About Global Reporting Initiative

Vision
The Global Reporting Initiative's (GRI) vision is that disclosure on economic, environmental, and social performance becomes as commonplace and comparable as financial reporting, and as important to organizational success.

Mission
GRI’s mission is to create conditions for the transparent and reliable exchange of sustainability information through the development and continuous improvement of the GRI Sustainability Reporting Framework.

For more information on GRI’s network structure, see page 44.

Welcome to GRI’s Year in Review for 2009/10. There have been some big strides in the world of environmental, social and governance (ESG) reporting since we reflected on GRI’s activities last year, providing great opportunities.

As organizations continue to rebuild themselves following the financial crisis in 2008/09, they are increasingly aware of the positive impact that ESG reporting can have on their business, both by increasing the trust of their stakeholders and by making them more successful – according to several studies, companies that produce ESG reports perform better financially as well as non-financially. As a reflection of this, there is growing evidence to suggest that the number of ESG reports produced, including reports based on the GRI Guidelines, increases every year.

The promotion of the GRI Sustainability Reporting Framework globally has been boosted by an increase in the number of GRI Focal Points, Training Partners and Organizational Stakeholders in 2009/10. There are now four Focal Points, in Australia, Brazil, China and India, and a fifth Focal Point, in the USA, is planned for late 2010. GRI now has 38 Training Partners, an increase from 16 in 2008/09, who train reporters around the world to use the GRI Guidelines. As a result of their success, the Guidelines are being translated into many different languages – G3 is currently available in 25 languages. At the heart of GRI’s global network, the Organizational Stakeholders are supporting ESG reporting locally as well as globally, by helping GRI to deliver guidance to reporters.

In May 2010, GRI held the 2010 Amsterdam Global Conference on Sustainability and Transparency, which attracted more than 1200 delegates from 77 countries around the world. GRI announced two key propositions at the conference: By 2015, all large and medium-size companies in OECD countries and large emerging economies should be required to report on their Environmental, Social and Governance (ESG) performance and, if they do not do so, to explain why; and by 2020, there should be a generally accepted and applied international standard which would effectively integrate financial and ESG reporting by all organizations. Support for the propositions was clear and GRI is now looking to start the process of developing a new, more robust generation of GRI Guidelines, G4, to mainstream ESG reporting.

Integrated reporting is also a path to mainstreaming ESG reporting, by providing organizations with a framework that combines ESG and financial performance indicators. There is an increasing move towards integrated reporting globally; for example, as of 2010 all companies listed on the Johannesburg Stock Exchange are required to produce integrated reports, following the publication of the King III Report in South Africa, led by Mervyn King. An integrated reporting framework will be developed by the International Integrated Reporting Committee, which was co-founded by GRI and Accounting 4 Sustainability in 2010. GRI’s G4 Guidelines will provide the ESG content of this framework, alongside content from existing financial standards.

This Year in Review reveals exciting plans for the future and another step towards a sustainable economy.
The year in numbers

- **25** languages in which the G3 Guidelines are available
- **4** projects in the G3.1 development
- **3** new Sector Supplements launched
- **5** new Supplements being developed
- **437** experts who provided feedback to the draft Sector Supplements
- **33** percentage increase in reports on the GRI Reports List from non-OECD countries identified in 2009 compared to 2008
- **1397** GRI reports registered by reporting entities, and included in the GRI Reports List in 2009
- **2,128** people who attended GRI Certified Training courses
- **38** GRI Certified Training Partners
Readers who took part in the 2010 Readers’ Choice Awards survey

GRI Introductory Workshops, held in 16 different countries

countries represented at the 2010 Amsterdam Global Conference on Sustainability and Transparency

GRI Focal Points (Australia, Brazil, China, India)

events attended by GRI speakers from Jan-June 2010

unique visitors to the GRI website

downloads of the Spanish G3 Guidelines from the GRI website

delegates at GRI’s 2010 Amsterdam Global Conference on Sustainability and Transparency

Organizational Stakeholders globally

Organizational Stakeholders from developing countries

governments with a reference to GRI in their policies

All statistics are for the year 1 July 2009 to 30 June 2010, unless stated otherwise
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Introduction
By Elaine Cohen

Elaine Cohen, CSR consultant at Beyond Business Ltd, blogger, author of CSR for HR: A necessary partnership for advancing responsible business practices, Greenleaf, 2010 and GRI Organizational Stakeholder, shares her personal outlook on 2009/10

Sustainability Reporting needs context. Copy-paste? Forget it! In any given year, so many events impact the sustainability of our world and the way we do business, that last year’s report content is always old news. 2009/10 was packed-jammed with world changing events. Some welcome. Some not. But all of them added relevant sustainability context and impacts.

Midway through 2009, designated the International Year of Natural Fibres by the UN (did anyone notice?), we witnessed milestone advances in human rights with the legalization of homosexuality in India and the appointment of the first Hispanic woman, Sonia Sotomayor, to the US Supreme court, giving cause for optimism. Later, in October 2009, Barack Obama was awarded the Nobel Peace Prize to the indignation of some and the surprise of many, whilst in June 2010, Spain won the FIFA World Cup, bringing glory to the land of “manyana” and devastation to the Netherlands, who conceded one goal too many.

Those who were grounded by the volcanic ash cloud over Europe due to the eruption of the unpronounceable volcano Eyjafjallajökull in March 2010 could regard this as a minor inconvenience compared to Mother Earth cracking up beneath the feet of the population of Haiti in April 2010, in a 7.0 earthquake leaving 100,000 people dead in the first 60 seconds, an overall death toll of over 250,000 and one million evacuees. Worldwide corporate response was generous with donations of millions of gourdes and goods and heroic personal visits such as that by Timberland CEO Jeff Swartz. Additional natural disasters were frequent with earthquakes of varying severity in Chile and China, flooding in Arkansas and Turkey and typhoons in the Philippines and Indonesia.

As if all this were not enough, the Next Big Thing in 09/10 was BP and the Gulf of Mexico horror, destroying birds, animals, natural habitats, many lives and the reputation of BP, as well as the job of the nonplussed Tony Hayworth, whose wish to get his life back came true rather more quickly than the 20 years it will take to recover from this oily stain on humanity. The clumsiness with which this environmental crime was handled took the heat off Toyota and the no-brakes phenomenon. Losing control of your sexy Prius and crashing into a tree can probably be compared to the feelings of those filing out at the end of COP15 in December 2009 with little but a higher carbon footprint due to travel to Copenhagen and the inconclusive mumblings of not so very inspirational leaders on urgent environmental issues. In 2010, we were urged to protect the Red List of threatened species in the Year of Biodiversity, though this might not have been the top priority of Greece, whose economy collapsed in April 2010, another fallout from the Global Financial Crisis which by mid 2010 seemed to have been largely forgotten.

Context? Impacts? 2009/10 had its fair share, setting a unique backdrop for Sustainability Reporting. But that’s old news. What counts now is what happens next.
The Sustainability Reporting Framework

http://www.globalreporting.org/ReportingFramework/

Global Reporting Initiative
The GRI Guidelines are at the core of the Sustainability Reporting Framework, and are suitable for all companies and other organizations, of any size, sector or location.

GRI first released the Guidelines in 2000, and the current version, G3, was published in 2006. The Framework is continuously improved as knowledge of sustainability issues evolves and the needs of reporters and report users change. The Framework is subject to incremental improvement and development and version 3.1 of the Guidelines is currently being produced.

GRI develops the Framework through a systematic process of consensus-seeking dialogue with a large network of people from over 60 countries, many in the global south. Stakeholder groups represented include business, civil society, academia, labor and mediating institutions. It is an open and inclusive due process, which takes a global perspective on the reporting of key sustainability issues.

GRI invites stakeholders to identify their priorities for sustainability reporting. This process of collecting feedback helps GRI to develop the Guidelines. The feedback from stakeholders is reviewed and used to formulate a draft plan, which is then posted on the GRI website for public comment. GRI actively seeks feedback from people working in the sector, through social media, newsletters and other publications.

After the plan is reviewed by the Technical Advisory Committee and the Stakeholder Council, the Board of Directors approves the final set of priorities for implementation. GRI then puts together Working Groups to produce revisions to the Guidelines according to the priorities. There is another opportunity for the public to comment on the revisions before the Working Group finalizes the draft. The Technical Advisory Committee reviews the revisions, then the draft Guidelines are passed to the Stakeholder Council. If they concur with the changes, the Guidelines are sent to the Board of Directors for their final approval.

This year, GRI has been focusing on revisions in four thematic areas: Community Impact, Human Rights, Gender and Report Content & Materiality.

GRI has established multi-stakeholder Working Groups for each of the four thematic revision projects. The composition of the Working Groups is balanced to reflect a diversity of regions, constituencies and content expertise. Working Group members represent 19 countries worldwide, including Brazil, the Philippines, India, Kenya and Malawi.

In the last quarter of 2010, the four Working Groups review public comment feedback and develop their final recommendations to GRI. The Technical Advisory Committee and Stakeholder Council then vote before the Board of Directors makes a final decision. Once the revision cycle is completed, G3.1 will be launched. This is expected in early 2011.

COMMUNITY IMPACT
One of the most important stakeholder groups for all organizations is the local community. All organizations interact with, and have an impact on, the community within which they are based. This project looks at how reporting on this important component of sustainability performance can be reviewed. The public comment period for changes to the Community Impact section of the GRI Guidelines ran from 26 May to 23 August 2010.
HUMAN RIGHTS
Recent developments within the realm of business and human rights are leading to new perspectives on how human rights relates to businesses, and these perspectives have implications for human rights reporting. The development of Human Rights Indicators in the GRI Guidelines is a joint project with Realizing Rights, The Ethical Globalization Initiative and the United Nations Global Compact. The project clearly references the so-called ‘Ruggie Framework’, developed by John Ruggie, the United Nations Special Representative of the Secretary General on human rights and transnational corporations and other business enterprises. The project aims to build consensus on what constitutes good practice and measurement in human rights reporting. The public comment period for changes to the Human Rights section of the GRI Guidelines ran from 26 May to 23 August 2010.

REPORT CONTENT & MATERIALITY
Choosing the appropriate issues and indicators to report on, and determining the boundaries of the report, are the most fundamental decisions in the preparation of any report. This project aims to update the Guidelines to help organizations decide on the content of their sustainability reports. The public comment period for changes to the Report Content & Materiality section of the GRI Guidelines ran from 21 June to 22 September 2010.

TRANSLATIONS
GRI’s mission is to mainstream sustainability and ESG reporting worldwide, and making the Guidelines available in different languages is key to achieving this goal. The G3 Guidelines are currently available in 25 languages, including Spanish, Portuguese, Chinese, Russian and Korean. Translations are coordinated by GRI and sponsored by organizations that wish to support the Guidelines in different languages.
Data broken down by gender are rarely included in sustainability reports today, but there is increasing demand for this information. GRI’s G3 Guidelines already contain gender-related content. GRI is currently revising content on this important issue for the next generation of Guidelines, G3.1.

