## Item 02 – Impact reporting in the Public Sector, state of play and recommendations

**For GSSB discussion**

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<tr>
<th>Date</th>
<th>30 May 2024</th>
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<tbody>
<tr>
<td>Meeting</td>
<td>20 June 2024</td>
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<tr>
<td>Project</td>
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<tr>
<td>Description</td>
<td>This document provides an assessment of the state of public sector reporting and gives recommendations on how the GSSB can support public sector organizations (PSOs) to report on their impacts. We invite the GSSB to provide guidance on the future work of GRI towards the public sector by advising on the recommendations and the order in which they should be prioritized.</td>
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This document has been prepared by the GRI Standards Division and is made available to observers at meetings of the Global Sustainability Standards Board (GSSB). It does not represent an official position of the GSSB. Board positions are set out in the GRI Sustainability Reporting Standards. The GSSB is the independent standard setting body of GRI. For more information visit [www.globalreporting.org](http://www.globalreporting.org).
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Executive summary

As part of its 2023-2025 Work Program [1], the Global Sustainability Standards Board (GSSB) requested the Standards Division (SD) to conduct an ‘additional research project on the public sector’. The aim of this document is to provide an assessment of the state of public sector reporting and give recommendations on how the GSSB can support public sector organizations (PSOs) to report on their impacts. The main analysis and five specific recommendations are summarized in the section below.

Conclusions

As part of this research we found that although applicable to organizations across various sectors, the GRI Standards demonstrate a lower adoption rate within the public sector compared to the private sector. Given the weight of the public sector in modern economies and the significant impacts it generates, the lack of sustainability reporting can represent a crucial gap.

The primary challenge of sustainability reporting within the public sector lies in its unique ability to formulate and enforce regulations and policies, thereby influencing the behavior of regulated entities. PSOs must recognize the material impacts of their policies and regulations alongside their operational impacts, such as those stemming from their role as employers or energy consumers. An analysis of reports published by PSOs indicates that reporters generally understand the distinction between setting regulations and leading by example in their operational activities. However, some reporters struggle to integrate policy and regulatory reporting within the GRI Standards framework. This reveals practical challenges in delineating between these scopes and organizing relevant information cohesively within a single report.

Furthermore, PSOs are typically held accountable to stakeholders through established mechanisms such as elections or reporting to governmental bodies. In many cases, this reporting focuses on PSOs' performance in implementing policies on behalf of stakeholders. Analysis of reports also showed that PSOs use different terminology to discuss performance. For example, the terms ‘value chain’, ‘value creation’, or ‘business relationships’ are inappropriate to the public sector context and can deter internal (managers) and external (account-holders) stakeholders from adopting GRI reporting.

Debates persist regarding the suitability of GRI Standards for reporting on policy within the public sector. Some argue that the GRI Standards adequately cover all relevant scopes for PSOs and highlight challenges stemming from a lack of expertise in utilizing these standards effectively. This issue of immaturity within the public sector has been noted in the literature since the late 2000s. However, the lack of progress in addressing these challenges suggests that sustainability reporting within the public sector may not gain momentum without engaging with PSOs and aligning the standards to their unique needs and approaches.
Addressing the challenges PSOs face in using GRI Standards requires clarifying the scope of reporting and recommending complementary frameworks for policy and regulatory impacts. Additionally, providing explanations of how certain terms apply to the public sector could mitigate terminology-related issues.

GRI’s Public Sector Supplement pilot of 2005 [2] offers a blueprint for public sector impact reporting, but its incomplete implementation has spurred the development of alternative frameworks by organizations such as public universities. Recent contributions, such as Adams’ *Public sector sustainability reporting: time to step it up* (hereinafter referred to as Adams, 2023) [3], propose frameworks distinct from GRI’s approach, serving as valuable references for informing future iterations of the GRI Standards. In parallel, PSOs have adopted various reporting forms, including financial reports, environmental reports, sustainable policy reports, and reports aligned with the Sustainable Development Goals (SDGs). Some PSOs have transitioned from GRI reporting to SDG-based reporting, while others are considering reporting with the European Sustainability Reporting Standards (ESRS).

While the GRI Standards acknowledge the existence of public sector entities, they have refrained from explicitly addressing this sector, except where relevant in sector-specific standards and the discontinued Public Sector Supplement. Consequently, certain reporting needs of PSOs remain only partially met by GRI Standards.

**Recommendations**

Based on the analysis in this document, we propose five recommendations that can be implemented separately but also have synergies and dependencies that may need to be considered.

1. Consider the public sector perspective in developing all GRI Standards and other GRI activities

Considering the weight of the public sector in the modern economy and the number of potential GRI reporters within the public sector, we recommend increasing efforts to ensure appropriate consideration of the needs of PSOs in developing and revising standards and related products like the XBRL taxonomy. This could involve including public sector representatives in working groups or technical committees, ensuring the terminology applies to the public sector context, or actively seeking feedback from PSOs on draft standards. This has recently been implemented in the project to renew the GRI Topic Standards on Economic Impacts, where a member from the International Public Sector Accounting Standard Board (IPSASB) has joined the working group.

We recommend broadening GRI’s ‘business enterprises’ reporter constituency to include PSOs and changing the constituency name to better reflect its expanded scope. Another option, already under discussion, would be to create a new constituency solely dedicated to PSOs, acting as both a reporter constituency alongside business enterprises and as a representative of governments and legislators.
More specific recommendations concern the review of standards or disclosures that appear challenging or misunderstood by PSOs. These include: GRI 2-3 Governance, GRI 201: Economic Performance 2016, GRI 203: Indirect Economic Impacts 2016, and specifically GRI 203-1 Infrastructure investments and services supported, GRI 204: Procurement Practices 2016, in conjunction with GRI 308: Supplier Environmental Assessment 2016 and GRI 414: Supplier Social Assessment 2016, GRI 205: Anti-corruption 2016, and GRI 413: Local Communities 2016.

Please refer to sections II.B.2 and II.C.2 for a description of these issues. For the Sector Standards, we develop our recommendations below.

2. Develop a Sector Standard for the public sector focusing on general government

We recommend creating a Sector Standard for the general government and its components: central government, state government, and local government, as well as the agencies depending directly on them. We observed that these organizations share similarities in their approach to reporting, including the challenges of reporting simultaneously on their operational activities and policy outcomes. A standard for the public sector should offer specific guidance on how to distinguish between them.

The development of such a standard could build on the now-retired GRI Sector supplement for public agencies [2], taking into account where relevant the conclusions of its implementation assessment [4], as well as the framework proposed by Adams [3].

A general government Sector Standard could deviate from other Sector Standards in terms of scope and content and may require a slightly different approach. The preparation phase should also include an assessment of the target organizations’ demand for such a standard and possibly activities to raise awareness and facilitate adoption (see recommendation number 5 below, ‘Increase engagement with the public sector’).

3. Develop Sector Standards for industries where the public sector is predominant

The public sector contributes to multiple areas of the economy beyond general government functions. It is predominant in areas such as defense, public order, or social protection, where the involvement of the private sector is limited – making these industries quasi-unique to the public sector. In some areas, such as health, education, or utilities, the public sector is not uniquely positioned but remains highly prevalent.

Health and education services are among the sectors expected to have a GRI Sector Standard developed. Significant attention should be devoted to these standards to the specific needs and circumstances of the public sector. We recommend that other activities dominated by the public sector, such as defense, public order, or social protection, could also be considered for a Sector Standard at a later stage.
4. Encourage policy and regulatory reporting in conjunction with operational impact reporting

GRI could provide guidance to distinguish the impacts caused by policies and regulations and those caused by the organization’s own activities. It could also encourage combined reporting using GRI Standards for the operational side and another existing framework for the policy aspect. Such guidance and recommendations can be implemented parallel or in advance of the Sector Standards recommended in the previous point.

More research would be necessary to better understand how this relates to policy monitoring and evaluation, an area in which public agencies, and particularly local authorities, increasingly rely on the Sustainable Development Goals (SDG) as a reporting and evaluation framework. Some GRI reporters in the public sector already integrate the SDGs in their reporting, and the goals provide a helpful and much-needed framework for them to report on their policy impacts alongside their operational impacts. We recommend facilitating the integration of the GRI Standards with the SDGs as a compatible framework to report on their policies.

In practice, we recommend that GRI raises awareness among PSOs on the connectivity of the two frameworks and suggests combined reporting for organizations willing to engage in policy reporting. In addition, GRI should refine the current mapping of SDGs and GRI Standards to the specific needs of PSOs. This includes highlighting their different purposes and complementarity in the context of organizations with policy and regulatory competences, avoiding any impression that the SDGs are part of GRI Standards.

As part of any of the suggestions above, GRI should be conscious of the 2030 deadline for the implementation of the SDGs and seek to engage as much as possible with UN partners to understand how integration could continue beyond this deadline.

5. Increase engagement with the public sector

Beyond the development of the standards, we recommend that GRI increase its engagement with the public sector by providing services to reporters.

GRI could target PSOs in its communication to challenge the persistent perception that the Standards are primarily designed for the private sector and raise awareness of their relevance to the public sector.

GRI should also build capacity and know-how within the public sector, for example, by creating course materials dedicated to PSOs as part of the GRI Academy or providing specific support services.
Introduction

As part of its 2023-2025 Work Program [1], the Global Sustainability Standards Board (GSSB) requested the Standard Division to conduct an ‘additional research project on the public sector’. It states that the Sector Program does not currently contemplate developing a standard that considers the unique perspective and functions of the public sector. Therefore, a research project exploring existing practices, needs, and a workable structure for sustainability reporting in the public sector would be beneficial.

This takes place in the context of the emergence of an interest in engaging in this domain within the accounting reporting profession. In April 2023, the Chartered Institute of Public Finance and Accountancy (CIPFA) in the United Kingdom published a report (hereinafter referred to as Adams, 2023) [3] calling for ‘stepping up’ public sector sustainability reporting and called for supporting the use of GRI Standards and the SDG framework by public sector organizations (PSOs). In parallel, the International Public Sector Accounting Standards Board (IPSASB) launched in 2022 a consultation paper to its constituents on the opportunity of advancing public sector sustainability reporting [5], followed in March 2023 by the launch of a project brief on the development of climate-related disclosures [6]. Finally, the Association of Chartered Certified Accountants (ACCA) organized a global roundtable on the topic of public sector sustainability reporting, which resulted in a call for better sustainability reporting in the public sector to achieve the world’s sustainability aspirations [7].

As PSOs venture into the realm of sustainability reporting, GRI has a key role in promoting its vision of impact reporting and contributing its expertise in this domain. The aim of this document is to provide an assessment of the state of public sector reporting and give recommendations on how the GSSB can support PSOs in reporting on their impacts. Adams [3] has been one of the key sources in its preparation, while the participation of staff from the Standards Division in ACCA’s roundtables and the initiatives of IPSASB provided many valuable insights that are reflected in the analysis and conclusions.

The document is structured as follows: Section I will propose a definition of the public sector and describe its specificities in the context of sustainability reporting; Section II looks into what tools GRI currently provides to PSO reporters and how reporters engage with impact reporting; Section III draws some recommendations for the future of GRI’s involvement into public sector reporting.
I. Public sector definition and key characteristics

A. Definition

Support for the idea that the public sector has reporting needs that differ from the private sector has gained traction in academic literature over the past fifteen years [8] [9], rooted in the idea that PSOs are fundamentally different from private organizations as their ‘core tasks have to do with welfare and justice’ [10]. Following changes in how governments operate over the previous decades, the term ‘public sector’ is progressively being replaced in the accounting discipline with ‘public services’ [11]. While the former focused on the organizational structure, characterized by ‘organizations providing services to the public that were publicly funded, owned and operated’; the latter focuses on the activities it performs, defined as ‘those activities [...] enshrined within the notion of public good or service based on universality of access for the citizenry rather than the private provision through the market’ [11]. In other words, as governments have progressively outsourced activities traditionally operated by public entities, the definition of public sector shifted to the broader concept of ‘public services’, which encompasses those activities now operated by non-public sector entities. Unless mentioned otherwise, we use the term ‘public sector’ in this document to refer to the first of these concepts.

The universality of access and the notion of public good are elements of continuity between the two concepts. They relate more broadly to the role of the government as a provider of services and goods that are socially desirable but under-provided through the market economy. This is because the range of goods and services and the prices charged are based on political and social considerations rather than profit maximization. While debates on the desirable size of government and the extent of the activities falling within its scope are often politically charged, the role of the government as an economic actor is nowadays widely recognized, with the Organization for Economic Cooperation and Development (OECD) noting that ‘governments are responsible for the provision of various goods and services to their populations [and] also strive to redistribute income across society, through social benefit and subsidies’ [13]. The redistributive activity of government is another important characteristic of its impact, together with the capacity to pass law affecting the behavior of other economic units [14]. The redistributive activity of government is another important characteristic of its impact, together

\footnote{1} Particularly in western Europe and North America with the development of the New Public Management.

