Mock-up of Combined SRS 101 and SRS 201

For GSSB Information Only

Date 28 July 2016
Meeting Date 4 August 2016
Description This document presents a mock-up of the Exposure Draft of SRS 101: Foundation and SRS 201: General Disclosures. Please note this document does not include any changes as a result of the feedback received during public consultation; it is intended to give the GSSB an initial sense of what a combined ‘Foundation and General Disclosures’ Standard would look like.
GRI 101: Foundation and GRI 201: General disclosures

Contents

1 Introduction .................................................................................................................................................. 3
2 Reporting Principles ................................................................................................................................. 9
3 Principles for defining report content .................................................................................................... 9
4 Principles for defining report quality .................................................................................................... 15
5 Using the GRI Standards for sustainability reporting .......................................................................... 19
6 Making claims related to the use of the GRI Standards ...................................................................... 25
7 General Disclosures ................................................................................................................................ 28
   1. Organizational profile ......................................................................................................................... 28
   2. Strategy .................................................................................................................................................. 35
   3. Ethics and integrity .............................................................................................................................. 38
   4. Governance .......................................................................................................................................... 40
   5. Stakeholder engagement ..................................................................................................................... 51
   6. Reporting practice ............................................................................................................................... 53
8 Key terms .................................................................................................................................................. 63
9 References .................................................................................................................................................. 65

Commented [SD1]: Note for the GSSB – this is roughly what the new structure would look like if this is combined into one document
1. Introduction

A. Background on sustainability reporting

In 1987, the World Commission on Environment and Development set out an aspirational goal of sustainable development – describing it as ‘development which meets the needs of the present without compromising the ability of future generations to meet their own needs.’

Through their activities and relationships, all organizations make positive and negative contributions toward the goal of sustainable development. Organizations therefore have a key role to play in achieving this goal.

Sustainability reporting, as promoted by the GRI Standards, is an organization’s practice of reporting publicly on its economic, environmental, and/or social impacts, and hence its contributions (positive or negative) towards the goal of sustainable development.

Through this process, an organization identifies its significant impacts on the economy, the environment, and/or society and discloses them in accordance with a globally-accepted standard.

The GRI Standards create a common language for organizations and stakeholders, with which the economic, environmental and social impacts of organizations can be communicated and understood. The Standards are designed to enhance the global comparability and quality of information on these impacts, thereby enabling greater transparency and accountability of organizations.

Sustainability reporting based on the GRI Standards should provide a balanced and reasonable representation of an organization’s positive and negative contributions towards the goal of sustainable development.

The information made available through sustainability reporting allows internal and external stakeholders to form opinions and to make informed decisions about an organization’s contribution to the goal of sustainable development.

---

B. Overview of the GRI Sustainability Reporting Standards

The GRI Sustainability Reporting Standards (GRI 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 standards. They are intended to be used together to help an organization prepare a sustainability report which is based on the Reporting Principles and focuses on material topics. This ensures that the organization provides a complete picture of its impacts along with enough contextual information to understand these impacts and how they are managed.

Organizations may also use individual GRI Standards or their content to report on sustainability information to meet specific stakeholder needs.

![Overview of the set of GRI Standards](Image)
The GRI Standards are divided into six series:

<table>
<thead>
<tr>
<th>Series</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>100: Foundation</td>
<td><strong>GRI 101: Foundation</strong> is the starting point for using the set of GRI Standards. It is required to be complied with by any organization making a claim that its sustainability report has been prepared in accordance with the GRI Standards. GRI 101 outlines the process to be followed in order to prepare a sustainability report using the GRI Standards. It also sets out the Reporting Principles for defining report content and quality, and specifies the different claims that an organization can make about its use of the GRI Standards.</td>
</tr>
<tr>
<td>200: General disclosures</td>
<td><strong>GRI 201: General disclosures</strong> is used to report contextual information about an organization and its sustainability reporting practices. This includes information about an organization’s profile, strategy, ethics and integrity, governance, stakeholder engagement practices, and reporting process.</td>
</tr>
<tr>
<td>300: Management approach</td>
<td><strong>GRI 301: Management approach</strong> is used to report information about how an organization manages its material topics. This Standard is designed to be used together with each material topic, including those covered by the topic-specific Standards (series 400, 500, and 600), as well as other material topics identified by an organization. Applying GRI 301 with each material topic allows an organization to provide a narrative description about how it manages the material topics and related impacts; this is in addition to reporting topic-specific disclosures.</td>
</tr>
<tr>
<td>400, 500, and 600: topic-specific Standards</td>
<td>The 400, 500, and 600 series are topic-specific Standards, which are used to report information on economic, environmental, and social topics (e.g., “Water” or “Indirect economic impacts”). To prepare a report in accordance with the GRI Standards, an organization applies the Reporting Principles for defining report content from <strong>GRI 101: Foundation</strong> to identify its material economic, environmental, and social topics. These material topics form the basis for the sustainability report and determine which of the topic-specific Standards will need to be used.</td>
</tr>
</tbody>
</table>
C. Using this Standard

Overview of contents

GRI 101: Foundation and GRI 201: General Disclosures is the starting point for an organization to use the GRI Standards to report about its economic, environmental, and social impacts.