In October 2009, GRI and the International Finance Corporation (IFC) launched the resource document Embedding Gender in Sustainability Reporting - A Practitioners’ Guide at the CSR Asia Conference in Kuala Lumpur, Malaysia. The publication, funded by the Swiss, German and Icelandic Governments, can be downloaded free from the GRI website, and is available in Hindi, Chinese, Spanish and Portuguese. The launch was accompanied by an interactive workshop, which enabled participants to understand gender related sustainability issues facing companies within the region by discussing several case studies. GRI subsequently presented the Practitioners’ Guide at the WILL Forum Women in Leadership Conference, in Mumbai, India on 16 November 2009 during the session “Redefining Best Employers: Benchmarking Corporate Human Resources”, which stimulated a plenary discussion about the measurement of gender equality in the workplace.

The Practitioners’ Guide was the result of a research and consultation process with inputs from workshops held in Johannesburg, London, New Delhi, Sao Paulo and Washington DC. This process highlighted the limitations of the current G3 Guidelines in their treatment of gender related issues.

Following these conclusions, a GRI Working Group for the G3.1 development, funded by Gesellschaft für Technische Zusammenarbeit (GTZ), was established to produce recommendations for GRI on how gender related issues could more effectively be covered in the G3 Guidelines. The Working Group participants reflect a range of constituencies, gender related expertise, and geographic perspectives. Two Working Group meetings took place, in March 2010 in New York, USA and in May 2010 in Mumbai, India. Here, four Working Group members share their views on gender reporting and GRI.

“"At some point I would also like to see [gender indicators] as part of the CEO’s score card. How the external board of directors would view some of the sustainability indicators, particularly around the gender diversity, and how these things get integrated in the key performance indicators of the board members.”

Srimathi Shivashankar

Manages the diversity programs at Infosys, a global company with headquarters in India. The company has more than 106,000 staff worldwide, and more than 34 percent are women. “We really need to build the diversity agenda as something that is ‘important’ to the business and not as something that is ‘good to have’,” she says. “We need concrete measurables, we need to build accountability at the senior management level, and some day there must be a sustainability score card that investors see as a crucial parameter for

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taking decisions. And gender diversity should be seen as one of these essential sustainability parameters for a corporate to sustain its operations.

Kate Grosser, from the International Center for Corporate Social Responsibility at Nottingham University Business School in the UK, researches Gender and CSR. She describes gender equality in the UK: “The whole field of CSR and sustainability is obviously focused on environmental and social issues. And gender is a key social issue which is frequently invisible in CSR reporting and research.”

“We at Itaipu use four gender indicators in our reporting, but we also mention other gender indicators as they relate to the society, community, governance, etc. Now we are exploring whether we can disaggregate existing reporting indicators by gender (for example as they relate to health). And we hope to help GRI analyze if this could become new gender indicators to guide their work.”

Heloisa Covolan

Heloisa Covolan is Social and Environmental Responsibility Coordinator for Itaipu, a hydroelectric power company in Brazil that sponsored the translation of GRI’s Gender Publication into Spanish and Portuguese. Heloisa explains her work with gender reporting: “We started to work in 2003 and — following many meetings with women employees — we got to realize that some of the problems faced by women and men could be easily corrected. One of the issues was flexible work hours. In Brazil, typically women take their children to school and arrive at work later. And thus the flexible work hours became a reality that was beneficial to both women and men.

Vusa Vundla, Portfolio Manager at the African Management Services Company (AMSCO) in South Africa, says women play a key role in business. “We consider women’s participation not just as being ‘politically correct’ or one of the statistics we must report on—but we consider it as business imperative. We are beyond the state where women are just being accommodated. They play a key role in developing our companies and our economies and play a meaningful role in our lives and societies. We are really passionate and we look forward to assisting businesses that are run by women and we want to see women participating in our various training programs. We check on the number of women that are employed and hold senior positions. We are interested in knowing the equity stakes that women are holding in the projects that we are assisting and managing. We support the GRI initiative in bringing women into the mainstream of our economies.”
Some sectors face specific social and environmental issues, such as animal welfare and resettlement of people. GRI produces Sector Supplements to address these specific issues. Essentially, Sector Supplements are the G3 Guidelines reviewed by experts from the sector in order to offer sector-specific guidance, helping to make sector reports more relevant and easier to produce.

“Food processing companies that work directly with agricultural suppliers can steer local effects of food production. This Supplement provides the framework for comparing companies’ sustainability efforts in this sector.”
Maaike Fleur, GRI Sector Supplement Manager

2009/10 has been a busy year for the Supplements team, with the launch of three new Supplements and the development of five other Supplements. Furthermore, reporting using two previously-launched Supplements became obligatory for organizations in those sectors that wish to produce the most comprehensive, Application Level A, reports.

The five finalized Supplements – Financial Services, Electric Utilities, Mining & Metals, Food Processing and NGO, were downloaded more than 5,600 times between January and June 2010, reflecting the demand for sector-specific reporting guidance.

Sector Supplements currently available
In today’s world, where climate change and the search for more renewable energy sources that have a lower impact on greenhouse gas emissions are top of the agenda, companies that generate and distribute energy need reporting guidelines that focus on the specific issues they face. GRI’s Electric Utilities Supplement was launched on April 2009. After a transition period, use of the Supplement became obligatory for reporters in the sector to be recognized as GRI Application Level A reporters from 1 January 2010.

Sustainability reporting is fast becoming mainstream in the financial services sector. The Financial Services Supplement was launched in 2008. After a transition period, use of the Supplement became obligatory for reporters in the sector to be recognized as GRI application level A reporters from 1 January 2010. The Financial Services Supplement was translated into Spanish and Russian in 2009 and several more translations are planned for 2010/11.

Financial Services and Electric Utilities represent two of the largest groups of corporate GRI reporters. 45 percent of reporters in the two sectors used their respective Sector Supplements in 2009.

Companies operating in the mining and metals sector need to take into account the rights of their workers, who often need to relocate, as well as their impact on the earth’s natural resources and their energy use. The Mining and Metals Supplement was launched in March 2010 at the Prospectors and Developers Association of Canada (PDAC) convention.

The five finalized Supplements – Financial Services, Electric Utilities, Mining & Metals, Food Processing and NGO, were downloaded more than 5,600 times between January and June 2010, reflecting the demand for sector-specific reporting guidance.
Supplement, the GRI NGO Level C reporting template was created in order to offer an easy way for smaller NGOs and first time NGO reporters to prepare a basic GRI sustainability report based on the NGO Supplement.

Several industry associations have started to promote and commit their members to publish annual sustainability reports in line with GRI Sector Supplements, including the International Council on Mining & Metals (ICMM), the International Non Governmental Organizations (INGO) Accountability charter, and the Spanish Confederation of Savings Banks (CECA).

Sector Supplements under development

Once the decision has been made to develop a Supplement, GRI assembles a Working Group of about 20 experts with regional diversity, who represent different stakeholder groups, including business, civil society, labor and investors. The Working Group members volunteer their expertise to develop the draft Supplement, which usually takes one to two years.

In 2009/10, members of eight Sector Supplement Working Groups represented 37 countries, including Argentina, China, Kenya, The Philippines, and the United States of America. There were 18 Working Group meetings for 8 different sectors in 2009/10, held in 14 countries, including Malaysia, China and South Africa.

GRI also forms a wider network, including experts, practitioners and other stakeholders. The Practitioners’ Network contributes to the Working Group discussions and is kept informed as the development continues. In 2009/10, approximately 2000 people from around the world were involved in Practitioners’ Networks.

In 2009/10 there were five Sector Supplements under development: Media, Construction and Real Estate, Event Organizers, Airport Operators and Oil and Gas, and the Supplements for the Food Processing and NGO sector were finalized. The public were given six opportunities to comment on the draft Supplements and 437 people provided feedback on the drafts.

THE DRAFT CONSTRUCTION AND REAL ESTATE SECTOR SUPPLEMENT

There were three Working Group meetings, in October 2009 in the UK, January 2010 in China and March 2010 in Canada. The draft was available for public comment from 9 April to 30 June 2010, and 65 people provided feedback.

THE DRAFT EVENT ORGANIZERS SECTOR SUPPLEMENT

There were three Working Group meetings, in November 2009 in Austria, February 2010 in the USA and April 2010 in the UK. The draft was available for public comment from 26 May to 3 August 2010, and 75 people provided feedback.

THE DRAFT AIRPORT OPERATORS SECTOR SUPPLEMENT

There were three Working Group meetings, in November 2009 in Malaysia, April 2010 in Greece and June 2010 in Mexico. The draft was available for public comment from 13 January to 5 March 2010, and 19 people provided feedback.

THE DRAFT OIL AND GAS SECTOR SUPPLEMENT

There were three Working Group meetings, in September 2009 in the Netherlands, November 2009 in the UK and February 2010 in Italy. The draft was available for public comment from 2 March to 2 June 2010, and 81 people provided feedback.

“Members of the corporate community and others have for years been criticizing the international NGO community, saying they lack transparency and accountability. The launching of an NGO Sector Supplement by the Global Reporting Initiative, developed with and specifically for the NGO community, provides a practical method for NGOs to demonstrate their accountability and to effectively address such criticism.”

George Macfarlane, Amnesty International
The GRI Guidelines are often used in conjunction with other sustainability and ESG reporting frameworks, guidance and guidelines. In order to help reporters use the GRI Guidelines alongside other guidance, GRI produces linkage documents to highlight the connections. As well as the frameworks below, GRI also works to connect with with several other local frameworks for companies, self-assessment tools, and reporting guidance.

UN GLOBAL COMPACT (UNGC)

The UN Global Compact is a policy initiative for businesses that are committed to aligning their operations and strategies with ten universally accepted principles in the areas of human rights, labor, environment and anti-corruption. Today, it stands as the largest corporate citizenship and sustainability initiative in the world, with over 7700 corporate participants and stakeholders from over 130 countries.

GRI’s alliance with the UN Global Compact was established in 2007, and the Memorandum of Understanding (MoU) was renewed at the Amsterdam Global Conference on Sustainability and Transparency in May 2010. In 2008, GRI and the UN Global Compact published Making the Connection, which introduces and explores ways of addressing GRI and Global Compact requirements simultaneously, and is intended to assist companies in combining their GRI-based sustainability reporting and the UNGC’s Communication on Progress (COP). GRI and the UNGC are now working together to merge the COP into the GRI Guidelines.
ORGANISATION FOR ECONOMIC CO-OPERATION AND DEVELOPMENT (OECD)

The OECD brings together the governments of countries committed to democracy and the market economy from around the world to: Support sustainable economic growth, boost employment, raise living standards, maintain financial stability, assist other countries’ economic development, and contribute to growth in world trade. The Organization provides a setting where governments compare policy experiences, seek answers to common problems, identify good practice and coordinate domestic and international policies.

The OECD Investment Committee is responsible for the OECD Guidelines for Multinational Enterprises (MNEs), an intergovernmental instrument for the promotion of responsible business conduct. GRI has been working with the OECD for several years. In 2002, GRI and OECD published Synergies between the OECD Guidelines for Multinational Enterprises (MNEs) and the GRI 2002 Sustainability Reporting Guidelines, which is guidance to help organizations communicate their use of the OECD MNE Guidelines for multinational enterprises (MNEs). In April 2010, the 42 adhering governments agreed on the terms of reference for carrying out an update of the Guidelines, and invited GRI to be part of the update process.