\footnote{2} This definition is similar to those used by the International Monetary Fund (IMF) which defines the public sector as consisting of ‘all resident institutional units controlled directly, or indirectly, by resident government units’ (IMF, 2014), or the System of National Accounts as institutional units – i.e. ‘economic entity that is capable, in its own right, of owning assets, incurring liabilities, and engaging in economic activities and in transactions with other entities’, that are owned or controlled by the government (SNA, 2008).
with the capacity to pass law affecting the behavior of other economic units, even if not all PSOs share redistribution and regulatory roles.

Crucially for GRI and other standard-setting organizations, the public sector is not a sector in the sense of an ‘industry’ of the economy, where organizations make up different parts of its supply chain. It spreads over multiple industries, and its missions and mandates are diverse, varying across geographies.

Taking into account these factors, we propose a definition of the public sector as the collection of entities acting on behalf of the government, including the government itself. The determinant criterion in identifying a PSO is not solely ownership or control, but its capacity to act on behalf of the government to deliver goods and services that benefit society at the expense of maximizing profit.

Under this definition, the objectives and values of the government also apply to the public sector as a whole. This is particularly relevant as it will determine how PSOs approach reporting in terms of materiality assessment or scope. While the element of ownership and control is necessary for the operationalization of the definition, and in particular to exclude private sector organizations acting on behalf of the government (following the concept of ‘public service’), it is not sufficient to understand the objectives of organizations, especially concerning sustainability.

B. Typologies of the public sector

Establishing a typology of the public sector has a dual objective. First, it is necessary to limit the topic of our research, and second, it will help us understand the specific needs of the public sector for sustainability reporting and which areas within the public sector deserve special attention. Some PSOs may not require specific support to conduct impact reporting based on the GRI Standards. For example, some state-owned enterprises already use the GRI Standards without apparent challenges.

Classifying PSOs across countries can be challenging. While some public sector activities are under the government’s exclusive jurisdiction, for example, the justice system, others, such as healthcare, may be provided by both government and private entities [13]. In addition, the level of public provision of goods and services varies significantly between countries depending on their policy choices, current priorities, and political systems and traditions.

Classifications of the public sector vary depending on the discipline. Political science and law divide the public sector according to the three branches of government (executive, legislative, and judiciary). However, within the public administration and accounting discipline, public sector classifications are based on the breakdown of public expenditure, and two main complementary frameworks stand out.

One focuses on the entities that constitute the public sector, while the other focuses on the type of activities in which the public sector is involved.

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3 An internal study on the adoption of GRI identified 472 state-owned enterprises listed in stock exchanges. Of these, 61% publish a sustainability report and within this subset, 76% mention GRI.
1. The Government Finance Statistics (GFS)

The Government Finance Statistics Framework (GFS) was developed by the International Monetary Fund (IMF) essentially for statistical purposes and, more precisely, to compile ‘the statistics and guidelines for the presentation of fiscal statistics within an analytic framework that includes appropriate balancing items’ [15]. More plainly, this framework is intended to support the analysis and evaluation of the performance of the government and the public sector in light of its fiscal policy. It classifies the public sector into institutional units that can be grouped into either the general government sector or public corporations. This framework includes all government bodies and organizations controlled by government units, see Figure 1. The smallest unit of this classification is the ‘institutional unit’, defined as an ‘economic entity that is capable, in its own right, of owning asset, incurring liabilities, and engaging in economic activities and in transactions with other entities’. In 2008, a group of international organizations consisting of the European Commission, the IMF, the OECD, the UN, and the World Bank created the System of National Accounts (SNA), which reprises the main principles of the GFS and allows for higher comparability of aggregates collected in their member states.

The main feature of the GFS is that it focuses on the entities that constitute the public sector and establishes lines of financial accountability and commands between them. It allows statistical reporting across different levels of government and aggregates the data in a way that avoids overlap. In addition, the GFS’s division of the public sector between the general government and the public corporation is particularly useful for GRI’s purposes as it allows us to narrow down our focus. Indeed, public corporations are distinct from the general government since they produce ‘all or most of its output […] at prices that are economically significant’ [15]. The main criticism of the GFS is that it does not properly fit the diversity of situations across countries and political systems, affecting its capacity to be used for comparison purposes. Although this criticism holds within the category of general government, the existence of criteria to distinguish the general government from public corporations seems to be applicable across geographies.
Figure 1. The Public Sector and its main components as presented in the IMF Government Finance Statistics Framework


Given the similarities between public corporations and private sector organizations regarding operations and accountability needs, these organizations can use the GRI Standards without needing further adaptation. Therefore, we propose to narrow our focus solely on the general government and its components: central government, state government, and local government. Agencies and public enterprises that depend directly on the general government and are non-market producers still fall into the scope of this study.

2. The Classification of the Functions of Government (COFOG)

The second main framework is the Classification of the Functions of Government (COFOG). COFOG was developed by the OECD and published by the United Nations Statistical Division (UNSD). It builds on the SNA’s government expenditure classification by further classifying the expenditure by
purposes, defined as the socioeconomic objectives that general government units aim to achieve through various kinds of expenditure. While the GFS and the SNA aim to present who spends what, the COFOGs present the socio-economic purpose of the expenditure. In both cases, the overall purpose is to create statistical aggregates used for macro-economic accounting or policy evaluation.

In this classification, the general government sector is divided according to the goods and services it provides. COFOG is a 3-level classification with 10 'divisions' at the top level, each broken down into groups between 6 and 9 'activities', which are partly sub-divided further into 'classes'.

Table 1. Overview of COFOG’s first and second levels*

<table>
<thead>
<tr>
<th>First-level</th>
<th>Second-level</th>
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<tbody>
<tr>
<td>General public services</td>
<td>Executive and legislative organs, financial and fiscal affairs, external affairs; foreign economic aid; general services; basic research; R&amp;D related to general public services; general public services n.e.c.; public debt transactions, transfers of a general character between different levels of government.</td>
</tr>
<tr>
<td>Defence</td>
<td>Military defence; civil defence; foreign military aid, R&amp;D related to defence; defence n.e.c.</td>
</tr>
<tr>
<td>Public order and safety</td>
<td>Police services; fire-protection services; law courts; prisons; R&amp;D related to public order and safety; public order and safety n.e.c.</td>
</tr>
<tr>
<td>Economic affairs</td>
<td>General economic, commercial and labour affairs; agriculture, forestry; fishing and hunting; fuel and energy; mining, manufacturing and construction; transport; communication; other industries, R&amp;D related to economic affairs; economic affairs; n.e.c.</td>
</tr>
<tr>
<td>Environmental protection</td>
<td>Waste management; water waste management; pollution abatement; protection of biodiversity and landscape; R&amp;D related to environmental protection.</td>
</tr>
<tr>
<td>Housing and community amenities</td>
<td>Housing development; community development; water supply; street lighting; R&amp;D related to housing and community amenities; housing and community amenities; n.e.c.</td>
</tr>
<tr>
<td>Health</td>
<td>Medical products, appliances and equipment; outpatient services; hospital services; public health services; R&amp;D related to health; health; n.e.c.</td>
</tr>
<tr>
<td>Recreation, culture and religion</td>
<td>Recreational and sporting services; cultural services; broadcasting and publishing services; religious and other community services, R&amp;D related to recreation, culture and religion; recreation; culture and religion; n.e.c.</td>
</tr>
<tr>
<td>Education</td>
<td>Pre-primary, primary, secondary and tertiary education, post-secondary non-tertiary education,</td>
</tr>
</tbody>
</table>
education non definable by level, subsidiary services to education, R&D; n.e.c.

| Social protection | Sickness and disability; old age; survivors; family and children; unemployment; housing; R&D; social protection and social exclusion; n.e.c. |

* ‘R&D’ stands for Research and Development; ‘n.e.c’ stands for not elsewhere classified


Other classifications of this type exist across disciplines. For example, the Comparative Agenda Project classifies policy fields that include 21 major topics and 220 subtopics for conductive comparative analysis across countries [16].

The main advantage of the COFOG and other sectorial classifications is that they offer a higher degree of comparability across countries than hierarchical classifications. The level of government presented in the GFS might make sense from a statistical perspective when presenting an aggregated output compiled by a central authority. However, it might be impractical for the reporting entities to use it, depending on the geographical and constitutional context. In countries with multiple levels of government or federal systems, the respective attributions of different entities are sometimes better understood in terms of policy topics and not only by geographic location or level of government.

Taking the COFOG classification as a starting point, we can separate the activities carried out by the private and the public sectors and those almost the exclusive domain of the public sector. General public services, defense, public order, and social protection will fall under the latter category, and this distinction can be relevant for designing GRI Sector Standards (See section ‘Recommendations’).

C. Specific characteristics of the public sector

The International Public Sector Accounting Standards Board (IPSASB), an organization that develops accounting standards and guidance for use by public sector entities, notes that the ‘primary objective of most public sector entities is to deliver services to the public, rather than to make profits and generate a return on equity to investors’ [17]. This means that PSOs are likely to consider that improving conditions for ‘society’ is at the core of their mandate and their impact on the economy, the environment, and people, is not simply a by-product of their activities.

In this aspect, they differ from private sector organizations whose primary objective is profit maximization and value creation. The concept of ‘value’ has a specific meaning in the public sector, which is simultaneously broader and separated from monetary value and often relates to ‘the value of life, the value of society, the value of quality and, if one is of a religious bent, the value of creation itself’ [18].

The IPSASB Conceptual framework for general purpose financial reporting by public sector entities [17], highlights a total of six characteristics of the public sector: the importance of non-exchange transactions, the importance of the approved budget, the nature of public sector programs and the
longevity of the public sector, the nature and purpose of assets and liabilities in the public sector, the regulatory role of public sector entities, and the relationship to statistical reporting.

For the purposes of this document, we will analyze three distinct characteristics of the public sector that will mark its approach to sustainability reporting: its capacity to set rules and regulations, its accountability mechanisms, and the influence of stakeholders.

1. The policy and regulatory aspect of the public sector

Many PSOs regulate their environment and the behavior of other organizations and individuals around them through laws, policies, and regulations. Regulation can take the shape of incentives for individuals and businesses to behave a certain way or regulations to prohibit certain behaviors. The extent of the organization's control over policy differs among the public sector. Some PSOs, particularly within general government functions, have the ability to create and enact policies and regulations, and therefore have a high level of control over their content. On the other hand, most PSOs are responsible for implementing these policies, or at least their work program reflects policy orientation decided by the first group of PSOs. Therefore, even though the level of control over policy is limited, it remains material to PSOs.

2. Codified accountability mechanisms

The need for accountability in the public sector is fundamentally different from that in the private sector. The V-dem Institute at the University of Gothenburg, led by S. Lindberg, describes the accountability pathways within the public sector relative to the governments [19]. Vertical accountability is the accountability of the government toward citizens, which mainly expresses itself through free elections: the citizens have the capacity to vote out politicians. Second, horizontal accountability describes the accountability that different branches of government (executive, legislative, and judicial) have toward each other, whereby each branch plays a role in keeping the other two within the bounds of the law [20]. This, for example, includes reporting of a government department or agency to Parliament or the executive branch's head. Finally, the elusive concept of diagonal accountability relates to the idea of participatory democracy whereby citizens engage directly or indirectly with the government either through their own actions, civil society organizations, or the media. Examples of diagonal accountability include 'public demonstrations, protests, investigative journalism, and public interest lawsuits' [19] and, in effect, seek to trigger the vertical and horizontal accountability mechanisms. In this model, the ability of citizens to exert diagonal accountability increases as information on government actions becomes available and transparent. Sustainability reports would, therefore, fit neatly as part of this model and highlight the importance of citizens (and, by extension, civil society organizations and the media) as key stakeholders of PSOs when they undertake reporting.

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4 As noted by Mechkova et al (2019) 'this accountability mechanism only works where elections are regular and relatively free and fair'. This de facto eliminates a certain number of geographies.
Accountability processes in the public sector include aspects of impact reporting, but they are mainly focused on the organization's performance when delivering services to the public within the allocated budget. The emphasis on how the budget is spent compared with the activities and policy implementation will likely vary across geographies and institutions. This might translate into more or less weight given to accounting approaches.

