Towards more and better reporting

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Empowering Sustainable Decisions

Letter from the editor

In the past two decades, since GRI began working to take sustainability reporting to the mainstream, the question has shifted from why we should report, to how we can have the most impact with our report.

This fundamental shift in how the world sees sustainability reporting drives us at GRI to continue working to make sustainability reporting even more widespread and ever more meaningful. In the beginning we had to convince companies about the need to become more transparent and report on their impacts and opportunities. We have now reached the point where reporting is the new normal. Thus, we have shifted our focus to increasing the impact of reporting and the demand for sustainability information from an ever growing range of stakeholders, including investors.

This is the case for our own work too. As the leading standard setting organization in sustainability reporting, we are committed to growing and improving, in constant dialogue with our stakeholders. Through our governance bodies and during a wide range of engagements around the world, our stakeholders have been loud and clear: GRI’s material topics relate to its impact on the world.

In this publication, we are highlighting our material topics: our most important engagements, programs and projects, that can help shine a light on all the work that GRI is carrying out to promote sustainability reporting, improve uptake and, more importantly, the quality of the information contained in the reports.

We have done this by creating and continuously improving a common language – the GRI Standards – that both report preparers and data users can apply when analyzing sustainability performance. We look at the most recent developments in sustainability topics and incorporate the best practices in the GRI Standards. We also look at the partnerships we have forged along the way to help us disseminate the GRI Standards and to advance more and better reporting.

To make sustainability reporting even more decision ready, we are looking for approaches to present information in ways that are useful to our stakeholders. This magazine helps us illustrate how we address our most material topics and is intended to accompany and complement our full disclosures in accordance with the GRI Standards, which we are presenting as a report created from GRI’s free Digital Reporting Tool. This format allows us to make our report easier to navigate at a glance, while also providing detailed information in accordance with the GRI Standards.

The coming months and years will be full of new projects, programs and improvements to our existing products and services. Many of these developments started in 2018, so read more and join us on the journey towards more and better sustainability reporting.

Peter Paul van de Wijs
Chief External Affairs Officer
Goals (SDGs), also known as the Global Goals, aim to address the world’s most pressing problems. Achieving these goals will require active participation from businesses. GRI and the UN Global Compact (UNGC), with the support of PwC, joined forces to connect the well-established practice of sustainability reporting to contribute to reaching the SDGs. Using the free resources created from this collaboration, companies can connect their actions and their reporting to the SDGs, and talk to investors about these topics.

In 2018 we established a Corporate Action Group to test out these new tools and, using peer-learning, develop leadership approaches to business contribution to the SDGs.

Helping SMEs capture the benefits of reporting
Through its Competitive Business Program (supported by SECO – the Swiss State Secretariat for Economic Affairs), GRI helped SMEs in Colombia, Ghana, Indonesia, Peru, South Africa and Vietnam report for the first time. These companies learned that sustainability reporting can lead to clear business benefits and that digital reporting tools make the job easier.

Through this multi-year program, participating companies are engaging with their local communities and government agencies to improve their immediate environment. And they found another positive side to reporting: They are finding new ways to grow their business and their profits, establishing new processes and procedures that will help them to reach new markets.

Sustainability reporting can help companies of all sizes, in all sectors, and anywhere in the world to improve their own processes, report on their responsible business practices and meet the needs of their shareholders and stakeholders.

GRI Standards
A global common language for transparency
Sustainability reporting can help companies of all sizes, in all sectors, and anywhere in the world to improve their own processes, report on their responsible business practices and meet the needs of their shareholders and stakeholders.

From Small and Medium-sized Enterprises (SMEs) that are starting their reporting journey, to the largest most experienced companies, the GRI Standards provide a comprehensive common language for Environmental, Social and Governance (ESG) disclosure. In the past two decades, thousands of companies from all over the world have adopted this common language for responsible business.

GRI GOLD Community as a role model for business
In 2018, GRI’s membership program – the GRI GOLD Community – helped companies to improve their sustainability reporting and serve as role models for the wider business community. Participating organizations benefited from continued peer engagement. Among the member benefits they enjoyed are Corporate Leadership Groups (CLGs), roundtables, and online and offline webinars. Members could also obtain discounts on GRI services.

Organizations part of the GRI GOLD Community learned from others by sharing experiences and defining best-practices for sustainability reporting. For example, the CLG on Digital Reporting gave them the opportunity to discuss how the digitalization of information can be applied for more efficient reporting.

As of 1 January 2019, the GOLD Community became the GRI Community. Read more about this change, and get in touch to learn more about membership.

Corporate reporting and the Sustainable Development Goals
The Sustainable Development Goals (SDGs), also known as the Global Goals, aim to address the world’s most pressing problems. Achieving these goals will require active participation from businesses.

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occupational health and safety management systems, and the processes and programs that prevent harm and promote worker health.

