive correlation between stock price performance and good sustainability practices."

However, only transparent reporting and communicating about company's sustainability works, performance and progress towards its goals can help a company capture the value of sustainability.

"Research shows that companies managed with a long-term sustainability-friendly approach and a clear focus on sustainability, perform better financially than those that aren't. A study by Harvard and London Business Schools found that a dollar invested in 1993 in a value-weighted portfolio of high sustainability firms would have grown to US\$22.60 by 2010, compared with US\$15.40 for low sustainability firms."

Tackling sustainability issues, as well as, achieving the Sustainable Development Goals (SDGs) will require new regulations and some businesses are already taking the SDGs as signals of future policy and market direction. “These are likely to include measures to address greenhouse gas emissions and encourage resource efficiency, like mandated carbon and water pricing;

regulations to protect labor rights and address discrimination in employment; and policies that strengthen governance, for instance, by tackling corruption and clarifying land rights.”

Companies that pursue sustainability have a competitive advantage over those that choose business as usual; sustainability helps companies spot and open up new market opportunities. As stated by the Business & Sustainable Development Commission, “The 60 fastest growing market opportunities opened up by achieving the Global Goals across the world in just four key economic systems could be worth up to US\$12 trillion a year for the private sector by 2030. This amount represents about 10 percent of forecast global GDP in 2030.”

5.1 Internal Benefits

5.1.1 Vision and Strategy: Companies can set direction by placing their purpose, vision, and strategy into the context of global sustainability. The sustainability reporting process helps to make this explicit to stakeholders.

5.1.2 Management Systems: sustainability management and reporting require management systems; this improves the quality of information on environmental, social, economic and governance topics. Tracking data on these areas offers opportunities for improvement, efficiency, and cost savings. One report shows that many companies have achieved an average internal rate of 27 percent on their low-carbon investments.

5.1.3 Strength and Weakness: Early warnings of emerging issues can help management seize opportunities or evaluate potentially challenging developments before they emerge as unwelcome surprises.

5.1.4 Employee Motivation: Engaging the workforce in sustainability efforts reduces absenteeism, attracts, and retains talent and increases productivity through a motivated workforce. “A 2015 survey of 7,800 future business leaders from 29 countries found that 75 percent think businesses are focused on their own agendas rather than improving people, and over 50 percent would take a pay cut to find work that matches their values. Similarly, a study by the Society for Human Resource Management found that morale was 55 percent better in firms with strong sustainability programmes, employee loyalty 38 percent better, and workforce productivity increased by 21 percent.”

5.2 External Benefits

Reputation and Trust: Proactive and transparent communication about sustainability efforts builds goodwill and reduces reputational risks in long term. It also improves product image and brand name. More sustainable companies tend to be more trusted by consumers and B2B customers, and

trust makes customers more likely to buy.

5.2.1 Attracting Capital: Reducing risk through actions on sustainability and reporting indicates sound management, providing potential for new sources of capital at lower costs. “There has been a huge rise in interest in responsible and sustainable investment among asset managers and owners and rapid growth among companies providing sustainability analysis. “Now 96 percent of the world’s 250 largest companies report on sustainability or ESG. Most fund managers now claim to include assessing sustainability performance in their investment process.”

5.2.2 Stakeholder Engagement: sustainability reporting is a powerful tool to build or restore trust among stakeholders – shareholders, lenders, regulators, clients, customers, employees, and others – through continual learning, feedback and recommendation. It also allows to anticipate growing pressure for sustainable practices as well as ensures the license to operate.

5.2.3 Regulatory Compliance: A vital area of sustainability reporting is associated with the regulatory compliance of the organization in economic, environmental and social performance. For Bangladesh, the associated regulators are DoE (Department of Environment), NBR (National Board of Revenue), DIFE (Department of Inspection of Factories and Establishments), SEC (Securities and Exchange Commission) etc. Publishing sustainability report requires organizations to report on their regulatory compliance in many of the disclosures in various sustainability standards. This enables organizations to be better informed about applicable regulatory requirements and reporting compliance to those on regular basis.

5.2.4 Competitive Advantage: reporting increases transparency towards stakeholders and demonstrates good risk management while driving business development and the optimization of business processes. “A 2014 McKinsey study found that 44 percent of sustainable business leaders cite growth and new business opportunities as reasons for tackling sustainability challenges.¹⁸ Innovation is the key to finding them.”

6.0 About GRI standards

To remain duly adjusted to the rapidly changing business eco-system locally and globally, companies have to gradually undertake the programs of publishing their sustainability reports. However, sustainability report is not an essay that can be written, remaining disconnected from the real life impacts of their activities and business relationships that the enterprises cause and contribute to or are directly linked with, on the economy, environment and people, including impacts on human rights.

Sustainability reports are an organizations manifestation of its commitment to sustainable development in all its forms and intents, which is expected to be deeply embedded into its entire business operation and value chain. Thus an organization undertakes a journey of responsible business practices and creates a culture of sustainable development, within itself and within its value chain.