Accountability to citizens is also a much-discussed topic, with recurring calls to improve public participation as the 'process of participation and representation are at the heart of democracies' [13]. Beyond elections, accountability to citizens and responsiveness to their opinions remain challenging in modern liberal democracies. Recent data from the OECD shows that only 32.9% of the OECD members population expect governments to adopt opinions expressed in a public consultation [13]. This shows that this accountability mechanism is likely to be much less developed than other institutions, PSOs, and governments.

3. Influence of stakeholders

Related to their accountability mechanisms and due to the all-encompassing nature of their missions, PSOs have a broad set of stakeholders. In many cases, the interactions with these stakeholders are codified, not only when it comes to reporting.

The State, in the sense of the government and the legislative power, has a special status among the multiple stakeholders of PSOs. It provides, in some instances, a regulatory or legal framework for PSOs to report on their impacts. Beyond this, it also has a central role in terms of funding these organizations and, to some extent, guiding their activities.

The concept of accountability, which is central to sustainability reporting, originates in the idea that 'when decision-making power is transferred from a principal (e.g., the citizens) to an agent (e.g., the government), there must be a mechanism in place for holding the agent accountable for the decisions and tools for sanction' [19]. Modern liberal democracies, therefore, equip themselves with reporting systems that allow the government and its entities to account for its activities.

Based on the discussion of accountability described above, the following list of account-holders of a specific type of public sector organization – a public agency – has been drawn by Schillemans et al. 2022 [21]. We have added additional account holders.
Table 2. Mapping of accountable based on Schillemans et al. (2002)

<table>
<thead>
<tr>
<th>Vertical accountability</th>
<th>Diagonal accountability</th>
<th>Horizontal accountability</th>
</tr>
</thead>
<tbody>
<tr>
<td>Power relationships are sometimes characterized by hierarchy and/or budgetary control.</td>
<td>Accountability to bodies working independently from hierarchical superiors yet with authority.</td>
<td>Social form of accountability, which is mostly voluntary.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Parent-department</th>
<th>Board</th>
<th>Expert body</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cabinet</td>
<td>Inspection or regulatory body</td>
<td>Client body</td>
</tr>
<tr>
<td>Coordinating departments (such as finance department)</td>
<td>Court of audit or <em>Supreme Audit Institutions</em></td>
<td>Interest groups</td>
</tr>
<tr>
<td>Non-coordinating departments</td>
<td>Ombudsman</td>
<td>CSO</td>
</tr>
<tr>
<td>Other agencies</td>
<td>Evaluation committee</td>
<td>Unions and workers or employees</td>
</tr>
<tr>
<td>Supranational bodies</td>
<td>Courts</td>
<td>News media</td>
</tr>
<tr>
<td><em>Parliament</em> <em>(specific sectorial committees)</em></td>
<td>Parliament</td>
<td><em>Citizens</em>/<em>service users</em></td>
</tr>
</tbody>
</table>

The accountholders italicized have been added by us.

D. Challenges for sustainability reporting in the public sector

The public sector is a major contributor to the economy. In 2021, government expenditures amounted to 46.3% of GDP, and general government employment (i.e., only a limited part of the public sector) amounted to 18.6% of total employment, on average across OECD countries [13]. Therefore, it is a large source of sustainability impacts. Excluding the public sector from reporting would minimize the assessment of human activity on the environment, the economy, and people, including human rights. However, some of the characteristics of the public sector detailed above bring about potential challenges regarding sustainability reporting.
1. Policy and regulatory aspects are likely to be material to public sector organizations

Many PSOs make and implement policies and regulations with the explicit intention of having an impact on people, the environment, and the economy. This makes the policy impacts of PSOs very likely to be material alongside their operational impacts.

This presents some challenges when it comes to reporting impacts. For example, regarding greenhouse gas (GHG) emissions, an organization might consider reporting on both the impact of its policies aimed at GHG emissions reductions within its jurisdiction and the GHG emissions of its own operations. In other words, the boundary between operational impacts and policy impacts might be unclear for organizations that are used to highlight the second. In practice, this could result in the GRI Standards not being used as intended. In the opposite case, where organizations would correctly identify the difference between their policy and operational impacts, it could result in two sets of reporting, increasing the burden on the organization.

It should be noted that reporting on public policies and implementation measures comes conceptually very close to policy monitoring and evaluation, particularly in the context of the Sustainable Development Goals (SDG). This overlap will be further explored in Section II.

Even the way that PSOs conceptualize sustainability is likely to refer to their policy work and the SDGs, which is slightly different from the practical definition of impacts provided by the GRI Standards. Interestingly, this also varies across geographies, with the term ‘sustainability’ sometimes solely referring to the capacity of an organization to maintain itself overtime [9].

Specific types of PSOs, those overseeing a jurisdiction such as a national, regional, state, or municipal government, are likely to consider that the impact of individuals, businesses, and organizations within their jurisdiction is relevant to sustainability reporting. This is usually referred to as state of the environment reporting.

This translates into three levels of reporting previously identified by GRI [2]: operational, policy and regulatory, and state of the environment. Adams [3] adds two reporting scopes: voluntary national reporting to the United Nations on the SDGs and reporting on value created by the organization, economies, society, and the environment. Figure 2 below presents these scopes.
2. Gaps between sustainability reporting and accountability mechanisms

The challenge to sustainability reporting for PSOs not only relates to the content but also to the form of reporting. PSOs are used to be accountable to other PSOs (sometimes referred to as accountholders) according to specific rules often defined in law or custom. For example, ministries or government departments must give parliament an account of their activities. This implies a cultural gap with the flexibility of impact reporting. For example, the GRI Standards invite the organization to question their own processes and adapt the reporting to its context, broadening the concept of stakeholders and adopting their different points of view.

In addition, PSOs might be protective of their accountability activities. For example, an interviewee mentioned how stakeholders who were traditional accountholders of the reporting organization were reluctant to engage in the materiality assessment process, as this process was foreign to their representation of their mission toward the reporting organization. For many PSOs, the commitment to sustainability reporting might be subject to political choices made by elected representatives, who are not always part of the reporting organization.

3. Mandatory reporting in the public sector is not taking off

Through literature review and desk research, we identified jurisdictions with policies (regulations, laws, or guidance) relating to sustainability reporting in the public sector across the world. Our objective was to assess the maturity of the regulatory environment and identify any jurisdiction where
sustainability reporting in the public sector would be particularly developed as a result of regulation on
the topic. The list we compiled is not meant to be exhaustive but provides an overview of different
approaches and trends in regulation and policy across different geographies. We particularly sought
to identify regulations, laws, and policies in non-English speaking countries and as much as possible
in emerging and developing economies.

Building on Adams [3], which looked at English-speaking regulations for sustainability reporting in five
jurisdictions, we identified an additional 21 policies across 13 jurisdictions (plus the OECD). In some
jurisdictions, we also found evidence that there were no such policies. For example, in Germany, to
our knowledge, there are no generally applicable binding regulations on sustainability reporting for the
public sector [22]. In Ghana and Egypt, we identified that while comprehensive guidelines on
corporate governance in the public sector existed, they did not include provisions for reporting. The
policies are described in Annex I.

- Scope

We identified 13 policies that applied to some degree to a group of central government entities. The
most advanced example of such policy was the Guidelines for Sustainability Reporting in Central
Government in Finland, published in 2021, a voluntary reporting framework directed to central
government ministries, agencies, and institutions [23]. This framework includes a distinction between
the reporting organization's 'handprint' as a result of its operations and 'footprint' as a result of its
policies. It is strongly aligned with the SDGs.

The other category of PSOs that stand out as being subject to sustainability reporting policies are
state-owned enterprises. In some jurisdictions, the policy applies to both private and public sector
enterprises, with the criteria for inclusion being the size of the organization's workforce or its revenue.
However, in cases such as Sweden, Spain, Chile, or India, the policy targeted state-owned
enterprises. The duty to lead by example was cited as a key reason for conducting sustainability
reporting in these organizations (particularly in Sweden, Spain, and Chile) and the importance of the
state-owned enterprises in the economy (India).

Although numerous academic articles focus on local authority, we found few policies specifically
addressing local authorities. In France, we found that largely populated local authorities are required
to prepare sustainability reports before the budget debate. However, the requirements of the nature of
these reports are focused almost solely on policies and translated into descriptions of these policies
that are not always accompanied by an analysis of their impact. In Italy, the policy is mainly voluntary.
The scarcity of policy reporting at the local level is all the more interesting, and we found multiple
examples of sustainability reports by municipalities or local authorities, which could indicate that this
reporting is mostly voluntary and could be the product of other trends. In New Zealand, the review of
the Environmental Reporting Act in 2014 was foreseen by scholars [24] to involve an extension of
requirements to local authorities, but that was not the case. In the United Kingdom, the National Audit
Office puts into perspective the lack of consistency in reporting greenhouse gas emissions by local
governments, with the absence of mandatory reporting for the public sector as a whole [25].
A significant share of the policies we reviewed focused on the environmental aspect of sustainability, for example, requiring reporting on greenhouse gas emissions, waste management, or water usage. However, we also found that some jurisdictions have separate reporting policies on different aspects of sustainability, such as gender equality in the workforce or governance structures, that are not labeled as sustainability reporting. This also means that the lack of policies on the umbrella topic of sustainability at the local level and other levels does not necessarily mean that there is a lack of reporting on sustainability topics.

Type of requirement
We found mandatory and voluntary reporting requirements among the policies we reviewed. Although more requirements were mandatory than voluntary, we also found that their application was fragmented. In some cases, such as the mandatory reporting by Swedish State-Owned Enterprises, they applied to a limited number of entities. In other cases, they were not implemented despite the mandatory requirement, such as in Spain, where ‘the maximum level of compliance with the sustainability reporting mandate was 43% in 2012’ [26]. Finally, the mandated policies are sometimes inconsistently implemented. In Canada, for example, federal public agencies and government departments are required by the Federal Sustainable Development Act to report on their progress in implementing the Federal Sustainable Strategy; out of eight reporting items relating to the departments' operations under the goal 'Greening government' five were deemed incomplete or untimely [27]. For some of these targets, as little as one to four departments or agencies out of 26 had reported information. By contrast, in Finland, where reporting is voluntary under the Guidelines for sustainability reporting in central government, 67% of central government accounting units published a sustainability report for 2021 [28].

II. Current reporting practices of public sector organizations

A. Type of reporting by public sector organizations
Reporting in the public sector takes multiple forms to accommodate the accountability needs and legal requirements applicable to organizations. In section I.D.1, we describe how public sector reporting can be conceptualized across five different scopes. In this section, we analyze how organizations report in practice and identify different types of reporting.
Research done by GRI in 2004 on reporting in the public sector [29] identified six broad categories of reports, among which five remain relevant today.\(^5\) We have added the reports on the Sustainable Development Goals, which were adopted in 2015. By contrast with 2004, we found that although different reporting categories exist, they no longer translate into stand-alone reports but tend to be aggregated into hybrid reports, with the exception of financial reports. Therefore, the categories presented below are more likely to be understood in terms of reporting type rather than report type.

1. Financial/Annual report

Although these reports are common and cover aspects relevant to sustainability and impact, they are first and foremost aimed at providing an account of how public organizations manage and spend their budget. These types of reports focus on financial performance in the context of the organization’s management structure, policies, and achievements over the past year. They are usually mandatory and have the potential to be audited.

These reports are compiled using specific national or international rules and reporting standards, among which IPSASB creates the standards.

In some cases, they include data on sustainability or triple-bottom-line reporting, although these aspects tend to be presented in a separate report or annex.

2. Environmental reporting

Environmental reporting focuses on the effects of the activities of specific public sector entities on the environment. Although they are often titled ‘sustainability reports’ or describe their content as related to sustainability, the social and economic aspects are not included. They focus on metrics that describe the organization’s performance in relation to the environment and, as such, constitute a specific type of impact report.

These reports are also sometimes described as environmental performance reports covering themes such as resource consumption, emissions, waste, purchasing and procurement, and green budgeting.

In some cases, these reports are also used to support certification for issuing green bonds.

We found that although specific guidance existed on environmental reporting, the reporting itself was sometimes integrated into other types of reporting. For example, in the UK, where central government agencies are required to comply with reporting requirements on their environmental impact [30], the Department for Health and Social Care publishes environmental reporting information as part of an annex of its annual report [31]. The UK Department for Transport publishes this information as a chapter of its annual report alongside broader SDG reporting items [32].

Although multiple examples of stand-alone environmental reports were mentioned in the 2004 research done by GRI, we did not find such examples in 2023. As described above with examples

\(^5\) The omitted category is ‘Sustainability Indicators/Index reports’ for which we could not find direct equivalent today. This category presents some resemblance with the new reporting category although it was broader in scope.
from the UK, we found multiple PSOs reporting on their environmental impact as part of broader reports.

