GRI

The GRI Perspective

A business case for environment & society

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We live in times of growing socio-economic and environmental challenges: biodiversity loss, climate change, health crises, extreme weather, and growing inequality – to name a few.

How do you explain the impact your organization has on the economy, the environment and people?

At GRI, we believe informing all stakeholders is good for business. By providing comparable, verifiable information on your sustainability efforts, you show the world that you practice what you preach.

GRI in the sustainability reporting landscape

Demystifying the standard setting ‘alphabet soup’: there is no such thing

The sustainability reporting landscape is changing fast. With the rise of dedicated Environmental Social and Governance (ESG) investments, rankings and exchange-traded funds, the need for standardized, comparable information to enhance decision making by shareholders and stakeholders – in a way that avoids standard and framework shopping, cherry picking, and greenwashing – is bigger than ever.

The current landscape is often referred to as an ‘alphabet soup’. While there is a confusing myriad of guidelines, frameworks, surveys, and certifications that deal with the topic of sustainability, **there is no alphabet soup when it comes to actual standard setters**. On a global scale there are only two[1] reporting standards: GRI and SASB.[2]

Major developments in sustainability reporting

There are currently two complementary developments happening in the sustainability reporting landscape:

1. European Sustainability Reporting Standards (ESRS) are being created by the European Union– with the European Financial Reporting Advisory Group (EFRAG) and GRI leading co-construction efforts.

2. Standards for the disclosure of sustainability-related financial information are being drafted by the International Financial Reporting Standards (IFRS) Foundation – with which the newly established International Sustainability Standards Board (ISSB) is charged.

10,000+
Companies publish a GRI report

The main differences between them are:

1. First, the European Union is focused on developing reporting standards that reflect multi-stakeholder information needs on the full sustainability spectrum across socio-economic and environmental aspects.[3] The exclusive remit of the standards developed by the IFRS Foundation is on the needs of investors and the financial impact of sustainability issues on the reporting entity itself, focusing on enterprise value creation.

2. The second major difference is enforcement. The EU standards are backed by a political process and enforcement capabilities, making reporting mandatory for some 50,000 companies from financial year 2023.[4] IFRS can only encourage uptake of ISSB standards.

Towards a two-pillar corporate reporting landscape

GRI firmly supports the creation of a comprehensive corporate reporting system based on a **two-pillar structure - for financial and sustainability reporting - with a core set of common disclosures and each pillar on an equal footing.** We believe sustainability reporting initiatives should not be regarded as competing but complementary forces.

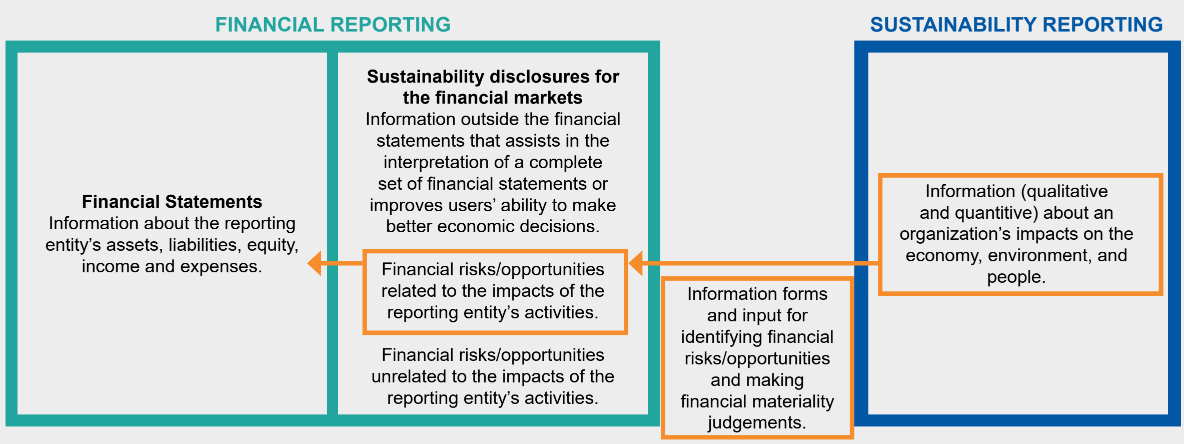
- **Pillar 1** - addressing financial considerations through a strengthened financial report which includes sustainability disclosures, in the context of enterprise value.
- **Pillar 2** - concentrating on sustainability reporting focusing on all external impacts a company is having on society and the environment and hence their contributions towards the goal of sustainable development.