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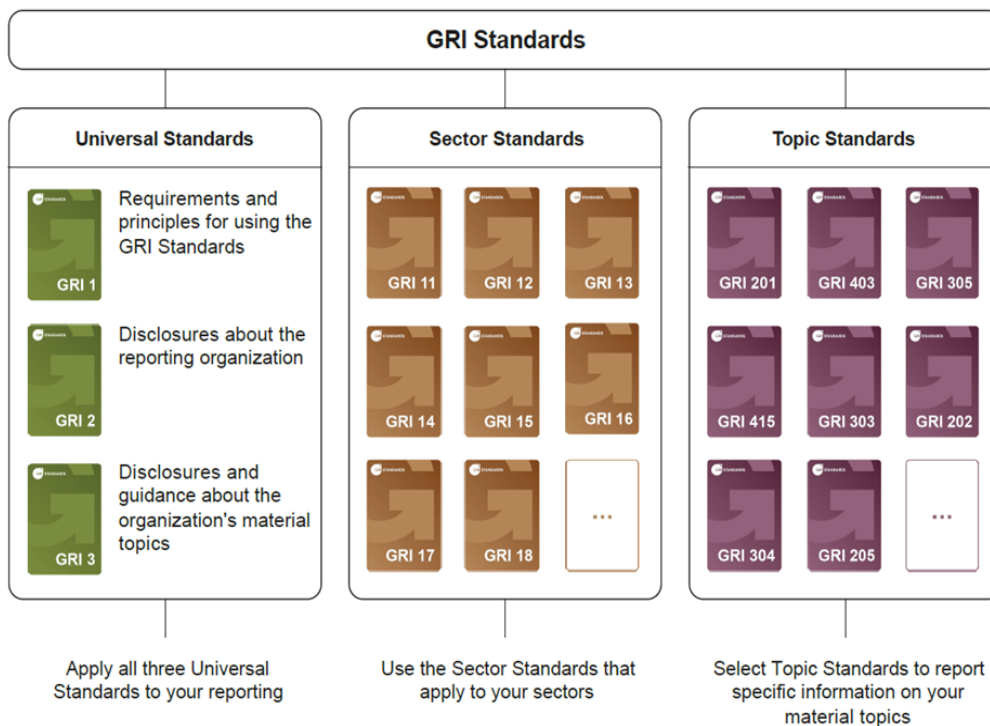
GRI Universal Standards

The GRI sustainability reporting Standards (GRI standards) are a modular system of interconnected standards that can be used by any organization to report its impacts on the economy, environment, and people, including impacts on their human rights. The GRI standards include three Universal Standards. And they are:

GRI 1: Foundation 2021

GRI 2: General Disclosures 2021

GRI 3: material topics 2021



There are 3 sectors standards and 32 topic Standards that encompass the requirements of disclosures pertaining to impacts on economy, environment, and people. This is the status as of now, and as time passes, more sector and topic standards would be introduced, meeting the evolving impact scenarios and the stakeholder needs.

The GRI standards are compiled through a transparent, multi-stakeholder process and are issued by the Global Sustainability Standards Board (GSSB), an independent standard-setting body created by GRI.

An organization begins by consulting **GRI 1: Foundation 2021**. GRI 1 introduces the purpose and system of GRI standards and explains key concepts for sustainability reporting. It also specifies the requirements and reporting principles that the organization must comply with to report in accordance with the GRI standards .

GRI 2: General Disclosures 2021 contains disclosures that the organization uses to provide information about its reporting practices and other organizational details, such as its activities, governance, and policies. This information gives insight into the profile and scale of the organization and provides a context for understanding the organization's impacts.

GRI 3: material topics 2021 provides step-by-step guidance on how to determine material topics. GRI 3 also contains disclosures that the organization uses to report information about its process of determining material topics, its list of material topics, and how it manages each topic

Sector Standards

The Sector Standards provide information for organizations about their likely material topics. The organization uses the Sector Standards that apply to its sectors when determining its material topics, and when determining what information to report for the material topics.

Topic Standards

The topic Standards contain disclosures for the organization to report information about its impacts in relation to particular topics. The topic Standards cover a wide range of topics. The organization uses the topic Standards according to the list of material topics it has determined using GRI

7.0 Basic Requirements of GRI standards for sustainability reporting

7.1 Key Concepts of sustainability reporting with GRI standards :

The key concepts that lay the foundation for sustainability reporting with the GRI standards are :

- Impact
- Material topic
- Due diligence
- stakeholders

7.1.1 Impact

In the GRI standards impact refers to is defined as “the effect the organization has or could have on the economy, environment, and people, including on their human rights, which in turn can indicate its contribution (negative or positive) to sustainable development”. Impacts can be actual or potential, negative, or positive, short-term or long-term, intended or unintended, and reversible or irreversible. In essence sustainability of an organization depends on how it manages its impact, i.e., how does it prevent, mitigate, or address the negative impacts and enhance its positive impacts.

The more an organization is focused on managing its impact, the better is the sustainability performance of the organization.

The organization’s impacts on the economy refer to the impacts on economic systems at local, national, and global levels. An organization can have an impact on the economy through, for example, its competition practices, its procurement practices, and its taxes and payments to governments. The organization’s impacts on the environment refer to the impacts on living organisms and non-living elements, including air, land, water, and ecosystems. An organization can have an impact on the environment through, for example, its use of energy, land, water, and other natural resources.

The organization’s impact” on people refer to the impacts on individuals and groups, such as communities, vulnerable groups, or people. This includes the impacts the organization has on people’s human rights. An organization can have an impact on people through, for example, its employment practices (e.g., the wages it pays to employees), its supply chain (e.g., the working conditions of workers of suppliers), and its products and services (e.g., their safety or accessibility).

Impacts are identified and evaluated in the context of Sustainability, i.e., the global sustainability context that includes Climate Change, Loss of Biodiversity, Ozone Depletion, Acidification of

Oceans etc. The sustainability Context makes the identified impacts relevant to sustainable development, which is a modern mantra of the global community.

7.1.2 Material topics

The GRI standards define material topics as “topics that represent the organization’s most significant impacts on the economy, environment, and people, including impacts on their human rights”. Material topics are, on the one hand, defining the organizations Sustainability, in short, medium, and long terms, and on the other hand, the information users are interested to know information about the material topics for their decision making.