3. State of the environment report

This type of report focuses on the state of the environment in a specific jurisdiction and covers topics such as air quality, climate change, and biodiversity. It is usually driven by a scientific assessment of the state of the environment and the pressures put on it by societies and human activity. It often also discusses policy responses or raises the alarm to political entities (government or parliament) on environmental risks.

In many cases, these are statutory reports, i.e., they are requested by law and drafted by recognized entities deemed independent from the government of the day.

The scope of reporting is not limited to the reporting entity or other entities but rather describes the overall impact on the environment within a specific jurisdiction. It might, for example, describe the level of pollution in rivers and link it to human activity but not to specific organization's activities.

Although these reports are first and foremost focused on the state of the environment, they usually acknowledge the link between human well-being and the effects of the environment on people and communities and vice-versa.

This type of report is very common and likely to have become widespread with the development of international agreements on climate change. We found numerous examples of these reports at regional, national, and sub-national levels across the world.

Examples of such reports can be found in Australia, New-Zealand, France, South Africa, China, and Japan.

4. Sustainable policy report

Sustainable policy reports focus on the organization's impact on the environment, economy, and people through its policies rather than (simply) its operations or activities. This applies to PSOs with regulatory powers such as central government, state, province, or local authorities.

In practice, these documents often describe policies and action plans and explain how they intend to address sustainability challenges, but they rarely present a balanced assessment of the impacts of these policies or their effectiveness. As noted in 2004, this could be due to the complexity of conducting such assessments. They tend to be drafted by the organization rather than an external party (as is the case of the state of the environment report), and as such, they often resemble general communication tools.

Examples of such reports were found in local authorities in Italy, France, and South Africa.
5. Sustainable development report based on the SDGs

This category of reports is similar to the sustainable development policy reports described above, although they use the SDGs as a reporting framework for reporting instead of local policies. These reports seek to assess how well the reporting entity is doing in terms of achieving the goals that it assigned itself.

This category of reports, although not homogenous, has grown significantly over the years. As part of this study, 71 reports relating to sustainability issued by PSOs were identified, and 43 (61%) mentioned the SDGs. This was slightly lower among PSO’s GRI reports (57% or 25 reports out of 44 GRI reports).

Countries are responsible for monitoring their progress toward the SDGs, and while reporting methods vary, they must comply with the UN’s Fundamental Principles of official statistics [33]. The UN Statistics Commission adopted the System of Environmental-Economic Accounts (SEEA), and in Europe, the Conference of European Statisticians (CES) agreed on Recommendations for National Sustainable Development Indicators (CES Recommendations). These types of reporting by national states are often referred to as ‘sustainability reporting’, which presents some similarities with GRI’s vision of sustainability reporting but goes further in scope. For example, a 2014 study from the Dutch Planning Bureau [34] compared the CES Recommendations with the GRI G4 Standards in an attempt to identify convergence and divergences of sustainability reporting between the public and private sectors.

Similarly, PSOs are ramping up their reporting on the SDGs, and in many cases, they do so as part of their GRI reporting. GRI has issued multiple guidance materials in this domain, including three guides and one linkage document with support from the Swedish International Development Agency (SIDA) [35], [36], [37], [38]. A GRI Academy course, part of the certification program titled ‘Integrating the SDGs into sustainability reporting’, offers a service to review the alignment of GRI’s content index with the SDGs (SDG mapping add-on). This guidance is focused on corporate reporting, and it would be useful to assess whether they address the needs of PSOs in this domain.

In parallel, reporting following the SDGs has developed globally. At the local level, cities and local authorities have progressively started to publish Voluntary Local Reviews (VLRs). In these reports, cities select a subset of SDGs and usually report on the policies they implement in this area. They also monitor the situation (which can be deemed to fall into the scope of both contextual information and impact reporting). VLRs have gained much traction over the years, alongside the development of reporting guidance documents and the networking of reporting cities to share their experiences. The UN does not coordinate the creation of VLRs but encourages them, and its department of Economic and Social Affairs centralizes VLRs known to them into a public database on its website [39]. There are currently 171 VLRs in this database.

We found that some local authorities that previously reported with GRI now report with VLR-SDGs (see, for example, the cities of Melbourne [40] and Stirling [41] in Australia), but also found one
example of a local authority reporting both with VLR-SDGs and GRI, namely the province of Córdoba in Argentina [42], [43].

6. Sustainability/Triple bottom line report

This type of reporting enables simultaneous assessment of the organization's impact on the environment, economy, and people at the operational level while incorporating elements of impact through policies. It links operational performance to the agency's vision and strategy [44]. Since 2004, the number of such reports has increased, particularly with the publication of the GRI 2005 public sector supplement. We found multiple references to this supplement in the literature, although it is no longer effective as a GRI Standard (see the section on GRI guidelines for the public sector).

We found examples of such reports in four broad types of public sector organizations: state/provincial governments, municipalities, public agencies, and state-owned enterprises. The specifics of this reporting and the suitability of the GRI Standards will be explored further in this report. Evidence shows that the reporting differs between organizations with regulatory powers (state/provincial governments and municipalities) and those without (public agencies and state-owned enterprises).

7. No globally accepted framework for public sector reporting

Our analysis shows that, without a single globally recognized reference, organizations tend to combine these reporting categories and build upon different frameworks to fit their purpose. This creates a fragmented reporting characterized by the absence of a commonly agreed definition of ‘sustainability’. The terms remain understood by some organizations in the public sector as solely related to environmental matters. Although environmental reporting is often accompanied by other (mandatory) reporting related to sustainability topics, such as employment or diversity, this approach carries the risk of not sufficiently accounting for the relationship between the different sustainability aspects, presenting a biased picture of the organization's impact. In addition, this increases the burden on reporters who might report on overlapping impacts and who might need to draw on different reporting frameworks to fulfill legal requirements.

Although GRI Standards could address these challenges, few PSOs use them. One possible reason is that the current Standards framework does not provide sufficient space to integrate reporting on levels beyond operational impact, particularly on their action's policy or regulatory aspects. For example, a former GRI reporting local authority mentioned that it decreased its use of GRI Standards over the years until it fully phased them out due to the perceived lack of return compared to the amount of time necessary to use them. This local authority still reports on sustainability but uses its own strategy and outcomes as a reporting framework.

Finally, there is evidence that the ubiquity of the SDG filled a gap in the sustainability reporting landscape as it offers a conceptual, if not practical, framework for PSOs to reflect on their contribution to sustainability. In some cases, they are also used as a theoretical framework to report on operational impact with debatable success. In Finland, the guidelines for sustainability reporting in the central government [45] introduced a promising example of SDG-based sustainability reporting.
focused on the organization's policy or regulatory activities ('handprint'). At the same time, the
operational impacts (described as the ‘footprint’) are reported in a separate section.

Anecdotally, we found two examples of former GRI reporters in Australia who switched to reporting
solely with the SDGs. One of them highlighted the desire to align reporting with their new strategic
phase in relation to the SDGs and to enable them to ‘understand [their] contribution as a local
government to global goals to address the social, economic and environmental elements of
sustainable development’. It also notes that while it ‘ceased to formally reference GRI indicators […]
it] acknowledges that many of the key focus areas outlined within the GRI remain embedded in its
reporting’ [41].

Adams [3] proposed a framework for integrated reporting building on the TCFD structure, with four
axes of reporting: governance, management approach, strategy, and performance and targets. These
axes were populated by existing disclosures, including GRI’s disclosures, IPSASB’s Recommended
Practice Guidelines, ISSB’s Integrated Reporting Framework, and the SDG’s Recommendations. The
report highlights that GRI disclosures are valid for Public Sector reporting and includes most GRI
Topic Standard disclosures under the ‘performance and targets’ heading.

B. GRI initiatives for the public sector

‘Any organization can use the GRI Standards – regardless of size, type, geographic location, or
reporting experience’ (GRI 1). The principles and the disclosures of the GRI Standards can be equally
applied to the private or public sector. Because the GRI Standards focus on the external impacts and
do not rely on the effects on enterprise value to assess materiality, they are better aligned with the
needs of PSOs than other standards.

Nevertheless, private enterprises form the majority of those organizations reporting using the GRI
Standards, and most of the stakeholders who participate in the development of GRI Standards
represent private companies directly or indirectly. This generates a slight bias toward private sector
termology and metrics in some GRI Standards, particularly for standards related to economic
impacts. More specifically, PSOs may have difficulty gathering the requested information or could find
the terminology confusing in Disclosure 201-4: Financial assistance received from government, GRI
203: Indirect Economic Impacts 2016, GRI 205: Anti-corruption 2016, and GRI 207: Tax 2019. We did
not identify any bias in the standards related to the environment.

In addition, we found multiple examples in which the disclosure metrics or the terminology are not
adapted to PSOs. A first example is using the terms ‘business partner’, ‘business relationship’, or
‘business conduct' to refer to reporters' attributes.

Three different GRI initiatives have tried to fill this gap and address the public sector's specific needs,
which will be discussed in this section.
1. 2005 Public Sector Supplement

- Background of the supplement pilot

The Public Sector Supplement (pilot version 1.0) [2] was published in 2005 as a set of guidelines addressed explicitly to public sector reporters (‘Public Agencies’) willing to report with GRI. As with other supplements at the time, the Public Sector Supplement pilot was designed to be used in addition, not in place of the predecessor of the GRI Standards, the GRI Guidelines, and, more specifically, their second version, GRI G2. Preparatory work by GRI’s secretariat noted that while the GRI G2 guidelines were assessed to apply to public sector agencies, they were deemed not specific enough to support the public sector.

The creation of the public sector supplement had multiple objectives. First, it was meant to support reporters in the public sector by creating guidelines dedicated to their specific needs and impacts. Second, creating a more homogeneous reporting tool across public sector entities was meant to allow comparisons over time and among different organizations. In addition, it was seen as contributing more broadly to increasing public sector transparency.

- Content of the public sector supplement 2005

The supplement addressed multiple challenges of public sector reporting that we identified in the present document. It embraced a voluntarily broad definition of the public sector based on the UN system of national accounts, which focuses on ownership and management structure rather than the nature of the organization’s missions. This means it did not tackle the potential challenges of agencies or organizations operating in sectors or industries otherwise covered by other supplements.

The supplement noted the challenges of applying the GRI G2 Guidelines to a context where three relevant reporting scopes coexist (organizational performance, public policies and implementation measures, and context or state of the environment – see section I.C.1 above). However, it stopped short of proposing an approach integrating these three aspects and focused solely on organizational performance, public policies, and implementation measures. The information relating to the context and state of the environment was deemed to be already available in other types of reports, but the supplement does not provide reporting guidelines on this aspect.

The supplement underlined how a description of the policy and legal context was particularly relevant to the public sector, mentioning, for example, broader country commitment to the United Nations Millennium Development Goals or legal commitments such as the Kyoto Protocol. The challenge of drawing the line between policy reporting and conducting policy evaluation was circumvented by explicitly excluding ‘disclosures for the specific purpose of analyzing the effectiveness of a given set of public policies or implementation measures’. However, it did include disclosures regarding the reporting organization’s progress in implementing these policies, which resembles policy monitoring.
Although the structure of the GRI G2 guidelines and that of the Public Sector Supplement is thematic and differs significantly from the structure of the current Standards, we have summarized the main contributions of the Public Sector Supplement below:

- Disclosures allow reporting on public policies and implementation measures. This specifically targeted policies and measures related to sustainability. It applied regardless of the organization's control over the said policy or measure and its outcome (for example, public agencies implementing policies designed by an elected government would still have to disclose these policies). This set of disclosures was designed to allow reporting on a broad set of sectorial policies related to sustainability with the goal of being similarly applicable to, for example, a public agency in the field of justice and a government department in charge of health. To achieve this, it provided a framework to describe the policies rather than setting expectations on the content of these policies. In this respect, it does resemble the approach and the vocabulary of the current GRI 2 disclosures relating to internal policies and strategies on sustainability, which were also included in the GRI G2 guidelines. This generic approach was the source of much criticism in the academic literature relative to the application of GRI reporting to public sector organizations, with calls for a more prescriptive approach to what sector-specific sustainability policies should look like as part of the reporting framework [46].

- The supplement provided additional performance indicators on two out of three aspects of the ‘triple bottom line reporting’, i.e., the economic and social aspects. The environment aspect was deliberately not addressed, and although no justification was provided, this could be a sign that the working group did not foresee any difference in reporting needs on this aspect compared to the private sector. The additional economic performance indicators were primarily related to public procurement and public expenditure. This was identified early on as a sticking point of public sector reporting and resulted in four specific indicators. In parallel, three additional indicators were created relating to expenditure to fit PSOs' accounting system more accurately.

