2016

2017

ANNUAL REPORT

ANNUAL
REPORT
2016-2017

Colophon

WRITING
Alba León

DESIGN AND LAYOUT
Mark Bakker, Scribble Design

ACKNOWLEDGMENTS
GRI would like to thank everyone who supports us in realizing our vision of a thriving global community that lifts humanity and enhances the resources on which all life depends.

GRI would like to thank members of the Board Reporting Subgroup, Ms. Lorraine Chemaly, Ms. Özlem Denizmen and Mr. Elmer Lenzen for their valuable contributions in the preparation of this report.

GRI would also like to thank Ms. Christianna Wood, Chairman of the Board, Ms. Judy Kuszewski, Chair of the GSSB, and Ms. Karina Konz of ERM CVS for their continuous support.

Finally, we would like to acknowledge the contribution of all GRI staff who provided input for the report, in particular, Sarah Kempke and Panagiotis Louizos.

DISCLAIMER
All references made in this report to the GRI Sustainability Disclosure Database are accompanied by the following disclaimer:

1. By Sustainability Reports we refer to any report in which the organization discloses information on its economic, environmental, social and governance performance (being either non-GRI reports, GRI referenced or GRI-based reports).
2. By GRI reports we refer to reports which use the GRI Sustainability Reporting Framework and have a GRI Content Index (report types: G3, G3.1, G4 and GRI Standards).
3. Data available in the GRI database is collected by GRI in collaboration with its data partners, and captures all reports of which GRI is aware.

COPYRIGHT
This document is copyright-protected by Stichting Global Reporting Initiative (GRI). The reproduction and distribution of this document for information is permitted without prior permission from GRI. However, neither this document nor any extract from it may be reproduced, stored, translated, or transferred in any form or by any means (electronic, mechanical, photocopies, recorded, or otherwise) for any other purpose without prior written permission from GRI.

Contents

1

ABOUT THE REPORT 5
LOOKING BACK, TO LOOK FORWARD: 20 YEARS OF GRI 6
STAKEHOLDER ENGAGEMENT 7
DEFINING OUR MATERIAL TOPICS 11

2

GRI AT 20: GETTING MORE OUT OF REPORTING 17
DRIVING BETTER SUSTAINABILITY REPORTING 20
2017: A YEAR OF CHANGE TOWARDS MATURE GRI STANDARDS 22
LAUNCH OF THE GRI STANDARDS 23

3

IMPROVING PERFORMANCE THROUGH SUSTAINABILITY REPORTING 26
20TH ANNIVERSARY HIGHLIGHTS 28
FOSTERING EFFECTIVE COLLABORATION WITH OTHER ORGANIZATIONS 31
WORK ON SUSTAINABLE DEVELOPMENT GOALS 33

4

HARMONIZING THE SUSTAINABILITY REPORTING LANDSCAPE 36
CREATING EQUAL OPPORTUNITIES IN OUR NETWORK 38

5

GRI'S PEOPLE 43
ADVANCING PROFESSIONAL DEVELOPMENT IN GRI'S PEOPLE 48

6

TRANSPARENT FINANCES 52
ETHICAL FUNDRAISING 55

7

ASSURANCE STATEMENT 57
GRI CONTENT INDEX 59

5 ABOUT THE REPORT

6 LOOKING BACK, TO LOOK FORWARD: 20 YEARS OF GRI

7 STAKEHOLDER ENGAGEMENT

11 DEFINING OUR MATERIAL TOPICS

About the report

2017 marked 20 years of the Stichting Global Reporting Initiative (GRI). It was a year of celebration, of looking back and being proud of the strong basis that we have created for the future. It was also a year of sadness at the passing of long-term former GRI Chief Executive Ernst Ligteringen, who paved the way for GRI's development. But most of all, it was a year in which we took a long, hard look at where we are, and where we want to be, and our new leadership took action ensure that we are on course to get there.

GRI 102-1

In April 2017, following a recommendation from the Finance and Remuneration Committee, GRI's Board of Directors decided to change the fiscal year from a split year July-June, to one that corresponds with the calendar year. As a result, this report covers the period 1 July 2016 to 31 December 2017, to account for the transition. The previous GRI Annual Report, Empowering Sustainable Decisions, which covered 1 July 2015 to 30 June 2016, was published on 19 December 2016. For 2018, we will return to a 12-month reporting cycle based on the calendar year (1 January to 31 December).

GRI 102-50
GRI 102-51
GRI 102-52

No restatements of the information provided in the previous report were necessary.

GRI 102-48

There were no significant changes to GRI's size, ownership, supply chain or location in this reporting period.

GRI 102-10

This report covers information on all of GRI's entities: GRI's main office in the Netherlands, the Regional Hubs based in Africa, Brazil, China, Hispanic America, North America and South Asia, as well as the field program implementation offices in Ghana, Indonesia, Peru and Vietnam, unless stated otherwise.

GRI 102-3
GRI 102-4

This report has been prepared in accordance with the GRI Standards: Core option. It also uses the NGO Sector Disclosures.

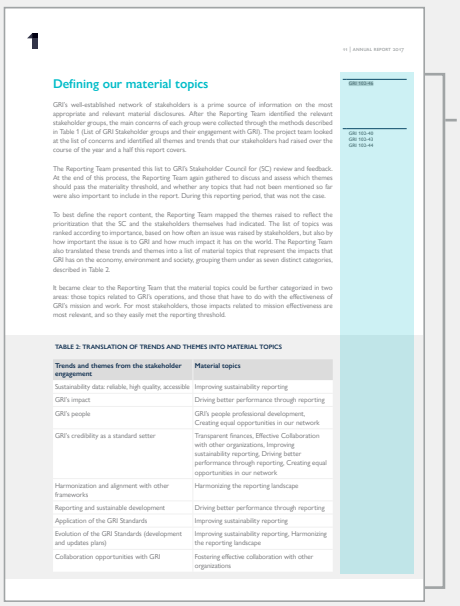
GRI 102-54

The Board of Directors has approved this report, with direct guidance provided by a reporting subgroup, which consists of two members of the Board and two members from the GRI Stakeholder Council. This report is aligned with the methodology of the GRI Content Index Service.

GRI 102-32

Send us your feedback, comments and questions to communications@globalreporting.org, with the subject line 'Annual Report'.

GRI 102-53


1

Defining our material topics

GRI's well-established network of stakeholders is a prime source of information on the most appropriate and relevant material disclosures. After the Reporting Team identified the relevant stakeholder groups, the main concerns of each group were collected through the methods described in Table 1 (List of GRI Stakeholder groups and their engagement with GRI). The project team looked at the list of concerns and identified all themes and trends that our stakeholders had raised over the course of the year and a half this report covers.

The Reporting Team presented this list to GRI's Stakeholder Council for (SC) review and feedback. At the end of this process, the Reporting Team again gathered to discuss and assess which themes should pass the materiality threshold, and whether any topics that had not been mentioned so far were also important to include in the report. During this reporting period, that was not the case.

To best define the report content, the Reporting Team mapped the themes raised to reflect the prioritization that the SC and the stakeholders themselves had indicated. The list of topics was ranked according to importance, based on how often an issue was raised by stakeholders, but also by how important the issue is to GRI and how much impact it has on the world. The Reporting Team also translated these trends and themes into a list of material topics that represent the impacts that GRI has on the economy, environment and society, grouping them under as seven distinct categories, described in Table 2.

It became clear to the Reporting Team that the material topics could be further categorised in two areas: those topics related to GRI's operations, and those that have to do with the effectiveness of GRI's mission and work. For most stakeholders, those impacts related to mission effectiveness are most relevant, and so they easily met the reporting threshold.

TABLE 2: TRANSLATION OF TRENDS AND THEMES INTO MATERIAL TOPICS

Trends and themes from the stakeholder engagement	Material topics
Sustainability data: reliable, high quality, accessible	Improving sustainability reporting
GRI's impact	Driving better performance through reporting
GRI's people	GRI's people professional development; Creating equal opportunities in our network
GRI's credibility as a standard setter	Transparent finances, Effective Collaboration with other organizations, Improving sustainability reporting, Driving better performance through reporting, Creating equal opportunities in our network
Harmonization and alignment with other frameworks	Harmonizing the reporting landscape
Reporting and sustainable development	Driving better performance through reporting
Application of the GRI Standards	Improving sustainability reporting
Evolution of the GRI Standards (development and updates plans)	Improving sustainability reporting, Harmonizing the reporting landscape
Collaboration opportunities with GRI	Fostering effective collaboration with other organizations

Navigation Notes

You can find the disclosures relevant to each paragraph on the right column (highlighted in blue in the sample page).
All disclosures appear in the format GRI Standard Number-Specific Disclosure. Disclosures which have undergone the assurance process are highlighted in gray.

Disclosure

GRI 102-53

Assured disclosure

GRI 102-32

Looking back, to look forward: 20 years of GRI

GRI 102-15

Christianna Wood
Chairman of the GRI Board of Directors

GRI 102-23

In the 20 years since GRI was founded, sustainability reporting has moved from a niche to common practice and, today, the GRI Standards are the most widely used sustainability disclosure standards in the world. Through its leadership, GRI has helped thousands of organizations to identify, report and address their sustainability impacts. And by reporting on these impacts, organizations large and small from around the world have taken actions that have provided benefits to countless people and the environment.

When the Board celebrated GRI's 20th anniversary in 2017, we reflected on achievements of the past decades and the path forward. One of the most significant advances in recent years was the transition from Guidelines to Standards in late 2016.

The release of the Standards signified the culmination of work that started years earlier. To become a standard setting organization, we completely redesigned the GRI governance model. Under the new model, there is an independent, multi-stakeholder structure, the Global Sustainability Standards Board, or GSSB. The role of this body is to ensure the credibility and widespread adoption of the new GRI Sustainability Standards.

The early signs are very good with 81,860 unique downloads of the Standards and 3543 stakeholders participating in the 29 launch events in 26 countries between June 2016 and December 2017. The change paves the way for even greater adoption by reporting organizations, regulators and capital markets. As of this writing, GRI is tracking 450 policy instruments in 77 countries and regions that drive sustainability disclosures. In addition, 58 capital market instruments in 38 countries now mandate disclosures on sustainability issues.

More reporting mandates, combined with high rates of voluntary reporting have added to the supply of sustainability information. Now GRI is also actively working to stimulate the demand side of the equation. By engaging with investors and other key stakeholders, we are helping to define "investor-grade, decision-useful" sustainability disclosures.

This was also a year of changing leadership at GRI. With the appointment of Tim Mohin to the Chief Executive role, the board and I are confident that GRI will continue to thrive in years to come.

In summary, 2017 marked two decades of GRI's leadership in sustainability reporting, reflecting years of hard work by many dedicated staff and directors. I am incredibly proud to have been a part of this movement. As I pass the baton to incoming Board Chairman Eric Hespenheide, I am confident that GRI will continue to help improve our world.

Stakeholder engagement

To continue developing the most widely used sustainability reporting standard around the globe, we need to engage and cooperate with all actors in the sustainability landscape. For example, with experts who are trying to find solutions, and with the regulators who will establish guidance and requirements, while putting report preparers and data users front and center.

Over the last two decades, GRI's global network has expanded to include thousands of leaders, partners, reporting organizations, experts, and others involved in sustainability reporting. The feedback and input of each of our stakeholders is carefully considered and is embedded in GRI's work in several ways. Stakeholders have a say in our governance bodies, in how we build our reporting standards, share knowledge about how to report, build capacity to use the data that has been made available, advance policy and regulation on reporting, and raise funds.

We are keen on understanding the effect of our work on our stakeholders, so we regularly send out surveys and questionnaires to evaluate our services. The feedback from those efforts helps us grow our offers in terms of services and themes, and improve on our current work. For example, before launching new services, the companies that have participated in the pilot are sent a satisfaction survey. The team analyzes feedback and makes changes accordingly. To obtain a certificate from the Training Program, candidates must complete a satisfaction survey. We also engage with our stakeholders to continue to advance the GRI Standards. One way is the establishment of working groups to develop standards, another is working with first adopters of the GRI Standards to obtain implementation feedback that can further support the development and updating of the GRI Standards.

GRI 102-2

IDENTIFYING STAKEHOLDERS AND UNDERSTANDING THEIR PRIORITIES

GRI 102-42

We have evolved the process through which we define our material issues based on input we received from the external assurance process in 2015 (see Annual Report 15-16). During the process, we were advised to be more explicit about how we embedded engagement with our stakeholders in our day-to-day business practices. We went about this process by establishing a list of stakeholders guided by the **principle of stakeholder inclusiveness**, to include those individuals and entities that can be affected by the work and services that GRI provides or who, in turn, influence our ability to achieve our objectives or do our work.

For this reporting cycle, GRI assembled a cross-functional project team from different areas of the organization. The starting point for identifying stakeholders was the list of stakeholder groups prepared in 2015-2016 as part of the action items from the assurance engagement. Based on it, the team gathered information on how GRI interacted with these groups and the themes that were most relevant to them.

GRI 102-43

The feedback and input that these stakeholders provide is crucial for GRI to identify its impacts and the main topics it needs to address and report on, its materiality assessment. The project team then set to the task of collecting and systematizing stakeholder input, along with the feedback from GRI's Regional Hubs, to identify recurring themes and trends that informed the decision on material topics for GRI.