An organization may identify many impacts on which to report. When using the GRI standards, the organization prioritizes reporting on those topics that represent its most significant impacts on the economy, environment, and people, including impacts on their human rights. In the GRI standards, these are the organization's material topics.

Examples of material topics are anti-corruption, occupational health and safety, economic performance, procurement practices and water and effluents. There are 32 topic standards, however, organizations do not need to confine to those while reporting on impacts. Organizations impacts are the sole deciding factors on which topic to report.

A topic need not be limited to impacts on the economy, the environment, or people; it can cover impacts across all three dimensions.

The process of determining material topics is informed by from the organization's ongoing identification and assessment of impacts. The ongoing identification and assessment of impacts involves engaging with relevant stakeholders and experts and it is conducted independently of the sustainability reporting process. See [section 1 in GRI 3: Material topics 2021](#) for more information on determining material .

7.1.3 Due diligence

Organization causes, contributes to or are directly linked to a number of negative impacts on economy, environment or people. Some of these impacts are known to the organization. Some are not. Therefore, due diligence process enables organizations to address its negative impacts effectively and rationally.

In the GRI standards, due diligence refers to the process, through which 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. The organization should address potential negative impacts through prevention or mitigation. It should address actual negative impacts through remediation in cases where the organization identifies it has caused or contributed to those impacts.

The way the organization is involved with negative impacts (i.e., whether it causes or contributes to the impacts, or whether the impacts are directly linked by its business relationships) determines how the organization should address the impacts. It also determines whether the organization has a responsibility to provide for or cooperate in the remediation of the impacts. The organization should avoid causing or contributing to negative impacts through its own activities and address such impacts when they occur by providing for or cooperating in their remediation through legitimate processes.

In the case of negative impacts that are directly linked to the organization's operations, products, or services by its business relationships, the organization should seek to prevent or mitigate these impacts even if it has not contributed to them. In such a case, organization is not responsible for providing for or cooperating in the remediation of these impacts, but it can play a role in doing so, depending on the degree of leverage it has on the organization in the value chain.

Because of the high number of impacts that any organization causes, contributes to or are directly linked with, it is imperative to do a prioritization of the impacts and carry out due diligence to address those on a differentiated approach. If it is not feasible to address all identified impacts on the economy, environment, and people at once, the organization should prioritize the order in which to address potential negative impacts based on their severity and likelihood. In the case of potential negative human rights impacts, the severity of the impact takes precedence over its likelihood. See [section 1 in GRI 3: material topics 2021](#) for more information.

7.1.4 Stakeholder

The GRI standards define stakeholders as "individuals or groups that have interests that are affected or could be affected by the organization's activities".

Common categories of stakeholders for organizations are business partners, civil people organizations, consumers, customers, employees and other workers, governments, local communities, non-governmental organizations, shareholders and other investors, suppliers, trade unions, and vulnerable groups.

In the GRI standards, an interest (or 'stake') is something of value to an individual or group, which can be affected by the activities of an organization. Not all interests are of equal importance, and they do not all need to be treated equally. Human rights have a particular status as an entitlement of all people under international law. The most acute impacts the organization can have on people are those that negatively affect their human rights. The term 'rightsholders' refers to stakeholders whose individual human rights or collective rights (held by groups such as indigenous peoples) are or could be affected.

Stakeholder interests can be negatively or positively affected by the activities or business relationship of the organization and due diligence focuses on identifying stakeholder interests that are or could be negatively affected by the organization's activities.

Stakeholders may not always have a direct relationship with the organization. For example, the workers in the organization's supply chain can also be its stakeholders, or there can be individuals or groups living at a distance from the organization's operations who can be affected or potentially affected by these operations. They may not be aware that they are stakeholders of that organization, especially if they have not yet been affected by its activities. The organization should identify the interests of these and other stakeholders who are unable to articulate their views (e.g., future generations).

Engaging with stakeholders helps the organization identify and manage its negative and positive impacts. Not all stakeholders will be affected by all activities of the organization. The organization should identify the stakeholders whose interests have to be considered in connection with a specific activity (i.e., 'relevant stakeholders'). Where it is impossible to engage with all relevant stakeholders directly, the organization can engage with credible stakeholder representatives or proxy organizations (e.g., non-governmental organizations, trade unions).

In addition to engaging with stakeholders, the organization can consult with experts in specific issues or contexts (e.g., academics, non-governmental organizations) for advice on identifying and managing its impacts making stakeholder engagement the foundation for identifying significant impact on economy, environment, people and on human rights is an imperative for compiling sustainability reports that renders value to the information users.

7.2 Applying 8 reporting Principles

The GRI standards specify eight reporting principles which are fundamental to achieving high-quality sustainability reporting.

The reporting principles guide the organization in ensuring the quality and proper presentation of the reported information. High-quality information allows information users to make informed assessments and decisions about the organization's impacts and its contribution to sustainable development (Please see the section 4 of GRI 1: Foundation 2021)

7.2.1 Accuracy

The Accuracy principle requires the organization to report information that is correct and sufficiently detailed to allow an assessment of the impacts of the organization on economy, environment, and people and on their human rights. Accuracy is a broad term which includes detailedness of information, methodology for quantification, measurement uncertainties, data consistency and repeatability etc. Without accuracy of data, the reports would mislead the report users and cause loss of trust in the organization.

In case of estimated data, the organization should explain the underlying assumptions and techniques used for the estimation as well as any limitations of the estimates.