A unique social performance indicator was added with a focus on the ‘efficiency and effectiveness of services provided by the public agency, including the actions taken to improve service delivery’. To avoid the evaluation-trap, the indicator did not request to provide the assessment itself but to describe whether the assessment took place and, if it did, what its conclusions were.

- It provided an explanation of the intent behind disclosure elements and indicators of GRI G2 that used concepts and terminology that were not commonly used in the public sector context.
Despite the initial ambition to follow the piloting of the public sector supplement by a phase of 
assessment through a Structured Feedback Process to refine it, the pilot was never finalized into a 
public sector supplement.

In 2010, GRI conducted an analysis of GRI reporting in government agencies [4], specifically on the 
adoption of the public sector supplement pilot. It concluded that public sector sustainability reporting 
was still in its infancy compared to other sectors. This was true in terms of the quality of reporting and 
the number of reports published – not only did a comparatively small number of reports emanate from 
public sector organizations, but only half of the sample analyzed used the pilot supplement. The 
authors noted that the reporting was fragmented, with reporters choosing to report only on a subset of 
indicators and mostly narrative, which offered little opportunity for comparison among them. Two 
general challenges were identified for future revisions: the need to refine the definition of the entities 
that fell into the scope of the public sector, particularly regarding state-owned enterprises, and the 
need to address the persistent perception that the main GRI Guidelines had private sector 
foundations. At a more granular level, public policies and implementation measures were assessed to 
be frequently reported on but not necessarily consistently or using the pilot supplement dedicated 
indicators. Reporting on procurement and administrative efficiency (one of the specific reporting 
elements in the public agency supplement) was even less advanced. While the findings of this 
analysis are useful, they need to be positioned in a context where the understanding of sustainability, 
more specifically reporting, was less widespread than it is now. In a subsequent section, we will 
discuss an analysis of current sustainability reporting in the public sector.

In 2010, and after the adoption of GRI G3, GRI stopped publishing sector supplements. In 2016, the 
guidelines and sector supplements were retired, and the GRI’s reporting system was overhauled into 
Standards. Nevertheless, the sector supplements, including the Public Sector, continued to circulate 
through different channels and were used by some reporters even for a few years.

To date, the public sector supplement is the only known guidance at a global level for PSOs to report 
comprehensively on their impacts. Although it is no longer part of the GRI Standards and cannot be 
found on GRI’s website, it remains a blueprint for this type of reporting. In 2013, the working group on 
environmental auditing of the INTOSAI noted that ‘apart from the GRI public sector supplement, there 
are no global initiatives that would support public sector reporting’ [47]. As noted in an earlier section, 
other frameworks, such as the SDGs, have emerged as an important element of public sector 
reporting. However, they do not constitute a reporting framework like the GRI Standards or the Public 
Sector Supplement pilot did. This puts GRI in an advantageous position to take the lead on this topic, 
building both on the previous work of the public sector supplement and its expertise in the current 
Standards.

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6 By the time this report was drafted, a new version of the Guidelines, GRI G3 Guidelines had come into effect in 2006.
2. ABC of GRI Standards for Public Servants project in Latin America

In 2020, the GRI LATAM Network published a guide on public sector reporting through funding of SIDA under the title *ABC of GRI Standards for civil servants* [48]. This took place in the context of the growing interest of the public sector in the region for GRI reporting due to two factors.

First, governments were interested in encouraging businesses in their country or region to adopt GRI reporting. Working with the network, they identified that by reporting on their own impacts and conducting their reporting with GRI, they would be able to lead by example and become more aware of how this could fit more broadly into their policies. This is the case, for example, of the Colombian Ministry of Mines and Energy, which published its GRI report in 2021 [49].

In doing so, PSO reporters saw an opportunity to combine this reporting with the emerging SDGs. In consultation with the network, they managed to identify the complementarity, which in turn reinforced the legitimacy of GRI reporting. We understand that the LATAM network signed MOUs with some state entities to support them in reporting and pushing forward the creation of policies and laws relative to GRI reporting for private sector organizations within their jurisdiction.

As part of this collaboration, the LATAM network identified that PSOs experienced the following difficulties with the current standards:

- Governance: the governance structure differs from the private sector and is subject to political appointment or election. The current structure of the standards, which focuses on the power of the board in comparison with the power of senior management, does not apply to the public sector and is difficult to translate into their governance structures;
- Corruption: the standard on corruption is not broad enough to capture the instances of corruption that exist and their specificities in the public sector;
- Public procurement: in the public sector, public procurement is more regulated and does not solely rely on a balance of price and quality. Other factors, such as time, impact, and organizational objectives, are also considered. However, the disclosure of the standards relating to procurement (*GRI 204: Procurement Practice 2016, GRI 308: Supplier Environmental Assessment 2016, and GRI 414: Supplier Social Assessment 2016*) are considered too limited to account for these.

The approach of the LATAM network to PSOs seems to bear fruit, as we have found numerous public sector reporters in the region, especially in recent years.

3. GRI Sector Standards

Universal Standards (*GRI 1, 2, and 3*) and GRI Topic Standards maintain complete neutrality regarding the type of organizations that can use them and do not make any reference to either the public or private sector. The new GRI Sector Standards try to identify the type of organizations that will report with them and can, therefore, introduce specific references to the public sector.
Three of the four GRI Sector Standards published by the end of 2023 refer to PSOs as reporters: GRI 811: Oil and Gas Sector 2021, GRI 12: Coal Sector 2022, and GRI 14: Mining Sector 2024. They note that state-owned enterprises are present in most countries where the sector operates and represent ‘some of the largest organizations in the sector’. State-owned enterprises are also described as ‘often the largest (oil and gas/coal) producers and hold ownership of the majority of global reserves. […] SOEs have specific challenges relating to transparency and governance, which are addressed in some of the likely material topics in this Standard’ [50]. This translates into two specific areas.

First, in the Anti-corruption likely material topic, which is common to the three Sector Standards it is noted that SOEs face specific challenges in this area ‘because they have less effective internal control and be subject to partial independent oversight’. This does not, however, translate into specific disclosure requirements for SOEs.

Secondly, state-owned enterprises are mentioned in the Payments to governments, a likely material topic, highlighting the risk of trade mispricing. This translates into an additional reporting recommendation for SOEs to report their financial relationship with the government.

By default, the Sector Standards mentioned above assume that PSOs in these sectors can report on all the other likely material topics without any extra disclosure or specific guidance.

C. GRI adoption by public sector organizations

1. Data on reporting from GRI notifications

Levels of adoption by PSOs of GRI Standards have been consistently low over time. We use the GRI database of sustainability reports to identify the percentage of PSOs among GRI users. Although the data should be interpreted with caution, it is a valuable source of evidence on reporting in the public sector.7

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7 GRI holds a database of sustainability reports identified through different, mainly self-declaratory, sources (for example organizations notifying GRI of their report as part of the notification requirement in GRI 3). This database offers a partial picture of the state of reporting as some reporters might not notify GRI of their reports, or a higher volume of reports might come from GRI networks that are particularly active in sourcing these reports. However, this is currently the most complete source of information that exist on the state of reporting by both private and public organizations. When submitting their report, organizations self-select their industrial sector category, among which ‘Public agency’. We used this category to identify public sector organizations although the self-selection criteria means that we cannot control the validity of this claim, and there is no official definition of the term.
Reports from public agencies made up 1.4% of all the reports with a known sector added to the database in 2022 (See Figure 3 above). This is significantly lower than high-reporting sectors such as financial services or energy and is consistent over time. Between 2009 and 2023, the share of reports from public agencies remained under 3% of the total number of reports. The regional makeup of reporting by public agencies varied over time, although this could reflect some GRI networks being more active in sourcing the reports and adding them to the database. Asia and Europe have consistently had bigger shares of the total number of public agency reports over the years, reflecting their relative size compared to other regions. The share of reports from Oceania has been inconsistent over the years and seems to show a marked decrease over the last four years. This is particularly relevant as local authorities and public sector agencies in Australia and New Zealand were associated with the creation of GRI’s public sector supplement in 2005 and showed a high level of reporting around that time and in the following years. The share of reports from public agencies in Northern America also seems to have decreased over the years. While the share of those from South America and the Caribbean, if not consistent over time, shows an overall increase since 2009. See Figure 4 below.
2. Content analysis of GRI reports

Ten GRI reports from PSOs were analyzed in-depth to understand the public sector approach to reporting and the content of such reports. We particularly sought to identify examples of how the GRI Standards are used in practice and if any lessons could be drawn from this exercise. The sample analyzed included three state-owned enterprises, three public agencies, and four organizations with general government functions. The sample is described in more detail in Annex 2, alongside the methodology and the approach to analysis.

Although the analysis highlighted the overall suitability of the GRI Standards to report on most of the PSOs' impacts, it also uncovered some mismatches between what the PSOs seemed to want to report on and what the standards allowed them to report on. This feeds into the broader debates of PSOs' maturity regarding sustainability reporting and the suitability of GRI Standards to report on impacts going beyond their business operations.

- Materiality assessment

Two reporters used an external consultant to support them in conducting their materiality assessment, especially for matters related to stakeholder engagement. In one case, the materiality assessment is heavily reported: the assessment took six months and gave rise to public events and broad consultation with multiple stakeholders, including citizens. The organization is visibly proud of this process.

There are multiple cases in the sample where the material topics are very similar to key items of their main strategic document (i.e., action plan, development plan, strategy document), and it is unclear which precedes the other. In some cases, it seems like the strategy dictates the material topics. This is perhaps unsurprising as the material topics should reflect those considered important to the
reporters, but it raises questions about genuinely examining their comparative impact on the
environment, economy, and people.

The two main criteria used to define materiality were the importance of the topic to stakeholders and
the impact on the environment, people, and the economy. In three cases, the organizations
mentioned that they only classified a topic as material if they assessed that they effectively influenced
this topic. This was mainly the case where organizations considered that other organizations, for
example, another level of government, had more mandate to operate on this topic.

The difference between impacts, material topics, and Topic Standards was not always very clear,
which could indicate that these concepts are not necessarily well understood. For example, in one of
the sample reports, the content index mapped material topics different from those in the list of
material topics as part of the report. Another report listed impacts and explained the criteria used to
identify material topics but did not provide the list of final material topics. Instead, it used Topic
Standards as material topics in the content index. This reinforces the idea that the materiality
assessment is sometimes retrofitted, and the reports are more structured around the main strategic
documents than on a materiality assessment. This is, however, not necessarily specific to the public
sector.

In some reports analyzed, the materiality assessment is present, and the material topics are reported,
but this constitutes only a marginal part of the report. The reports go far beyond material related to
GRI reporting to include policy matters. This means that reporters’ motivation to report and assess
what they want to include in the report is guided by other preoccupations than the sole materiality
assessment or the will to report with GRI. This sometimes creates a distortion: either they report on
policy matters using GRI Standards as a framework but do not apply (or apply very loosely) the
disclosures, or they create parallel reporting.

- Material topics

Most organizations listed material topics relevant to their external policy impact on the broader public
or the environment. The proportion of material topics focusing on these questions varied across
organizations. For example, one organization included only one such material topic (‘Environmental
stewardship’). In contrast, another’s material topics were all related to some extent to its
policy/regulatory impacts except for one titled ‘Internal themes: fiscal and financial management,
dep Threats and services management, environmental management, HR and care for the citizens’.
For the latter organization, it is clear that the reporting should first and foremost focus on its policies.
Interestingly, though there was no specific pattern in terms of material topics based on the type of
organization, this is more likely to result from adaptation to the reporting context than a lack of
homogeneity in reporting needs. For example, organizations publish separate reports or reports on
policy in the same report but in a different section.

We could not identify particular themes among policy/regulatory-focused material topics due to the
diversity of policy scopes covered by the organizations analyzed. For example, the themes of
environmental protection and public hygiene were predominant in a report where the core mission of
the reporter was to manage the environment. On the other hand, another reporter, whose role is to manage the land of a specific jurisdiction, focused on issues related to affordable housing. Local community engagement was also regularly listed as a material topic and treated as a policy/regulatory topic by some and a business operation by others.

Other recurring material topics included themes related to public procurement, sustainable, socially responsible supply chains, and reconciliation with indigenous people.

- Stakeholders

Two groups of stakeholders were common to all reporters in the sample: other government institutions and public agencies and citizens/the broader public. Interestingly, senior management was always mentioned as a key actor in the materiality assessment but was usually not referred to as stakeholders.