TABLE 1. LIST OF GRI STAKEHOLDER GROUPS AND THEIR ENGAGEMENT WITH GRI

GRI 102-40
GRI 102-43
GRI 102-44

***Occasionally**: Consulted, engaged or provide feedback when the opportunity or need arises. Usually occurs on a less-than-monthly basis throughout the organization, but may be more frequently during active projects, busy times, etc.*

***Regularly**: Consulted, engaged or provide feedback on a regularly scheduled basis – often as prescribed by due process for various projects and processes at GRI, or as necessary to implement our strategic plan. Usually occurs more often than monthly in some capacity throughout the organization.*

***Frequently**: Consulted, engaged or provide feedback as part of daily work at GRI, often due to ongoing projects or activities that form bulk of our effort. Usually occurs more often than once per week throughout the organization.*

Stakeholder group/ Method of engagement	Frequency of engagement	Consolidated list of concerns
Academics		
• Meetings	Occasionally	• GRI's impact • Collaboration opportunities with GRI
Capital market operators, investors and analysts		
• Email • Calls • Webinars • Presentations/events	Frequently	• Sustainability data: reliable, high quality, accessible • Application of the GRI Standards • Collaboration opportunities with GRI
Civil society		
• Calls • Webinars	Regularly	• Sustainability data: reliable, high quality, accessible • Collaboration opportunities with GRI
Consultants		
• Email • Calls • Meetings • Events	Frequently	• Sustainability data: reliable, high quality, accessible • Harmonization and alignment with other frameworks • Application of the GRI Standards • Evolution of the GRI Standards (development and updates plans)
Data Partners		
• Meetings • Calls • Online survey	Frequently	• Collaboration opportunities with GRI • GRI's credibility as a standard setter
Governance Advisory Group members		
• Email • Calls • Meetings	Frequently	• GRI's impact • GRI's people • Evolution of the GRI Standards (development and updates plans) • Reporting and sustainable development

Stakeholder group/ Method of engagement	Frequency of engagement	Consolidated list of concerns
Governance bodies		
• Email • Calls • Meetings	Frequently	• GRI's impact • GRI's people • Evolution of the GRI Standards (development and updates plans) • GRI's credibility as a standard setter • Harmonization and alignment with other frameworks • Reporting and sustainable development
Grant providers		
• Calls • Meetings	Regularly	• GRI's impact • Reporting and sustainable development
GRI Certified Training Partners		
• Meetings • Calls • Email	Frequently	• Collaboration opportunities with GRI • GRI's credibility as a standard setter • Application of the GRI Standards
Labor		
• Meetings • Phone calls	Occasionally	• GRI's people • Collaboration opportunities with GRI
Media		
• Emails • Calls • Social media • Press releases	Frequently	• Sustainability data: reliable, high quality, accessible • GRI's impact • Harmonization and alignment with other frameworks • Reporting and sustainable development
Other standard setters and framework providers		
• Calls • Meetings • Events	Regularly	• Harmonization and alignment with other frameworks • Application of the GRI Standards
Partner organizations		
• Calls • Meetings	Regularly	• GRI's impact • Collaboration opportunities with GRI
Policy makers and government agencies		
• Meetings • Calls • Events	Frequently	• GRI's credibility as a standard setter • Harmonization and alignment with other frameworks • Collaboration opportunities with GRI
Report preparers		
• Email • Calls • Meetings • Events	Frequently	• Sustainability data: reliable, high quality, accessible • Harmonization and alignment with other frameworks • Reporting and sustainable development • Application of the GRI Standards • Evolution of the GRI Standards (development and updates plans)
Service clients		
• Email • Calls • Survey	Frequently	• Application of the GRI Standards • Evolution of the GRI Standards (development and updates plans)

Stakeholder group/ Method of engagement	Frequency of engagement	Consolidated list of concerns
Staff members		
• Staff satisfaction survey • Meetings • Suggestions box	Frequently	• GRI's impact • GRI's people • GRI's credibility as a standard setter
Stakeholder Council (SC)		
• Email • Calls • Meetings • Online meetings	Frequently Workshop undertaken specifically as part of the report preparation process	N/A[1]

GRI relies on a relatively small number of suppliers for its office space, IT needs, logistics and other services. It was determined that they did not meet the threshold of the stakeholder inclusiveness principle relative to other groups.

GRI 102-9

Our supply chain is focused around the office operations and the projects we generate. Therefore, supply chain reporting is not a key focus area for GRI. Products for maintaining office operations, such as energy, water and paper are purchased, whenever possible, from suppliers producing sustainable products and services. For our projects we work with external consultants and working group members who provide intellectual input.

NGO SECTOR DISCLOSURES ON AFFECTED STAKEHOLDER ENGAGEMENT

G4-DMA Affected Stakeholder Engagement (former NGO1)

At GRI we seek to contribute to a more sustainable global economy through all our activities, particularly the development and dissemination of the GRI Sustainability Standards. These standards are the most widely used tools by companies and other organizations around the world when preparing information about non-financial disclosures.

Developing these standards and the accompanying services must be done with the input and feedback from those who will use them. That is why the GRI Standards are developed following the Global Sustainability Standards (GSSB) Due Process Protocol. This includes GSSB meetings being live-streamed, and the participation of the Stakeholder Council (SC) through the GRI Board on the identification and prioritization of themes and updates. Also, drafts of the Standards are presented for public comment for a period of at least 90 days, so that stakeholders can provide feedback on the draft. All comments are a matter of public record and their possible inclusion is carefully considered.

1 The SC reviewed the main topics and concerns raised by other stakeholder groups, and provided feedback.

Defining our material topics

GRI 102-46

GRI's well-established network of stakeholders is a prime source of information on the most appropriate and relevant material disclosures. After the Reporting Team identified the relevant stakeholder groups, the main concerns of each group were collected through the methods described in Table 1 (List of GRI Stakeholder groups and their engagement with GRI). The project team looked at the list of concerns and identified all themes and trends that our stakeholders had raised over the course of the year and a half this report covers.

The Reporting Team presented this list to GRI's Stakeholder Council for (SC) review and feedback. At the end of this process, the Reporting Team again gathered to discuss and assess which themes should pass the materiality threshold, and whether any topics that had not been mentioned so far were also important to include in the report. During this reporting period, that was not the case.

To best define the report content, the Reporting Team mapped the themes raised to reflect the prioritization that the SC and the stakeholders themselves had indicated. The list of topics was ranked according to importance, based on how often an issue was raised by stakeholders, but also by how important the issue is to GRI and how much impact it has on the world. The Reporting Team also translated these trends and themes into a list of material topics that represent the impacts that GRI has on the economy, environment and society, grouping them under as seven distinct categories, described in Table 2.

It became clear to the Reporting Team that the material topics could be further categorized in two areas: those topics related to GRI's operations, and those that have to do with the effectiveness of GRI's mission and work. For most stakeholders, those impacts related to mission effectiveness are most relevant, and so they easily met the reporting threshold.

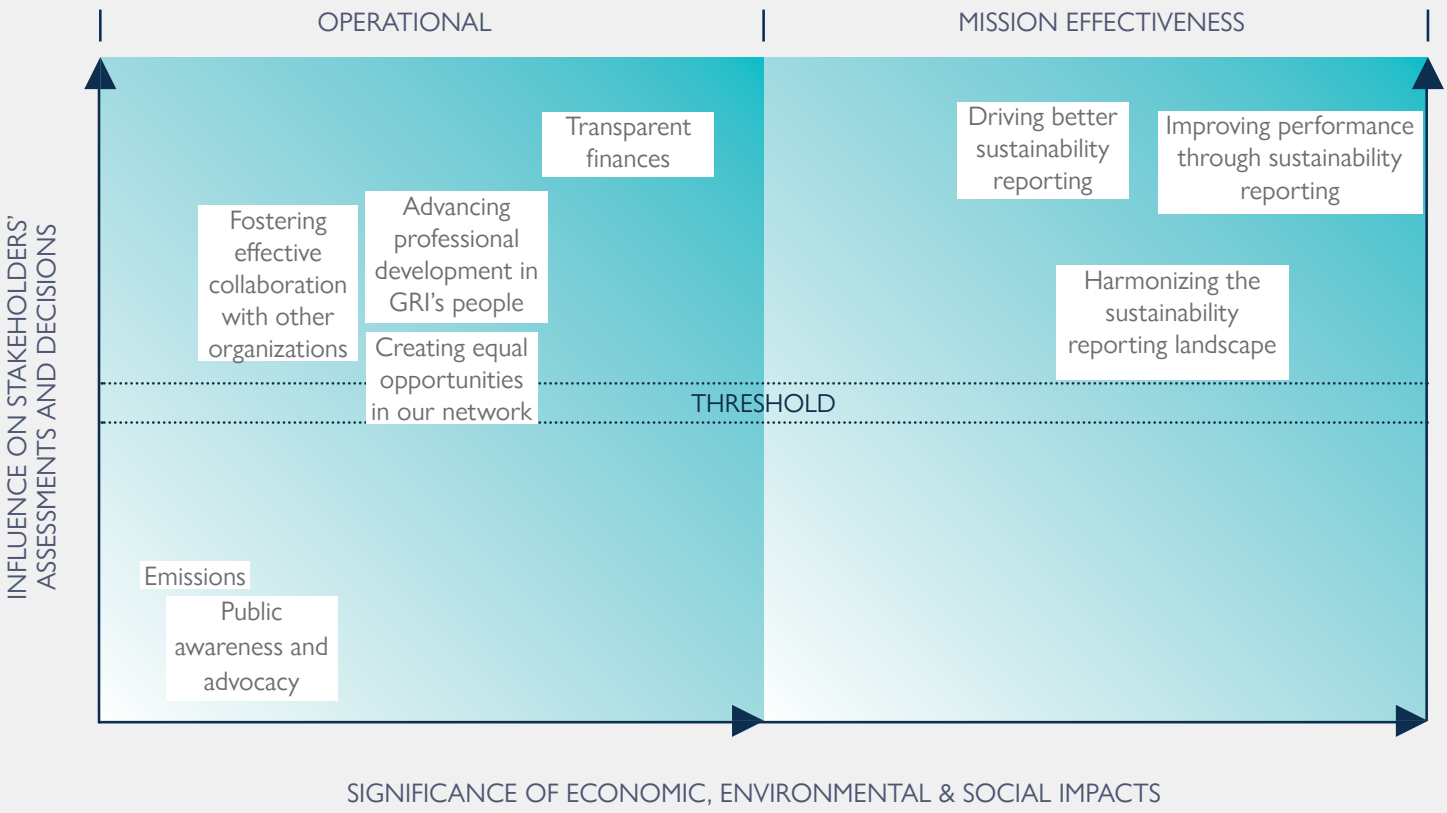
TABLE 2: TRANSLATION OF TRENDS AND THEMES INTO MATERIAL TOPICS

Trends and themes from stakeholder engagement	Material topics
Sustainability data: reliable, high quality, accessible	Improving performance through sustainability reporting
GRI's impact	Driving better sustainability reporting
GRI's people	Advancing professional development in GRI's people, Creating equal opportunities in our network
GRI's credibility as a standard setter	Transparent finances, Fostering effective collaboration with other organizations, Improving performance through sustainability reporting, Driving better sustainability reporting, Creating equal opportunities in our network
Harmonization and alignment with other frameworks	Harmonizing the sustainability reporting landscape
Reporting and sustainable development	Driving better sustainability reporting
Application of the GRI Standards	Improving performance through sustainability reporting
Evolution of the GRI Standards (development and updates plans)	Improving performance through sustainability reporting, Harmonizing the sustainability reporting landscape
Collaboration opportunities with GRI	Fostering effective collaboration with other organizations

The team then faced a dilemma: how to report on the operational impacts of the organization, such as our financial health and the human resources that facilitate GRI's work, when it was unclear they met the reporting threshold when compared to issues of mission effectiveness. Realizing that these two groups of topics are interdependent and relevant to sustainability reporting, a decision was made to separate the two categories of material topics. The resulting matrix achieved a balance between the external actions that will help GRI achieve its mission, and the internal conditions that facilitate and enhance that process.

The resulting draft of the materiality matrix was presented to GRI's Executive Team for review.

IMAGE 1: MATRIX OF MATERIALITY TOPICS WITH THRESHOLD



After this review of the suggested material topics, the final list was shared with the Reporting Subgroup, which reviewed and approved this matrix. The project team established the final selection of specific GRI Standard disclosures and NGO sector specific disclosures to report on these material topics, as found in Table 3, below.