7.2.2 Balance

The Balance principle requires the reporting organization to report information in an unbiased way and make a fair presentation of the organization's negative and positive impacts.

The balance principle calls for presenting information in a way that allows information users to see negative and positive year-on-year trends in impacts. It should enable information users to distinguish clearly between facts and the organization's interpretation of the facts. Balance also calls for avoidance of omission of material information that may make negative impacts obscure or unclear, as well as, not emphasizing the positive impacts beyond what is reasonable and justified. A balanced report should not present information in a way that is likely to inappropriately influence the conclusions or assessments of information users.

7.2.3 Clarity

The Clarity principle requires the organization to present information in a way that is accessible and understandable. Specific accessibility needs of information users, associated with abilities, language, and technology should be considered. Information users should be able to find the information they want without unreasonable effort. Abbreviations, technical terms, or other jargon likely to be unfamiliar to users should be avoided. Information should be reported in a concise way and aggregated where useful without omitting necessary details.

Graphics and consolidated data tables should be used to make the information accessible and understandable

7.2.4 Comparability

The information users would desire to see the trends and performance of the organization over a period, on top of the performance of any specific period. The Comparability principle requires the organization to select, compile, and report information consistently to enable an analysis of changes in the organization's impacts over time and an analysis of these impacts relative to those of other organizations.

For the purpose of comparability, an organization should present information for the current reporting period and at least two previous periods, as well as any goals and targets that have been set. The metrics used should be internationally accepted ones and standard conversion factors and protocols should be used.

The report should provide contextual information and present the current disclosures alongside restatements.

7.2.5 Completeness

Completeness principle requires organization to provide sufficient information to enable an assessment of the organization's impacts during the reporting period.

This can be achieved by presenting activities, events, and impacts for the reporting period in which they occur. This includes reporting information about activities that have a minimal impact in the short-term, but a reasonably foreseeable cumulative impact that can become unavoidable or irreversible in the long-term. Completeness also means not omitting information that is necessary for understanding the organization's impacts.

If the information for a disclosure or a requirement in a disclosure for which reasons for omission are permitted is unavailable or incomplete, then the organization is required to provide a reason for omission. When information is incomplete, the organization is required to specify with part is missing.

7.2.6 Sustainability context

This principle requires an organization to prepare the report within the wider context of sustainable development.

Sustainable development has been defined as 'development which meets the needs of the present without compromising the ability of future generations to meet their own needs'. The objective of sustainability reporting using the GRI standards is to provide transparency on how an organization contributes or aims to contribute to sustainable development. For this purpose, the organization needs to assess and report information about its impacts in the wider context of sustainable development.

The major sustainability issues should be part of the report, e.g, climate change, biodiversity, ozone depletion, chemical pollution, corruption, impacts on human rights etc.

The report should provide ample understanding of the reports users about how the organization is contributing positively or negatively towards sustainable development.

In order for the report to be prepared in the context of sustainability, the organization needs to draw on objective information and authoritative measures on sustainable development to report information about

its impacts (e.g., scientific research or consensus on the limits and demands placed on environmental resources).

It needs to report information about its impacts in relation to sustainable development goals and conditions (e.g., reporting total greenhouse gas [GHG] emissions as well as reductions in GHG emissions in relation to the goals set out in the United Nations [UN] Framework Convention on Climate Change [FCCC] Paris Agreement [4]).

The organization should report information about its impacts in relation to societal expectations

and expectations of responsible business conduct set out in authoritative intergovernmental instruments with which the organization is expected to comply (e.g., Organization for Economic Co-operation and Development [OECD] Guidelines for Multinational Enterprises, UN Guiding Principles on Business and Human Rights) and in other recognized sector-specific, local, regional, or global instruments.

When an organization is operating in a range of locations, it should report information about its impacts in relation to appropriate local contexts (e.g., reporting total water use, as well as water use relative to the sustainable thresholds and the social context of Given catchments).

Understanding the sustainability context provides the organization with critical information to determine and report on its material topics (see GRI 3: material topics 2021). The GRI Sector Standards describe the sectors' context and can help the organization understand its sustainability context.

7.2.7 Timeliness

The Timeliness principle requires the organization to report information on a regular schedule and make it available in time for information users to make decisions.'

The usefulness of information is closely tied to whether it is available in time for information users to integrate it into their decision-making. Thus, the Timeliness principle refers to how regularly and how soon after the reporting period the information is published.

The organization should report the information for the same reporting period as covered in its financial reporting and publish the information at the same time as its financial reporting.'

7.2.8 Verifiability

The verifiability principle requires organization to gather, record, compile, and analyze information in such a way that the information can be examined to establish its quality.

For enhancing verifiability, organization should set up internal controls and organize documentation in such a way that individuals other than those preparing the reported information (e.g., internal auditors, external assurance providers) can review them.

Organization should be able to provide representation from the original sources of the reported information, attesting to the accuracy of the information within acceptable margins of error.

The uncertainties associated with the reported information should be clearly explained.

7.3 Types of sustainability report to undertake

The GRI Universal Standards 2021 allows one way of reporting in accordance with the GRI standards, replacing the previous Core and Comprehensive options in the GRI Universal Standards 2016. An organization can still report with reference to the GRI standards. (Refer to the

section 3 of GRI1: Foundation 2021, for more information about reporting in accordance with or with reference to GRI standards)

7.4 Requirements for reporting in accordance with the GRI standards

There are nine requirements an organization must comply with to report in accordance with the GRI standard. They are:

7.4.1 Apply the reporting principles: As mentioned earlier, there are 8 reporting principles and those need to be applied in the report.