- Standards used

GRI 2 disclosures are implemented across the sample, although it must be noted that since the publication of GRI Universal Standards 2021, reporters are required to use all GRI 2 disclosures or to report omissions. In comparison, organizations reporting with GRI Universal Standards 2016 left a large swath of 102 disclosures unreported. We identified a small number of instances where reporting did not match expectations for reasons that could be specific to the reporter’s public sector status – these are listed further below.

Table 3 below presents the number of organizations in the sample using each Topic Standard.

Omission is excluded (counted as 0).

Table 3. Number of reporters by GRI Topic Standards out of the sample (n=10)

<table>
<thead>
<tr>
<th>GRI Topic Standard title</th>
<th>Number of reporters (at least one disclosure included)</th>
</tr>
</thead>
<tbody>
<tr>
<td>GRI 403: Occupational Health and Safety 2018</td>
<td>9</td>
</tr>
<tr>
<td>GRI 201: Economic Performance 2016</td>
<td>8</td>
</tr>
<tr>
<td>GRI 404: Training and Education 2016</td>
<td>8</td>
</tr>
<tr>
<td>GRI 302: Energy 2016</td>
<td>7</td>
</tr>
<tr>
<td>GRI 306: Waste 2020</td>
<td>7</td>
</tr>
<tr>
<td>GRI 401: Employment 2016</td>
<td>7</td>
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<tr>
<td>GRI 405: Diversity and Equal Opportunity 2016</td>
<td>7</td>
</tr>
<tr>
<td>GRI 204: Procurement Practices 2016*</td>
<td>6</td>
</tr>
<tr>
<td>GRI 305: Emissions 2016</td>
<td>6</td>
</tr>
<tr>
<td>GRI 203: Indirect Economic Impacts 2016</td>
<td>5</td>
</tr>
<tr>
<td>GRI 205: Anti-corruption 2016</td>
<td>5</td>
</tr>
<tr>
<td>GRI 406: Non-discrimination 2016</td>
<td>5</td>
</tr>
<tr>
<td>GRI 303: Water and Effluents 2018</td>
<td>4</td>
</tr>
<tr>
<td>GRI 308: Supplier Environmental Assessment 2016*</td>
<td>4</td>
</tr>
<tr>
<td>GRI 413: Local Communities 2016</td>
<td>4</td>
</tr>
<tr>
<td>GRI 414: Supplier Social Assessment 2016*</td>
<td>4</td>
</tr>
<tr>
<td>GRI 408: Child Labor 2016</td>
<td>3</td>
</tr>
<tr>
<td>GRI 409: Forced or Compulsory Labor 2016</td>
<td>3</td>
</tr>
<tr>
<td>GRI 202: Market Presence 2016</td>
<td>2</td>
</tr>
<tr>
<td>GRI 301: Materials 2016</td>
<td>2</td>
</tr>
<tr>
<td>GRI 410: Security Practices 2016</td>
<td>2</td>
</tr>
<tr>
<td>GRI 411: Rights of Indigenous Peoples 2016</td>
<td>2</td>
</tr>
<tr>
<td>GRI 418: Customer Privacy 2016</td>
<td>2</td>
</tr>
<tr>
<td>GRI 206: Anti-competitive Behavior 2016</td>
<td>1</td>
</tr>
<tr>
<td>GRI 304: Biodiversity 2016</td>
<td>1</td>
</tr>
<tr>
<td>GRI 402: Labor/Management Relations 2016</td>
<td>1</td>
</tr>
<tr>
<td>GRI 407: Freedom of Association and Collective Bargaining 2016</td>
<td>1</td>
</tr>
<tr>
<td>GRI 417: Marketing and Labeling 2016</td>
<td>1</td>
</tr>
<tr>
<td>GRI 207: Tax 2019</td>
<td>0</td>
</tr>
<tr>
<td>GRI 415: Public Policy 2016</td>
<td>0</td>
</tr>
<tr>
<td>GRI 416: Customer Health and Safety 2016</td>
<td>0</td>
</tr>
</tbody>
</table>

* Reporting on procurement practices differs among reporters, with similar information being reported as part of GRI 204: Procurement Practice 2016 and GRI 308: Supplier Environmental Assessment 2016 or GRI 414: Supplier Social Assessment 2016. In total, 7 of the reporters in the sample used at least one of these standards.

This is only a partial representation of the reporting itself, although we do not believe it is specific to PSOs, as there are deviations in the reporting. In some cases, items related to the standards were reported separately and not listed in the content index. For example, eight reports included disclosures on GHG emissions, but only six reporters did it as part of the GRI 305: Emissions 2016.
The two other reporters either used their own indicators or published a separate self-standing report on their CO₂ emissions. Another example is a reporter who used only one Topic Standard (beyond GRI 2), although it did report on themes covered by standards using its own disclosures (water management and biodiversity). There were also cases where the disclosures of the standards were applied loosely, or the information reported did not match the disclosure requirement, which resulted in over-representing the use of these standards. This is the case, for example, for GRI 204: Procurement Practices 2016. Multiple reporters used this standard to disclose their procurement practices even if they were not in line with the unique disclosure, which relates to the proportion of spending on local suppliers (for example, by describing their procurement rules without providing the quantitative information requested in the disclosure). Other examples include GRI 408: Child Labor 2016 and GRI 409: Forced or Compulsory Labor 2016, or GRI 205: Anti-Corruption 2016, for which information disclosed often relates to commitment or policies in place instead of the requested assessment of operations at risk or number of incidents of corruption. In this context, it is not surprising that we observed clear overlaps in reporting between multiple standards, among which GRI 401: Employment 2016 and Disclosures 2-7: Employees and 2-8: Workers who are not employees, and as mentioned above, GRI 204: Procurement Practices 2016, GRI 308: Supplier Environmental Assessment 2016 and GRI 414: Supplier Social Assessment 2016.

In general, the conformity of the reporting to the requirements of the disclosures was uneven. In some cases, information is reported in a different format from the one recommended in the disclosure (e.g., in real numbers instead of percentages or in a different unit). In others, it resulted in reporting only on some disclosures of a specific standard but not others without providing reasons for omissions. This was particularly the case for GRI 306: Waste 2020 and GRI 305: Emissions 2016.

- Reporting on the three scopes of PSO impact: state of the environment, policy and regulatory initiatives, and operational impacts

The reporters analyzed in this sample had different approaches to scoping, and we observed that those with general government functions were experiencing the most challenges when reporting on their policy outcomes. There is ongoing debate over the reasons behind this, particularly whether this results from a lack of maturity and know-how in reporting or something that could be addressed through the standards.

One reporter, with general government attributions, did not report on any of its policy/regulatory impacts on purpose. Reporting on policy matters was out of scope because the reporter explained that policy reporting (to parliament) was already part of its core function, so multiple sources existed to describe and monitor its policy achievements. In addition, double-reporting, i.e., reporting twice on the same item, is specifically prohibited by their internal rules. This also means that other non-policy topics already reported elsewhere (such as employment-related disclosures) are excluded from their GRI reporting.

Three state-owned enterprises were in the sample, and none reported on related policy matters, even though policy-adjacent themes were part of their material topic (e.g., environmental stewardship). In
these cases, reporters seemed to consider that there was a higher bar of transparency and
exemplarity expected from them due to their state-owned status, but this did not translate into any
policy reporting.
The rest of the sample (national agencies, funding agencies, municipalities, provinces/states) all
reported on their policy impact to some extent.
As expected, the entities with general government functions, such as municipalities and
provinces/states, reported the most on these topics but with different approaches. In two cases, the
GRI report is separate from the rest of the report, either as an annex or a final ‘technical chapter’. In
eight of these reports, the main body focuses on descriptions of policies and initiatives, as well as
contextual information, such as economic or social statistics, based on the organization’s action plan
or main strategic documents. It is followed by an annex dedicated to GRI reporting. In its materiality
assessment, this organization acknowledges the difference between what it considers to be its
‘external’ impact, which relates to policy and regulatory action, and its ‘impact’, which relates to its
own business operations. In both instances, GRI reporting does bring additional and useful
information to the report, but it seems conceptually separate and ill-fitted in the rest of the report. In
one case, GRI reporting is fully integrated into the report of a general government organization.
However, the report focuses on the policy level detailing initiatives and policy implementation,
specifically on performance and renewed commitment to the policy items.
For public agencies, policy reporting is present but less central in sustainability reporting. This might
be a consequence of the fact that their missions are linked to the implementation of the policies rather
than their design (as is the case for general government) or that their leadership is impacted by
electoral changes to a lesser extent. In this case, issues of interpretation of the scope in the
application of GRI Standards were visible, although the majority of the standards were applied as
intended or in a similar way a private sector organization might apply them.

- Public sector-specific challenges of implementation of GRI disclosures

Some of the GRI disclosures appear particularly prone to create difficulties in reporting due to the
public sector status of the organization or the fact that it has policy or regulatory powers. There is
ongoing debate over the reasons for these challenges, some pointing at the potential to improve the
standards to make them more accessible to public sector reporters, while others put it down to the
lack of expertise of reporters when using the existing standards.

GRI 2: General Disclosure, Disclosures 2-19 Remuneration policies and 2-20 Process for
determining remuneration: Four reporters reported omission related to the fact that the
remuneration policy is not set by the organization itself but by a higher governance body (either by
law or by parent government department). Only two organizations reported quantitative information as
required by the disclosure. The remaining four organizations were GRI Universal Standards 2016
users and did not report any information on this topic. Other instances of reporting on the legal
framework instead of quantitative information were found among the topic disclosures discussed
below.
**GRI 2: General Disclosure, Disclosure 2-27 Compliance with laws and regulations**: One reporter misunderstood the disclosure, which requires reporting on instances of non-compliance on the part of the reporting organization itself. Instead, it reported on instances of control for non-compliance of individuals/organizations with laws and regulations related to sustainability. In other words, this report reflects on their regulatory role, not on the province's breach of laws and regulations.

**GRI 201: Economic Performance 2016, and specifically Disclosure 201-2 Financial implications and other risks and opportunities due to climate change**: In one of the reports analyzed, the Content Index refers to a part of the report that describes the mechanisms and initiatives in place to assess risks and opportunities related to climate change but does not list the actual risks and opportunities nor account for their financial implications (as requested in the disclosure). In other words, this is policy reporting. Interestingly, they do report on risks related to climate change elsewhere as part of an introductory section where they map the main challenges in the region.

**GRI 203: Indirect Economic Impacts 2016, specifically Disclosure 203-1 Investments and services supported**: This disclosure relates to the organization's collateral impact on infrastructure investments and services supported as part of its core activity. However, these are core activities for reporters such as general governments or public agencies for whom this is part of their mandate. In this case, it results in policy/regulatory reporting and description of initiatives in this domain.

**GRI 306: Waste 2020, GRI 303: Water and Effluents 2018 and GRI 305: Emissions 2016**: For these three standards, there were instances of reporting at the organization and jurisdiction levels within the same report and with common reference in the content index. In some cases, it was unclear whether the organization intended to report on its business operations or jurisdiction, which can cause misunderstandings.

**GRI 408: Child Labor 2016 and GRI 409: Forced or Compulsory Labor 2016**: One of the general government reporters in the sample described the activities and committees within its jurisdiction dedicated to eradicating forced or compulsory labor. The disclosure, however, requires reporting on instances of forced labor within the organization itself.

**GRI 413: Local Communities 2016**: This standard was used by multiple reporters in the sample to show their actions in relation to citizen consultation or deliberative democracy. As consultation is a core principle of government in many places, this resulted in over-reporting as a majority of the external activities/policies designed or implemented by the organization would have been the object of consultation. In this case, the standard loses its relevance.

- Use of the SDGs in reporting

Out of 70 reports (GRI and not GRI) we collected from PSOs, 61% (48 reports) mentioned the SDGs. Among the GRI reports, 58% mentioned the SDGs, meaning many reporters opt for reporting on both aspects simultaneously. The extent to which the SDGs are used in reporting varies across reports, from simply mentioning SDGs as guiding principles for developing strategy and policies to complete
SDG-based reporting. In its most advanced form, SDG reporting takes the shape of VLRs. There is a visible enthusiasm and interest for SDG reporting among public sector reporters, including reporters with GRI.

Only two reports did not mention the SDGs in the sample of 10 GRI reports we analyzed. The remaining reports used the SDGs as an analytical framework or main reference in terms of sustainability. Strikingly, the SDGs appear to be a more appropriate tool for reporting on policy initiatives than the GRI Standards. In seven reports analyzed, the material topics and the report's main sections were mapped against the SDGs, and reporting generally also covered policy initiatives alongside information relative to GRI Standards disclosures. In the last case, a section of the report was dedicated to showing the contribution of the organization's activity to the SDGs. In addition, the SDGs' visuals are used to reinforce the connection between activities and SDGs in a majority of reports.