TABLE 3. LIST OF MATERIAL TOPICS AND THEIR BOUNDARY

GRI 102-47

GRI Standard No. & Title/NGO Sector Disclosure	Disclo-sure(s)	Description	Topic Boundary
Mission Effectiveness			
Driving better sustainability reporting			
103 Management Approach 2016	103-1,2,3	• Explanation of the material topic and its Boundary • The management approach and its components • Evaluation of the management approach	The impacts occur in the following spheres outside of GRI as an organization: • Among report preparers and sustainability professionals that use the GRI Standards • Stakeholders who are the intended audience or beneficiaries of the reported information or related sustainability reporting process • Policymakers who want to advance sustainability reporting and refer to the GRI Standards when regulating non-financial disclosure obligations.
Improving performance through sustainability reporting			
103 Management Approach 2016	103-1,2,3	• Explanation of the material topic and its Boundary • The management approach and its components • Evaluation of the management approach	The reach and scope of our work is global, and is present wherever organizations use the GRI Sustainability Standards to produce a report.
Harmonizing the sustainability reporting landscape			
103 Management Approach 2016	103-1,2,3	• Explanation of the material topic and its Boundary • The management approach and its components • Evaluation of the management approach	GRI is committed to helping create the necessary clarity, and drives harmonization by engaging with relevant actors to align and improve corporate sustainability reporting around the world, including financial markets regulators, policymakers and international organizations, as well as other reporting initiatives.
NGO Sector Disclosures	G4-DMA	DMA Coordination (former NGO6)	

GRI Standard No. & Title/NGO Sector Disclosure	Disclo-sure(s)	Description	Topic Boundary
Operational			
Transparent finances			
103 Management Approach 2016	103-1,2,3	• Explanation of the material topic and its Boundary • The management approach and its components • Evaluation of the management approach	Because of GRI's structure and products, the organization has financial impacts in the regions around the world where we operate: GRI's main office in the Netherlands, the Regional Hubs and the field program implementation offices.
201 Economic Performance 2016	201-01	Direct economic value generated and distributed	
NGO Sector Disclosures	G4-DMA	DMA Ethical fundraising	
NGO Sector Disclosures	NGO8	Ethical fundraising	• GRI's project and programs funded by donors reflect the priorities but also strategies and viewpoints of donors. If these do not align with GRI's it can impact how GRI is perceived by its stakeholders. • GRI staff approach and principles in raising funds from donors impacts GRI' reputation and perception that donors have of GRI. • Nevertheless, GRI has little to no influence over donor viewpoints and priorities.
Advancing professional development in GRI's people			
103 Management Approach 2016	103-1,2,3	• Explanation of the material topic and its Boundary • The management approach and its components • Evaluation of the management approach	• Most of the impacts of this professional development occur within the organization, directly with GRI staff. • Since staff sometimes move on to other positions that contribute to sustainable development, the impact of professional development also has a global reach, indirectly contributing to a more educated pool of sustainability professionals.
401 Employment 2016	401-1	New employee hires and employee turnover	
404 Training and Education 2016	404-1	Average hours of training per year per employee	
404 Training and Education 2016	404-3	Percentage of employees receiving regular performance and career development reviews	
NGO Sector Disclosures	G4-DMA	DMA Mechanisms for workforce feedback and complaints, and their resolution (former NGO9)	

GRI Standard No. & Title/NGO Sector Disclosure	Disclo-sure(s)	Description	Topic Boundary
Fostering effective collaboration with other organizations			
103 Management Approach 2016	103-1,2,3	• Explanation of the material topic and its Boundary • The management approach and its components • Evaluation of the management approach	GRI aims to have global impact. However, to be most effective we focus our resources towards those areas of collaboration that align with our goals, our mission and our vision.
Creating equal opportunities in our network			
103 Management Approach 2016	103-1,2,3	• Explanation of the material topic and its Boundary • The management approach and its components • Evaluation of the management approach	• The work that we do is focused on the network of organizations that can report on their impacts on the economy, society, and environment using the GRI Standards, as well as those who use the data that this reporting provides. • GRI's involvement with this impact is both direct, as it applies to diversity among sustainability professionals, the speaker panels at events that we convene or attend, but it can also be indirect, as it has impact on data consumers
405 Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	
NGO Sector Disclosures	G4-DMA	DMA Gender and Diversity (former NGO4)	

GRI 102-49

During this process, the Reporting Team found the topic of Emissions (GRI 305) not material to GRI, although the Management team had decided to report on it previously. Since none of our stakeholders raised it as an issue in their feedback, and the topic is not relevant to the areas where GRI has most impact, the Reporting Team decided that the topic was not material. We still manage this topic internally, but this report does not include disclosures on it. Furthermore, the topic of Public Awareness and Advocacy (G4DMA, NGO5) was not raised at all either during the stakeholder engagement process and fell below the materiality threshold for this report. Regarding the Composition of the highest governance body and its committees (GRI 102-22), we report on this topic partially, as it is a performance indicator for GRI's material issue related to creating equal opportunities in our network.

GRI 102-56

We do not have a fixed approach to external assurance. However we sought assurance to show our commitment to continuous improvement in reporting. We last sought assurance for our 2015-2016 report and used the same assurance provider. ERM CVS is an accredited independent assurance provider and is therefore able to provide public objective and impartial opinions and conclusions on the report. The ERM CVS assurance statement for 2016-2017 can be found on page 57 of this report.

17 GRI AT 20: GETTING MORE OUT OF REPORTING

20 DRIVING BETTER SUSTAINABILITY REPORTING

22 2017: A YEAR OF CHANGE TOWARDS MATURE GRI STANDARDS

23 LAUNCH OF THE GRI STANDARDS

GRI at 20: Getting more out of reporting

GRI 102-14

Tim Mohin
Chief Executive

A little more than a year ago, I was appointed as GRI's Chief Executive. Reflecting on my first year has only reinforced my decision to join GRI. Sustainability had been a constant over the more than 30 years of my career – it is my cause. As an external stakeholder, I watched as GRI was formed and created the sustainability reporting movement: I worked on my first sustainability report with Intel Corporation in 1995. And just prior to joining GRI, I oversaw the development of Advanced Micro Devices' 20th annual corporate responsibility report. In short, I have participated in the sustainability reporting movement from its origins and seen first-hand its enormous power to drive improvement. Throughout this history, GRI has always been the blueprint that organizations use to define, prioritize, report and improve their sustainability programs.

Since GRI's founding, voluntary disclosure of sustainability issues has moved from unusual to the mainstream. According to KPMG research, more than 90 percent of the world's largest companies report their sustainability progress and 75 percent of them rely on the GRI framework. The recent advent of the GRI Standards has established global consistency in sustainability reporting.

While 2017 was a year to celebrate, it was also a year when we said a sad farewell to our long-term former Chief Executive Ernst Ligteringen who passed away in June. Ernst was instrumental in making GRI the organization that it is today. He was a giant in the field of sustainability and leaves behind an enviable legacy of doing good for people and the planet.

2017 was also a year of renewal for GRI. Working with our Board and Executive Team, we refreshed GRI's strategic plan. The central question was how to drive sustainability reporting to ensure that we are helping the world advance the larger goal of sustainable development. The conclusion was that the world needs more reports, but more importantly, it needs better reports.

GRI 102-15

Reporting is a means to an end. And the end we seek is sustainable development. So rather than focusing on more reporting – though that is an important goal – GRI's path forward is to get more out of reporting. As the leader in this field, we want to drive better sustainability reporting (see page 20). For us, reporting is not only about the report itself, it is about what organizations and stakeholders do with the information that can really make a difference.

Going forward, GRI must help ensure that the insights derived from sustainability data are fit for purpose. In other words, that they are actionable and drive performance improvement. To achieve these goals, GRI will collaborate with other actors in the field – including other sustainability

frameworks, governments, reporting organizations, investors, capital markets and other stakeholders who use transparency to advance sustainable development. (see page 36).

We also need to work toward integrating sustainability reporting with the Global Goals for Sustainable Development (see page 33). The SDGs are the global agenda for sustainable development and transparency is an important engine driving this movement. Working with our partners, GRI is leading the way for reporting organizations to not only map their efforts to the SDGs, but to help them dig deeper and contribute more to the accomplishment of these all-important goals.

Within the new agenda, GRI is committed to continue our fruitful collaboration with the UNGC and support to the Ten Principles as a set of values to run a sustainable and responsible business. These principles inspire companies to respect human rights, labor, the environment and anti-corruption.

It's been an amazing first year. I am privileged and humbled by the opportunity to contribute to the sustainability movement by leading GRI. I invite you to read about the details of our progress and plans in this report. We welcome your feedback, we applaud your contributions, and look forward to working together in the journey to achieve sustainable development.

Our Vision is:

A thriving global community that lifts humanity and enhances the resources on which all life depends.

Our Mission is:

To empower decisions that create social, environmental and economic benefits for everyone.

Our Theory of Change

Our ultimate aim is to contribute to a sustainable global economy. The development and use of GRI Standards is one of the necessary inputs to this ultimate aim. The availability of globally accepted credible reporting standards, combined with the skills and knowledge to apply them and an optimal enabling environment, will result in companies producing reports that detail their economic, environmental and social impacts. This greater transparency will give companies and their stakeholders the information they need to make decisions for change. This changed behavior, toward reducing negative impacts and maximizing positive impacts, is an important part of realizing a sustainable global economy.

ERNST LIGTERINGEN
1955 - 2017

It was with great sadness that we learned of the passing of Ernst Ligteringen, Chief Executive of GRI from 2002 until 2014, in June 2017. Ernst joined GRI in 2002, and transitioned it from a project that was started under CERES and the Tellus Institute into an international organization with a solid independent governance structure and system. He was instrumental in establishing GRI's leadership position in sustainability reporting with a balanced focus on economic, environmental, social and human rights issues.

Ernst oversaw the evolution of the sustainability reporting guidelines towards G3, then G4 and finally the GRI Standards. He introduced GRI's organizational stakeholder program, which acquired more than 600 members in just a few years, and innovated GRI's training services, building out a loyal funding base.

Tim Mohin, Chief Executive, GRI: "Ernst's legacy will extend far beyond what he has done for our organization. In part due to his efforts, sustainability reporting has become a commonplace practice for many organizations, leading to greater transparency and in turn the ability to transform the world. We are very grateful for everything he has done and are proud to continue to build on what he started."

Driving better sustainability reporting

WHY THIS TOPIC IS MATERIAL

GRI 103-1

GRI wants to empower decisions that create social, environmental and economic benefits for everyone, by helping organizations understand and communicate their impact on critical sustainability issues. To do this effectively, the reporting process and the GRI Standards should help organizations and their stakeholders obtain information they can readily act on.

In the past two decades, GRI has successfully built a community of leading experts and practitioners. In coming years, we will continue supporting new and existing reporting preparers to ensure not only that more sustainability professionals use the GRI Standards but that, together we continue to improve the quality of their reports and the quality of the data that is reported.

We believe that reporting practices should evolve to become more flexible and address the main impacts that are particular to each organization. Better quality reporting will create a virtuous circle that promotes credibility, transparency and in turn drives better and more useful reporting practice.

Topic boundary

The impacts occur in the following spheres outside of GRI as an organization:

- Among report preparers and sustainability professionals that use the GRI Standards
- Among stakeholders who are the intended audience or beneficiaries of the reported information or related sustainability reporting process
- Among policymakers who want to advance sustainability reporting and refer to the GRI Standards when looking into non-financial disclosure obligations.

The activities of reporting preparers can only be linked indirectly to GRI's activities. Yet it is our strong belief that because the GRI Sustainability Standards help these organizations measure their impacts in concrete ways, they are better able to manage the issues that are material to them and their stakeholders.

HOW GRI MANAGES THE TOPIC

GRI 103-2

To achieve our goal of making sustainability reporting more efficient and effective, we have identified the following areas where GRI's activities can lead to better sustainability reporting:

1. **Training and Coaching**

   GRI 102-6
   GRI 102-2

   In its nearly 10 years of existence, GRI's Global Training Program has managed to establish a network of nearly 100 Certified Training Partners in 64 countries, with more than 4000 participants taking the GRI Standards Course over the past year, and 30,000 taking GRI's courses since its inception. Since the launch of the online Standards Exam in July 2017, there have been 150 takers. We also offer a dozen e-learning courses that help learners understand why and how to reporting on issues ranging from the SDGs to climate change and anti-corruption.

2. **Reporting services**

   GRI 102-2

   We aim to help companies improve the quality of their sustainability reports, because better reporting means better communication with stakeholders, and more transparency. Through our wide range of services, we help organizations make their reports easier to navigate. About 700 companies benefited from the Content Index or the Materiality Disclosure services in the reporting period. We also worked closely with companies within our Report Review and Kick off Services to give their reporting process a boost, and provided researchers data on trends in reporting via the Benchmark service.. We certified 17 Software Tools Providers this year, ensuring the GRI Standards are accurately incorporated into their various reporting tools.

3. **GOLD Community**

GRI 102-2

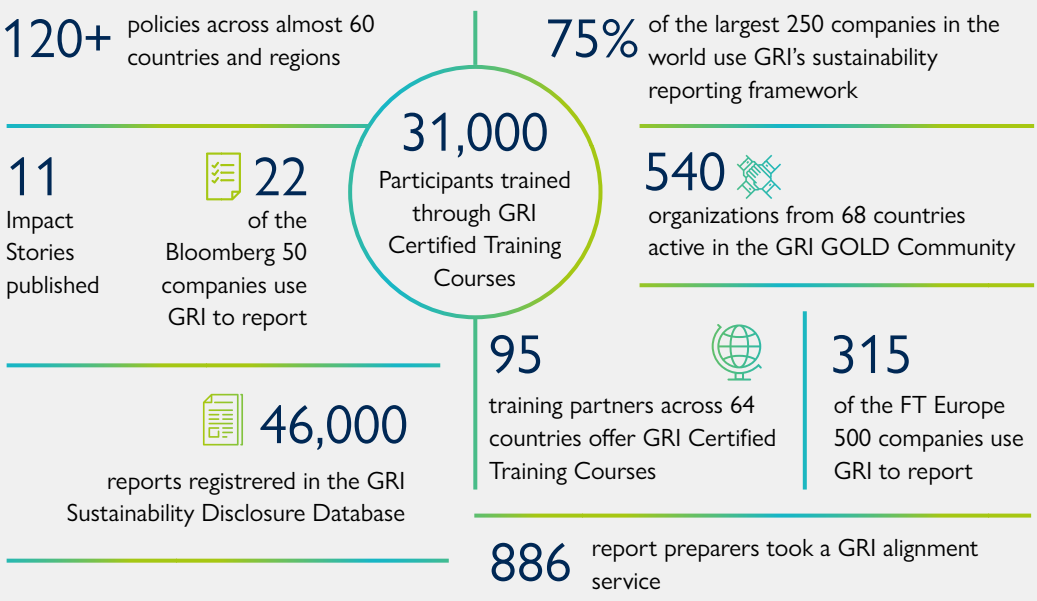
GOLD Community members are GRI's core supporters. They are at the heart of the community shaping the future of sustainability and reporting, and empowering decision making towards a more sustainable economy and world. The GRI GOLD Community includes diverse companies and organizations across business, consultancies, civil society, academia, labor, public and intergovernmental agencies. They are always up to date with the latest insights and trends in sustainability and reporting, demonstrate leadership, collaborate with peers, and form a global community of practice and knowledge sharing.