7.4.2 Report the disclosures in GRI 2: General Disclosures 2021. General disclosures provide information about the organization's reporting practices and other organizational details, such as its activities, governance, and policies. This information gives insight into the profile and scale of the organization and provides a context for understanding the organization's impacts. Disclosures provide contextual information of the organization which enables the information users to understand the organization's impacts.

7.4.3 Determine the material topics: To determine material topics, the organization identifies and assesses its impacts on the economy, environment, and people, including impacts on their human rights, while engaging with relevant stakeholders and experts. Impacts can be actual or potential, negative, or positive, short-term, or long-term, intended or unintended, and reversible or irreversible.

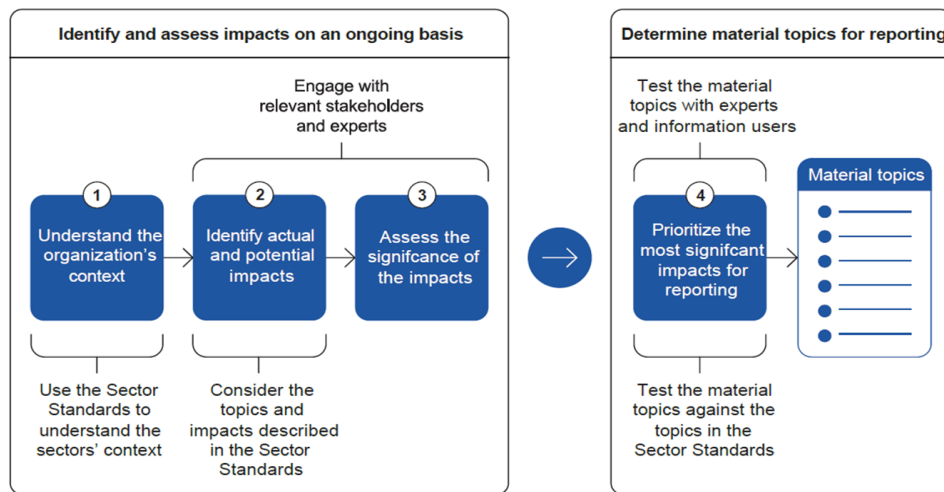
The significance of an actual negative impact is determined by the severity of the impact (scale, scope, and irremediable character), while the significance of a potential negative impact is determined by the severity and likelihood of the impact. The significance of an actual positive impact is determined by the scale and scope of the impact, while the significance of a potential positive impact is determined by the scale and scope as well as the likelihood of the impact.

Then, the organization prioritizes its most significant impacts for reporting and, in this way, determines its material topics.

The organization should define a cut-off point or threshold to determine which of the impacts it will focus its reporting on. The significance of an impact is the sole criterion to determine whether a topic is material for reporting.

Section 1 in GRI 3: material topics 2021 provides step-by-step guidance for organizations on how to determine material topics.

It is important to note that the success of Materiality Assessment is the most important determinant of the value of the sustainability Report in the eye of a information user. Hence ample care must be exercised to determine material topics that truly represent the impacts of the organization on economy, environment and people, including on the human rights.



7.4.4 Report the disclosures in GRI 3: material topics 2021GRI 3: material topics 2021 contains three disclosures that the organization uses to report information about its process of determining material topics, its list of material topics, and how it manages each topic. Reasons for omission are only permitted for Disclosure 3-3 Management of material topics.

7.4.5 Report disclosures from the GRI topic Standards: for each material topic. For each material topic, the organization needs to identify disclosures from the GRI topic Standards to report. The organization is required to report only those disclosures relevant to its impacts in relation to a material topic. The organization is not required to report disclosures that are not relevant. Reasons for omission are permitted for all disclosures from the topic Standards.

For each topic in the applicable GRI Sector Standards determined as material, the organization is required to report the disclosures from the GRI topic Standards listed for that topic. If any of the topic Standards disclosures listed in the Sector Standards are not relevant to the organization's impacts in relation to the material topic, the organization is required to list these disclosures in the GRI content index, provide the 'not applicable' reason for omission, and to briefly explain why the disclosures are not relevant.

The organization is required to comply with this requirement only if GRI Sector Standards that apply to its sectors are available.

When reporting the topic Standards disclosures listed in the Sector Standards, the organization can use any of the four reasons for omission if it cannot comply with the disclosure or with a requirement in the disclosure.

It is important to understand that there are 2 separate steps here – firstly, to ensure all the likely material topics contained in a Sector Standard are reviewed carefully and

none is excluded from its list of material topics, unless it is adequately established that a particular likely Material topic is not relevant specific to the organization, and secondly, to omit those disclosures from topic Standards which are not applicable using the reason for omission as “not applicable”. The organization then goes on to report on the disclosures which are applicable, taking those from the topic Standards. At this stage, if due to some reason reporting on any of the applicable disclosures is not possible, the organization will use the appropriate reason for omission.

7.4.6 Provide reasons for omission for disclosures and requirements that the organization cannot comply with: If the organization cannot comply with a disclosure or with a requirement in a disclosure for which reasons for omission are permitted, the organization is required to specify the disclosure or the requirement it cannot comply with in the GRI content index. It is also required to provide one of the permitted reasons for omission and the required explanation for that reason. The four permitted reasons for omission are: not applicable, legal prohibitions, confidentiality constraints, and information unavailable / incomplete. All omissions need to be explained in the report so that the information user can understand why the relevant information is missing and when those would be made available.