EARTH CHARTER

The Earth Charter – an inspiring and visionary set of widely endorsed values and principles – offers some of the most comprehensive guidance available on how to build a just and sustainable global society. Hundreds of thousands of individuals and organizations, a majority of them in the global South, use the Earth Charter as guidance in their work and lives.

GRI’s alliance with the Earth Charter was established in 2006, and renewed in 2008, when GRI created a document detailing the synergies between the G3 Guidelines and the Earth Charter: The Earth Charter, GRI, and the Global Compact: Guidance to Users on the Synergies in Application. An MoU was signed at the Amsterdam Global Conference on Sustainability and Transparency in May 2010.

CARBON DISCLOSURE PROJECT (CDP)

The Carbon Disclosure Project is an independent not-for-profit organization holding the largest database of primary corporate climate change information in the world. Thousands of organizations from across the world’s major economies measure and disclose their greenhouse gas emissions and climate change strategies through CDP.

In 2010, GRI and The Carbon Disclosure Project (CDP) worked together to produce a linkage document between GRI’s Reporting Guidelines and CDP’s 2010 Questionnaire. Disclosure of greenhouse gas emissions (GHG) and reporting on climate change is becoming increasingly important around the world. The linkage document, published in July 2010, outlines how reporters can efficiently use or adapt the same data in both reporting processes.

INTERNATIONAL FINANCE CORPORATION (IFC)

The Good Practice Note Getting More Value out of Sustainability Reporting links GRI’s Sustainability Reporting Framework and IFC’s Sustainability Framework, which includes Environmental and Social Performance Standards for private sector investment.

The Good Practice Note emphasizes the value of integrating sustainability into core business strategy and management; a trend which is emerging as the new frontier for business competitiveness. It also responds to the pressing need for improvements in corporate transparency, both to restore trust in the private sector and to attract investment that is increasingly guided by environmental, social and governance (ESG) factors.

INTERNATIONAL ORGANIZATION FOR STANDARDIZATION (ISO)

The first ever ISO Guidance Standard on Social Responsibility, ISO 26000, due to be published late 2010, emphasizes the value of public reporting on social responsibility performance to internal and external stakeholders, such as employees, local communities, investors and regulators. This emphasis represents an important new level of international attention to the issue of reporting, and is aligned with GRI’s vision that disclosure on economic, environmental, social and governance performance becomes as commonplace and comparable as financial reporting.

GRI has actively participated in the international multi-stakeholder ISO 26000 development process since the start. GRI supports the recognition this Guidance Standard gives to the positive contribution that businesses and other organizations can make through improved practices and reporting on their social impacts, to ensure a sustainable future for all.

GRI is developing a linkage document that will outline the synergies between ISO 26000 and the G3 Guidelines, to be launched in November 2010.
The number of organizations that produce sustainability reports is increasing every year. GRI collects data on the number of reports based on the GRI Guidelines, and the statistics are indicative of wider trends in reporting. The statistics for 1 January to 31 December 2009 indicate an upwards trend in sustainability reporting, and suggest an increase in the use and awareness of GRI Guidelines.

A sustainability report can be assigned a GRI ‘Application Level’, which indicates the proportion of the G3 disclosures that were addressed in the report. Application Level A addresses all Profile Disclosures, Disclosures on Management Approach and the core Performance Indicators, whereas Level C only requires a selected set of the Profile Disclosures and ten of the core or additional Indicators to be included. The Application Level can be self-declared, third-party-checked and/or checked by GRI. For each of these declarations, external assurance (‘+’) can be utilized. GRI recommends that organizations have their reports assured. Readers should be aware that there are two levels of external assurance – limited and reasonable – so assurance may not necessarily mean all content has been checked.

The GRI Reports List is updated every week and GRI tries to make it as comprehensive as possible. The list includes GRI reports that GRI is made aware of, through the process of checking Application Levels, through GRI’s Data Partners, who share information on GRI reports, and through internet searches. The list includes reports with a GRI content index that are in Latin script and published online. Not all GRI reporters publish reports on an annual basis. Many reporting organizations use the GRI Guidelines as a tool to guide their ESG reporting without actually making a reference to GRI. Therefore, the total number of GRI reports per year may not necessarily correspond with the total number of GRI reporters in that year.

GENERAL INCREASE IN GRI REPORTING
The number of organizations producing sustainability reports, including GRI reports, is increasing every year. In 2009 there were 1397 GRI reports on the Reports List, an increase of 29 percent on the 2008 figure of 1082 reports.

INCREASE IN REPORTS FROM DEVELOPING COUNTRIES AND EMERGING ECONOMIES
Of the total number of reports identified and included in the Reports List, 308 came from non-OECD countries, an increase of 33 percent on the 2008 figure of 232 reports. 143 reports came from Brazil, Russia, India and China, up 22 percent from 117 in 2008.

INCREASE IN EXTERNAL ASSURANCE AND APPLICATION LEVEL CHECKS
36 percent of GRI reports on the Reports List were externally assured in 2009, an increase from 34 percent in 2008. The number of assured reports at Application Level C increased most significantly, by 158 percent, from 26 in 2008 to 67 in 2009. The number of GRI Application Level checks also increased, UP 30 percent from 280 in 2008 to 365 in 2009.
Although measuring impact on poverty is not a specific indicator within the GRI Guidelines, there is emerging evidence to suggest a correlation between sustainability reporting and poverty alleviation.

Improvements have been made as a result of disclosing economic, environmental and social policies and performance, for example in working conditions where potentially harmful incidents have been avoided. GRI has heard from companies that have changed their policies and practices in concrete ways, making a positive impact on people’s income, environmental conditions, health and knowledge.

The world’s second largest mining company, Companhia Vale does Rio Doce (CVRD), told an external reviewer of GRI activities in developing countries that the introduction of sustainability reporting marked a major change in the company. GRI’s Performance Indicators helped CVRD to involve external stakeholders and to address its supply chain, which resulted in a temporary moratorium on a company while it was supplying iron to a big iron producer that both used charcoal from unmanaged forests in the Amazon and used child labor. Only when the iron mill company could prove that it obtained its charcoal from legitimate sources, the ban was removed.

Local and international labor unions tell GRI how they use the annual sustainability reports of different companies as negotiation tools to improve employees’ working conditions. Many SMEs see sustainability reporting as a method for enhancing their access to the international market, thereby contributing to sustainable economic growth in their country. Financial analysts such as Bloomberg increasingly use sustainability reporting as a measurement of a company’s health, and therefore base ratings on the reports.

How can we measure increased income, cleaner resources, fairer working conditions, access to HIV/AIDS care, and empowerment and emancipation, as well as CO₂ emissions reduction? And how can disclosure help to avoid harassment on the work floor, limit environmental damage, reduce waste, protect biodiversity and stop human rights abuses such as child labor?

Experts continue to develop and refine methods to assess how the impact of increased disclosure on matters that are relevant for sustainable development can be measured, in terms of improvements or in terms of avoidance of negative outcomes.

More methodological and empirical research is needed to make full use of the wealth of information generated by the thousands of reports each year. GRI collaborates with a growing number of academics, through its bi-annual academic conference, held in conjunction with its Global Conferences on Transparency and Sustainability.
Futerra and SustainAbility, report users shared their views on sustainability reporting and voted for their favourite reports. The survey showed that report users see the main purpose of reporting as improving organizational performance. The vast majority (90 percent) of readers who responded to the survey also stated that effective ESG reporting is not ‘greenwashing’. According to the survey results, external assurance is one way reporters can increase trust in their reports.

**Who is using GRI reports?**

**Engaging stakeholders**

People who use GRI reports range from investors choosing where to invest, to consumers wanting to know who they are buying from, to NGOs collecting information for a campaign. Transparency enables stakeholders to make informed decisions about an organization, increasing public trust in that organization.

In 2009, GRI enabled thousands of organizations to communicate their sustainability performance to their stakeholders, by providing guidelines for producing sustainability reports. The growing interest in reporting, and in using reports to inform decisions, is reflected in the public engagement with the reporting process.

**GRI Readers’ Choice Awards 2010**

What is the purpose of reporting? What makes a good GRI report? And what could reporters do better? In a survey of ESG report readers and report writers conducted by KPMG, Oxfin International has been an Organizational Stakeholder of GRI since 2002. Through its widely accepted and improved accountability guidance, GRI provides a means of governing a broad range of sustainability issues relevant for people living in poverty. Civil society can engage with GRI, with sectors and with individual companies on the basis of increased transparency. In addition to some direct benefits that OS are getting, Oxfin International believes it is particularly important to be part of GRI’s multi-stakeholder approach in order to encourage and empower more NGOs and civil society organizations to express their concerns and needs.”

Johan Verburg, Oxfam Novib

The GRI Readers’ Choice Awards generated great interest and attention from around the world with 5,227 participants in 2010 - twice as many as the first Awards in 2008. Readers from 55 countries voted on the shortlisted reports. In 2008, Europeans were the largest regional group of participants followed by the Asia-Pacific region and the Americas. In 2010, European enthusiasm was undiminished and there was significant growth in interest from India, the USA, China, Argentina, Greece, and Italy. The big news was the huge growth in participation from Brazil.

GRI and its Awards partners (KPMG Spain, KPMG Netherlands, SustainAbility, ACCA, Futerra, TCS and exclusive sponsor Petrobras) presented the results of the GRI Readers’ Choice Awards 2010 at a ceremony that took place at the Amsterdam Global Conference on Sustainability and Transparency in May 2010. The winners of the four award categories were Banco do Brasil, Banco Bradesco, Vale and Natura Cosméticos, all from Brazil.

The Engage Award, which went to Banco do Brasil, recognized the organization that was scored best by its internal stakeholders. Runners-up included Grupo Los Grobo Agropecuaria from Argentina and Larsen & Toubro (L&T) from India.

The Civil Society Award, which went to Vale from Brazil, recognized the organization that was scored best by civil society. Runners-up included Eletrobrás and Itaipu Binacional from Brazil.

The Value Chain Award, which recognized the organization that was scored best by its own value chain, went to Natura Cosméticos from Brazil. Runners-up included Apple from the United States of America and Arcor SAIC from Argentina.

The Investor Award, recognizing the organization that was scored best by the investor community, went to Banco do Brasil. Runners-up included Vale from Brazil and Ford from the United States of America.

The Most Effective Report Award, which recognized the organization whose report best matched reporters’ objectives with readers’ needs, was given to Banco Bradesco from Brazil. Runners-up included FURNAS Centrais Elétricas from Brazil and Gas Natural BAN from Argentina.

The GRI Readers’ Choice Award – Best Overall went to Banco do Brasil, recognizing the best score across the four stakeholder Awards categories.

“In the quest to improve sustainability performance through greater transparency, I’ve been impressed by the GRI’s appetite to consult and make use of recommendations from a large group of external participants. The 2010 Reader’s Choice Awards showed one thing: Quality of reporting is relative to the degree of engagement it generates. Brazilian companies this year have showed the rest of the world how to tap into some of the value that stakeholders offer.”