HOW GRI EVALUATES EFFECTIVENESS

GRI 103-3

Better sustainability reporting depends on the level of engagement that stakeholders have with our products and services, most crucially the GRI Standards. We believe that GRI is most effective when more organizations, governments, and companies, regarding their size or their sector, use the GRI Standards to report, avail themselves of our services to increase the accuracy of the data they collect, and participate in our global community and contribute to the further development of GRI and the GRI Standards.

IMAGE 2. GRI IN NUMBERS



2017: A year of change towards mature GRI Standards

Judy Kuszewski
Chair of the GRI Global Sustainability Standards Board (GSSB)

For the Global Sustainability Standards Board (GSSB), the period from July 2016 to December 2017 was one of unprecedented growth, and the first time that we employed the full Due Process that governs our standard setting activities.

This was a year and a half full of exciting changes, most notably the transition from the G4 Guidelines to the GRI Standards, which the GSSB approved in October 2016. The new modular setup of the Standards allow GRI to respond quickly and robustly to marketplace needs in a more focused manner. We can now act fast, and in collaboration with the relevant institutions and stakeholders to provide up-to-date standards that companies can use to measure and report on impacts on specific sustainability topics. This will make it easier for the GSSB to fulfill its promise of continuous improvement.

The success of the Transition to Standards is reflected in the uptake in the first year the GRI Standards, but also in the positive feedback from our stakeholders. Most importantly, to date the full set of our standards has been downloaded 81,860times. Our 29 launch events with more than 3500 participants around the world, and the translation of the Standards into 7 languages so far speak to the success of the tool, and of the growing engagement of report preparers in different regions.

And 2016-2017 was also a period of new challenges, particularly on how to best adapt our process to ensure full transparency for the activities within our mandate. Our multi-stakeholder process ensures the impartiality of the standards, but the GSSB went further. And now, everything we do is in the public domain. Anyone, anywhere in the world with an internet connection can watch or listen to our meetings and deliberations and get access to our meeting materials – an important step in enhancing our position as a public interest standard setter.

The change from G4 to GRI Standards is a great achievement of the GSSB. The caliber of the experts and organizations that participate in the process today, also speak to how GRI and the GSSB have grown throughout the past 20 years to become the most widely used reporting tool in the field of sustainability.

The work of the GSSB in this reporting period has set the basis upon which to build and improve on Standards, so that the practice of sustainability reporting reaches even more organizations, regardless of their size and sector, and best responds to their needs.

GRI STANDARDS

Launch of the GRI Standards

GRI 102-2

Through 20 years of work that has defined the reporting landscape, GRI has established itself as the world's pre-eminent sustainability reporting standard setter. We have evolved our reporting framework in line with our collective understanding of sustainability, to incorporate new topics and best practices as they emerge.

In October 2016, evolving from the G4 Guidelines, we launched the GRI Sustainability Reporting Standards. These are the first global standards for sustainability reporting. With a modular, interrelated structure, they represent the global best practice for reporting on a range of environmental, economic and social impacts.

To present the Standards to a wide audience, we held launch events all around the world. These events brought together sustainability professionals, reporting experts and the architects of the GRI Standards, to explore the latest in sustainability reporting.

IN THE REPORTING PERIOD, WE LAUNCHED TRANSLATIONS OF THE STANDARDS INTO

- **Indonesian**
- **Japanese**
- **Spanish**
- **Traditional Chinese**
- **Vietnamese**

Almost 40% of the attendees completed a feedback survey, providing a glimpse into the first impressions of the Standards. The response was overwhelmingly positive:

92% said the Standards will help support or improve the quality of reporting

46% of attendees were already reporting based on GRI

66% said their organization will adopt the GRI Standards

REPORTING IN NUMBERS

More than 150 organizations around the world have already joined the Standards Pioneers program, showing their express support and commitment to the GRI Standards and the future of sustainability disclosure. The Standards Pioneers program gives GOLD Community members direct access to GRI staff and exclusive resources while producing their first report based on the GRI Standards.

KEEPING THE STANDARDS UP TO DATE

Just one year in, the GSSB has started to deliver its continuous improvement commitment, in a bid to guarantee that the GRI Standards continue to reflect global best practice and transparency expectations.

Two Standards are already being updated to be in line with today's context and reporting practices. Projects to update GRI 303: Water, and GRI 403: Occupational Health and Safety started in late 2016 and the new Standards are expected to be released in 2018. Work will soon commence to update the human rights-related Standards, and 2018 will also see projects to review disclosures on tax and payments to governments, GRI 306: Effluents and Waste, and three economic-related Standards: GRI 201: Economic Performance, GRI 202: Market Presence, and GRI 203: Indirect Economic Impacts.

26 IMPROVING PERFORMANCE THROUGH SUSTAINABILITY REPORTING

28 20TH ANNIVERSARY HIGHLIGHTS

31 FOSTERING EFFECTIVE COLLABORATION WITH OTHER ORGANIZATIONS

33 WORK ON SUSTAINABLE DEVELOPMENT GOALS

Improving performance through sustainability reporting

WHY THIS TOPIC IS MATERIAL

GRI 103-1

The ultimate goal of GRI is to contribute to a sustainable global economy. And we believe that sustainability reporting, specifically the widespread use of the GRI Standards, can help by bringing about more awareness and transparency about the impacts, whether positive or negative, that report preparers have on the world, and act to improve.

For GRI, it is important to have reliable evidence of how more and better sustainability reporting can help organizations and the world. Up until now, information about our impact has come in through our network, when they share their experience with others, when they engage with GRI directly and when their reporting helps them manage their impact throughout the years and they reflect that in their communication. Another important external source of more informal data about the impact of GRI's approach is research carried out by large consultancies and universities, regarding how the GRI Standards support companies to best understand their impacts.

Topic boundary

- The reach and scope of our work is global, and is present wherever organizations use the GRI Sustainability Standards to produce a report.

Reporting made easier for Small and Medium-sized Enterprises (SMEs)

Most large companies and multinationals already engage in sustainability reporting. However, their reporting does not always include a full picture of their supply chain. Suppliers to these companies are often Small and Medium-sized Enterprises (SMEs) that do not produce sustainability reports, yet. In 2016 we launched the second phase of the Competitive Business Program, in which GRI and its local implementation partners in Colombia, Ghana, Peru, South African and Vietnam, engage with SMEs. We provide tools and training to make sustainability reporting easier and meaningful for small and medium-sized businesses, and the larger companies that buy their products and services. This program is funded by the Swiss Confederation State Secretariat for Economic Affairs (SECO), and will run until August 2020.

HOW GRI MANAGES THE TOPIC

GRI 103-2

Sharing this wealth of information with the committed community of report preparers, investors, policy makers and donors supports GRI's efforts and incentivizes more organizations to engage in sustainability reporting. We understand that GRI's work does not happen in isolation, and that any impacts that occur, whether positive or negative, are only partly influenced by our work. But we carefully monitor the work that we do so that we can learn, improve, and maximize our impact.

We monitor and evaluate all our activities, and the results are then used to feed into further improvements. This allows us to generate evidence of our organizational impact, and to understand where and how GRI's input is helping enact change. It also gives us clear direction to replicate or scale up successful activities.

HOW WE EVALUATE ITS EFFECTIVENESS

GRI 103-3

Throughout 2018, GRI will be working on an impact measurement plan, which will set out what and how GRI intends to measure its outcomes and the impact of all its programs and activities. This will allow us to see our theory of change at work, and to improve and innovate in the areas that are strategic to the organization.

We are testing the approach that best fits the organization culture, and partnering with external experts to conduct research, and we would like to make the information resulting from these efforts publicly available. The Executive Team at GRI has a role in monitoring the progress and results achieved, and also in ensuring that they are shared with anyone who may benefit from that data.

20th Anniversary highlights

Over its 20-year journey, GRI has created an outsized impact on the global economy, environment and society. From its modest beginnings as a project established in the United States by non-profit CERES (Coalition for Environmentally Responsible Economies) and the Tellus Institute in 1997, on to a small, independent non-profit organization with just 12 employees in the Netherlands by 2002, GRI has covered vast ground.

Since its inception, GRI has helped more than 7200 organizations use its reporting framework to disclose their sustainability impacts, and trained 30,000 professionals to establish a sustainability reporting process. In our Sustainability Disclosure Database, we have close to 50,000 reports, including almost 30,000 reports that use or reference the GRI Standards. With currently fewer than 100 employees, GRI engages companies, financial institutions, governments, labor organizations, civil society and citizens from around the world in its mission to build an equitable, inclusive and sustainable future.