REASON FOR OMISSION	REQUIRED EXPLANATION
Not applicable	Explain why the disclosure or the requirement is considered not applicable.
Legal prohibitions	Describe the specific legal prohibitions.
Confidentiality constraints	Describe the specific confidentiality constraints.
Information unavailable/ incomplete	Specify which information is unavailable or incomplete. When the information is incomplete, specify which part is missing (e.g., specify the entities for which the information is missing). Explain why the required information is unavailable or incomplete. Describe the steps being taken and the expected time frame to obtain the information.

7.4.7 Publish the GRI Content Index: The information reported using the GRI standards can be published or made accessible in a range of formats (e.g., electronic, paper-based) across one or more locations (e.g., a standalone sustainability report, web pages, an annual report). The GRI content index provides an overview of the organization's reported information, shows where the information can be found, and helps information users access this information. The content index also shows which GRI standards and disclosures the organization has used. Requirement 7 in GRI 1: Foundation 2021 specifies the requirements for the content index.

Appendix 1 in GRI 1 provides guidance on how to prepare the GRI content index when reporting in accordance with the GRI standards. It includes an example that the organization can use to prepare the content index.

7.4.8 Provide a Statement of Use: The organization is required to include the following statement in the GRI content index:

[Name of organization] has reported in accordance with the GRI standards for the period [reporting period start and end dates].

The organization is required to insert the name of the organization and the start and end dates of its reporting period in the statement, for example:

'ABC Limited has reported in accordance with the GRI standards for the period from 1 January 2022 to 31 December 2022.'

7.4.9 Notify GRI:

The organization is required to notify GRI of the use of the GRI standards and the statement of use by sending an email to reportregistration@globalreporting.org.

- The legal name of the organization.
- The link to the GRI content index.
- The link to the report, if publishing a standalone sustainability report.
- The statement of use.
- A contact person in the organization and their contact details.

There is no cost involved in either using GRI standards or for registration of the reports.

7.5 Requirements for reporting with reference to the GRI standards

An organization can report with reference to the GRI standards if it cannot comply with all the requirements for reporting in accordance with the GRI standards. The organization should transition to reporting in accordance with the GRI standards in time as it will provide a comprehensive picture of the organization's most significant impacts on the economy, environment, and people, including impacts on their human rights.

The organization can also report with reference to the GRI standards if it uses selected GRI standards, or parts of their content, to report information about specific topics for specific purposes, such as complying with a reporting regulation on climate change.

The organization must comply with the following three requirements to report with reference to the GRI standards:

- * Publish a GRI content index
- * Provide a statement of use
- * Notify GRI

For compiling the GRI Index for reporting with reference to GRI standards, following elements are required:

- i. the title: GRI content index
- ii. the statement of use
- iii. the title of GRI 1 used
- iv. a list of the reported disclosures from the GRI standards, including the disclosure titles
- v. the titles of the GRI standards that the reported disclosures come from
- vi. the location where the information reported for each disclosure can be found.

If it publishes a standalone sustainability report and the GRI content index is not included in the report itself, provide a link or reference to the GRI content index in the report.

The statement of use for a report prepared with reference to the GRI standards can be as below:
 [Name of organization] has reported the information cited in this GRI content index for the period [reporting period start and end dates] with reference to the GRI Standards.

7.6 Integrating SDGs in the sustainability report



The new normal for business are Transparency, Responsiveness and Responsible Business Conduct. Transparency is specifically called for in Target 12.6 of the SDGs, to encourage companies to adopt sustainable practices and integrate sustainability information into their reporting. Through sustainability reporting, organizations can better understand their own impacts on economy, environment, and people, including on human rights and communicate relevant information. This again enables organizations to manage their impacts and

contribute to the SDGs. The SDGs are the blueprint for achieving a better and more sustainable future for all. They address the global challenges we face, such as ending poverty and hunger, reducing inequalities, tackling climate change, and protecting the environment, and building strong institutions and partnerships. The 17 Goals are all interconnected and have to be

implemented by 2030.

There is a role of sustainability reporting in advancing the SDGs. Information available in the sustainability report allows investors to channel investment to more responsible businesses and thus achievement of SDGs becomes possible.



The KPMG survey of 1141 companies from 7 industries in 31 countries show that

- a. 72% of the companies analyzed publicly mentioned the SDGs in their published reports
- b. 34% of those (25% of all companies analyzed) mentioned the SDGs in sections of their reporting that discussed business strategy
- c. 21% specifically mentioned the SDGs in the statement from senior decision-makers
- d. 65% of the companies analyzed mentioned specific goals



There are 3 specific resources available in the GRI website prepared jointly by GRI and UN Global Compact that guide an organization into integrating the SDGs in its sustainability report. This means that the report would report information on its most significant impacts, along with its contribution, positive or negative, towards achieving the sustainable development Goals. Integration of SDGs in sustainability reporting is to be achieved through a number of steps. Those are:

7.6.1 Defining Priority SDG Targets: here the organization needs to understand the 17 SDGs and 169 targets in the context of the organization, its activities and business relationship. It then has to conduct Principled Prioritization of the SDG Targets. Principled Prioritization is a process to identify the priority SDG targets for an organization to focus on to contribute to achieving the SDGs. The principles used for this prioritization are:

7.6.1.1 Assessing risks to people and the environment (entry point A): the contribution every company can make to achieving the SDGs by meeting its responsibility to address potential and actual negative impacts to people and the environment that are linked to its operations and value chains.

7.6.1.2 Identifying beneficial SDG-related products, services and investments (entry point B): the additional contribution that companies can make to achieving the SDGs by applying their knowledge, skills, and other capabilities to benefit people and the environment.