**The updated Standard:**
- Enables organizations to communicate their efforts both to prevent harm and to promote workers’ health.
- Covers the full spectrum of risks for whose occupational health and safety the organization is expected to be responsible (e.g., control of work and workplace).
- Includes leading indicators such as implementation of an occupational health and safety management system and active engagement of workers.
- Places emphasis on identification of hazards and assessment of risks, and the application of hierarchy of controls.
- Helps measure impacts on the health of workers as opposed to measuring the loss of productivity for the organization – the emphasis is thus on recovery time for the worker.
- Includes improved methodologies for measuring and reporting work-related injuries and ill health – thereby enhancing the quality and comparability of this information.

**GRI 303: Water and Effluents - From water management to water stewardship**

Water is essential to all life, a thriving planet, and working economies. Yet according to the UN, water scarcity affects more than 40% of the population around the world. The situation is dire for many: currently 1.1 billion people lack access to water and 2.4 billion people lack access to basic sanitation services. By 2025, two-thirds of the world’s population may be facing water shortages.

The updated Standard:
- Introduces a new disclosure for water consumption, to help measure water that is not returned back to the environment.
- Requires more detail on reporting water discharge information – including the quality of water discharges, substances of concern present in effluent, and the approach to setting the minimum standards for the quality of effluent discharges.
- Emphasizes areas with water stress to best understand how these areas are affected and where action is most needed to address the impacts.
- Introduces requirements to report impacts across the full value chain, to encourage companies to start measuring this data and managing impacts.
- Has more extensive guidance, including example tables for presenting data in a consolidated way, and recommended formulas for calculating the data.
- Addresses the investors’ perspective and approach to measuring water risk and water security, and is aligned wherever possible with other reporting frameworks.

**GRI Standards**

To learn more about the GRI Standards, and to see the full, most current set, visit www.globalreporting.org/standards.

**The data behind our Annual Report**

Want the background data? This magazine gives you an overview of our most important activities, but there is much more to report. For the full data for the GRI 2018 Annual Report, see the GRI Sustainability Disclosure Database.

**Turning insight into action: the sustainable way for business**

Transparency can only lead to more sustainability if the data that it unearthed leads to action. That is why many companies invest considerable time and resources to ensure that their reports meet the needs of their stakeholders, that the information presented is accurate, and that it reflects its true contributions to sustainable development.

While there are as many ways to collect ESG information, the GRI Standards have given organizations and their stakeholders a common language for presenting these disclosures. Also, GRI offers report preparers further support. For example, there is the Disclosure Review Service, which helps organizations look at their approach to collecting and presenting information, and how it conforms to the GRI Standards.
In his second year as Chief Executive of GRI, Tim Mohin looks back on the initiatives and efforts that continue to make GRI the leader in helping businesses become more sustainable through transparency.

You have now been at the helm of GRI for two years. What do you think is the biggest achievement of GRI in that period?

There are many things we can be proud of in these two years, but I would highlight is the transition from guidelines to the GRI Standards. This change professionalized the practice and, in doing so, has established the global common language for ESG disclosure.

With this change we have seen the adoption of GRI by companies, policy makers and capital markets around the world soar.

And what is the next challenge?

Going forward, GRI must help ensure that the insights derived from sustainability data drive improved performance. We cannot do this alone, so we will continue working with others including governments, reporting organizations, investors, capital markets, civil society and other disclosure frameworks to help improve transparency to advance sustainable development.

Integrating the United Nations Sustainable Development Goals (SDGs) is also a major challenge. Many reporting organizations have been using GRI Guidelines and Standards for years and need help to translate their actions into contributions to the global goals. Working with our partners, we have created several free resources to help reporting organizations map their efforts to the SDGs, dig deeper and contribute more to the accomplishment of these all-important goals.

What are you looking forward to the most in the coming years at GRI?

It is an exciting time to lead the organization, because the work of the GRI Standards is really taking off. In 2018 we updated the Water and Effluents and Occupational Health and Safety Standards and laid the groundwork for updating our Waste and Human Rights Standards to reflect and encourage best practice.

Perhaps the most exciting development is our new Standard that will encourage transparency on how and where companies pay taxes. This is our first new standard in years, and it addresses a truly important and groundbreaking issue. There has been a lot of interest and support from across the spectrum of stakeholders on this initiative.

Also, we recently launched our Sector Program, with a pilot for the oil, gas and coal sector. So, as you can see, we have a very full agenda and this means closer interaction with many of our stakeholders. This is one of the things I enjoy the most about my job.
When I became Chair of the GRI Board of Directors, I was inspired to see the tremendously positive market reception of the GRI Standards when they entered into full force in 2018. Credit is due to the GSSB, which led the process and ensured a smooth transition. We hope that their implementation encourages companies all around the world, in all sectors and of all sizes to disclose their impacts, both positive and negative, on society, the environment and the economy. This will allow them to understand those impacts, amplifying the positive and managing and minimizing the negative.

To best manage impact, we need to move towards systems that make sustainability data easier to access and compare. The new model we set out for the Standards allows us to update them faster, incorporating the latest developments on the different fields. In 2018 we launched two revised standards (GRI 303: Water and Effluents & GRI 403: Occupation Health and Safety), and we ramped up efforts to develop new standards and continue our updates in 2019 and beyond.