Jean-Philippe Renaut, Program Manager, SustainAbility

The readers as well as reporters acknowledge that sustainability performance and progress are key, also in reporting. This forms a great basis for further integrating sustainability into business strategy and disclosure in the near future.”

Wim Bartels, KPMG Netherlands
Case study
Promoting sustainability reporting in the Middle East

Eva Ramos, Senior Sustainability Specialist at the Environment Agency – Abu Dhabi, works with organizations in the United Arab Emirates to increase and improve sustainability reporting in the region. She has been a member of GRI’s Stakeholder Council since 2008.

Eva became involved with GRI when she was working at Fundación Ecología y Desarrollo in Spain. “I was working in Corporate Social Responsibility in my previous role when I was elected to the Stakeholder Council. Reporting is an incentive for organizations to tell the story about what they do – it’s the most tangible thing companies can do to inform their stakeholders about their performance. By being on the Stakeholder Council, I can help to improve the process of reporting. We were using the GRI Guidelines to produce our reports at the time, so I became involved as a reporter as well as an advocate. It was natural for me.”

“If you’re building a house, you don’t start with the roof, you need to build strong foundations. It’s the same with sustainability reporting – you should be planning and improving management practices before reporting. However, many organizations start with reporting and use it as a baseline for implementing changes, so it’s very important. The exercise of collecting information and putting it all together helps people to realize if they’re doing things right.”
Eva sees reporting as key to improving companies’ sustainability, both as a starting point and as a way to highlight ways to improve. “Reporting should be the final part of the process, but it’s often the entry point for organizations,” said Eva. “If you’re building a house, you don’t start with the roof; you need to build strong foundations. It’s the same with sustainability reporting – you should be planning and improving management practices before reporting. However, many organizations start with reporting and use it as a baseline for implementing changes, so it’s very important. The exercise of collecting information and putting it all together helps people to realize if they’re doing things right.”

2010 has been an eventful year for the Environment Agency, and Eva’s assistance has helped to ensure its success: “I provide support to the Abu Dhabi Sustainability Group, which is a membership organization with businesses, companies and NGOs all working together to promote sustainability,” she said. “The Group provides opportunities to learn and share knowledge. The Group was established in 2008, and in July 2010 all 15 founding members published their first sustainability reports.”

The Group aims to improve and increase sustainability reporting in the region, and Eva believes working with GRI helps the Group to work towards its goals. “In May 2010 we organized a delegation of 13 people from ten different organizations to The Amsterdam Global Conference on Sustainability and Transparency. It was a great opportunity to learn and share knowledge with people from around the world. The delegates saw that sustainability reporting is something bigger – there were over 1200 people there, all working in the field. We want to build networks, and the conference really helped this.”

In addition to the Conference, the Group has also worked with GRI to deliver workshops in Abu Dhabi. The first was in 2009 and there were two more in 2010; in March and April 2010, Leontien Plugge and Nelma Arbex from GRI went to Abu Dhabi to run workshops about reporting, and specifically about supply chain reporting, introducing delegates to GRI’s Global Action Network for Transparency in the Supply Chain (GANTSCh) Program. “In the long term, we want to support suppliers and GRI provides us with help to disseminate knowledge,” said Eva.

It is not yet commonplace to produce sustainability reports in the Middle East. In 2010, there were three reports, and 15 in 2010, making UAE the territory with the highest number of reports. Now that the first 15 reports have been delivered by the founding members, the Abu Dhabi Sustainability Group is inviting more organizations to be members.

According to Eva, the work is just beginning: “I think the major challenges we will face over the next five years in the Middle East are improving materiality and expanding the number of reporting organizations,” she said. “We work with those already reporting, and focusing on materiality to improve the quality of the reports will be a challenge. A major part of this will be improving stakeholder engagement. Increasing the number of reporters in the region will also be challenging, especially following financial cutbacks, as it may be a strain on resources for companies to report.”
In May 2010 Amsterdam played host to the world’s largest gathering of leaders, thinkers and doers in the field of sustainability reporting. This time the stakes were high, with resource consumption, poverty and population increases among the challenges to a sustainable future.

“The 3rd Amsterdam Global Conference on Sustainability and Transparency was hosted by the Global Reporting Initiative on 26-28 May 2010. This historic event was the largest multi-stakeholder conference focusing on the role organizational transparency plays in achieving a sustainable global economy. With 60 sessions, it was also the first meeting of its size and global composition, expressing broad support for radical and urgent reform in the way organizations assess and report their contributions to a sustainable global economy.

There were 1209 participants from 77 different countries, representing national and international governmental organizations, business, labor, accounting firms and specialty service providers, academic institutions and the non-profit sector from around the world. 244 of the delegates came from developing countries including India and Zimbabwe, representing 20 percent of the total number of participants. There were also country-group delegations, including groups from Brazil, United Arab Emirates, India, Turkey, Jordan and Egypt.

There was a debate at the Conference on how reporting can be used to help build a better future. Thought leaders from business, finance, government and civil society debated the political, strategic and practical choices confronting us. Expert practitioners led workshops and interactive sessions to define the building blocks of more effective reporting.

The Conference also acted as a starting point for discussions on the proposed development of the next generation of GRI Guidelines – G4. GRI asked conference participants if it is time for G4 and the proposal was supported by the delegates.

GRI set out two propositions in the Conference’s opening plenary session:

“We must build upon one another’s efforts”  
Angela Cropper, United Nations Environment Programme (UNEP)

“The clock is ticking – our global ecological deficit... continues to grow”  
Ernst Ligteringen, Chief Executive, GRI

By 2015, all large and medium-size companies in OECD countries and large emerging economies should be required to report...
on their Environmental, Social and Governance (ESG) performance and, if they do not do so, to explain why; and by 2020, there should be a generally accepted and applied international standard which would effectively integrate financial and ESG reporting by all organizations.

During discussions about the first proposition, several key challenges were raised and approaches proposed: More ESG reporting is needed in Brazil, Russia, India, and China and small and medium-sized enterprises. While some emerging economies, including Brazil, are now leaders in the ESG reporting field, other countries, such as in Africa, are still at the beginning of the journey. Even in the most advanced economies, some sectors are largely silent on ESG performance. Given that most ESG reporters are larger companies, it is imperative to incentivize SMEs to understand and report on their own ESG performance. GRI as the most widely accepted sustainability reporting framework can be applied for this purpose.

The response of participants to proposition two was overwhelmingly positive. If there is to be any chance of achieving a sustainable global economy by 2020, ESG considerations need to be fully integrated into the strategy, structure, and management of all organizations in the same way that financial reporting now is. The establishment of the International Integrated Reporting Committee (IIRC) is seen as a step in the direction of creating an international standard for integrated reporting.

GRI co-leads the development of the first integrated reporting framework. GRI’s Guidelines will shape the ESG content for the architecture developed by the IIRC. The next generation of GRI’s Guidelines, G4, will boost the robustness of the integrated reporting framework, enabling the better analysis and assurance of integrated reports. GRI also represents a large network and a wide range of stakeholders, bringing expertise and thought leadership to the IIRC, enhancing the development of an integrated reporting framework.

Many voices recognized that GRI has made a major contribution over the last decade to the process of bringing ESG considerations into the heart of organizational governance. While the GRI Guidelines are widely used in many countries and by many organizations, there is still a long journey ahead.

Sharing the news

The Conference was not just for delegates who attended – GRI also made the discussions open for anyone to join. During and after the conference, there were almost 100 pieces of media coverage, including trade magazines, blogs and newsletters, taking news about GRI’s key propositions, new collaborations and award-winning reporters to wider audiences.

This year GRI also ramped up its online presence to provide valuable content to both its attendees and those following the conference virtually. The 2010 GRI Conference was covered by bloggers from all over the world. GRI also had more than 750 visits to the Conference Facebook page. On Twitter there were over 1500 tweets using the #griconference hashtag during the 3-day Conference.

More than ever, social media cannot be ignored as a critical means of engaging stakeholders. Indeed, many Conference speakers emphasized the important role stakeholder engagement plays in making sustainability part of a business strategy.

The 2010 GRI Conference also highlighted exclusive interviews with top thought leaders in the fields of CSR and sustainability. GRI and Justmeans, a main media partner of The Amsterdam Global Conference on Sustainability and Transparency, provided real-time content, including video interviews with speakers at the Conference, daily blog entries from ‘The Emerging Voice’ Sustainability Blogging Competition winners, as well as a live Twitter feed from the conference.

“When you are trying to address a massive problem you find yourself in, you should not use the same logic, the same thinking, and the same frameworks that got you into your problem in the first place”

Kumi Naidoo, Greenpeace
GRI Learning Services was created specifically to offer initial guidance and support on producing sustainability reports, for all types of organizations, all over the world. The Learning Services Department produces publications to guide new reporters through the reporting process. The Department also provides training for organizations that are completely new to the reporting process (Introductory Workshops) as well as those for more experienced reporters who need in-depth guidance on specific aspects of reporting (Certified Training Program). The Introductory Workshops are given by GRI staff but the Certified Training courses are run by GRI’s Certified Training Partners, located all over the world, who have been assessed to ensure they provide high quality and accurate training.

**Introductory Workshops**

GRI held 18 Introductory Workshops in 13 countries in 2009/10, with a total of 463 participants, an increase of 36 percent on the number of participants in 2008/09. The Workshops, which were made possible by the financial support of the Netherlands Government, were held in Argentina, Chile, Colombia, Jakarta, Jordan, Malaysia, Mauritius, Pakistan, Philippines, Turkey, Valencia, Zambia and Zimbabwe.

**Participants of the Introductory Workshops said:**

“Showed gaps in our understanding of sustainability issues”

“Value the training and will definitely use it.”

“Materiality part of the training was a good and important part of the process for us to know as to what are the key things that are relevant and significant.”

“Very powerful, makes me to creating something new, especially a business sustainability report”

“Very good may follow-up with detailed GRI Reporting training”

**Training Partners and the GRI Certified Training Program**

GRI’s Certified Training Partners provide Certified Training courses for reporters all over the world, to help them with how to develop their sustainability report using the GRI Reporting Framework.

In 2009/10 there was a significant boost in the number of GRI Certified Training Partners, rising from 16 in 2008/09 to 38 in 2009/10. The Training Partners are located in Australia and New Zealand, Brazil, Canada, Chinese speaking countries, Hispanic Americas, India, Japan, Nordic
GRI also provides a template for producing a GRI Application Level C sustainability report, to help organizations that are new to reporting. In 2009/10, the C Level Template was translated into Finnish, Georgian, Hebrew, Russian and Slovak, bringing the total number of languages it is available in to 18. This template was developed as a part of the Pathways publication Let’s report!

Step-by-step guidance to prepare a basic GRI report, which is currently available in English, Spanish and Portuguese.

GRI Certified Software

Reporters can use software that enables them to collect data digitally and collate it for use in their ESG reports. There are an increasing number of software developers and providers who are either already including, or are planning to include GRI copyright protected content in their software and digital reporting tools. In order to verify correct usage of GRI copyright protected content, GRI established the GRI Certified Software and Tools Program in 2009.