IMAGE 3: GRI'S 20 YEARS OF WORK, AT A GLANCE

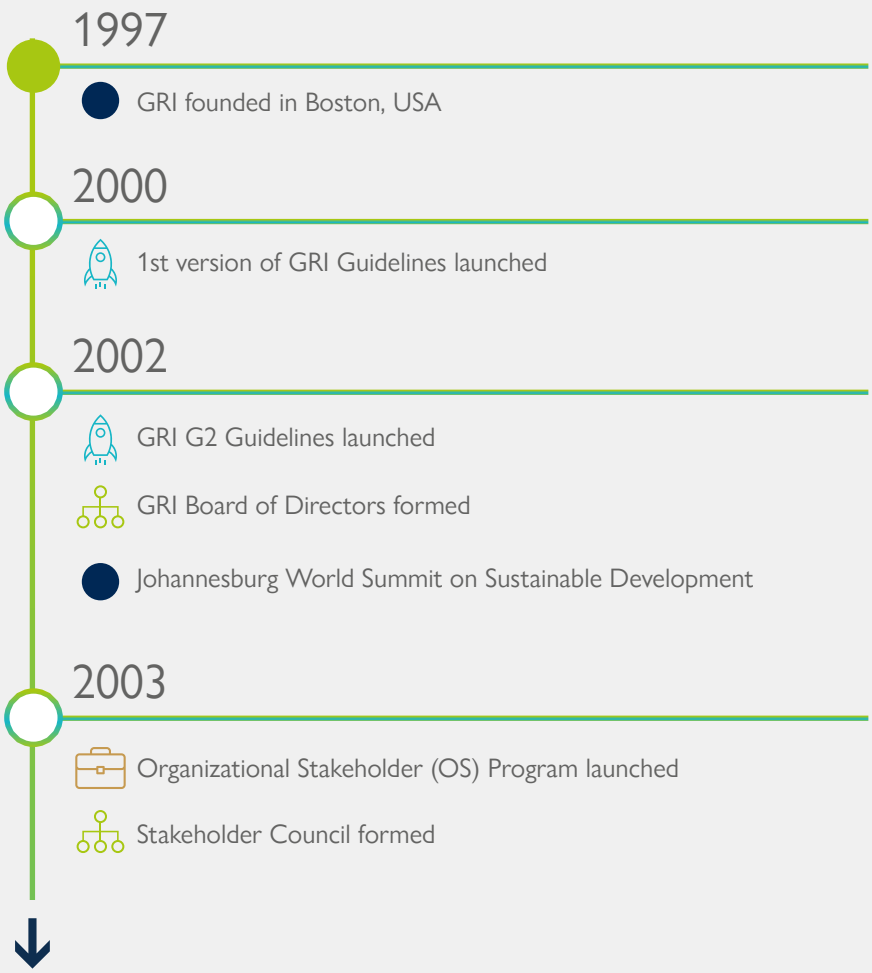


IMAGE 3: GRI'S 20 YEARS OF WORK, AT A GLANCE *CONTINUED*

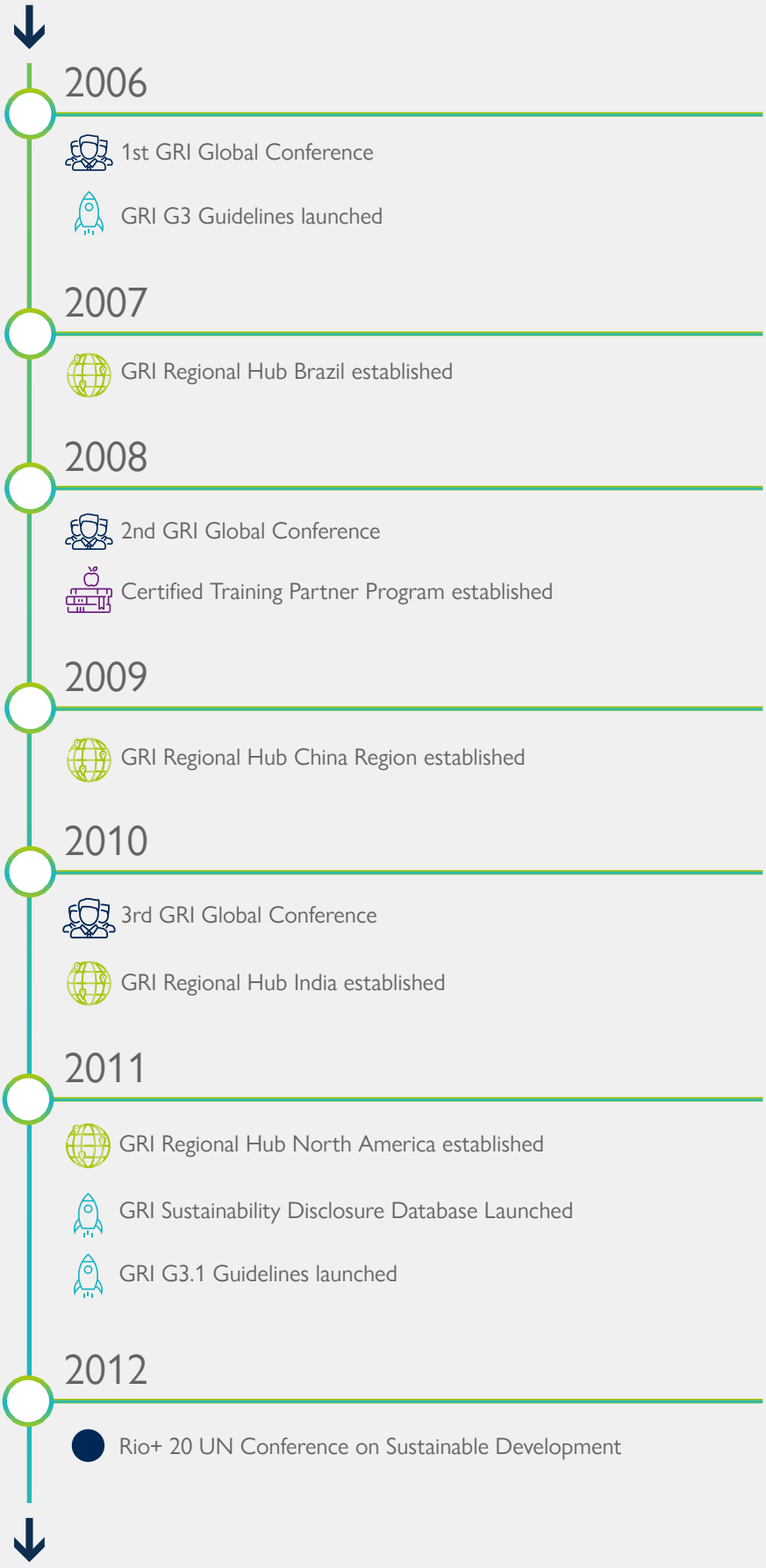


IMAGE 3: GRI'S 20 YEARS OF WORK, AT A GLANCE *CONTINUED*

For more information, please visit GRI's 20th Anniversary page.

Fostering effective collaboration with other organizations

GRI 103-1

WHY THIS TOPIC IS MATERIAL AND ITS BOUNDARY

Collaboration is embedded in our multi-stakeholder approach, which fosters inclusion and promotes working with other actors, including international organizations, governments and non-governmental organizations, and the corporate world, as well as other standard setting initiatives.

Topic Boundary

- GRI aims to have global impact. However, to be most effective we focus our resources towards those areas of collaboration that align with our goals, our mission and our vision.

GRI 103-2

HOW GRI MANAGES THE TOPIC

We consider collaboration crucial to the work that we do. So we have established long-standing partnerships with the following:

- The Organization for Economic Co-operation and Development
- The UN Environment Program
- The UN Global Compact
- CDP
- International Organization for Standardization's ISO 26000
- International Finance Corporation
- The UN Conference on Trade and Development
- The Earth Charter Initiative

We also collaborate with governments and foundations to improve reporting in emerging markets. They provide input and the funding to make our activities possible.

Our active projects in the reporting period were funded by the governments of Australia, United Kingdom, Switzerland, Sweden, and Norway.

Other funders include Alcoa Foundation, Fundación ONCE, and Moore Foundation through the World Business Council for Sustainable Development (WBCSD).

And we are in constant dialogue and engagement with the private sector. When it comes to the support and involvement of corporations, GRI's membership program, the GOLD Community, connects nearly 600 organizations from more than 60 countries. They range from multinationals to small enterprises, and from civil organizations to investors, and they have a common interest in advancing sustainability reporting.

Further, GRI works together with a network of 45 Data Partners who help capture vital information about sustainability reporting the world over,. And to help sustainability professionals deepen their knowledge of sustainability reporting, we have a network of nearly 100 GRI Certified Training Partners around the globe. They add their local knowledge to give reporters insights into the relevant sustainability issues in their regions and can also provide training in reporters' own language.

Finally, to give concrete tools to those professionals who are responsible for reporting on sustainability impacts, we have partnerships with 20 companies that offer software and tools that can help collect data and manage the reporting process while ensuring that the report meets GRI requirements.

GRI 103-3

HOW WE EVALUATE ITS EFFECTIVENESS

GRI is constantly evaluating and developing its approach to these different stakeholders. As the field of sustainability reporting evolves, GRI continues to identify stakeholders, such as capital markets, where new opportunities for cooperation and alignment exist. To better serve this group of stakeholders, GRI has developed a program to engage with capital markets. This includes investors, who often drive the demand for sustainability information within companies.

Work on Sustainable Development Goals (SDGs)

GRI's ground breaking collaboration with the United Nations Global Compact (UNGC) to develop the Reporting on the SDGs Action Platform is a prime example of our efforts towards collaboration. The SDGs are a set of 17 global goals set by the United Nations "to transform our world" by 2030. These goals, involving all 193 UN member states, aim to resolve critical issues facing humanity and our planet such as poverty, inequality, depletion of natural resources and climate change. GRI and UNGC's Action Platform will facilitate business reporting on these goals, by aligning business disclosures from the GRI Standards with the individual SDG targets.

IMAGE 4: GRI'S WORK ON THE SDGS

MAY

Stockholm Declaration: RI, PRI and UNGC founded The Stockholm Declaration in 2017 – a group of 27 leading organizations in the global investment community, representing over USD $1 trillion assets under management. The Stockholm Declaration signatories have committed to investing in the SDGs: "We welcome the opportunity and are committed to work with the 'Reporting on the SDGs Action Platform', co-led by the UN Global Compact and GRI, and supported by PRI.

JULY

Growing role for private sector at the HLPF, GRI was at the HLPF

SEPTEMBER

Workshop in Bahrain with UNDP: Private Sector engagements with the SDGs in Bahrain

The Analysis of Goals and Targets was presented 21 September 2017 at the UN Global Compact Leaders' Summit in New York, as part of the UN General Assembly. It provides a list of indicators for each SDG, possible actions for businesses and indicates disclosures gaps, to make reporting on the SDGs straightforward and simple to execute.

DECEMBER

Data from the private sector on the SDGs event in Colombia with the Government and UNDP

36 HARMONIZING THE SUSTAINABILITY REPORTING LANDSCAPE

38 CREATING EQUAL OPPORTUNITIES IN OUR NETWORK

Harmonizing the sustainability reporting landscape

GRI 103-1

WHY THIS TOPIC IS MATERIAL AND ITS BOUNDARY

In its 20 years of existence GRI has contributed to making sustainability reporting a widely adopted practice, particularly among large companies. GRI's Standards are the most widely used worldwide, and cover a broad range of over 35 sustainability topics. The Standards are generally applicable to all organizations regardless of size, sector or region. This puts GRI in a position to be a great consolidator and streamliner of the many other frameworks, guidelines and standards have emerged over the years – these may be region, sector, or issue specific, or they may be de facto standards such as sustainability analyst questionnaires, or regulated reporting requirements stemming from policy.

The message from report preparers and data users alike is clear – companies need a simple and aligned system for standardized reporting, and stakeholders need information that is comparable and usable. Harmonization is the logical next step in our continuous efforts to coordinate activities with other actors.

G4-DMA Coordination (former NGO6)

Topic Boundary

- Harmonizing the sustainability reporting landscape is one of our strategic focus areas. GRI is committed to helping create the necessary clarity, and drives harmonization by engaging with relevant actors to align and improve corporate sustainability reporting around the world, including financial markets regulators, policymakers and international organizations, as well as other reporting initiatives.

GRI 103-2

HOW GRI MANAGES THE TOPIC

The GRI framework, including the GRI Sustainability Standards can be used to comply with requirements set by other actors. We commit to communicating this to all potential users. We are also transparent about GRI's potential to meet all of these reporting needs and continue to collaborate with partners in strategic areas to further harmonization.

For example, we participate in initiatives such as the Corporate Reporting Dialogue, which includes other key market players. This initiative is designed to respond to market calls for more coherence, consistency and comparability between corporate reporting frameworks, standards and related requirements. We prioritize regulation that impacts significant numbers of companies and other standards with significant uptake.

We also issued a joint public statement with SASB, and are working together with the IIRC to establish a Corporate Leadership Group (CLG) on Integrated Reporting in which participants discuss the future of and the next steps towards integrated reporting improvements.

THE 2017 KPMG SURVEY ON CORPORATE RESPONSIBILITY REPORTING REVEALED THAT

Here are some of the linkage documents with the frameworks that we currently engage with

1. Linking the GRI Standards and HKEX ESG Reporting Guide (online 21 Nov 2016)
2. Linking GRI and CDP: How are Standards and CDP water questions aligned? (online 08 Dec 2016)
3. Linking GRI and CDP: How are GRI Standards and CDP climate change questions aligned? (online 08 Dec 2016)
4. SDG Compass Annex: Linking the SDGs and GRI Standards (online 06 Feb 2017)
5. Linking GRI Standards and EU NFR Directive disclosure (online 14 Feb 2017)
6. Linking the GRI Standards and the SEBI BRR Framework (online 14 Feb 2017)

HOW WE EVALUATE ITS EFFECTIVENESS

103-3

In recent years, several new reporting initiatives have begun offering tools that are oftentimes sector-specific. GRI engages with these initiatives, trying to ensure that reporting becomes more efficient, lowering the burden for report preparers. Our goal in the foreseeable future is the alignment and complementarity among the key reporting and disclosure initiatives with significant uptake in different areas, in the belief that this would encourage more companies to report on their impacts, and that the resulting reports would be of better quality and more useful.

The role of the GSSB in harmonization

The GSSB works together with other standard-setters and reporting initiatives to ensure alignment of disclosure requests, thereby improving the consistency and comparability of data and making corporate reporting more efficient and effective. The GRI Standards are also developed in alignment with expectations set out in internationally recognized standards, such as UN, ILO and OECD instruments.

The GSSB invites other standard-setters to participate in the expert groups developing the GRI Standards and consults with them regularly to ensure the different standards are aligned as much as possible.

For example, the Project Working Group (PWG) updating the GRI Occupational Health and Safety Standard includes experts from the ILO and the ISO 45001 expert group, and the PWG updating the GRI Water and Effluents Standard (GRI 303) has experts from CDP, SASB, and the CEO Water Mandate. The Technical Committee reviewing the human rights-related Standards includes experts from the UN, OECD, and Shift, among many others.

Creating equal opportunities in our network

GRI 103-1

WHY THIS TOPIC IS MATERIAL AND ITS BOUNDARY

As a global organization that develops products and services aimed to promote sustainability reporting for all types of organizations anywhere in the world, it is important that our processes reflect the wide range of viewpoints and areas of interest that form the basis for our tools and services. The diversity of geographical and constituent representation is imperative to make our products most relevant for all stakeholders.

Topic boundary

- The work that we do is focused on the network of organizations that can report on their impacts on the economy, society, and environment using the GRI Standards, as well as those who use the data that this reporting provides.
- GRI's involvement with this impact is both direct, as it applies to diversity among sustainability professionals, the speaker panels at events that we convene or attend, but it can also be indirect, as it has impact on data consumers.

GRI 103-2

HOW GRI MANAGES THE TOPIC

Different specific protocols have been established to ensure geographical and constituent diversity within our different governance bodies, the Stakeholder Council and the Project Working Groups and Technical Committees that are tasked with developing recommendations around the GRI Standards:

- GRI Nominating Committee (GNC) Procedures
- Independent Appointments Committee Terms of Reference
- Technical Committee and Project Working Group Due Process Protocols for each project that the Global Sustainability Standards Board engages in

These due process requirements ensure we have balanced representation of stakeholder interests across the regions, and from five main constituency groups : corporate, civil society, labour, investors and mediating institutions such as academics and practitioners.

For our less formal engagements, such as events or projects, we still aim to meet GRI's high standards for stakeholder inclusiveness and diversity – this was exemplary in our most important outreach activities during the reporting period – the Standards launch events. We strategically planned events in 29 countries across all continents, held these events in a dozen languages, and ensured diverse speakers on our panels and platforms.

102-12
102-13

GRI was a signatory of the UNGC and a member of the Global Partnership for Sustainable Development Data for the reporting period July 16-December 17. Below is a list of the associations members of the Board and the deputies participate in.

Christianna Wood, *Chairman of the GRI Board Board member of*

- Vassar College
- H&R Block
- Grange Insurance
- The Merger Fund
- International Securities Exchange

Eric Hespenheide, *Interim Chief Executive (July 2016-January 2017, and Vice Chair of the GRI Board (February 2017)*

- Member of the AICPA Assurance and Advocacy Sustainability Task Force
- Member of the International Integrated Reporting Council
- Member of the Corporate Reporting Dialogue

Tim Mohin, *Chief Executive (January 2017)*

- Member of the International Integrated Reporting Council (IIRC)
- Member of the Corporate Reporting Dialogue (CRD)

Teresa Fogelberg, *Deputy Chief Executive*

- Chair of the Netherlands Transparency Benchmark Expert Panel
- Member of the Questionmark Foundation Board
- Member of the ICIMOD Board

HOW WE EVALUATE ITS EFFECTIVENESS

GRI 103-3

We monitor the success of each selection process and critically assess whether we meet the targets we set, and we have so far done so successfully. For example if a target for representation is not fully met, a call for nominations is reposted, to ensure that we have an appropriate candidate pool. If this is not possible during the process, specific ways to address the issue will be found, such as region-specific workshops to gather input for programs or projects.