7.6.1.3 Defining the SDG related Report Content: here the organization needs to do additional work in line with assessment of the material topics, so that the Materiality Assessment process takes input from the Prioritized SDG Targets along with the significant impacts on Economy, Environment and Society, including impacts on Human Rights. This allows the report to contain information on how the organization has contributed to achieving certain SDG targets (i.e., Prioritized SDG Targets), through its management of impacts and due diligence.

7.6.2 Measure and Analyze: Here the organization needs to identify and align its objectives and strategies to contribute to the SDG targets that it has prioritized. In this step, the organization focuses on setting objectives, selecting indicators to measure its impacts and analyzing its performance against the SDGs.

There are 3 distinct steps through which the measurement and analysis can be executed.

7.6.2.1 When addressing the priority SDG targets based on priority risks to people and the environment, organization needs to identify strategies and specific objectives that go beyond just avoiding harm, to find opportunities to maximize positive outcomes. This will support systemic and durable change and will help the company secure its license to operate as well.

7.6.2.2 Once you have established objectives to contribute to each of your priority SDG targets, identify the indicators you will use to measure progress against them. To adequately report impacts, combine qualitative and quantitative (e.g., numerical metric, ratio, or percentage) disclosures¹⁷. Qualitative disclosures provide narrative information on how and why a company identifies, analyzes, and responds to its actual and potential impacts.

7.6.2.3 After an organization has selected indicators for measuring and reporting on its priority SDG targets, the next step is to identify and collect quantitative and qualitative data in relation to each indicator on a regular basis. Data relevant to its performance as priority SDG targets might already exist within the company. As always, stakeholder engagement, including engagement with internal stakeholders, can be helpful in this process. Rely on existing data if it is relevant to company performance on the objectives set in relation to the priority SDG targets.

Where data is not available for evaluating whether the company is achieving its objectives in relation to SDG priorities, the organization needs to establish new indicators. Indicators should be specific, measurable, achievable, relevant, and time-bound (SMART). It is best practice to assign indicators to a single owner and have appropriate management to monitor progress towards the established objectives on a regular basis.

7.6.3 Report, integrate and implement change: Based on the outcomes of step 2, this step sets out what is needed for putting together the content of the sustainability report and reviewing internally the implementation of change. This is performed in 3 distinct phases, which are:

7.6.3.1 Consider General Feature of Good Reporting Practices: Organization needs to consider general features of good practice when reporting on the SDGs. Reporting on SDGs should be based on established international reporting frameworks whenever practical. Examples of relevant standards and reporting frameworks in the publication **An Analysis of the Goals and Targets**.

Internal reporting to management and the board is useful for resource allocation and integration of your SDG strategy into the company's business model. External reporting to the shareholders and stakeholders fosters their constructive engagement in your company's overall performance and areas for improvement.

SDG-related information is to be included in the sustainability report to demonstrate how the SDGs are integrated into the company's priorities and objectives (business strategy). The organization presents its priority SDG targets and its overall performance in the broader context of sustainability.

7.6.3.2 Consider Data Users' Information Needs: At this stage, the organization needs to consider data users' information needs. SDG reporting should provide shareholders and other stakeholders with a basis for their insights and decisions regarding the SDG performance of the organization. While considering the information users' need for information, organization should consider the information needs of multiple information users as discussed below:

Investor Community: Investors have an increasing interest in SDG-related data to assess risks, including risks related to companies, and new business opportunities. The assessment of business impacts on the SDGs can influence investors' decisions to help them better

represent the values of their clients and offer differentiated sustainable financial products, while understanding their own SDG impacts across their portfolios. To have sound decision-making, investors are seeking information on how companies are transforming their competitive advantage in relation to the SDGs into business results and on how relevant the SDGs are to overall company strategies.

For more information on this, use the guideline In Focus: Addressing Investors Needs in Business reporting on the SDGs.

Civil Society: Civil people organizations assess SDG performance and hold companies accountable as well as press for more transparency. These organizations can help improve the SDG performance of an organization by providing expertise, becoming valuable partners in liaising with affected communities and when engaging in relevant multi-stakeholder dialogues on the SDGs.

Consumers and academia: Consumers might increasingly demand more sustainable products and services and base their choices on the assessment of corporate sustainability information, including information on performance on the SDGs. Academia can use corporate sustainability disclosures for their research and analysis.

7.6.3.3 Report and Implement Change: At this stage the organization needs to report and implement changes. Organization needs to assess if it is meeting the objectives it had set in relation to its priority SDG targets. It needs to identify improvements achieved and include this information in the sustainability reports.

The organization also needs to review and assess its reporting cycle. For example, synchronizing the internal reporting cycle with the external publishing of sustainability report saves lot of unnecessary works.

The organization needs to use the SDG reporting as a basis for driving informed decision-making and integrating the SDGs into the strategy of the company. This can stimulate innovation and help the organization design products and services

that will contribute to achieving the SDGs. For further guidance on this, the organization needs to refer to The Blueprint for Business Leadership on the SDGs²⁸, An Analysis of the Goal and Targets and other tools and publications. Guidelines and concepts about integrating the SDG in sustainability reports can be easily visualized using the so called “SDG Compass” which graphically provides the sequence and subparts of each of the 3 main elements of this process. The SDG compass can be seen below.



8. Way Forward

Dhaka Stock Exchange and GRI have collaborated to support and guide companies through workshops and tools like the “Guidance Document for Writing sustainability report Using GRI Universal Standards 2021” This guidance provides an introduction to the GRI standards and the sustainability reporting process so that your company can take the first step in its sustainability reporting journey. This document intends to provide easy to follow guidance and explanation of the GRI standards so that the challenges you may face while preparing your sustainability report for the very first time may be supported.

Unless an organization embarks on the sustainability reporting process, it will not realize various practical difficulties and their resolutions.