The GRI Certified Software and Tools program is a program for certifying software and digital tools that contain any GRI copyright protected content, such as the GRI Sustainability Reporting Framework and GRI Learning Publications.

The aim of the GRI Certified Software and Tools Program is to enable the authorized use of GRI’s copyright protected content in software and tools developed by other organizations. During the certification process, GRI can verify whether the content has been applied correctly. Once the certification process has been completed, the software is included in a directory of GRI certified software on the GRI website.

In 2009/10, three pieces of software that include GRI content were certified: SoFi Solution 4 by PE International, SAP BusinessObjects Sustainability Performance Management 1.0 by SAP AG and PureReport by S2D2 - Stratégies et Solutions de Développement Durable.

Learning Publications

The Learning Publications series includes the Starting Points publications GRI Sustainability Reporting: A common language for a common future and GRI Sustainability Reporting: How valuable is the journey? Both are for beginners and both available in English, Spanish and Brazilian Portuguese. The Pathways publications provide step-by-step guidance on the process of reporting. The GRI sustainability reporting cycle: A handbook for small and not-so-small organizations is available in 12 languages, including Spanish, Brazilian Portuguese and Chinese, and is currently being translated into nine additional languages, including Croatian and Arabic. The translation of this publication makes it accessible to reporters in more than ten developing countries in their own languages.
The GANTSCh program, funded by Gesellschaft für Technische Zusammenarbeit (GTZ), was designed to develop capacity building projects that bring transparency and sustainability reporting to groups or clusters of organizations. One of its objectives is to focus on Multinational Enterprises (MNEs) that want to embed sustainable practices and reporting within their supply chains. Often these supply chains consist of Small and Medium Enterprises (SMEs).

GRI's supply chain capacity building projects are built on two components, usually with a duration of approximately 12 months. These components introduce sustainability reporting, including its role in sustainability management, to the suppliers and lead them through the process of preparing the report. They also provide an opportunity for GRI's partner to work with its suppliers to develop a common understanding of reporting and how it can be used in their supply chain relationships. The components are:

1. GRI Certified Training for first-time reporters: GRI ensures that all participating suppliers receive 16 hours certified training that covers GRI's 5-phase reporting process methodology.
2. Follow-up coaching support: Following the GRI Certified Training, participants are offered four coaching workshops and a final meeting that follow the timeline and process of preparing a sustainability report.

2009/10 was a good year for the GANTSCh Program. The first phase of the Program involved 15 suppliers of Puma and EDP (Energias de Portugal) based in China, Bangladesh, India, Pakistan, Turkey and Portugal. The suppliers' first GRI Level C sustainability reports were launched during the summer of 2010.

“Sustainability represents a way to understand business from a perspective of reciprocity, trust and solidarity. It implies a change and opening up to a new mode of seeing and doing business. Sustainability is not a technique to achieve status as a special business, it is the way of being a business in a society that requires competitiveness and solidarity at the same time.”

Nicolas Kipreos, Executive Director, Sinstel

“Statistical performance and human resource data can be a powerful tool in improving our overall efficiency as a supplier to clients with strict timing and quality requirements.”

William Hughes, Managing Director, Impahla
The success of the program was reaffirmed when both EDP and Puma expanded their collaboration. The Program also welcomed a third multinational member, Natura Cosmetics from Brazil. In total, the newly signed agreements mean that 34 new suppliers in eight countries, including Vietnam, Cambodia and South Africa, will participate in the GANTSCh program in 2010-2011.

“Supply chain sustainability reporting forms a very important element of PUMA’s sustainability strategy. Without ‘sustainable’ suppliers, we will not be able to produce a ‘sustainable’ product or even credibly report about PUMA’s own actions related to CSR and sustainability.”

Stefan Seidel, Manager Environmental and Social Affairs, EMEA, Puma AG
There are several ways GRI engages with different regions. Since 2007, GRI has established several ‘Focal Points’; national GRI representatives in different countries. The Focal Points are an integral part of GRI and fully coordinate their actions with the Secretariat. Focal Points can be either hosted by another organization whose purpose is in line with that of GRI and fulfills a set of objective criteria, or run as independent offices.

In 2009/10, GRI continued working with its Focal Points in Brazil and Australia and opened up new Focal Points in India and China. GRI plans to open a Focal Point in the USA in late 2010. The work of the Focal Points in each of their regions has led to a boost a sustainability reporting in the country and region concerned and an increase in the use of the GRI Guidelines locally. It has also resulted in an increase in the number of Organizational Stakeholders from the area and participation of national stakeholders in global GRI processes, such as the development of the GRI Guidelines and the GRI Conference.

**BRAZIL**

Set up in 2007, GRI’s oldest Focal Point in Brazil continues to increase and support reporting in Brazil and the wider region. Historically, Brazil has strong ties with GRI and sustainability reporting. Highlights from 2009/10 include the attendance of the GRI Conference by a delegation of 76 people, the biggest delegation attending the conference. The Brazilian stakeholder community was an active supporter of the Readers’ Choice Awards. Major steps were made with the development of a National Annex for Brazil, as a pilot project, which will be completed in 2011. Furthermore, the Brazilian Stock Exchange (BOVESPA) has joined the Organizational Stakeholder Program. In 2009/10, Focal Point Brazil continued to be hosted by the Ethos Institute.

**AUSTRALIA**

The St. James Ethics Centre continued to host and support Focal Point Australia in 2009/10. GRI secured funding for 2010/11, mainly from the St. James Ethics Centre, through their grant from Treasury, CPA Australia, and from GRI. In 2009/10 the Focal Point underwent some personnel changes. Flying across the globe, a delegation of Australians attended the GRI conference. Furthermore, the Focal Point gave a face to GRI in Australia by speaking at numerous events and meetings.
CHINA IN AFRICA

As a major trading partner of Africa, special attention was given to the impact Chinese corporations have through their operations on developments in Africa. GRI held two introductory workshops and organized a special half day session with the United Nations Environmental Programme (UNEP) called: “Transition to a Green Economy in China-Africa Investment Relations” during Nairobi Green Week and the Green Business Africa Summit & Expo 2010 in Nairobi, Kenya. The sessions sparked a good discussion on opportunities to use the new round of Chinese investment to spur an inclusive and Green Economy in Africa, and how Chinese trade and investment can best contribute to this.

INDIA

The Deutsche Gesellschaft für Technische Zusammenarbeit (GTZ) went into a partnership to support GRI’s Focal Point India in the framework of the IICA-GTZ CSR Initiative. This will help forward the sustainability, transparency and disclosure movement in the Indian sub continent. The Focal Point was launched in New Delhi in February 2010, under the auspices of the Dutch and German Ambassadors, the Indian Ministry of Corporate Affairs and GRI CE. This was a timely launch, with India’s Ministry of Corporate Affairs launching their work on voluntary guidelines for responsible business in late 2009.

CHINA

With support from the Dutch Ministry of Foreign Affairs, GRI began the establishment of a Focal Point in China in 2009. Support continued in 2010 and GRI was able to physically move its operations to China in early 2010. Since then the Focal Point has continued to build the local network and is in the process of developing many local project to support and promote reporting on a local scale, including working with Small and Medium Sized Enterprises.

USA

GRI secured initial support for the Focal Point USA in 2009/10, from the ‘Big Four’ accounting and professional services firms in the United States – Deloitte, Ernst & Young LLP, KPMG and PwC U.S. The Focal Point will be hosted by The Conference Board in New York for the first two years. The Regional Network Team is working with lawyers to set up and incorporate the office, and to launch the Focal Point in October 2010.

CONFERENCE DELEGATION

The Regional Network Team also set up a delegation program during GRI’s Amsterdam Global Conference on Sustainability and Transparency in May 2010, helping reporters from around the world to attend the conference. This was a successful program with eight delegations, more than 150 people in total, from regions including Brazil, United Arab Emirates, India, Australia, Turkey, Jordan, the Nordic countries and Egypt.
Spreading the word: Spotlight on events

GRI staff were invited to speak at 179 events around the world in 2009/10. GRI speakers attended 110 events in the first half of 2010, at locations including Sri Lanka, China, Zambia, South Korea, Germany and Canada, helping to extend knowledge about the GRI Reporting Framework to different regions globally.

In 2009/10, the European Commission ran a series of ESG Disclosure workshops in Brussels, Belgium. The last in the series of five Workshops was held on 25 February 2010. The workshops, which brought together representatives from the many constituencies in Europe actively engaged in this field, were designed and facilitated in a way that encouraged interactive and detailed discussions among the group. GRI formed part of the core group for the series. GRI’s Deputy Chief Executive Teresa Fogelberg spoke at several of the workshops, and Mervyn King, GRI’s Board Chair, gave the key note speech at one of the workshops.

In June 2010, the UN Global Compact held their Annual Leaders’ Summit 2010 in New York. GRI’s Chairman of the Board Professor Mervyn King, Chief Executive Ernst Ligteringen, and Manager - Policy & Advocacy Pietro Bertazzi attended the Summit. A side-event was organized to brief the participants about the collaboration between UNGC and GRI. A range of new resources and thinking were launched at the Summit, including the world’s largest study on CEO views on corporate responsibility today and in the future, a new “Blueprint for Corporate Sustainability Leadership”, and sets of principles to guide commitment around women’s empowerment and social investment.

GRI’s Chief Executive Ernst Ligteringen spoke at the Global Environmental Action (GEA) Conference in Japan in October 2009. The aim of the conference was to highlight the state of the global environment and the crisis it is facing. Following the conference, GEA worked to raise international awareness about proposals that were adopted.

The Swedish Government hosted the Swedish EU Presidency’s Conference on CSR in Stockholm in November 2009. GRI’s Chief Executive Ernst Ligteringen spoke at the Conference, which had the theme ‘Protect, Respect, Remedy’. Discussions at the conference were based on the report ‘Protect, Respect, Remedy - a Framework for Business and Human Rights’ by John Ruggie, the UN Secretary-General’s Special Representative on the issue of human rights and transnational corporations and other business enterprises.

In November 2009, Schema hosted the Second Regional Corporate Governance and Responsibility Forum 2009 in Amman. GRI’s Leontien Plugge, Senior Manager - Network Relations, presented in the case study session on “Government intervention, impact of CSR legislation and CSR codification of practices on CSR implementation.” The aim of the session was to discuss whether governments should get involved in organizations’ Corporate Social Responsibility, how they might regulate it and also to explore the best ways to provide guidance on CSR.
GRI’s Organizational Stakeholder (OS) Program underpins a network of nearly 600 diverse organizations from over 50 countries committed to advancing ESG reporting. Organizational Stakeholders are GRI’s core supporters. They put their name to GRI’s mission, contribute their expertise, promote GRI in their own networks, vote in Stakeholder Council elections and invest in GRI through annual financial contributions.

In 2009/10, the biggest Constituency for Organizational Stakeholders was Mediating Institutions.

In 2009/10, the Organizational Stakeholder Program has focused on improving engagement with existing members and encouraging their participation in the network. The OS team has had regular contact with large Organizational Stakeholders, with face to face meetings and in-depth phone calls. The team also improved the regular email communications sent to OS, including the advanced copy of the GRI Newsletter.

