

GRI 417: MARKETING AND LABELING 2016

GRI 417

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About this Standard

Responsibility	This Standard is issued by the Global Sustainability Standards Board (GSSB) . Any feedback on the GRI Standards can be submitted to standards@globalreporting.org for the consideration of the GSSB.
Scope	<i>GRI 417: Marketing and Labeling</i> sets out reporting requirements on the topic of marketing and labeling. This Standard can be used by an organization of any size, type, sector or geographic location that wants to report on its impacts related to this topic.
Normative references	This Standard is to be used together with the most recent versions of the following documents. GRI 101: Foundation GRI 103: Management Approach GRI Standards Glossary In the text of this Standard, terms defined in the Glossary are <u>underlined</u> .
Effective date	This Standard is effective for reports or other materials published on or after 1 July 2018. Earlier adoption is encouraged.

Note: This document includes hyperlinks to other Standards. In most browsers, using **'ctrl' + click** will open external links in a new browser window. After clicking on a link, use **'alt' + left arrow** to return to the previous view.

Introduction

A. Overview

This Standard is part of the set of GRI Sustainability Reporting Standards (GRI Standards). These Standards are designed to be used by organizations to report about their impacts on the economy, the environment, and society.

The GRI Standards are structured as a set of interrelated, modular standards. The full set can be downloaded at www.globalreporting.org/standards/.

There are three universal Standards that apply to every organization preparing a sustainability report:

GRI 101: Foundation

GRI 102: General Disclosures

GRI 103: Management Approach

***GRI 101: Foundation* is the starting point for using the GRI Standards. It has essential information on how to use and reference the Standards.**

An organization then selects from the set of topic-specific GRI Standards for reporting on its material topics. These Standards are organized into three series: 200 (Economic topics), 300 (Environmental topics) and 400 (Social topics).

Each topic Standard includes disclosures specific to that topic, and is designed to be used together with *GRI 103: Management Approach*, which is used to report the management approach for the topic.

***GRI 417: Marketing and Labeling* is a topic-specific GRI Standard in the 400 series (Social topics).**

B. Using the GRI Standards and making claims

There are two basic approaches for using the GRI Standards. For each way of using the Standards there is a corresponding claim, or statement of use, which an organization is required to include in any published materials.

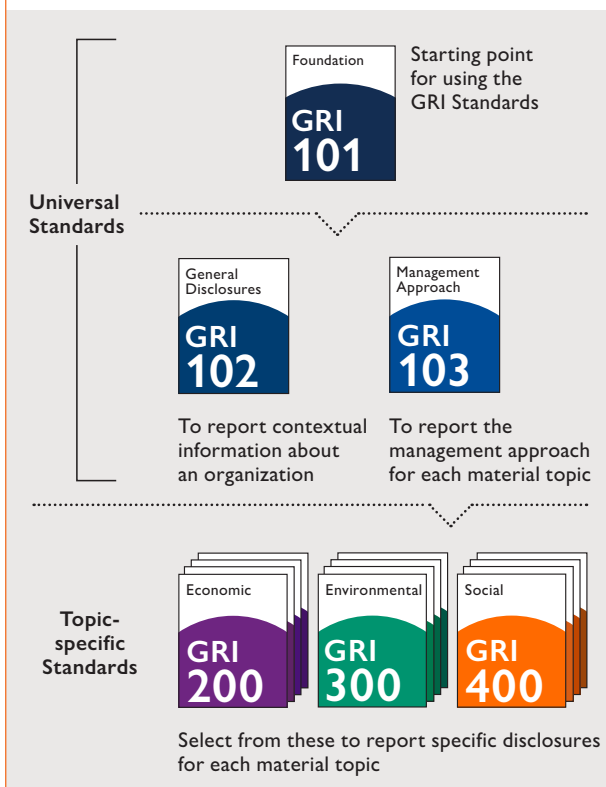
1. The GRI Standards can be used as a set to prepare a sustainability report that is in accordance with the Standards. There are two options for preparing a report in accordance (Core or Comprehensive), depending on the extent of disclosures included in the report.

An organization preparing a report in accordance with the GRI Standards uses this Standard, *GRI 417: Marketing and Labeling*, if this is one of its material topics.

2. Selected GRI Standards, or parts of their content, can also be used to report specific information, without preparing a report in accordance with the Standards. Any published materials that use the GRI Standards in this way are to include a 'GRI-referenced' claim.

See Section 3 of *GRI 101: Foundation* for more information on how to use the GRI Standards, and the specific claims that organizations are required to include in any published materials.