While experience and expertise guide the choices regarding who joins our governance bodies, or is a guest speaker at our events, we also consider questions of gender balance.

DIVERSITY OF GOVERNANCE BODIES

GRI 405-1

Transparency, efficiency and performance drive our work, and GRI's governance bodies are designed to ensure that our multi-stakeholder nature is reflected in our decision making processes at the highest level. And to ensure that all different relevant stakeholders are represented in the organization's strategy, the Stakeholder Council is part of the GRI Nominating Committee which appoints Board members, with the exception of the Chief Executive, and also has an advisory and advocacy role when it comes to strategic choices.

Three Board members and three SC members form the GRI Nomination Committee (GNC), which coordinates and manages the yearly nomination process for positions in the Board of Directors. The process is designed to ensure transparency, openness and objectivity.

There is an open nomination that is widely disseminated through GRI's website, and the network of the SC, IAC, GSSB and DPOC, with a notice period of at least 60 days. The Committee also evaluates the performance of members who are re-nominated. Members of all governance bodies within GRI are encouraged to actively look for and engage with potential candidates at all levels.

GRI 102-24

The GNC proposes a slate of recommended nominees for the annual rotation of the Board of Directors. This slate is presented to the Stakeholder Council (SC) at the annual meeting. The SC then decides, per nominated individual, by simple majority.

There are five constituent categories within GRI's governance bodies, namely:

- Business enterprises
- Civil Society Organizations
- Mediating Institutions
- Labor
- Investment Institutions

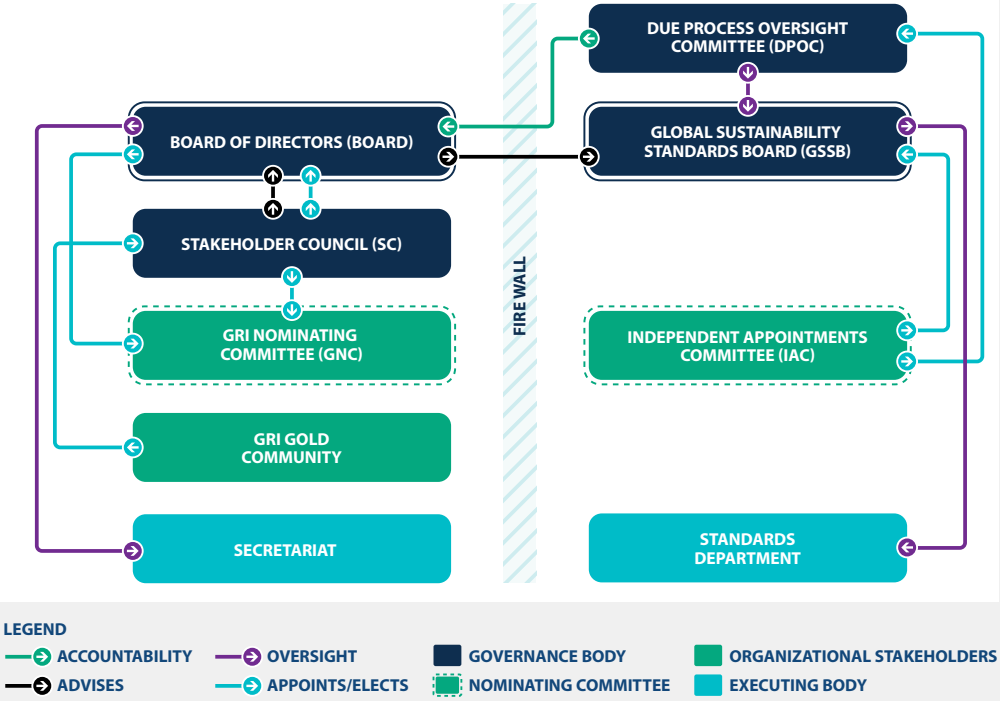
Stakeholders are also organized in seven major geographic categories according to the World Bank, and we try to maintain at least one representative from each geographic region within each constituency, as well as consider gender balance.

- East Asia and Pacific
- Europe and Central Asia
- Latin America and the Caribbean
- Middle East and North Africa
- North America
- South Asia
- Sub-Saharan Africa

GRI 102-18
GRI 102-22

GRI's governance bodies are designed to maintain multi-stakeholder representation, consisting of members from business, civil society, labor, investing and mediating institutions. Here below is more information about our governance bodies.

GRI'S GOVERNANCE STRUCTURE



GRI 405-1-a-I

Gender

33% 67%

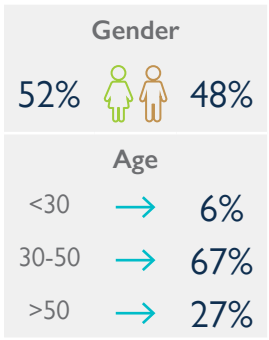
Age

30-50 → 7%

>50 → 93%

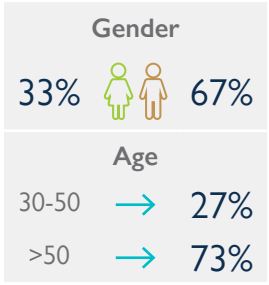
GRI Board of Directors (15 members total)

The GRI Board of Directors is the final decision-making authority on organizational governance and long-term strategy at GRI. The 15 board members are non-executive directors, except for GRI's Chief Executive, an ex-officio member without voting rights.



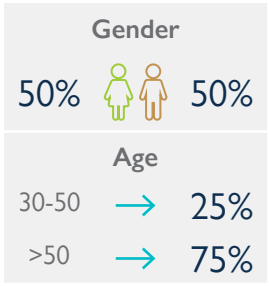
Stakeholder Council (48 members total)

The Stakeholder Council is where the multistakeholder nature of GRI is formally expressed. It is the body responsible for appointing members of the Board, except the Chief Executive, based on the nominations received from the GRI Nominations Committee. It also provides strategic advice to the Board and, through the Board, to the GSSB. Members span from all the United Nations-defined regions: Africa, Asia Pacific, Eastern Europe, Latin America and the Caribbean, and Western Europe, North America and Australia. They represent the five constituencies that GRI has identified: Business Enterprise, Civil Society Organizations, Investment Institutions, Labor Organizations, and Mediating Institutions.



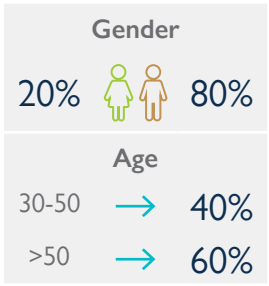
Global Sustainability Standards Board (15 members total)

The Global Sustainability Standards Board (GSSB) is formed of members with a broad range of expertise and experience. They are responsible for setting globally accepted standards for sustainability reporting. The GSSB works in the public interest and according to the vision and mission of GRI.



Independent Appointments Committee (4 members total)

The Independent Appointments Committee (IAC) is tasked with appointing qualified and competent members to GRI's standards-setting governance bodies, the GSSB and the Due Process Oversight Committee (DPOC).



Due Process Oversight Committee (5 members total)

The Due Process Oversight Committee (DPOC) is responsible for ensuring that the activities of the GSSB are conducted in accordance with its due process, to ensure stakeholder confidence that the standards are responsive to the public interest. DPOC members are senior individuals of the highest integrity and reputation, and are appointed by GRI's Independent Appointments Committee.

For disclosure GRI 405-1-a-iii we must cite 'reasons for omission'. In Dutch labor law it is considered discriminatory to make hiring decisions based on characteristics such as religion or race. Therefore GRI does not keep a record about the ethnic origin of members of the Board.

G4-DMA Gender and Diversity (former NGO4)

While we do not have a separate gender policy framework, our Standards include several gender indicators against which GRI itself reports. **In this report, you can find diversity information in the sections *GRI's people* and *Creating equal opportunities in our network*.** We see this as a guiding principle by which we not only disclose but also use the information to improve on topics of gender equality. We also plan for and work towards meeting high standards for stakeholder inclusiveness and diversity. One clear example is the gender composition of the panels and speakers during GRI Standards launch events. In the 29 Standards launch events around the world between July 2016 and December 2017, the gender breakdown of the 251 speakers and panelists was 46% female speakers to 54% male.

43 GRI'S PEOPLE
48 ADVANCING PROFESSIONAL DEVELOPMENT IN GRI'S PEOPLE

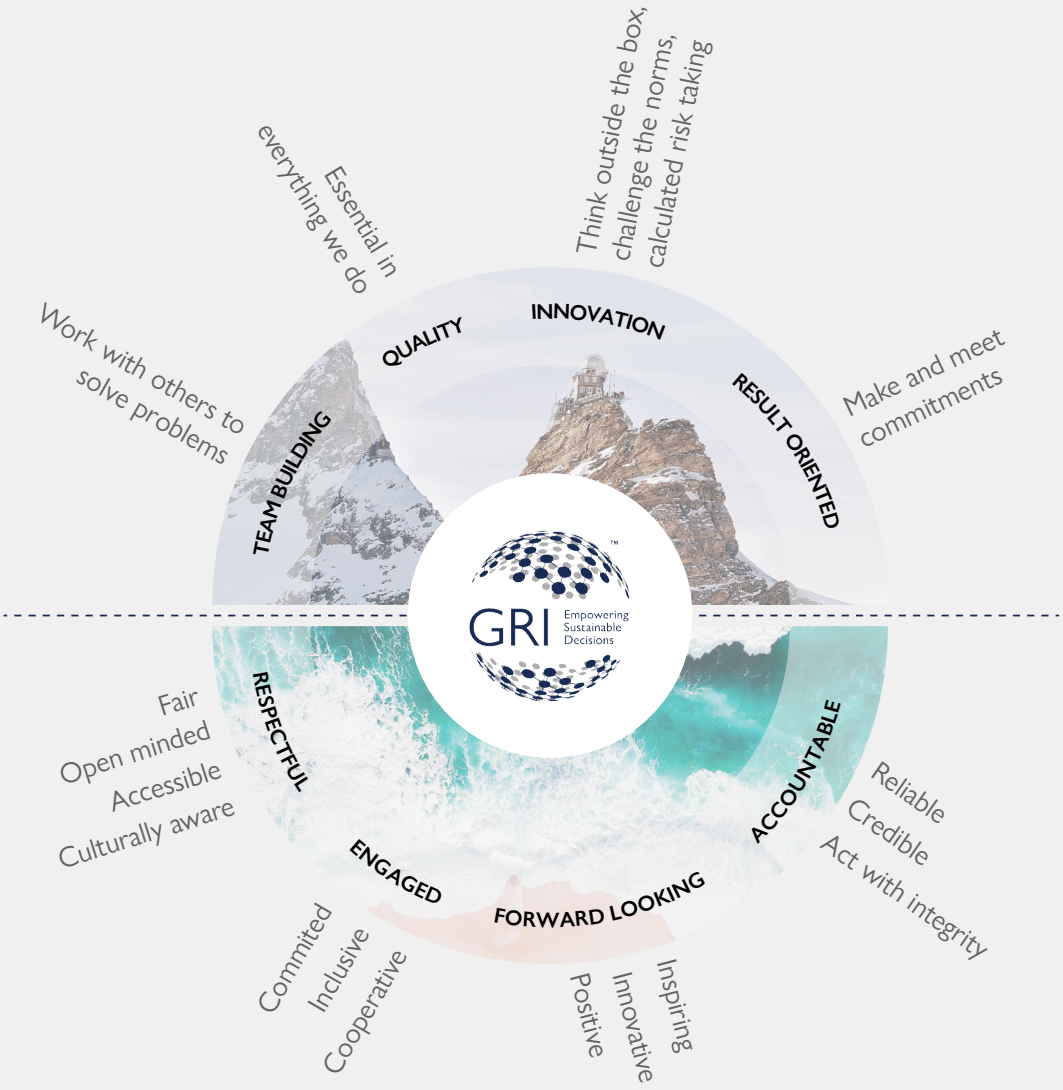
GRI's people

To further the work that we do, all people working for GRI, wherever they are representing the organization around the world, should embody our values and principles. These are not static ideals; they are continuously reviewed, and can be revised by the Works Council or the Management Team to ensure that they remain relevant.

These values, which were developed with input from GRI's Works Council in 2011, and updated in 2017, are lived throughout the organization:

GRI 102-16

GRI CULTURAL PRINCIPLES



GRI STAFF VALUES

GRI is headquartered in Amsterdam and, as such, we must comply with Dutch labor law for our staff based in the Netherlands. Employees can have a fixed-term contract (a temporary contract), which usually last a year, or a contract for an indefinite period (a permanent contract), which does not need to be renewed after a specific amount of time.

GRI 102-7

By 31 December 2017, a total of 87 employees and 5 interns were working across all GRI offices worldwide. There were no volunteers at the organization during the reporting period.

The tables below show the composition of GRI's workforce by type of employment contract, and employment type.

TABLE 4: TOTAL NUMBER OF EMPLOYEES BY EMPLOYMENT CONTRACT (PERMANENT AND TEMPORARY), BY GENDER

GRI 102-8
GRI 102-8 a.

Up to and including December 2017	Male	Female	Total
Indefinite	14	48	
Fixed-term	5	20	
Subtotal	***19***	***68***	
Internship	1	4	
Volunteer	-	-	
Total	**20**	**72**	**92**

TABLE 5: TOTAL NUMBER OF EMPLOYEES BY EMPLOYMENT CONTRACT (PERMANENT AND TEMPORARY), BY REGION

GRI 102-8 b.