This year the OS Team piloted a series of online webinars, which have since been launched and are now an additional feature of the Program. The webinars are on a range of topics, from reviewing draft Sector Supplements to discussing the future of ESG reporting. They have proven very popular with Organizational Stakeholders, and many of the 12 webinars held in 2009/10 had more than 100 attendees.

There were two ‘OS Exclusive’ events at the Amsterdam Global Conference on Sustainability and Transparency in May 2010 – the General Assembly and a Drinks event, offering an opportunity for networking. Each received a very good attendance of around 300 attendees. In response to requests for more content-focused events throughout the year, G3.1 live public comment period OS events were held in Germany, Switzerland and The Netherlands, enabling Organizational Stakeholders to give their feedback on the draft G3.1 Guidelines. Focal Points Australia and Brazil also held OS events.

The OS Team worked with GRI’s Governance Team to secure a record number of OS nominations for the Stakeholder Council and to publicize and encourage Organizational Stakeholders to vote in the GRI governance bodies’ elections. Members identified several issues with the current process and procedures, which has led to a planned full evaluation before the 2011 elections.

“It’s time to re-think how we do business. Organizations must measure and report on their impact on the world, not just on financial data. We are calling for leading organizations to join GRI and support us to mainstream ESG reporting. This is a crucial step in rebuilding a sustainable and transparent economy.”

Professor Mervyn E. King SC - Chairman, GRI Board of Directors
MTR Corporation provides mass transit rail services for over four million passengers in Hong Kong every weekday.

The company launched its first sustainability report using the GRI Guidelines in 2001 and has been a GRI Organizational Stakeholder (OS) since 2003.

Here, MTR Corporation shares its insights into ESG reporting, including the biggest challenges faced during the process and steps taken to engage stakeholders after launching the report.

**Why do you use the GRI Reporting Guidelines as a framework for your sustainability report?**

The GRI Reporting Guidelines provide an internationally accepted framework for our reporting on environmental, social and governance of the company. Our sustainability reports are snapshots of our annual achievements in developing corporate strategy, risk management and stakeholder engagement. Using GRI allows our achievements to be benchmarked internationally, though its applicability to public transport and railway services has yet to be defined.

**Why do you use the GRI Reporting Guidelines as a framework for your sustainability report? What do you see as the main benefits of the Program?**

As the first sustainability reporter in China, MTR Corporation has been using and reporting with GRI since 2001. When the opportunity arose to become an Organizational Stakeholder, we welcomed the opportunity to leverage off our existing positions and contribute to the development of the GRI Framework in more focused manner. The OS membership presents an expert network with a broad range of participation in OS-only events such as events at the GRI Conference and specialized newsletters. These keep us up-to-date on new thinking and current trends in sustainability reporting and allowing a true two-way dialogue with experts in the field. We look forward to the next developments in the standard and the OS network.

**MTR Corporation produced its first Sustainability Report in 2001. What was your company’s motivation for reporting on ESG disclosures?**

The fuel to publish annual sustainability reports was taken by our senior executives when engaging potential investors and relevant stakeholders prior to our IPO in 2000. Back then we provided separate reports covering various sustainability issues but realised considerable benefits by integrating these reports into a single document. We therefore have developed our sustainability reports mainly for the analysts, auditors and activists, the 3 A’s. Analysts and auditors use our sustainability reports to examine commercial viability of the company. Activists are...
interested because of our activities in Hong Kong, mainland China and our overseas markets.

**What is the first step you take in the process of creating a sustainability report?**

First and foremost we have created the dynamics of risk management and stakeholder engagement to balance business objectives and stakeholders’ interest. This is our Sustainable Competitive Advantage model. The safety, quality, environmental, asset and sustainability management systems all work in harmony to support our sustainability efforts. With the processes and systems in place, report is fruit; we take stock of where we are to develop our report theme. Literally this involves an annual review on the status and direction of material issues and stakeholder interaction undertaken by our Corporate Responsibility Steering Committee, which represents all divisions and major business units.

**Expanding report coverage to business activities outside Hong Kong.** Our reports focus primarily on our core market of Hong Kong. As we have assumed a larger international profile, we are seeking to cover our principal overseas markets. **Using ESG disclosures to drive corporate sustainability culture.** Our reports examine the corporate strategies, aspirations, processes and achievements through the day-to-day practices that bring sustainability culture to life. **Increasing accessibility to non-CSR practitioners.** Our target audiences are analysts, auditors and activists. The current presentation (eg language, graphics) may appear highly technical and perhaps inaccessible for more mainstream audience (eg passengers).

**What are three biggest challenges you face during the process?**

We have strengthened our sustainability governance by establishing a board-level Corporate Responsibility Committee and a divisional-level Corporate Responsibility Steering Committee. We undertake an annual internal stakeholder review to re-assess our various engagement programmes and their efficacy during the year. The Steering Committee review, reprioritize and introduce new candidates to our universe of major stakeholders as needed. We use the accepted sustainability matrix of importance to business against ability to influence. Besides, we undertake an independent stakeholder panel inviting representatives of our major Hong Kong stakeholder groups and opinion leaders to discuss perceptions of delivering our corporate vision.

**Have you noticed a change in stakeholder engagement since your first report?**

The size, scale, geographical coverage and diversity of our businesses have steadily expanded since 2001. To us, stakeholder engagement is a fluid yet iterative process. By fluid, we understand that stakeholders and their interests fluctuate in time, creating a continuous cycle of monitoring for change in importance. By iterative, we have in place a well-defined process to drive the engagement process and its feedback. We have examined our engagement process internally and externally to gauge stakeholders’ perceptions/expectations, compare them to our perceptions, assess any gaps found and identify appropriate actions. The full results are reported in our Sustainability Report 2009.

**How do you engage stakeholders in the process of reporting? What effect does it have on your sustainability report?**

We generate readership through publicity and encourage feedback through different channels. These include alert services provided by GRI, Corporate Register and Ethical Performance; and presentations to interest groups such as ACCA, AIESEC and other professionals. We also work on sustainability issues locally through Hong Kong’s Climate Change Business Forum (CCBF) where we chair the Best Practice Committee, and internationally through the International Association of Public Transport (UITP) where we chaired the Sustainability Development Commission from 2005 to 2009.

**What steps do you take after launching the report to engage stakeholders?**

We have noticed a change in stakeholder engagement since your first report?
GRI’s Government, International Organizations, Development and Advocacy (GIDA) Team was successful in establishing partnerships with several international organizations to promote the global mainstreaming of sustainability reporting in 2009/10. This year also saw some major developments in policy around sustainability reporting, including mandating integrated reporting for companies listed on the Johannesburg Stock Exchange South Africa, new reporting guidelines in India, and strengthened legislation in France.

In a push to strengthen the quality of sustainability reporting in the corporate sector, the United Nations Global Compact and GRI announced an agreement to align their work in advancing corporate responsibility and transparency. The Memorandum of Understanding was signed at the Amsterdam Global Conference on Sustainability and Transparency on 28 May 2010. Under the terms of the agreement, GRI will develop guidance for GRI reporters on the Global Compact’s ten principles and identify areas to integrate them with the next version of the GRI Guidelines. At the same time, the Global Compact will adopt the GRI Guidelines as the recommended reporting framework for their membership of more than 5800 businesses.

In addition to Sida, in 2009/2010 GRI received financial support from the Netherlands Ministry of Foreign Affairs, the International Finance Corporation (IFC), the Netherlands Ministry of Housing, Spatial Planning, the Environment (VROM) the Norwegian Ministry of Foreign Affairs (MFA), and the Deutsche Gesellschaft für Technische Zusammenarbeit (GTZ). In 2010, the Swedish International Development Cooperation Agency (Sida) joined GRI’s government donors by supporting GRI in its activities to promote development. We thank our institutional donors for their support.

In the summer of 2010, GRI developed its Sustainable Development Strategy, with involvement of stakeholders in its network – civil society, trade unions, and government representatives.

The Strategy has four objectives:
1. Ownership in the South of ESG disclosure as a key to poverty reduction, natural resource protection, human rights and biodiversity
2. Strengthening the sustainability performance of local business actors
3. The empowerment of stakeholders in the South; and
4. Transparent Multinationals on their social and environmental footprint and performance

The GIDA Team has been working to promote and fulfill GRI’s first key proposition, announced at the GRI Conference in May 2010, that by 2015, all large and medium-size companies in OECD countries and large emerging economies should be required to report on their Environmental, Social and Governance (ESG) performance and, if they do not do so, to explain why.


Georg Kell, Executive Director of the UN Global Compact
The increase in governments’ involvement in ESG disclosure reflects the move towards more mainstream ESG reporting and, by engaging with governments and policy makers, the Team hopes to promote mainstreaming further. For example, in 2009/10, the European Commission ran a series of ESG Disclosure workshops in Brussels, Belgium. The workshops brought together representatives from the many constituencies in Europe actively engaged in this field, and GRI formed part of the core group for the series, with Teresa Fogelberg (GRI Deputy Chief Executive) addressing several workshops as a speaker.

In December 2009, India’s Ministry of Corporate Affairs launched the country’s first voluntary CSR guidelines, Corporate Social Responsibility Guidelines 2009, which aim to contribute towards the long term sustainability of businesses in India. As well as helping businesses focus on, and contribute to, the interests of their stakeholders and society, the guidelines also aim to help Indian companies make CSR an integral part of their overall business policies.

The Institute of Directors in Southern Africa (IoD) formally unveiled the King Code of Governance Principles and the King Report on Governance (King III) in Johannesburg on 1 September 2009. Nelmara Arbex (GRI Learning Services Director), Leontien Pluige (Senior Manager Network Relations) and Letshani Ndlovu (Network Relations Officer) attended the launch, and Nelmara also spoke at the event.

The Code, a report on corporate governance in South Africa, was written by Professor Mervyn King, Chairman of GRI’s Board of Directors. The King Code III recommends that all companies in South Africa should produce ‘integrated reports’, which are reports that combine financial and sustainability performance data. From June 2010, all companies on the Johannesburg Stock Exchange were required to produce integrated reports.

GRI aims to help organizations and companies learn about reporting their sustainability, and ultimately to mainstream standardized ESG reporting by 2015. This goal is supported by the guidance issued by the Securities and Exchange Commission (SEC) in January 2010, which clarifies existing regulations stating that US companies should disclose their climate-related impacts. The guidance also cites GRI Guidelines as a means of producing sustainability reports.

In December 2009, GRI Deputy Chief Executive, Teresa Fogelberg, chaired a session at the three day conference for delegations from the least developed countries and small island states, at the COP15 Climate Change Summit in Copenhagen. Teresa organized and chaired the session “Role of the Private sector in Adaptation”, which was part of the Climate and Development Days organized by the International Institute of Environment and Development.

Although Teresa was disappointed in the outcome of the Climate Change Summit, she was enthusiastic about the public’s response to the conference and the issues at hand.