GRI is fully committed to supporting this objective and will cooperate with the ISSB, EFRAG and (inter) governmental organizations to drive sustainability disclosure in a two-pillar reporting landscape forward. We have therefore called for:

- Joint standard setting, and offered a pilot project around a biodiversity standard

- Agenda alignment

670,000
Downloads of the GRI Standards in 2021



Why GRI

Reporting with impact: A sole focus on financial impact and enterprise value creation alone will not explain your organization's efforts on behalf of climate and society. That is a missed opportunity to show the impact you make on the Sustainable Development Goals (SDGs), thereby attracting investor attention and increasing reputation with employees, suppliers, customers, and the communities you operate in. Besides, ESG issues have (in)direct effects on your capabilities and opportunities to create value in the future.

Independent, multi-stakeholder credibility: We believe it is essential to have diversity of input and perspectives in our standard setting, which demonstrate the breadth and depth of knowledge across a wide range of ESG issues. Multi stakeholder ethos is in our DNA. We enable businesses, investors, policymakers, employees and civil society to engage in dialogue and make decisions that support inclusive sustainable development.

Reflecting intergovernmental expectations: The GRI Standards are developed in-line with internationally established norms, including the UN Guiding Principles on Business and Human Rights, the OECD Guidelines on Responsible Business Conduct and International Labour Standards. The GRI standards can also be used to report on the UN Sustainable Development Goals and intersect with the Paris Climate Agreement.

Truly global reporting: The GRI standards are truly global and available in 12 languages, facilitating standardized, comparable data and benchmarking opportunities on a global scale. Any organization – large or small, private, or public regardless of sector or location – can use the GRI Standards to report on their impacts.

Full ESG transparency: The GRI Standards allows organisations to identify, prioritize and be transparent on its impacts on the economy, environment, and people. True impact reporting goes beyond enterprise value only; it is an instrument to enhance socio-economic cohesion, environmental and societal impact.

Tried and tested standards: GRI offers a full package of widely used and validated standards. With 25 years of experience, GRI has been a catalyst for change and a constant and reliable partner towards the goal of sustainable development. With over 10,000 reporting organizations, covering more than 100 countries and 73% of the world's 250 largest companies – the GRI standards are the most widely adopted sustainability reporting standards in the world.

70%
of the Global Fortune 500 companies use or refer to the GRI Standards

How we can help you

We encourage all organizations to use the GRI Standards, which are a free and public good. But, realizing that sustainability reporting is not easy, we provide a range of products and services to reporting organizations to help them produce high quality meaningful reports. Our **GRI Community** creates a peer-to-peer platform for sharing and learning. While through the **GRI Academy**, we offer a full suite training curriculum to enhance professional development on sustainability reporting.

Our ask

Our standards are free to use but not cheap. Creating and maintaining standards is a time and resource intensive activity. We are an international non-profit organization that reflects multi-stakeholder interests by developing and maintaining world-class sustainability reporting standards. To enable us to keep up the good work and stay on the leading edge of corporate sustainability reporting **we need your support!**

If you would like to help us to remain the world's only independent, global sustainability reporting standard setter, we are more than happy to discuss conditions or any other services you may require.

Get in touch →

1. TCFD provides a framework for climate related financial disclosure but is not a reporting standard as such.
2. Sustainability Accountancy Standards Board, now part of the Value Reporting Foundation.
3. ISSB is about what is commonly known as 'financial materiality' and ESRS is about 'double materiality'.
4. The proposal will extend the scope of sustainability reporting requirements to all large companies, whether they are listed or not meeting 2 out of 3 criteria: Revenues > EUR 40 million, Total assets > EUR 20 million and > 250 employees