Up to and including December 2017	Male	Fixed-term	indefi-nite	Female	Fixed-term	indefi-nite	Total
Europe (Secretariat)	14	1	13	58	17	41	
Asia (Regional Hubs India & China)	-	-	-	4	1	3	
North America (Regional Hubs USA & Canada)	-	-	-	1	-	1	
South America (Regional Hubs Brazil & Colombia & Peru)	1	1	-	4	1	3	
Africa (Regional Hubs South Africa & Ghana)	2	1	1	1	1	-	
Australia and Oceania	-	-	-	-	-	-	
Indonesia/Vietnam	2	2	-	-	-	-	
Total	**19**	**5**	**14**	**68**	**20**	**48**	**87**

TABLE 6: TOTAL NUMBER OF EMPLOYEES BY EMPLOYMENT TYPE (FULL-TIME AND PART-TIME), BY GENDER

GRI 102-8-c.

Up to and including December 2017	Male	Female	Total
Full-time	16	58	
Part-time	3	10	
Total	**19**	**68**	**87**

The great majority of the people who carry out the organization's activities have the status of employees. In cases when expertise is not available among the employees or there is a lack of temporary capacity, we may decide to hire external parties.

GRI 102-8 d.

There are no significant variations in the numbers reported in Disclosures GRI 102-8-a, GRI 102-8-b, and GRI 102-8-c, compared to the 2015-16 report.

GRI 102-8 e.

The total number of employees reflected in this report refers to the total number employed at the end of the reporting period (31 December 2017). Employee numbers are expressed as head count, and when referring to indefinite and definite contracts no interns or secondees were considered.

GRI 102-8 f.

DIVERSITY OF EMPLOYEES

GRI 405-1

TABLE 7: PERCENTAGE OF EMPLOYEES PER EMPLOYEE CATEGORY BY GENDER AND BY AGE GROUP

GRI 405-1-b-i
GRI 405-1-b-ii

Up to and including December 2017	Male	Female	< 30	30-50	50 >
Support staff	9%	91%	40%	53%	7%
Middle management	35%	65%	6%	84%	10%
Senior management	36%	64%	-	55%	45%
Sub Total	***22%***	***78%***	***23%***	***64%***	***13%***
Interns	20%	80%	100%	-	-
Volunteers	-	-	-	-	-
Total	**22%**	**78%**	**23%**	**64%**	**13%**

For disclosure GRI 405-1-b-iii we are using 'reasons for omission'. In Dutch labor law it is considered discriminatory to make hiring decisions based on characteristics such as religion or race. Therefore GRI also does not ask employees about their ethnic origin.

GRI 405-1-b-iii

NEW EMPLOYEE HIRES AND EMPLOYEE TURNOVER

GRI 401-1

GRI regularly hires employees to ensure that it can continue its operations, expand its reach, deepen its knowledge and extend its network. GRI prides itself on the diversity among its staff. The main principle behind the hiring policy is having the best candidate available to cover a position.

TABLE 8: NEW EMPLOYEE HIRES BY AGE GROUP, GENDER AND REGION

Up to and including December 2017		Number of new employee hires	Rate of new employee hires (%)
Age	< 30	13	65%
	30-50	19	34%
	50 >	4	36%
Gender	Male	7	37%
	Female	29	43%
Region	Amsterdam Office	30	42%
	Regional Hub Brazil	-	0%
	Regional Hub China	1	50%
	Regional Hub Colombia	1	33%
	Regional Hub India	-	0%
	Regional Hub South Africa	-	0%
	Regional Hub USA & Canada	-	0%
	Field Office Ghana	1	100%
	Field Office Indonesia	1	100%
	Field Office Peru	1	100%
	Field Office Vietnam	1	100%

We are a dynamic organization, whose employees are generally young and international. Some of the employees who leave each year are early in their career and continue to grow in other positions elsewhere. Many of the international staff return to their home country after a few years. And for this reporting period, a change in management in the third quarter of 2016 and the strategy realignment in 2017 also led to the departure of some staff. These factors can help account for the turnover rate.

TABLE 9: EMPLOYEE TURNOVER BY AGE GROUP, GENDER AND REGION

GRI 401-1-b

Up to and including December 2017		Number of employee turnover	Rate of employee turnover (%)
Age	< 30	8	40%
	30-50	29	52%
	50 >	3	28%
Gender	Male	10	53%
	Female	30	44%
Region	Amsterdam Office	38	53%
	Regional Hub Brazil	-	0%
	Regional Hub China	-	0%
	Regional Hub Colombia	1	33%
	Regional Hub India	-	0%
	Regional Hub South Africa	-	0%
	Regional Hub USA & Canada	1	100%
	Field Office Ghana	-	0%
	Field Office Indonesia	-	0%
	Field Office Peru	-	0%
	Field Office Vietnam	-	0%

Advancing professional development in GRI's people

GRI 103-1

WHY THIS TOPIC IS MATERIAL

We consider the career development of our diverse and qualified employee force of utmost importance. This issue ranks highly as one of GRI's impacts that internal stakeholders care about. We strive to foster the growth of professionals whose work approach furthers the goal of sustainable development while working with us, and in their future careers wherever in the world they may be. This we do through our collaborative approach to career development, which is an employee-driven mix of training, mentoring and peer-learning.

Boundary:

- Most of the impacts of professional development occur within the organization, directly with GRI staff.
- Since staff sometimes move on to other positions that contribute to sustainable development, the impacts of professional development also has global reach, indirectly contributing to a more educated pool of sustainability professionals.

GRI 103-2

HOW GRI MANAGES THE TOPIC AND HOW WE EVALUATE ITS EFFECTIVENESS

We believe that professional growth is a collaborative effort led by the individual member of staff, with the support of line managers and the Human Resources department. Members of GRI staff can avail themselves of training and other development opportunities according to their needs and professional situation. To systematize these efforts, in 2017 GRI developed an 'Approach to Professional Development' document, which covers our view on professional development, how an individual development plan can be set up, and the Performance Management Methodology (PMM) process. This effort began with input from the Works Council, and will be rolled out in the first quarter of 2018. It will apply to all workers at GRI who have the status of employees, including regional staff working outside of the Amsterdam office.

This new approach formalizes a procedure for ensuring that employee-driven professional development is adequately implemented. It includes tools and systems to help employees track where they are and it defines roles and responsibilities for action. Once the system is in place, GRI will monitor its application and make changes if necessary.

Our training and professional development, although on occasion limited due to the size of the organization and the financial limits that a non-profit such as GRI faces, are a cornerstone of our work.

GRI 103-3

HOW WE EVALUATE ITS EFFECTIVENESS

GRI does not have standardized targets for professional development, but the Management Team regularly reflects on whether the organization is still a good place to work, and provides enough challenge and support. In 2017, the Human Resources department acquired the database tool SYMPA HR, which helps to keep track of training and other HR related topics more effectively.

DISCLOSURES ABOUT GRI STAFF TRAINING AND PERFORMANCE

TABLE 10: AVERAGE HOURS OF TRAINING PER YEAR PER EMPLOYEE, BY GENDER AND EMPLOYEE CATEGORY

GRI 404-1

	Up to and including December 2017		
Employee category	**Total**	**Male**	**Female**
Support Staff	13.10	21.49	12.28
Middle Management	7.05	6.77	7.20
Senior Management	0.45	-	0.71
Other (interns and volunteers)	1.69	-	2.11
Total	**8.93**	**8.02**	**9.18**

Employees receive regular performance and career development appraisals (PA). This process begins on 1 October of each year. Employees who joined on or after that date do not participate in the year's appraisal as the period between October and December is too short to judge their performance accurately. Employees who leave or take maternity leave or extended parental leave do not receive a review. This explains why the number of eligible employees may be higher than the number who actually receive a Performance Appraisal every year. For the Period 1 Jan- 31 December 2016, 78% of all 74 eligible employees received a Performance Appraisal. The results of the Performance Appraisal for 1 Jan - 31 December 2017 will be available in 2018.

TABLE 11: PERCENTAGE OF EMPLOYEES RECEIVING REGULAR PERFORMANCE AND CAREER DEVELOPMENT REVIEW, BY GENDER AND EMPLOYEE CATEGORY

GRI 404-3

	January - December 2016								
	Total staff per 1 October 2016			Eligible to PA per 1 October 2016			Received PA (%)		
Employee category	**Male**	**Female**	**Total**	**Male**	**Female**	**Total**	**Male**	**Female**	**Total**
Support staff	11	35	46	9	29	38	67%	90%	84%
Middle management	8	22	30	6	21	27	83%	67%	70%
Senior management	3	9	12	3	6	9	67%	83%	78%
Total	**22**	**66**	**88**	**18**	**56**	**74**	**72%**	**80%**	**78%**

INTERNAL GRIEVANCE MECHANISMS

G4-DMA Mechanisms for workforce feedback and complaints, and their resolution (former NGO9)

GRI staff channel feedback about professional development through the GRI Works Council – a worker representative council that works to improve GRI policies and work for the benefit of the organization as a whole, in a collaborative and transparent approach with GRI's management.

The Works Council solicits ad-hoc feedback throughout the year from staff using a virtual and physical inbox, as well as face to face feedback, which is assessed and actioned as needed. For instance, staff

were concerned and desired clarity after the previous CE left GRI during this reporting period, and brought their concerns to the attention of the Works Council. In response GRI held three sessions to discuss the changes and next steps with staff. More generally, quarterly meetings are now held where all staff is present, to communicate advances, gains and any other relevant information.

A complaint register is kept. Complaints about discrimination or (sexual) harassment would go directly to the Human Resources department. While HR is aware of specific disagreements that arose between employees and line managers or among employees, no formal complaints were filed with HR during this reporting period.

52 TRANSPARENT FINANCES
55 ETHICAL FUNDRAISING

Transparent finances

WHY THIS TOPIC IS MATERIAL

GRI 103-1

For 20 years, GRI has provided the most widely used sustainability reporting framework around the world. This is a public good, available at no cost on GRI's website. And so, it remains important that GRI has enough resources, both material and human, and a stable financial basis to continue to develop innovative products that support its stakeholders in their reporting and broader sustainability efforts. Should GRI discontinue its work, users would lose the time and resources invested in reporting, as well as a network of peers.

Because so many around the world depend on our products and services, we want to be transparent about how we manage our finances and how we stay financially solvent so we can continue financing the GRI Standards and all other products GRI provides, like services, training and research. These products and services contribute positively toward sustainability at the global level. Financial transparency and clarity ensure that those stakeholders who invest time, money and effort reporting using the Standards can have trust in the benefit of their engagement.

Topic Boundary

GRI 102-5
GRI 102-45
GRI 102-45 a.
GRI 102-45 b.

Because of GRI's structure and products, the organization has financial impacts in the regions around the world where we operate: GRI's main office in the Netherlands, the Regional Hubs and the field program implementation offices. GRI has been registered in the Netherlands as a 'Stichting' or non-profit foundation since 2002. The entities included in GRI's financial statements are GRI's main office in the Netherlands, the Regional Hubs based in Brazil, China, Colombia, India, and South Africa, and the field program implementation offices in Ghana, Indonesia, Peru and Vietnam. Our US office is an independent entity, and has a separate financial overview, although it is part of the wider non-profit structure. Thus, although the report also covers information on the North American Regional Hub in the USA, the legal entity of the US operations is an independent public charity, and is therefore not included in GRI's financial statements.

HOW GRI MANAGES THE TOPIC AND HOW WE EVALUATE ITS EFFECTIVENESS

GRI 103-2

Healthy finances are ensured through a multi-layered process. The Head of Finance engages the budget holders within each department on a regular basis; based on these interactions the Board receives a draft budget, which is vetted by the Board's Finance Committee. The Management Team discusses GRI's financial performance once a month, and does a forecasting review each quarter, which allows to adjust our activity levels and ensure that we remain financially healthy and stable. The Management Team also performs ongoing review of the process throughout the year, to monitor effectiveness and evaluate whether expenses are proceeding as forecasted in the budget. Finally, there is a yearly financial audit, carried out by an external party.

GRI 103-3

GRI's Board has fiduciary responsibility for GRI, including its finances. Together with a general financial briefing for the entire board, the Finance Committee receives more detailed information each quarter, and the Audit Committee reviews the auditing process and outcomes and evaluates their quality once a year.

The following tables show different aspects of GRI's finances, including where our funding comes from, and who our main donors are, as well as how we spend the money.

GRI 201-1

TABLE 12: INCOME BY SOURCE (DIRECT ECONOMIC VALUE GENERATED)

GRI 201-1-a-i

1 July 2016 - 31 December 2017	€	%
Governments and foundations	4,650,925	38.2%
Corporate engagement and memberships	3,996,990	32.9%
GRI services	3,369,616	27.7%
GRI events & other	148,555	1.2%
Total direct economic value generated:	**12,166,086**	**100.0%**

TABLE 13: TOP LARGEST DONORS AND CONTRIBUTORS

NGO8

1 July 2016 - 31 December 2017	€	%
State Secretariat for Economic Affairs (SECO) Switzerland	1,506,287	12.4%
Swedish International Development Cooperation Agency (SIDA)	1,482,879	12.2%
UK Department for International Development (DFID)	811,224	6.7%
World Business Council for Sustainable Development (WBCSD)	240,931	2.0%
Norwegian Ministry of Foreign Affairs	215,473	1.8%
Australian Department of Foreign Affairs and Trade (DFAT)	211,325	1.7%
Deloitte	100,000	0.8%
KPMG	100,000	0.8%
Subtotal	***4,668,119***	***38.4%***
Total Income	**12,166,086**	**100.0%**

TABLE 14: SPEND BY ECONOMIC VALUE DISTRIBUTED

GRI 201-1-a-ii

1 July 2016 - 31 December 2017	€	%
People	6,933,096	57.5%
Programs	3,045,778	24.3%
Operations	1,903,003	15.8%
Governance	173,461	1.4%
Total	**12,055,338**	**100.0%**

(Additionally, we do not make payments to providers of capital or payments to governments, so have not included them here.)