All of these efforts have helped us ensure that GRI and the GRI Standards continue to be the leading environmental, social and governance disclosure standards. In the coming years, we will be looking to work more closely to ensure alignment between the GRI Standards and other frameworks and tools, and to continue producing decision-relevant standards that help us fulfill our mission of empowering decisions that create benefits for all.

Eric Hespenheide
Chairman of the GRI Board
The Sustainable Development Goals (SDGs), break down problems like hunger, inequality, climate change, or education so organizations can find targeted ways to contribute to lasting solutions.

Transparency is a key catalyst in this endeavor. From civil society to governments and from employees to investors, companies need to get the right information to the right audience. GRI has helped establish the common global language of case studies, to ground the theory in real world examples.

In 2018, as a follow up of this work, we published Integrating the SDGs into Corporate Reporting: A Practical Guide. This publication is meant to be used together with other relevant tools released by GRI, the UNGC and their partners as part of a company’s regular reporting cycle. And to help companies and investors understand one another when it comes to reporting on the SDGs, we also published In Focus: Addressing Investor Needs in Business Reporting on the SDGs.

This is why we do it
Collaboration for reporting towards a better world

The biggest challenges of our time, from human rights abuses to climate change, are complex, and require collaboration from many different actors to find solutions.

Needs in Business Reporting on the SDGs
GRI is looking to align approaches in other areas too, including how sustainability information is presented to consumers and other stakeholders in the public arena. Journalists play a vital role in highlighting the good and worst practices of company’s sustainability strategies and ultimately have the power to affect a companies’ reputation and eventually change behavior.

In 2018 GRI partnered with the Thomson Reuters Foundation (TRF) to offer journalists in developing countries the opportunity to gain a deeper understanding of the information that businesses make public on the sustainability of their strategy, operations and investments. The program trains journalists to the skills they need to hold a spotlight on certain activities, either positive or negative for companies.

We look forward to deepening this work, with existing and new partners throughout the world. We know that there is much still to be done if we are to reach the Sustainable Development Goals. But we are encouraged by the response of businesses, the interest of investors, and the action of governments and other international organizations.

See SDG-related publications here:
Analysis of the Goals and Targets
Integrating the SDGs into Corporate Reporting: A Practical Guide
In Focus: Addressing Investor Needs in Business Reporting on the SDGs
The future of sustainability reporting
9 things to look out for

Investors
There is growing realization that good investments are also sustainable investments. Investors are now more than ever asking for transparency from companies and helping drive quality improvements for sustainability reporting.

Global reach
GRI Standards have now been translated into Japanese, Spanish, Traditional and Simplified Chinese, Bahasa Indonesia, Vietnamese, German, French and Arabic, to help reporters anywhere in the world disclose information in their own language.

Global Goals
GRI is working with governments to incorporate corporate sustainability reporting in their own voluntary national reviews in line with SDG target 12.6. Bringing corporate and government reporting together can help accelerate the overall accomplishment of the SDGs. Read an example from Colombia.

Digital reporting
Sustainability data is often presented in formats that lock the data in, making it difficult to analyze. We need to find alternatives to make this information more readily available and easier to unlock. Read more about GRI’s Digital Reporting Tool.

Regulation
Governments and regional policy bodies are betting on transparency and sustainability reporting to reach the SDGs and improve the sustainability of their countries. Stock exchanges are also doing their part to demand more and better information from their members and we see an increase in exchanges referring to GRI reporting.

Tax transparency
The tax practices of large companies are often subject to scrutiny from governments and civil society, and this trend will only grow. GRI launched a process to gather input from a global set of stakeholders in 2018 and aims to launch its Tax Standard in 2019. Read more about the process.

Sector specialization
Companies within specific sectors of economic activity often face the same issues when trying to report on their impacts. To help them navigate the issues that matter most at the sector level, GRI announced a Sector Program, which will develop Sector Standards as of 2019.

Cooperation
The problems of the world are too big to tackle alone, but the GRI Standards already give a good head start. We are working together with governments, civil society, stock exchanges and other sustainability initiatives and reporting frameworks to harness the full power of transparency.

A circular world
Circularity is gaining traction among companies. How can we close the loop on products, to ensure we will still have enough resources going forward? GRI is working on a Waste Standard, to contribute to raising awareness and finding solutions for a more sustainable world.

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Improving transparency with GRI Services

In 2018, more than 600 GRI report preparers used GRI Services. From early stage to seasoned reporters, our reporter support helped them increase their reporting impact and improve their transparency.

GRI Community
Your ultimate GRI experience. The GRI Community is a year-round interactive membership program, helping members drive business improvements from within, while serving as a role model for the wider business community.

Report Services
Take your report to the next level with our reviewing services. Whether you’re a starting or seasoned reporter, GRI’s specialized reviews and support will take your report to the next level.

Reporting Tools
Create top-notch reports that make your sustainability efforts stand out. These simply-designed applications help both beginning and experienced reporters produce high-quality reports.

Training
Learn first-hand from the pioneer of sustainability reporting. Our workshops and training programs provide a unique opportunity to learn about sustainability reporting from the pioneer of the process.

Learn more at [www.globalreporting.org/services/](http://www.globalreporting.org/services/) or get in touch reportservices@globalreporting.org