“The increase in governments’ involvement in ESG disclosure reflects the move towards more mainstream ESG reporting and, by engaging with governments and policy makers, the Team hopes to promote mainstreaming further. For example, in 2009/10, the European Commission ran a series of ESG Disclosure workshops in Brussels, Belgium. The workshops brought together representatives from the many constituencies in Europe actively engaged in this field, and GRI formed part of the core group for the series, with Teresa Fogelberg (GRI Deputy Chief Executive) addressing several workshops as a speaker.

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Although Teresa was disappointed in the outcome of the Climate Change Summit, she was enthusiastic about the public’s response to the conference and the issues at hand.

“Let’s hope that the huge outpouring of public interest and scrutiny surrounding the issue of climate change will continue to apply pressure on the countries charged with taking the Copenhagen Accord forward into the next round of United Nations Framework Convention on Climate Change (UNFCC) negotiations, which will hopefully culminate in a strengthened, legally binding agreement at COP16 in Mexico, December 2010.”

Teresa Fogelberg, Deputy Chief Executive, GRI

The GIDA Team also worked closely with GRI’s Governmental Advisory Group. Established in 2008, the Group is a high-level advisory group whose function is to provide the GRI Board and the GRI Executive team with a direct source of advice from governments. In addition, the Group functions as a platform to exchange ideas and experiences between the members themselves. It is an informal body that has no constitutional role within GRI, thereby preserving GRI’s independence. The Group met twice in 2009/10, in Copenhagen, Denmark on 24-25 September 2009 and at the GRI Conference on 26 May 2010, with representatives from both OECD countries (Australia, Denmark, France, European Parliament, Germany, Netherlands, Norway, Spain Sweden) and non OECD countries (Brazil, South Africa, India, and China), as well as from UNEP.
Evidence for sustainability reporting

GRI produces the Research and Development Publications series, which is freely available online. The series supports the use of the Reporting Framework, either by providing specialized resources, issue-specific research, linkages with other corporate responsibility initiatives or other forms of reporting advice. There are three categories of publication: Topics, Reporting Practices and Tools.

Topics

Research
In December 2009, GRI Deputy Chief Executive, Teresa Fogelberg, went to the COP15 Climate Change Summit in Copenhagen, to launch a joint research publication by GRI and the Association of Chartered Certified Accountants (ACCA), entitled High Impact Sectors: the Challenge of Reporting on Climate Change. The study was launched during a session at the conference for delegations from the least developed countries and small island states, which was chaired by Teresa Fogelberg. The study focuses on climate change reporting by companies in developing countries, with an emphasis on Brazil, Russia, India, China and South Africa.

The study concludes that a significant number of business leaders in Brazil, Russia, India, China and South Africa are fully engaged with Environmental Social and Governance (ESG) issues, and that the developed and developing world need to work more closely and cooperate on these issues.

Reporting trends
According to new research presented by GRI, sustainability reporting has become an essential
tool to help businesses and governments rebuild trust and confidence in the wake of economic collapse. GRI contributed to two high-profile research projects into the trends of reporting, launched at the Amsterdam Global Conference on Sustainability and Transparency in May 2010.

The two studies, The Transparent Economy and Carrots and Sticks, reveal the global economy is set to become radically more transparent over the next decade. The exploration of integrated reporting by a number of multinational corporations has already caught the attention of key stakeholders, including the financial markets and regulatory bodies. As a result, businesses will be expected to provide significantly higher levels of corporate transparency and product traceability. These are factors that GRI is already considering in future strategic developments of the GRI Guidelines.

The studies investigate the latest developments in sustainability reporting in the regulatory field and in relation to society’s recent challenges. The Transparent Economy is based on research lead by Volans, a sustainability consultancy-think tank, in cooperation with GRI, analyzing the trends that will drive reporting until 2020. Carrots and Sticks – Promoting Transparency and Sustainability is the latest edition of a study initially published in 2006 to provide readers with an easy reference and overview of mandatory and voluntary approaches to sustainability reporting and assurance throughout the world. A co-production of GRI, the United Nations Environmental Program (UNEP), KPMG Sustainability, and the University of Stellenbosch Business School, the study covers the majority of Organization for Economic Co-operation and Development (OECD) countries as well as emerging market countries such as Brazil, India and South Africa.
After a successful year in 2009/10, GRI is already looking ahead to 2011 and beyond.

One of the primary aims will be to work towards mainstreaming ESG reporting globally, one of the propositions set out at GRI’s third Amsterdam Conference on Sustainability and Transparency, in May 2010. GRI’s GIDA Team is now working on a strategy and plans to begin implementation in 2010/11. Part of this will include increasing relations with governments and government policies.

In addition to GRI’s five Focal Points, the Regional Network Team is exploring possibilities for increasing GRI’s presence in Sub-Saharan Africa and Spanish speaking America. This reflects GRI’s Sustainable Development Strategy, which is due to be launched at the end of 2010 and subsequently implemented. The Regional Network Team is also looking into opportunities to create different collaboration structures at the national level.

In order to achieve mainstream reporting globally, GRI plans to translate more publications into different languages, making them accessible to people around the world in their own language, particularly those in developing countries. GRI also plans to increase the number of Certified Training Partners in different countries, with several organizations now part way through the certification process.

One of GRI’s big projects over the next two years will be the development of more robust Guidelines that could inform the ESG component of a future integrated reporting framework. The ‘G4’ project is expected to begin in 2011. GRI is also planning to launch several new Sector Supplements, which are currently under development.

GRI will be working with the IIRC to contribute the ESG content to the proposed framework for integrated reporting. As one of the propositions set out at the Conference, GRI sees the development of an integrated reporting framework as an important tool for mainstreaming ESG reporting worldwide.

GRI will be one of the key partners in the Green Economy Alliance, and will contribute to a strong and transparent Green Economy agenda for the Rio+20 process.

Following the success of GRI’s third Amsterdam Conference on Sustainability and Transparency in May 2010, GRI is looking towards the next event and will be beginning preparations for another conference, potentially in 2012.

With an ever-expanding number of reporters, stakeholders and report users, GRI has recognized the need for a good, accessible online presence. The project to redevelop the GRI website is now underway, and a new and improved website is expected in 2011.
The financial year 2009/10 was still affected by the financial crisis and a weakened global economy. Nevertheless, a positive result was recorded with an operating surplus of € 202K on total income of € 5,994K. This year’s surplus has increased the cumulative surplus of € 176K brought forward at the start of the year to € 488K by the end of the year.

With an overall renewal rate of 96%, the OS Program continues to represent a reliable income stream for the organization. The income for providing services, of which Training Partner Certification and Application Level Checks are the main drivers, also experienced a significant growth. The third Amsterdam Global Conference on Sustainability and Transparency, which was well received and created substantial media coverage, also made a positive direct contribution to the year’s result.

Through a prudent cost management approach, the ongoing monitoring of potential risks as a result of the economic turmoil, and undertaking corrective actions where required to mitigate these risks, have proven to be effective in managing the financial position of the organization.

The liquidity position was further strengthened from a net current liquidity of € 313K over the previous financial year to € 495K by the end of this year.

The Board and management will continue to monitor GRI’s financial position closely and consult on a regular basis to achieve an optimal balance between program goals and the need to further strengthen the organization’s financial position.

### INCOME AND EXPENDITURES

<table>
<thead>
<tr>
<th></th>
<th>2009-10</th>
<th>2008-09</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Income</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>OS income</td>
<td>1,051,361</td>
<td>1,081,504</td>
</tr>
<tr>
<td>Conference</td>
<td>1,347,250</td>
<td>0</td>
</tr>
<tr>
<td>Readers’ Choice Award</td>
<td>628,608</td>
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<tr>
<td>Program income</td>
<td>766,206</td>
<td>748,908</td>
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<tr>
<td>Project income</td>
<td>641,095</td>
<td>875,267</td>
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<tr>
<td>Unrestricted donations</td>
<td>381,997</td>
<td>428,571</td>
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<tr>
<td>Other</td>
<td>1,177,141</td>
<td>987,796</td>
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<tr>
<td><strong>Income</strong></td>
<td>5,993,658</td>
<td>4,122,046</td>
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<tr>
<td><strong>Operating expenses</strong></td>
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<tr>
<td>Personnel costs</td>
<td>2,431,515</td>
<td>1,915,142</td>
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<td>Social security</td>
<td>220,300</td>
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<td>Depreciations</td>
<td>68,364</td>
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<td>Office expenses</td>
<td>252,718</td>
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<td>Operational expenses</td>
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<td>Programmatic costs</td>
<td>2,333,160</td>
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<tr>
<td>General expenses</td>
<td>218,505</td>
<td>233,140</td>
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<td><strong>Total operating expenses</strong></td>
<td>5,774,048</td>
<td>3,991,412</td>
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<td><strong>Operating surplus/(deficit)</strong></td>
<td>219,610</td>
<td>130,634</td>
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<td>Income from interest</td>
<td>1,614</td>
<td>739</td>
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<td>Exchange rate gains / (losses)</td>
<td>68</td>
<td>13,340</td>
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<tr>
<td>Other financial income / (cost)</td>
<td>12,374</td>
<td>(10,150)</td>
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<tr>
<td>Other exceptional income / (cost)</td>
<td>(29,500)</td>
<td>(24,500)</td>
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<tr>
<td><strong>Ordinary surplus/(deficit) before taxes</strong></td>
<td>204,166</td>
<td>110,063</td>
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<tr>
<td>Taxation</td>
<td>0</td>
<td>0</td>
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<tr>
<td><strong>Ordinary surplus/(deficit) after taxes</strong></td>
<td>204,166</td>
<td>110,063</td>
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<tr>
<td>Result Participation GRI HK Ltd.</td>
<td>(1,824)</td>
<td>0</td>
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<tr>
<td><strong>Surplus/(deficit) for the year</strong></td>
<td>202,342</td>
<td>110,063</td>
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## Income by Category

<table>
<thead>
<tr>
<th>Category</th>
<th>2009-10</th>
</tr>
</thead>
<tbody>
<tr>
<td>Organizational Stakeholders</td>
<td>€1,051,361</td>
</tr>
<tr>
<td>Global Conference</td>
<td>€1,347,250</td>
</tr>
<tr>
<td>Readers’ Choice Award</td>
<td>€628,608</td>
</tr>
</tbody>
</table>

### Restricted Program Income Recognized

- Beyond the 3rd Generation of GRI Guidelines: €101,658
- Sustainability Reporting in Emerging Markets: €195,371
- Ownership Global South: €109,593
- G3 Global South: €59,673
- Learning Capacity: €223,351
- SME: €76,560

Total Restricted Program Income: €766,206

### Restricted Project Income Recognized

- SS Airport: €48,675
- SS Construction and Real Estate: €84,240
- SS Events: €81,719
- SS Food Processing: €37,429
- SS Media: €63,269
- SS Mining & Metals: €6,732
- SS NGO: €24,367
- SS Oil and Gas: €53,479
- Gender: €43,230
- Human Rights: €51,956
- Report Content and Materiality: €33,001
- Transparency in Supply Chain: €60,330
- Supply Chain Disclosure: €22,997
- Ecosystems: €33,249
- Project Overflow: (€3,579)