TABLE 15: SPEND BY ACTIVITY

1 July 2016 - 31 December 2017	€	%
Corporate engagement and partnerships	2,642,563	21.9%
GRI Standards	1,984,513	16.5%
GRI services	1,615,340	13.4%
General management & administration	1,590,881	13.2%
Policy	1,294,256	10.7%
Marketing & communications	1,011,304	8.4%
Fundraising & grant management	987,237	8.2%
Knowledge & research	747,472	6.2%
GRI events	181,772	1.5%
Total	**12,055,338**	**100.0%**

GRI 201-1-a-iii

Economic value retained: 'direct economic value generated' less 'economic value distributed' €110, 748, as calculated below:

Direct economic value generated:	€	12,166,086
Economic value distributed:	€	12,055,338
Economic value retained:	€	110,748

201-1-b

The reporting requirement GRI 201-1-b is not applicable.

ETHICAL FUNDRAISING

G4-DMA Ethical Fundraising

As the leading organization in promoting sustainability reporting through the GRI Standards, we value transparency in all areas of activity. For us, this extends to being transparent about how we finance our operations.

GRI is developing an ethical fundraising policy based on assurance recommendations from the 2014-2015 assurance process. We strongly believe that while fundraising is key to maintaining GRI's reputation, the process cannot be driven only by financial targets. This means that our fundraising is primarily led by how closely the objectives of the funding partner or donor align with those of GRI. Any impact, whether positive or negative, has to be managed closely, to safeguard public and donor trust and confidence in GRI. For example, we must ask ourselves whether GRI should refuse to work with organizations whose practices do not fully align with ours. The ethical fundraising policy would clarify how and under which circumstances we can refuse donor funding, whether from governments, companies, or foundations.

GRI's project and programs funded by donors reflect the priorities but also strategies and viewpoints of donors. If these do not align with GRI's it can impact how GRI is perceived by its stakeholders. Nevertheless, while GRI staff approach and principles in raising funds from donors impacts GRI' reputation and perception that donors have of GRI, we have little to no influence over donor viewpoints and priorities.

To best align GRI's work and donor priorities, GRI engages first in a donor screening process, to analyze whether our values and principles are compatible with the funding source. Further, GRI ensures that donors are not able to influence GRI's own policies and safeguards the independence of the GRI Standards, from the project design stage through making the extent of the partnership or donor engagement clear in the agreements and activity logframes between GRI and the donor.

Currently this evaluation is done on a case by case basis.

57 ASSURANCE STATEMENT
59 GRI CONTENT INDEX

Assurance Statement

GRI 102-56

Independent Assurance Statement to GRI

ERM Certification and Verification Services (ERM CVS) was engaged by GRI to provide assurance in relation to the information set out below and presented in GRI's Annual Report 2016-17 (the Report) covering the period from 1st July 2016 until 31st December 2017.

Engagement summary	
Scope of our assurance engagement	Whether the 2016-17 information and data for the selected GRI Standards and G4 NGO Sector Disclosures, presented in Appendix I and as indicated with GREY in the Report, are fairly presented, in all material respects, in accordance with the reporting criteria
Reporting criteria	The GRI Sustainability Reporting Standards (GRI Standards).
Assurance standard	ERM CVS' assurance methodology, based on the International Standard on Assurance Engagements ISAE 3000 (Revised).
Assurance level	Limited assurance.
Respective responsibilities	GRI is responsible for preparing the Report and for the collection and presentation of the information within it. ERM CVS's responsibility is to provide conclusions on the agreed scope based on the assurance activities performed and exercising our professional judgement.

Our conclusions

Based on our activities, nothing has come to our attention to indicate that the 2016-17 information and data for the following selected GRI Standards and G4 NGO Sector Disclosures, as indicated with GREY in the Report, are not, in all material respects, fairly presented in accordance with the reporting criteria.

Our assurance activities

We planned and performed our work to obtain all the information and explanations that we believe were necessary to provide a basis for our assurance conclusions. A multi-disciplinary team of sustainability and assurance specialists performed assurance procedures as follows:

- Visit to the GRI offices in Amsterdam, the Netherlands to interview:
  - Relevant staff in order to understand and evaluate the systems and processes used for collecting and reporting the information and performance data for the selected disclosures;
  - Management representatives responsible for managing the selected issues and disclosures covered by the assurance engagement;
- A review of the materiality determination process including the results of stakeholder engagement processes;
- A review of samples of underlying documentary evidence to support the reported information and 2016-17 data for the selected disclosures including internal and external documents; and
- A review of the presentation of information in the Report relevant to the scope of our work to ensure consistency with our findings.

The limitations of our engagement

The reliability of the assured information is subject to inherent uncertainties, given the available methods for determining, calculating or estimating the underlying information. It is important to understand our assurance conclusions in this context.

Our observations

We have provided GRI with a separate management report with our detailed findings and recommendations. Without affecting the conclusions presented above, we have the following observation:

- Most of our recommendations from the 2014-15 assurance engagement have been addressed by GRI in the intervening period. GRI has made progress regarding its ethical fundraising policy but we support GRI's commitment to further develop detailed criteria for accepting (or refusing) donations so that this policy can be finalised during 2018.

Jennifer Iansen-Rogers
Head of Corporate Assurance
14 May 2018

ERM Certification and Verification Services, London
www.ermcvs.com Email: post@ermcvs.com

ERM CVS is a member of the ERM Group. The work that ERM CVS conducts for clients is solely related to independent assurance activities and auditor training. Our processes are designed and implemented to ensure that the work we undertake with clients is free from bias and conflict of interest. ERM CVS and the staff that have undertaken work on this assurance exercise provide no consultancy related services to GRI in any respect.

Appendix I: Scope of our assurance engagement

Disclosure #	Disclosure Title
General Disclosures	
102-8	Information on employees and other workers
102-16	Values, principles, standards, and norms of behavior
102-32	Highest governance body's role in sustainability reporting
102-40	List of stakeholder groups
102-42	Identifying and selecting stakeholders
102-43	Approach to stakeholder engagement
102-44	Key topics and concerns raised
102-45	Entities included in the consolidated financial statements
102-46	Defining report content and topic boundaries
102-47	List of material topics
102-48	Restatements of information
102-49	Changes in reporting
Management Approach (for all material issues)	
103-1	Explanation of the material topic and its Boundary
103-2	The management approach and its components
103-3	Evaluation of the management approach
Economic	
201-01	Direct economic value generated and distributed
Social	
401-1	New employee hires and employee turnover
404-1	Average hours of training per year per employee
404-3	Percentage of employees receiving regular performance and career development reviews
405-1	Diversity of governance bodies and employees
NGO Sector Disclosures	
G4-DMA	DMA Labor Practices Grievance Mechanisms
G4-DMA	DMA Gender and Diversity (former NGO4)
G4-DMA	DMA Coordination (former NGO6)
G4-DMA	DMA Affected Stakeholder Engagement (former NGO1)
G4-DMA	DMA Ethical fundraising
NGO8	Ethical fundraising

GRI Content Index

GRI 102-55

GRI 101: FOUNDATION 2016

GENERAL DISCLOSURES

GRI Standard/Disclosure	Page number(s) and/or URL(s)	Omission		
		Part Omitted	Reason	Explanation
GRI 102: GENERAL DISCLOSURES 2016				
Organizational profile				
102-1 Name of the organization	5			
102-2 Activities, brands, products, and services	7, 20, 21, 23			
102-3 Location of headquarters	5			
102-4 Location of operations	5			
102-5 Ownership and legal form	52			
102-6 Markets served	20			
102-7 Scale of the organization	44			
102-8 Information on employees and other workers	44			
102-9 Supply chain	10			
102-10 Significant changes to the organization and its supply chain	5			
102-11 Precautionary principle or approach	We commit to take the precautionary approach to environmental risks if applicable			
102-12 External initiatives	38			
102-13 Membership of associations	38			
Strategy				
102-14 Statement from senior decision-maker	17			
102-15 Key impacts, risks, and opportunities	6, 17			
Ethics and integrity				
102-16 Values, principles, standards, and norms of behavior	43			
Governance				
102-18 Governance structure	40			
102-22 Composition of the highest governance body and its committees	40			
102-23 Chair of the highest governance body	6			
102-24 Nominating and selecting the highest governance body	39			

GENERAL DISCLOSURES

GRI Standard/Disclosure	Page number(s) and/or URL(s)	Omission		
		Part Omitted	Reason	Explanation
Governance (continued)				
102-32 Highest governance body's role in sustainability reporting	5			
102-38 Annual total compensation ratio	The ratio of the annual total compensation for the highest-paid individual at GRI to the median annual total compensation for all employees (excluding the highest paid individual) is 6.04.			
102-39 Percentage increase in annual total compensation ratio	The increase in annual total compensation ration for GRI's highest paid individual to the median annual total compensation for all employees (excluding highest-paid individual) amounts to 3%.			
Stakeholder engagement				
102-40 List of stakeholder groups	8			
102-41 Collective bargaining agreements	None of GRI's employees are covered by collective bargaining agreements.			
102-42 Identifying and selecting stakeholders	7			
102-43 Approach to stakeholder engagement	7, 8			
102-44 Key topics and concerns raised	8			
Reporting practice				
102-45 Entities included in the consolidated financial statements	52			
102-46 Defining report content and topic Boundaries	11			
102-47 List of material topics	13			
102-48 Restatements of information	5			
102-49 Changes in reporting	15			
102-50 Reporting period	5			
102-51 Date of most recent report	5			
102-52 Reporting cycle	5			
102-53 Contact point for questions regarding the report	5			
102-54 Claims of reporting in accordance with the GRI Standards	5			
102-55 GRI content index	59			
102-56 External assurance	15, 57			

MATERIAL TOPICS

GRI Standard/Disclosure		Page number(s) and/or URL(s)	Omission		
			Part Omitted	Reason	Explanation
TRANSPARENT FINANCES					
GRI 103: Management Approach 2016					
103-1	Explanation of the material topic and its Boundary	52			
103-2	The management approach and its components	52			
103-3	Evaluation of the management approach	52			
GRI 201: Economic Performance 2016					
201-1	Direct economic value generated and distributed	53-54			
G4 NGO Sector Disclosures: Ethical fundraising					
G4 DMA		55			
NGO-8		53			
ADVANCING PROFESSIONAL DEVELOPMENT IN GRI'S PEOPLE					
GRI 103: Management Approach 2016					
103-1	Explanation of the material topic and its Boundary	48			
103-2	The management approach and its components	48			
103-3	Evaluation of the management approach	48			
GRI 401: Employment 2016					
401-1	New employee hires and employee turnover	46			
GRI 404: Training and Education 2016					
404-1	Average hours of training that the organization's employees have undertaken during the reporting period by gender and employee category	49			

MATERIAL TOPICS

GRI Standard/Disclosure		Page number(s) and/or URL(s)	Omission		
			Part Omitted	Reason	Explanation
404-3	Percentage of employees receiving regular performance and career development reviews	49			
G4 NGO Sector Disclosures: Mechanisms for workforce feedback and complaints, and their resolution (former NGO9)					
G4 DMA		49			
CREATING EQUAL OPPORTUNITIES IN OUR NETWORK					
GRI 103: Management Approach 2016					
103-1	Explanation of the material topic and its Boundary	38			
103-2	The management approach and its components	38			
103-3	Evaluation of the management approach	39			
GRI 405: Diversity and Equal Opportunity 2016					
405-1	Diversity of governance bodies and employees	39, 40, 45	405-1-b-iii	GRI does not ask employees or members of governance bodies about their ethnic origin.	In Dutch labor law it is considered discriminatory to make hiring decisions based on characteristics such as religion or race.
G4 NGO Sector Disclosures: Gender and Diversity (former NGO4)					
G4 DMA		41			
FOSTERING EFFECTIVE COLLABORATION WITH OTHER ORGANIZATIONS					
GRI 103: Management Approach 2016					
103-1	Explanation of the material topic and its Boundary	31			
103-2	The management approach and its components	31			
103-3	Evaluation of the management approach	32			
G4 NGO Sector Disclosures: Coordination (former NGO6)					
G4 DMA		36			

MATERIAL TOPICS

GRI Standard/Disclosure		Page number(s) and/or URL(s)	Omission		
			Part Omitted	Reason	Explanation
DRIVING BETTER SUSTAINABILITY REPORTING					
GRI 103: Management Approach 2016					
103-1	Explanation of the material topic and its Boundary	20			
103-2	The management approach and its components	20			
103-3	Evaluation of the management approach	21			
G4 NGO Sector Disclosures: Affected Stakeholder Engagement (former NGO1)					
G4 DMA		10			
IMPROVING PERFORMANCE THROUGH SUSTAINABILITY REPORTING					
GRI 103: Management Approach 2016					
103-1	Explanation of the material topic and its Boundary	26			
103-2	The management approach and its components	26			
103-3	Evaluation of the management approach	26			
HARMONIZING THE SUSTAINABILITY REPORTING LANDSCAPE					
GRI 103: Management Approach 2016					
103-1	Explanation of the material topic and its Boundary	36			
103-2	The management approach and its components	36			
103-3	Evaluation of the management approach	37			

GRI
Barbara Strozzilaan 336
1083 HN Amsterdam
The Netherlands

Telephone: +31(0) 20 531 00 00
Email: info@globalreporting.org

GLOBALREPORTING.ORG