Figure 1
Overview of the set of GRI Standards



C. Requirements, recommendations and guidance

The GRI Standards include:

Requirements. These are mandatory instructions. In the text, requirements are presented in **bold font** and indicated with the word 'shall'. Requirements are to be read in the context of recommendations and guidance; however, an organization is not required to comply with recommendations or guidance in order to claim that a report has been prepared in accordance with the Standards.

Recommendations. These are cases where a particular course of action is encouraged, but not required. In the text, the word 'should' indicates a recommendation.

Guidance. These sections include background information, explanations and examples to help organizations better understand the requirements.

An organization is required to comply with all applicable requirements in order to claim that its report has been prepared in accordance with the GRI Standards. See [GRI 101: Foundation](#) for more information.

D. Background context

In the context of the GRI Standards, the social dimension of sustainability concerns an organization's impacts on the social systems within which it operates.

[GRI 417](#) addresses the topic of product and service information and labeling and marketing communications. This includes customer access to accurate and adequate information on the positive and negative economic, environmental, and social impacts of the products and services they consume – both from a product and service labeling and a marketing communications perspective.

Fair and responsible marketing communications, as well as access to information about the composition of products, and their proper use and disposal, can help customers to make informed choices.

These concepts are covered in key instruments of the Organisation for Economic Co-operation and Development: see [References](#).

The disclosures in this Standard can provide information about an organization's impacts related to product and service labeling and marketing communications, and how it manages these impacts.

GRI 417: Marketing and Labeling

This Standard includes disclosures on the management approach and topic-specific disclosures. These are set out in the Standard as follows:

- Management approach disclosures (this section references *GRI 103*)
- Disclosure 417-1 Requirements for product and service information and labeling
- Disclosure 417-2 Incidents of non-compliance concerning product and service information and labeling
- Disclosure 417-3 Incidents of non-compliance concerning marketing communications

1. Management approach disclosures

Management approach disclosures are a narrative explanation of how an organization manages a material topic, the associated impacts, and stakeholders' reasonable expectations and interests. Any organization that claims its report has been prepared in accordance with the GRI Standards is required to report on its management approach for every material topic, as well as reporting topic-specific disclosures for those topics.

Therefore, this topic-specific Standard is designed to be used together with *GRI 103: Management Approach* in order to provide full disclosure of the organization's impacts. *GRI 103* specifies how to report on the management approach and what information to provide.

Reporting requirements

- 1.1 The reporting organization shall report its management approach for marketing and labeling using *GRI 103: Management Approach*.

2. Topic-specific disclosures

Disclosure 417-1

Requirements for product and service information and labeling

Reporting requirements

The reporting organization shall report the following information:

- a. Whether each of the following types of information is required by the organization's procedures for product and service information and labeling:
 - i. The sourcing of components of the product or service;
 - ii. Content, particularly with regard to substances that might produce an environmental or social impact;
 - iii. Safe use of the product or service;
 - iv. Disposal of the product and environmental or social impacts;
 - v. Other (explain).
- b. Percentage of significant product or service categories covered by and assessed for compliance with such procedures.

Disclosure
417-1

Guidance

Background

Customers and end users need accessible and adequate information about the positive and negative environmental and social impacts of products and services. This can include information on the safe use

of a product or service, the disposal of the product, or the sourcing of its components. Access to this information helps customers to make informed purchasing choices.

Disclosure 417-2

Incidents of non-compliance concerning product and service information and labeling

Reporting requirements

The reporting organization shall report the following information:

- a. **Total number of incidents of non-compliance with regulations and/or voluntary codes concerning product and service information and labeling, by:**
 - i. incidents of non-compliance with regulations resulting in a fine or penalty;
 - ii. incidents of non-compliance with regulations resulting in a warning;
 - iii. incidents of non-compliance with voluntary codes.
- b. **If the organization has not identified any non-compliance with regulations and/or voluntary codes, a brief statement of this fact is sufficient.**

Disclosure
417-2

- 2.1 **When compiling the information specified in Disclosure 417-2, the reporting organization shall:**
 - 2.1.1 **exclude incidents of non-compliance in which the organization was determined not to be at fault;**
 - 2.1.2 **if applicable, identify any incidents of non-compliance that relate to events in periods prior to the reporting period.**

Guidance

Guidance for Disclosure 417-2

The incidents of non-compliance that occur within the reporting period can relate to incidents formally resolved during the reporting period, whether they occurred in periods prior to the reporting period or not.