An interviewee mentioned that SDGs are a key reference within their organization and even talked about the 'SDG language' that was shared across departments that otherwise tend to work in silos and for which creating a shared understanding can sometimes be a challenge. They regretted that the GRI Standards were not sufficiently connected to the SDGs to allow them to build on this common language. In this case, a more obvious connection between GRI Standards and SDGs would contribute to securing staff adherence to the reporting, as well as simplifying and improving data collection. When asked about the usefulness of the SDG-GRI mapping document available on GRI's website, this interviewee mentioned that even though it was a step in the right direction, having separate reference documents added to the reporting burden, which was already high. They also mentioned that they would have liked to feature the SDGs more prominently in the report but that the additional efforts required to do so comprehensively were not proportionate to the limited size and resources of the reporting team.

Among the seven reports referring to the SDGs, we found one example of an organization publishing both a management report using GRI and a VLR report for the same year: the province of Córdoba in Argentina. This example, further detailed in Box 1 below, shows the complementarity of the two frameworks in the context of public sector reporting but also highlights areas of overlaps that are likely to increase the reporting burden and, in turn, could decrease the perceived relevance of GRI Standards.

The United Nations Global Compact was also mentioned as a reference by multiple reporters, but not to the extent that the SDGs are referenced.

Two reports out of 10 extensively used other reporting frameworks, namely SASB, CDP, and TCFD. In addition, some reporters used other frameworks or indicators for specific questions, such as GHG emissions (GHG Protocol Corporate Accounting, Reporting Standard from the World Business Council for Sustainable Development and World Resources Institute, ISO 1464-1: 2006).

In addition, they complied with local monitoring tools or reported with reference to local laws.
Box 1: Comparison of the VLR and GRI report of the Province of Córdoba

We found one example of an organization publishing both a management report using GRI and a VLR report for the same year: the province of Córdoba in Argentina. Despite being separate reports, their content and ambition overlap with the commitment to the Agenda 2030 and individual SDGs being heavily referenced in the management report. The VLR report explains how the management report structure is based on the main government priorities, themselves based on the SDGs, making the report a ‘dissemination tool for the monitoring of public policies in pursuit of the global framework for sustainable development proposed by the 2030 Agenda’.

However, the management report retains its own function, particularly through the GRI reporting, which is described as ‘unifying [organizations]’ communication on the impact of their activities in the social, economic, and environmental spheres’. The main overlaps between the two reports concern information such as governance structure, partners and stakeholders landscape, description of the organization’s strategy, or contextual information (which falls into the scope of GRI 2 as part of a GRI reporting). This type of information forms the main content of the management report, while GRI reporting relating to other standards is confined to a technical annex surrounding the GRI index. In contrast, this information and the policy reporting on the implementation of the SDGs are both integral parts of the VLR report.

This also highlights that beyond their common contextual information reporting, the reports have, in principle, distinct reporting scopes. The VLR report focuses on policy reporting, while the management report focuses on organizational impact. However, in practice, we noted attempts to fit policy reporting into GRI Standards in the management report. For example, in Disclosure 203-2 on Indirect economic impact, the province reported on two initiatives to provide food and heating to specific population groups, and in GRI 408: Child Labor, it reported on policies and programs aimed at eradicating child labor within society.

This example illustrates the complementarity of the two types of reporting but also highlights two challenges. The first challenge relates to the lesser understanding of the GRI reporting compared to the VLR, likely due to a higher level of familiarity with the SDGs, which are fully integrated into the day-to-day policy work of the organization. Comparatively, there is a poorer understanding of the scope of GRI Standards when it comes to reporting, and lower prominence is given to GRI reporting. The second challenge relates to a high reporting burden put on the organization, which currently prepares two reports for similar – although not identical - purposes and with a significant level of content overlap. Combined with the challenge of familiarity with the framework mentioned above, this could result in a loss of interest in GRI reporting and a progressive interruption of its reporting in PSOs. An important avenue to preserve the relevance of GRI Standards would be to highlight its relevance to the SDGs and provide practical solutions to allow a more integrated form of reporting on SDGs and GRI Standards.
Conclusions and recommendations

Conclusions

GRI Standards, although applicable to organizations across various sectors, demonstrate a lower adoption rate within the public sector compared to the private sector. Given the weight of the public sector in modern economies and the significant impacts it generates, the lack of sustainability reporting can represent a crucial gap.

Debates persist regarding the suitability of GRI Standards for reporting on policy within the public sector. Some argue that GRI Standards adequately cover all relevant scopes for PSOs, highlighting challenges stemming from a lack of expertise in effectively utilizing these standards. This issue of immaturity within the public sector has been noted in literature since the late 2000s. However, the lack of progress in addressing these challenges suggests that sustainability reporting within the public sector may not gain momentum without engaging PSOs and aligning the standards with their unique needs and approaches.

The primary challenge of sustainability reporting within the public sector lies in its unique ability to formulate and enforce regulations and policies, thereby influencing the behavior of regulated entities. Many PSOs must recognize the material impacts of their policies and regulations alongside their operational impacts, such as those stemming from their role as employers or energy consumers. An analysis of reports indicates that PSO reporters generally understand the distinction between setting regulations and leading by example in their operational activities. However, some struggle to integrate policy and regulatory reporting within the GRI Standards framework. This reveals practical challenges in delineating between these scopes and organizing relevant information cohesively within a single report.

Furthermore, PSOs are typically held accountable to stakeholders through established mechanisms such as elections or reporting to governmental bodies. In many cases, this reporting focuses on PSOs' performance in implementing policies on behalf of stakeholders.

Analysis of reports also showed that PSOs use different terminology to discuss performance; the terms ‘value chain’, ‘value creation’, or ‘business relationships’ are not only inappropriate to the public sector context but can also act as a deterrent to convince internal (managers) and external (account-holders) stakeholders to adopt GRI reporting.

Addressing the challenges PSOs face in using GRI Standards requires clarifying the scope of reporting and recommending complementary frameworks for policy and regulatory impacts. Additionally, explaining how certain terms apply to the public sector could mitigate terminology-related issues.

While GRI Public Sector Supplement [2] offers a blueprint for public sector impact reporting, its incomplete implementation has spurred the development of alternative frameworks by organizations,
such as public universities. Recent reports, such as Adams [3], propose frameworks distinct from GRI's approach, serving as valuable references for informing future iterations of GRI Standards.

While GRI Standards acknowledge the existence of public sector entities, they have refrained from explicitly addressing this sector, except where relevant in sector-specific standards and the discontinued Public Sector Supplement. Consequently, certain reporting needs of PSOs remain only partially met by GRI Standards.

In parallel, PSOs have adopted various reporting forms, including financial reports, environmental reports, sustainable policy reports, and reports aligned with the Sustainable Development Goals (SDGs). Some PSOs have transitioned from GRI reporting to SDG-based reporting, while others are considering reporting with the European Sustainability Reporting Standards (ESRS).

**Recommendations**

Based on the analysis above, we formulate five recommendations that can be implemented separately but which also have synergies and dependencies that may need to be considered.

**1. Consider the public sector perspective in developing all GRI Standards and other GRI activities.**

Considering the weight of the public sector in the modern economy and the number of potential GRI reporters within the public sector, we recommend increasing the effort to ensure appropriate consideration of the needs of PSOs in developing and revising standards and related products like the XBRL taxonomy. This could include representatives of the public sector in working groups or technical committees, ensuring that the terminology used applies to the public sector context, or seeking comments from PSOs on standards’ drafts. This has recently been implemented in the project to renew the GRI Topic Standards on Economic Impacts, where a member from IPSASB has joined the working group.

We recommend broadening GRI’s ‘business enterprises’ reporter constituency to include PSOs and changing the constituency name to better reflect its expanded scope. Another option, already under discussion, would be to create a new constituency solely dedicated to PSOs, acting as both a reporter constituency alongside business enterprises and as a representative of governments and legislators.

More specific recommendations concern the review of standards or disclosures that appear challenging or misunderstood by PSOs. These include: GRI 2-3 Governance, GRI 201: Economic Performance 2016, GRI 203: Indirect Economic Impacts 2016, and specifically 203-1 Infrastructure investments and services supported, GRI 204: Procurement Practices 2016, in conjunction with GRI 308: Supplier Environmental Assessment 2016 and GRI 414: Supplier Social Assessment 2016, GRI 205: Anti-corruption 2016, and GRI 413: Local Communities 2016.

Please refer to sections II.B.2 and II.C.2 for a description of these issues. For the Sector Standards, we develop our recommendations below.
2. Develop a Sector Standard for the public sector focusing on general government

We recommend creating a Sector Standard for the general government and its components: central government, state government, and local government, as well as the agencies depending directly on them. We observed that these organizations share similarities in their approach to reporting, including the challenges of reporting simultaneously on their operational activities and policy outcomes. A standard for the public sector should offer specific guidance on how to distinguish between them.

The development of such a standard could build on the now-retired GRI Public Sector Supplement [2], taking into account where relevant the conclusions of its implementation assessment [4], as well as the framework proposed by Adams [3].

A general government Sector Standard could deviate from other Sector Standards in terms of scope and content and may require a slightly different approach. The preparation phase should also include an assessment of the target organization's demand for such a standard and possibly activities to raise awareness and facilitate adoption (see recommendation number 5).

3. Develop Sector Standards for industries where the public sector is predominant

The public sector contributes to multiple areas of the economy beyond general government functions. It is predominant in areas such as defense, public order, or social protection, where the involvement of the private sector is limited — making these industries quasi-unique to the public sector. In some areas, such as health, education, or utilities, the public sector is not uniquely positioned but remains highly prevalent.

Health and education services are among the sectors expected to have a GRI Sector Standard developed. Significant attention should be devoted to these standards to the specific needs and circumstances of the public sector. We recommend that other activities dominated by the public sector, such as defense, public order, or social protection, could also be considered for a Sector Standard at a later stage.

4. Encourage policy and regulatory reporting in conjunction with operational impact reporting

GRI could provide guidance to distinguish the impacts caused by policies and regulations and those caused by the organization’s own activities and encourage combined reporting, which would use GRI standards for the operational side and another existing framework for the policy aspect. Such guidance and recommendations can be implemented parallel or in advance of the Sector Standards recommended in the previous point.

More research would be necessary to better understand how this relates to policy monitoring and evaluation, an area in which public agencies, and particularly local authorities, increasingly rely on the Sustainable Development Goals (SDG) as a reporting and evaluation framework. Some GRI reporters
in the public sector already integrate the SDGs in their reporting, and the goals provide a helpful and
much-needed framework for them to report on their policy impacts alongside their operational
impacts. We recommend facilitating the integration of GRI Standards with the SDGs as a compatible
framework to report on their policies.

In practice, we recommend that GRI raises awareness among PSOs on the connectivity of the two
frameworks and suggests combined reporting for organizations willing to engage in policy reporting.
In addition, GRI should refine the current mapping of SDGs and GRI Standards to the specific needs
of PSOs. This includes highlighting their different purposes and complementarity in the context of
organizations with policy and regulatory competencies, avoiding any impression that the SDGs are
part of GRI Standards.

As part of any of the suggestions above, GRI should be conscious of the 2030 deadline for the
implementation of the SDGs and seek to engage as much as possible with UN partners to gain an
understanding of how integration could continue beyond this deadline.

5. Increase engagement with the public sector

Beyond the development of the standards, we recommend that GRI increase its engagement with the
public sector through the provision of services to reporters.

GRI could target PSOs in its communication to challenge the persistent perception that the Standards
are primarily designed for the private sector and raise awareness of their relevance to the public
sector.

GRI should also build capacity and know-how within the public sector, for example, by creating course
materials dedicated to PSOs as part of the GRI Academy or providing specific support services.
Glossary

ACCA: Association of Chartered Certified Accountants

CIPFA: Chartered Institute of Public Finance and Accountancy

COFOG: Classification of the Functions of Government

GFS: Government Function Statistics

GSSB: Global Sustainability Standards Board

IMF: International Monetary Fund

IPSASB: International Public Sector Accounting Standards Board

OECD: Organization for Economic Cooperation and Development

PRI: Principles for Responsible Reporting

PSO: Public Sector Organization

SDG: Sustainable Development Goals

SNA: System of National Accounts

UN: United Nations

UNSD: United Nations Statistical Division

VLR: Voluntary Local Review
Bibliography


[38] GRI, ‘Linking the SDGs and the GRI Standards’. 2022.


Annex 1 – List of sustainability reporting policies identified

Sustainability reporting policies and regulations were identified through desk research, building on Adams [3], which looked at English-speaking regulations for sustainability reporting in five jurisdictions. Regulations and policies were identified through a literature review, completed by additional web search using keywords such as ‘sustainability regulation’ and the name of the jurisdiction. This list is non-exhaustive.