Total Restricted Project Income: €641,095

### Institutional Donations

- Governments and International Organizations: €381,997

Total Unrestricted Donations: €381,997

### Transport

- €4,816,517

### Other Income

- Learning Publications: €117,901
- Brochures: €10,763
- Training Partner Certification: €426,392
- Software & Tools Certification: €65,625
- Report Registration and Application Level Check: €447,360
- Announcement Services: €26,820
- HP Servers, Microsoft Software and Dell: €28,667
- Reimbursements, Honorarium and Miscellaneous: €53,613

Total Other Income: €1,177,141

Total Income: €5,993,658
## Balance Sheet

<table>
<thead>
<tr>
<th></th>
<th>June 30th 2010</th>
<th></th>
<th>June 30th 2009</th>
<th></th>
</tr>
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<tbody>
<tr>
<td></td>
<td>€</td>
<td>%</td>
<td>€</td>
<td>%</td>
</tr>
<tr>
<td>Fixed assets</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Furniture and IT costs</td>
<td>94,727</td>
<td>3.2%</td>
<td>144,967</td>
<td>6.3%</td>
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<tr>
<td>Equity Investment</td>
<td>1</td>
<td>0.0%</td>
<td>0</td>
<td>0.0%</td>
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<tr>
<td>Current assets</td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Receivables</td>
<td>1,619,076</td>
<td>54.1%</td>
<td>1,087,127</td>
<td>47.2%</td>
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<tr>
<td>Cash</td>
<td>1,278,517</td>
<td>42.7%</td>
<td>1,071,215</td>
<td>46.5%</td>
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<tr>
<td>Total</td>
<td>2,992,321</td>
<td>100.0%</td>
<td>2,303,308</td>
<td>100.0%</td>
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<tr>
<td>Reserve Account</td>
<td>488,408</td>
<td>16.3%</td>
<td>286,066</td>
<td>12.4%</td>
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<tr>
<td>Provisions</td>
<td>1,772</td>
<td>0.1%</td>
<td></td>
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<tr>
<td>Long-term liabilities</td>
<td>100,000</td>
<td>3.3%</td>
<td>171,619</td>
<td>7.5%</td>
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<td>Short-term liabilities</td>
<td>2,402,141</td>
<td>80.3%</td>
<td>1,845,623</td>
<td>80.1%</td>
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<tr>
<td>Total</td>
<td>2,992,321</td>
<td>100.0%</td>
<td>2,303,308</td>
<td>100.0%</td>
</tr>
</tbody>
</table>
The Global Reporting Initiative (GRI) is a registered not-for-profit organization located in Amsterdam, the Netherlands. It relies on the financial and in-kind support of generous contributors from the network who ensure that GRI can deliver on its mission through project, programs and products/services.

GRI is supported by its global network in the following ways:

- Support from a large international community of Organizational Stakeholders
- Institutional grants from governments, foundations and international organizations
- Corporate and governmental sponsorships and in-kind support for projects and events
- Provision of learning and other services

ORGANIZATIONAL STAKEHOLDERS
Organizational Stakeholders provide an essential funding base that ensures GRI continues to progress towards its mission.

INSTITUTIONAL DONORS
Norway Ministry of Foreign Affairs, Sweden Ministry of Foreign Affairs, Swedish SIDA, Germany Gesellschaft für Technische Zusammenarbeit (GTZ)

PROGRAM SUPPORT
Netherlands Ministry of Foreign Affairs, International Finance Corporation (IFC), Netherlands Ministry of Environment

PROJECT GRANTS
To continually improve the content of the framework GRI sets up technical projects, such as Guidelines revision projects, and Sector Supplements. To respond to pre-existing challenges, GRI runs initiatives and projects that proactively create thought leadership on particular issues.

As a network organization GRI also organizes events all over the world to acquaint people with the GRI Guidelines. Each two years GRI organizes the ‘Global Conference on Sustainability and Transparency’, which has developed into the most important network meeting in the field of sustainability reporting worldwide.

All GRI projects and events are funded by a diverse range of donors from both businesses and governments alike. Contact GRI to discuss in which way your organizations can participate as a sponsor in GRI projects or events.

OTHER PROJECT SUPPORT
Below is a list of all the organizations that have provided project support in 2009/10

**IN KIND SUPPORT**

Further to financial contributions, GRI receives ‘in kind support’ from a variety of organizations who are offering their expertise and/or products for free.
Global Reporting Initiative (GRI) is a network-based non-governmental organization that aims to drive sustainability and Environmental, Social and Governance (ESG) reporting. GRI produces the world’s most widely used sustainability reporting framework to enable this drive towards greater transparency. The framework, incorporating the G3 Guidelines, sets out the principles and indicators that organizations can use to measure and report their economic, environmental, and social performance. GRI is committed to continuously improving and increasing the use of the Guidelines, which are freely available to the public.

In order to ensure the highest degree of technical quality, credibility and relevance, the reporting framework is developed through a consensus-seeking process with multi-stakeholder groups drawn globally from business, civil society, labor and professional institutions. The GRI network is at the core of GRI and consists of thousands of people from all over the world, who play a range of complementary roles.

“I can understand how GRI is evolving and anticipate and prepare for changes. I can also provide feedback on improvements to the Guidelines.”

The Stakeholder Council is a two-way dialogue, according to SC Member Eva Ramos.

History
In 1997, the Coalition for Environmentally Responsible Economies (CERES) in Boston, United States, came up with the concept of a universal framework to measure and report on organizational economic, environmental and social performance. CERES partnered with the United Nations Environment Programme – UNEP – and began a series of stakeholder dialogue and working groups to initiate a process that would lead to the formation of the Global Reporting Initiative as an independent institution. Since then, GRI has grown, became a formal collaborating centre of the UN Environmental Programme (UNEP), and moved to Amsterdam, where the Secretariat provides services to many organizations and engages with GRI’s very large Stakeholder network (more than 30,000 around the globe).

The first version of the GRI Guidelines (G1) was published in 2000; two years later, at the World Summit on Sustainable Development (WSSD) in Johannesburg, the second version of the Guidelines (G2) was released.

It was also in 2002 that GRI was formally inaugurated at the United Nations and named as a collaborating centre of UNEP. Later that year, GRI relocated to its new home – Amsterdam, The Netherlands – and was incorporated as an independent, non-profit organization.

Since then, the Secretariat has remained in Amsterdam from where it is focused on delivering guidance and guidelines, enabling organizations to produce sustainability reports. The Secretariat
engages with GRI’s very large Stakeholder network as part of this focus.

The Organization
The GRI is a large, multi-stakeholder network of thousands of experts, in dozens of countries worldwide, who participate in GRI’s working groups and governance bodies, use the GRI Guidelines to report, access information in GRI-based reports, or contribute to developing the Reporting Framework in other ways – both formally and informally.

THE STRUCTURE OF GRI’S GOVERNANCE BODIES
Representing the institutional side of GRI is a series of multi-stakeholder governance bodies that coordinate the formal components of the GRI network. GRI’s governance bodies consist of:

BOARD OF DIRECTORS
The Board of Directors (the Board) maintains the ultimate fiduciary, financial and legal responsibility for GRI. The Board meets at least twice a year and is the final decision-making authority on Framework developments and organizational strategy. It takes strategic and policy-related advice from the Stakeholder Council, and technical advice from the Technical Advisory Committee. Board Members represent a range of regions and constituencies.

STAKEHOLDER COUNCIL
The Stakeholder Council (the SC) is GRI’s formal stakeholder policy forum, similar to a parliament, that debates and deliberates key strategic and policy issues. The maximum 60 member SC meets annually, and comprises a balance of stakeholder and geographic constituencies. The SC’s key governance functions include approving nominations for the Board of Directors and making strategic recommendations to the Board, such as future policy or business planning activities. They are also the “eyes and ears” of the GRI network in their diverse locations and constituencies. Stakeholder Council Members represent a range of regions and constituencies.

TECHNICAL ADVISORY COMMITTEE
The Technical Advisory Committee (the TAC) comprises of ten international experts in the fields of the environment, human rights, labor, economics and finance, reporting, and/or accounting. The TAC oversees the overall quality and coherence of the Framework.

SECRETARIAT
The Secretariat is based in Amsterdam, The Netherlands. During the reporting period it was comprised of around 40 staff members. It executes the work plan laid out by the Board on the advice of the SC and the TAC. The Secretariat is led by the Chief Executive, who also serves as a non-voting member of the Board.

GOVERNMENTAL ADVISORY GROUP
Established in 2008, GRI’s Governmental Advisory Group is a high-level advisory group whose function is to provide the GRI Board and the GRI Executive team with a direct source of advice from governments. In addition, the Group functions as a platform to exchange ideas and experiences between the members themselves. It is an informal body that has no constitutional role within GRI, thereby preserving GRI’s independence.
### Board members 30 June 2010 (14)

<table>
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<tr>
<th>Last Name</th>
<th>First Name</th>
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### Stakeholder Council members 30 June 2010 (50)

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Glossary

**Application Level** – indicates the proportion of the G3 disclosures that were addressed in the report. Application Level A addresses all profile disclosures, disclosures on management approach and the core performance indicators, whereas Level C only requires a selected set of the profile disclosures and ten of the core or additional indicators to be included.

**Assurance** – GRI recommends that organizations have their reports assured. There are two levels of external assurance – limited and reasonable – so assurance may not necessarily mean all content has been checked.

**CDP** – Carbon Disclosure Project

**Corporate governance** – the set of processes, aws, policies that dictate the way an organization is run

**CSR** – Corporate Social Responsibility

**ESG report** – a report produced by a company or other organization, outlining its environmental, social and governance performance

**Focal Point** – a national representation of GRI, located separately from its headquarters in Amsterdam

**G3** – the third generation of the GRI Guidelines, in use during 2009/10

**G3.1** – incremental improvements to the G3 Guidelines, due to be available early 2011

**G4** – the next generation of GRI Guidelines, due to be developed 2011-2012

**GANTSCh** – Global Action Network for Transparency in the Supply Chain

**GRI** – Global Reporting Initiative

**GRI Content Index** – an index in a sustainability report based on the GRI Guidelines that enables readers to find particular GRI indicator protocols in the report. A report must contain a GRI Content Index to be included in the GRI Reports List

**GTZ** – Gesellschaft für Technische Zusammenarbeit

**ISO** – International Organization for Standardization

**NGO** – Non governmental organization

**OECD** – Organisation for Economic Co-operation and Development

**OS** – Organizational Stakeholder

**Practitioners’ Network** – a network of people working in a particular sector. Connected to Guideline and Sector Supplement developments

**SC** – Stakeholder Council

**Sector Supplement** – sector-specific Sustainability Reporting Guidelines

**TAC** – Technical Advisory Committee

**Training Partners** – Certified Training Partners are certified by GRI to provide Certified Training courses for reporters all over the world

**UNGC** – United Nations Global Compact

**UNEP** – United Nations Environmental Programme

**Working Group** – Working Groups develop new generations of GRI Guidelines, and new Sector Supplements. GRI assembles Working Groups of experts with regional diversity, who represent different stakeholder groups, including business, civil society, labor and investors. The Working Group members volunteer their expertise to develop Guidelines