Background

Providing appropriate information and labeling with respect to economic, environmental, and social impacts can be linked to compliance with certain types of regulations, laws, and codes. It is, for example, linked to compliance with

regulations, national laws, and the Organisation for Economic Co-operation and Development (OECD) *OECD Guidelines for Multinational Enterprises*. It is also potentially linked to compliance with strategies for brand and market differentiation.

The display and provision of information and labeling for products and services are subject to many regulations and laws. Non-compliance can indicate either inadequate internal management systems and procedures or ineffective implementation. The trends revealed by this disclosure can indicate improvements or a deterioration in the effectiveness of internal controls.

Disclosure 417-3

Incidents of non-compliance concerning marketing communications

Reporting requirements

The reporting organization shall report the following information:

- a. **Total number of incidents of non-compliance with regulations and/or voluntary codes concerning marketing communications**, including advertising, promotion, and sponsorship, by:
 - i. incidents of non-compliance with regulations resulting in a fine or penalty;
 - ii. incidents of non-compliance with regulations resulting in a warning;
 - iii. incidents of non-compliance with voluntary codes.
- b. If the organization has not identified any non-compliance with regulations and/or voluntary codes, a brief statement of this fact is sufficient.

Disclosure
417-3

2.2 When compiling the information specified in Disclosure 417-3, the reporting organization shall:

- 2.2.1 exclude incidents of non-compliance in which the organization was determined not to be at fault;
- 2.2.2 if applicable, identify any incidents of non-compliance that relate to events in periods prior to the reporting period.

Guidance

Guidance for Disclosure 417-3

The incidents of non-compliance that occur within the reporting period can relate to incidents formally resolved during the reporting period, whether they occurred in periods prior to the reporting period or not.

Background

Marketing is an important method of communication between organizations and customers, and is subject to many regulations, laws, and voluntary codes, such as the International Chamber of Commerce (ICC)'s *Consolidated Code of Advertising and Marketing Communication Practice*.

An organization is expected to use fair and responsible practices in its business and dealings with customers. Fair and responsible marketing requires the organization to communicate transparently about the economic, environmental, and social impacts of its brands, products, and services. Fair and responsible marketing also avoids any deceptive, untruthful, or discriminatory claims, and does not take advantage of a customers' lack of knowledge or choices.

Glossary

This Glossary includes definitions for terms used in this Standard, which apply when using this Standard. These definitions may contain terms that are further defined in the complete [GRI Standards Glossary](#).

All defined terms are underlined. If a term is not defined in this Glossary or in the complete *GRI Standards Glossary*, definitions that are commonly used and understood apply.

impact

In the GRI Standards, unless otherwise stated, 'impact' refers to the effect an organization has on the economy, the environment, and/or society, which in turn can indicate its contribution (positive or negative) to sustainable development.

Note 1: In the GRI Standards, the term 'impact' can refer to positive, negative, actual, potential, direct, indirect, short-term, long-term, intended, or unintended impacts.

Note 2: Impacts on the economy, environment, and/or society can also be related to consequences for the organization itself. For example, an impact on the economy, environment, and/or society can lead to consequences for the organization's business model, reputation, or ability to achieve its objectives.

marketing communication

combination of strategies, systems, methods, and activities used by the organization to promote its reputation, brands, products, and services to target audiences

Note: Marketing communications can include activities such as advertising, personal selling, promotion, public relations, social media and sponsorship.

material topic

topic that reflects a reporting organization's significant economic, environmental and social impacts; or that substantively influences the assessments and decisions of stakeholders

Note 1: For more information on identifying a material topic, see the [Reporting Principles for defining report content](#) in *GRI 101: Foundation*.

Note 2: To prepare a report in accordance with the GRI Standards, an organization is required to report on its material topics.

Note 3: Material topics can include, but are not limited to, the topics covered by the GRI Standards in the 200, 300, and 400 series.

product

article or substance that is offered for sale or is part of a service delivered by an organization

product and service information and labeling

information and labeling are used synonymously, and describe communication delivered with the product or service, describing its characteristics

reporting period

specific time span covered by the information reported

Note: Unless otherwise stated, the GRI Standards require information from the organization's chosen reporting period.

service

action of an organization to meet a demand or need

References

The following documents informed the development of this Standard and can be helpful for understanding and applying it.

Authoritative intergovernmental instruments:

1. Organisation for Economic Co-operation and Development (OECD), *OECD Guidelines for Multinational Enterprises*, 2011.

Other relevant references:

2. International Chamber of Commerce (ICC), *Consolidated Code of Advertising and Marketing Communication Practice*, 2011.

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