<table>
<thead>
<tr>
<th>Country</th>
<th>Guidance of legal framework</th>
<th>Year of publication</th>
<th>Concerned entities</th>
<th>Reference to GRI</th>
<th>Voluntary/mandatory</th>
</tr>
</thead>
<tbody>
<tr>
<td>Italy</td>
<td>GBS guidelines (Gruppo di Studio per il Bilancio Sociale) 2005</td>
<td>2005</td>
<td>Organizations such as ministries, schools, universities, regions, provinces, municipalities (and their associations), institutes for public housing, chambers of commerce, national and local non-economic public agencies, and public health care organizations</td>
<td>no</td>
<td>voluntary</td>
</tr>
<tr>
<td></td>
<td>Directive on social reporting in public administrations (‘Baccini directive’) from the Ministry of the Public Function (2006)</td>
<td>2006</td>
<td>Public administrations</td>
<td>no</td>
<td>voluntary</td>
</tr>
<tr>
<td></td>
<td>Guidelines for local authorities (Interior Ministry 2007)</td>
<td>2007</td>
<td>Local authorities</td>
<td>no</td>
<td>voluntary</td>
</tr>
</tbody>
</table>

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<table>
<thead>
<tr>
<th>Country</th>
<th>Law/Regulation</th>
<th>Year</th>
<th>Scope</th>
<th>Requirement</th>
<th>Voluntary?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Spain</td>
<td>Article 35 of Sustainable Economy Law 2011</td>
<td>2011</td>
<td>State-owned companies</td>
<td>no but refers to ‘commonly accepted international standards’</td>
<td>mandatory</td>
</tr>
<tr>
<td>France</td>
<td>Application bill (circulaire) regarding the situation of sustainable development in local authorities. 3 August 2011</td>
<td>2011</td>
<td>Local authorities</td>
<td>no</td>
<td>mandatory</td>
</tr>
<tr>
<td></td>
<td>Guidance for the implementation of a social responsibility and reporting approach in public sector organizations</td>
<td>2016</td>
<td>Public sector organizations, including state-owned enterprises</td>
<td>yes</td>
<td>voluntary</td>
</tr>
<tr>
<td>Sweden</td>
<td>Loi Grenelle 2</td>
<td>2010</td>
<td>Businesses of more than 500 employees including state-owned companies</td>
<td>no</td>
<td>mandatory</td>
</tr>
<tr>
<td>Sweden</td>
<td>Guidelines for external reporting by State-owned companies</td>
<td>2001?</td>
<td>State-owned companies</td>
<td>yes, ‘or some other international framework for sustainability reporting’</td>
<td>mandatory</td>
</tr>
<tr>
<td>Chile</td>
<td>Código SEP</td>
<td>2008</td>
<td>State-owned companies</td>
<td>yes</td>
<td>Unclear, likely voluntary</td>
</tr>
<tr>
<td>UK</td>
<td>Sustainability reporting guidance 2022 to 2023 from HM Treasury</td>
<td>2021</td>
<td>Central government departments and their agencies</td>
<td>yes but very limited - the document lays</td>
<td>mandatory (+ some voluntary)</td>
</tr>
<tr>
<td>Reporting requirements 2021-2025 as part of Greening Government Commitments (GGC)</td>
<td>-</td>
<td>Central government: ‘office; non-office estate and operations of UK central government departments and their executive agencies (EAs); non-ministerial departments (NMDs); and non-departmental public bodies (NDPBs)’</td>
<td>no</td>
<td>mandatory</td>
<td></td>
</tr>
<tr>
<td>New Zealand</td>
<td>Environmental Reporting Act 2014</td>
<td>2014</td>
<td>Central government</td>
<td>no</td>
<td>Unclear, likely mandatory</td>
</tr>
<tr>
<td>The living standard framework</td>
<td>reviewed in 2021</td>
<td>Central government?</td>
<td>no</td>
<td>Unclear, likely mandatory</td>
<td></td>
</tr>
<tr>
<td>Carbon Neutral Government program</td>
<td>2022</td>
<td>Central government (all departments, departmental agencies and the executive branch will report on their emissions, gross emissions reduction targets and reduction plans from the 21/22 financial year onwards; all Crown agents are to report their emissions, gross emissions reduction targets and reduction plans from the 2022/23 financial year onwards.)</td>
<td>no</td>
<td>Unclear, likely mandatory</td>
<td></td>
</tr>
<tr>
<td>Australia</td>
<td>Annual reporting reform 2022 discussion paper from NSW Treasury</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>A framework for public environmental Reporting. An Australian approach</td>
<td>2000</td>
<td>Both private and public sector entities</td>
<td>yes</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Workplace Gender Equality Act 2012</td>
<td>2012</td>
<td>Public sector including states and territories</td>
<td>no</td>
<td>Unclear, likely mandatory</td>
<td></td>
</tr>
<tr>
<td>Region</td>
<td>Description</td>
<td>Year</td>
<td>Reporting Requirement</td>
<td>Exclusion Notes</td>
<td></td>
</tr>
<tr>
<td>--------------</td>
<td>------------------------------------------------------------------------------</td>
<td>------</td>
<td>-----------------------</td>
<td>---------------------------------------------------------------------------------------------------------------------------------------------</td>
<td></td>
</tr>
<tr>
<td>Victoria</td>
<td>Public environmental guidelines from Victoria State government department of Health and Human Services</td>
<td>2017</td>
<td>no</td>
<td>mandatory</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Financial reporting directions (non-financial directions)</td>
<td>2005</td>
<td>no</td>
<td>mandatory</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Hong Kong</td>
<td>1999</td>
<td>unclear</td>
<td>mandatory</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Federal department and government bodies, as well as state-owned corporations. Some exclusion rules, for example universities and public health services are explicitly excluded from some directions</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Canada</td>
<td>2008</td>
<td>no</td>
<td>mandatory</td>
<td></td>
</tr>
<tr>
<td></td>
<td>1995 amendment to the Auditor General Act</td>
<td>2008</td>
<td></td>
<td>mandatory</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Public agencies: central government at federal level, including ministries and agencies</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Country</td>
<td>Guidelines</td>
<td>Year</td>
<td>Reporting Scope</td>
<td>Mandate/Responsibility</td>
<td>Disclosure Obligations</td>
</tr>
<tr>
<td>---------</td>
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<td>------------------------</td>
<td>-----------------------</td>
</tr>
<tr>
<td>Finland</td>
<td>Guidelines for sustainability reporting in central government</td>
<td>2021</td>
<td>Central government organizations: ministries, agencies and institutions</td>
<td>unclear - most likely not</td>
<td>voluntary</td>
</tr>
<tr>
<td>India</td>
<td>Guidelines on Corporate Social Responsibility and Sustainability for Central Public Sector Enterprises</td>
<td>2014</td>
<td>State-owned enterprises</td>
<td>no</td>
<td>mandatory</td>
</tr>
<tr>
<td>EU</td>
<td>Non-Financial Related Directive (NFRD)</td>
<td>2014 (applicable until CSRD comes into force)</td>
<td>Large, 'public interest' entities - definition varies across member state but in most case, this includes state-owned enterprises</td>
<td>no</td>
<td>depends on member states transposition</td>
</tr>
</tbody>
</table>
Annex 2 – Methodology of the qualitative analysis of GRI reports from PSOs

Sample

A sample of ten reports from PSOs was drawn to conduct an in-depth analysis of public sector reporting. The list of reports available in CRM was initially used as a sampling frame. However, it became apparent that the profiles of the reporting organizations on this list were too similar to represent the diversity of the public sector fairly. As a result, manual search helped us identify additional reports, some of which were used in the sample.

Four of the ten reports used GRI 1: Foundation 2016, while the other used GRI 1: Foundation 2021\textsuperscript{8}, and none used the Public Sector Supplement from 2005. However, one report from a Public Agency in charge of land development used the construction and real estate supplement from 2011.

The criteria for selection in the sample were the following:

- Use of GRI: all the reports follow GRI
- Language: only reports in English, Spanish, Dutch, and French were considered due to the linguistic skills of researchers
- Publication year: newer reports were prioritized over older ones
- Geography: we tried to get a diverse representation of the world regions; however, we were not able to identify reports from PSOs in Africa that also matched other criteria for selection.
- Type of organizations: while the majority of the Public Agencies from the CRM list were SOEs, we also sought to integrate central governments (at different levels) and public agencies. While we identified reports from hospitals and universities that matched other selection criteria, we chose to deprioritize them in the sample selection as their public status was difficult to ascertain.

The resulting sample is presented below.

\textsuperscript{8} GRI 1: Foundation 2021 came into force on 1 January 2023, which means that only reports published after this date could use it.

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<table>
<thead>
<tr>
<th>Organization name and country</th>
<th>Report title</th>
<th>Year</th>
<th>GRI reference</th>
<th>Type of organization</th>
</tr>
</thead>
<tbody>
<tr>
<td>Canada Post Corporation (Canada)</td>
<td>2022 Sustainability Report and 2022 ESG Data Supplement</td>
<td>2022</td>
<td>GRI 1: Foundation 2021</td>
<td>State-Owned Enterprise (Federal/National level)</td>
</tr>
<tr>
<td>Casa de Moneda (Argentina)</td>
<td>Reporte de Sustentabilidad 2023</td>
<td>2023</td>
<td>GRI 1: Foundation 2021</td>
<td>Public Agency/State-Owned Enterprise (Federal/National level)</td>
</tr>
<tr>
<td>DevelopmentWA (Western Australia – Australia)</td>
<td>Shaping our State’s future, Annual and Sustainability Report 2019-2020</td>
<td>2020</td>
<td>GRI 1: Foundation 2016</td>
<td>Public Agency (State/Province level)</td>
</tr>
<tr>
<td>Ministry of Infrastructures and Waterways (the Netherlands)</td>
<td>Duurzaamheidsverslag 2022</td>
<td>2022</td>
<td>GRI 1: Foundation 2016</td>
<td>General government department (Federal/National level)</td>
</tr>
<tr>
<td>Local Government Funding Agency (New-Zealand)</td>
<td>Benefiting communities through delivering efficient financing for local government, Annual Report</td>
<td>2023</td>
<td>GRI 1 Foundation: 2016 (core option)</td>
<td>Public Agency</td>
</tr>
<tr>
<td>Municipality of Medellin (Colombia)</td>
<td>Informe de Gestión, plan de Desarrollo 2016-2019, Medellín cuenta con vos</td>
<td>2019</td>
<td>GRI 1 Foundation: 2016 (core option)</td>
<td>General government (local level)</td>
</tr>
<tr>
<td>Provincia de Córdoba (Argentina)</td>
<td>CORDOBA Memoria de Gestión 2022</td>
<td>2022</td>
<td>GRI 1 Foundation: 2021 (in accordance)</td>
<td>General government (State/Province level)</td>
</tr>
<tr>
<td>RISE, Research Institutes of Sweden (Sweden)</td>
<td>Annual Report and Sustainability Report 2022</td>
<td>2022</td>
<td>GRI 1 Foundation: 2021 (in accordance)</td>
<td>State-Owned Enterprise</td>
</tr>
<tr>
<td>Service Public de Wallonie (Wallonia, Belgium)</td>
<td>Rapport de Responsabilité Sociétale, Rapport integral 2020-2022</td>
<td>2023</td>
<td>GRI 1 Foundation: 2021 (in accordance)</td>
<td>General government (State/Province level)</td>
</tr>
</tbody>
</table>
Approach to analysis

The analysis of the report was done by manually referencing their content against a series of questions related to themes identified through desk research and scoping interviews. The main research question of this analysis was, ‘How do public sector reporters currently report using GRI?’.

The main purpose was to understand how GRI Standards (or, if relevant, former guidelines) were used, identify standards that were particularly used (quantitative assessment), and assess whether they were used as intended (qualitative assessment). Two purposes were identified:

- Whether the current GRI Standards are fit for purpose for PSOs. This is the primary purpose.
- Whether there are apparent gaps in GRI’s reporting system either in terms of methodology (as described in GRI 1) or in terms of availability of standards for likely material topics. This is a desirable (secondary) purpose.

First, we referenced the content indexes against GRI Standards. In the case of the four reports based on GRI 1: Foundation 2016, we used GRI’s publicly available mapping of the 2016 and 2021 standards [51]. We then conducted a further analysis of the content of the report.

As GRI reports are structured documents, the analysis followed a line of pre-set questions instead of proceeding with a thematical approach. The results were summarized using an Excel spreadsheet before being summarized in the present report.

Complementary interviews were conducted with representatives of two organizations whose reports were part of the sample.