We strongly encourage you to start preparing your first report so that you can learn the process through hands on experience, supported by the GRI standards and this document.

Appendix 1

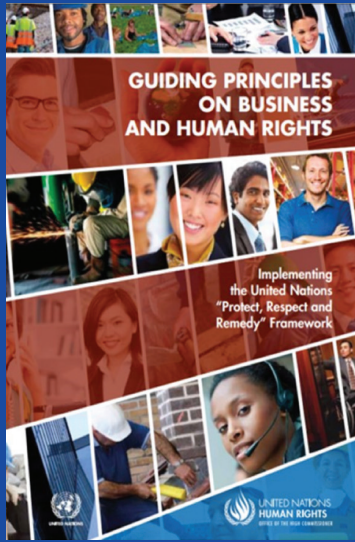
Changes between GRI Universal Standards 2021 and GRI Universal Standards 2016

For better understanding of the changes in the GRI Universal Standards 2021 and GRI Universal Standards 2016, please refer to the following document:

Mapping Between GRI 2021 and GRI 2016
(<https://globalreporting.org/search/?query=Mapping>)

Appendix 2

Additional Reference Documents for Writing Sustainability Report



Appendix 3

Process of sustainability reporting in Accordance With the GRI standards

Some of the key points that a reporting organization needs to consider while preparing a sustainability report:

01. Make a high-level decision, endorsed by the Top Management for starting to publish sustainability reports. .
02. Identify and select the sustainability reporting team that will co-ordinate the reporting process. It is recommended that the company has a team of staff members, preferably representing each of the departments in the company.
03. Choose the format of sustainability report, ie, hard copy, interactive online, pdf, as part of annual report etc.
04. Create internal awareness and get commitment about the process of compiling sustainability report and the project to publish the sustainability report.
05. Reach agreement on the action plan for the reporting process. This involves the activities and decisions that are to be taken at each stage of the reporting process. The plan should also include budget estimations and staff resources where necessary.
06. Hold meetings with the company's staff members to explain what is going to be done, why. This is important for the company and what will be expected from different departments at different stages of the reporting process. This should be the beginning of ongoing communication with staff to ensure that there is understanding and commitment across the company throughout the reporting process.
07. Consider your organization's purpose, mission, visions, strategy, market, internal and external issues, sector profile and determine the context of your organization.
08. Understand the broader sustainability Context that relates to the context of your organization.
09. Consider the profile of your organization in terms of activities, services, products, and the value chain.
10. Understand the actual and potential stakeholders and rightholders, including the investors, customer, supplier, regulators, civil people, communities, proxy stakeholders, workers, government, whether affected actually or potentially, etc
11. Determine the existing method of engagement with the stakeholders and design the required method of engagement with the relevant stakeholders whose views needs to be addressed for determining the material topics, Priority SDG Targets and Salient Human Rights that needs to be made part of the report. .

12. Analyze organization's activities, products, services, and the value chain to understand impacts on economy, environment, and people, including the impacts on human rights, by way of operations and business relationships of your organization. Follow the guidance in GRI 3: Material topic, section 1, step 1, 2, 3 and 4.
13. Consider SDG related materiality while executing step 06 above. Be guided by section 1: define SDG Targets of the document "Integrating the SDGs in Corporate reporting: A Practical Guide".
14. Consider Human Rights related impacts in line with United Nation's Guiding Principles on Business and Human Rights.
15. Determine the most significant impacts that your organization causes, contributes to, or is directly linked with on economy, environment, and people, including on human rights. Group these impacts into a set of consistent topics (the material topics) that represent the most significant impacts.
16. Prepare the list of the material topics and get approval of the Top Management about the selection of the material topics.
17. If there is a Sector Standard available, check your identified material topics against the likely material topics advised in the Sector Standards. Either adopt all those topics or, in case some are not relevant to your organization, mention them in the GRI Content Index and provide the reason why that are not applicable.
18. Identify disclosure that needs to be reported on for each material topics from topic Standards. When there is a Sector Standard available, report on each requirement and disclosure from topic Standards for each Material topic. If there is no Sector Standard, then report on all the disclosures from material topics.
19. If any requirement or disclosure is not possible to report on as in step 11 above, mention the disclosure in the GRI Index and explain the reason for omission.
20. There are certain requirements and disclosures which can not be excluded at all. Those are, disclosure 2-1 to 205 in section 1 of GRI 2: General Disclosure, and disclosures 3-1 and 3-2 of GRI 3: material topics. If any of these are excluded from the report, the report is not eligible for claim of being "in accordance with" the GRI Universal Standards 2021
21. Review organizations policy, strategy, mission, vision, governance, management systems, structure, and other policies and processes and align them with the actions needed to address the identified significant impacts and the determined material topics.
22. Set up a monitoring and measurement system to collect information and data, with due level of accuracy and precision, along with a process of data analysis and data representation,
23. Collect and analyze data, information, feedback, and opinions and put them into the sustainability report.

24. Integrate SDG information in the report.
25. Consider information users information need and ensure all those information is available in the sustainability report.
26. Communicate with Stakeholders about content of the report and integrate any opinion of the those.
27. Create a story like that best fits your taste, the information to be reported, and the purse the report should serve,
28. Create a GRI Content Index as per GRI 1: Foundation.
29. Prepare a Statement of Use.
30. Ensure the 8 principles which are expected to be followed in writing a sustainability report have been met.
31. Publish the sustainability report.
32. Communicate to GRI as per the section 3, requirement 9 of GRI 1: Foundation
33. Communicate to the Stakeholder and information users.
34. Showcase the report appropriately.