Section 1 of this Standard presents the Reporting Principles for defining report content and report quality. These Reporting Principles are fundamental to helping an organization decide what information to report and how to ensure the quality of the information. The Reporting Principles are supplemented by guidance to help the organization understand and apply these principles in its sustainability reporting process.

Section 2 of this Standard, ‘Using the GRI Standards for sustainability reporting’, explains the basic process for using the GRI Standards for sustainability reporting. This section includes fundamental requirements for applying the Reporting Principles, and for identifying and reporting on material topics.

Section 3 of this Standard, ‘Making claims related to the use of the GRI Standards’, sets out the claims that an organization can make related to its use of the Standards. An organization using the GRI Standards can make three different types of claims. These claims depend on the extent to which the organization has applied the Standards.

- Organizations that use the set of GRI Standards for preparing a sustainability report, and which meet specific criteria, can make a claim that the report has been prepared in accordance with the GRI Standards. There are two options to prepare a report in accordance with the GRI Standards: core and comprehensive. These options depend on the extent to which the Standards have been applied.

- Organizations that use GRI Standards individually to report on specific sustainability information, but do not meet the criteria to prepare a report in accordance with the GRI Standards, are required to include a specific ‘GRI-referenced’ claim.

The three claim options are summarized below. For more information, see Section 3 of this Standard.

<table>
<thead>
<tr>
<th>Principles for defining report content</th>
<th>Principles for defining report quality</th>
</tr>
</thead>
<tbody>
<tr>
<td>Stakeholder Inclusiveness</td>
<td>Accuracy</td>
</tr>
<tr>
<td>Sustainability Context</td>
<td>Balance</td>
</tr>
<tr>
<td>Materiality</td>
<td>Clarity</td>
</tr>
<tr>
<td>Completeness</td>
<td>Comparability</td>
</tr>
<tr>
<td></td>
<td>Timeliness</td>
</tr>
<tr>
<td></td>
<td>Reliability</td>
</tr>
</tbody>
</table>

Commented [SD4]: Note for the GSSB: We would need some additional text here around the different sections of the General Disclosures.
**Claim option** | **The claim (statement) to be included in published materials** | **What this means**
--- | --- | ---
‘In accordance’: comprehensive | ‘This report has been prepared in accordance with the GRI Standards: comprehensive option.’ | The sustainability report has been prepared following Section 2 of this Standard, ‘Using the GRI Standards for sustainability reporting’, and the organization has complied with all reporting requirements for the comprehensive option (see Table 2).
‘In accordance’: core | ‘This report has been prepared in accordance with the GRI Standards: core option.’ | The sustainability report has been prepared following Section 2 of this Standard, ‘Using the GRI Standards for sustainability reporting’, and the organization has complied with all reporting requirements for the core option (see Table 2).
GRI-referenced | ‘This document references GRI [Number]:[Name][Publication year] (for each Standard used)’ plus a statement indicating which specific sections of the Standard(s) have been applied (if the Standard was not applied in full) | The document or other published material uses content from the GRI Standards, but does not meet the criteria to be in accordance with the Standards.

**Requirements, recommendations, and guidance**

Throughout the GRI Standards, specific terms are used to signify requirements, recommendations, and guidance.

- **Requirements**: These are mandatory instructions and are denoted using ‘shall.’ These can include process or methodology requirements, as well as disclosure requirements (i.e., information to be reported). Requirements are to be considered in the context of recommendations and guidance.
- **Recommendations**: These are cases where a particular course of action is encouraged or recommended, but not required. They are denoted using ‘should.’
- **Guidance**: These sections include background context and examples to help organizations better understand the requirements. They also describe possible, achievable, or allowed scenarios for reporting information; these are signified using ‘can’. A different background color denotes ‘Guidance’ sections throughout the GRI Standards. Guidance is not required, but organizations are encouraged to consult the ‘Guidance’ sections.

A reporting organization is required to comply with all relevant requirements in order to make a claim that its report has been prepared in accordance with the GRI Standards. It is not necessary to comply with recommendations or guidance in order to make an ‘in accordance’ claim. See Table 2 for more information.
D. Responsibility for this Standard

This Standard is issued by the Global Sustainability Standards Board (GSSB). It is part of the set of GRI Sustainability Reporting Standards (GRI Standards). The GSSB is an independent standard-setting body created by GRI. It has responsibility for setting globally-accepted sustainability reporting standards, according to a due process. More information on the GSSB’s due process can be found here:

https://www.globalreporting.org/information/about-gri/governance-bodies/Global-Sustainability-Standard-Board/Pages/default.aspx

Any feedback or comments on the GRI Standards can be submitted to standards@globalreporting.org for the consideration of the GSSB.

E. Scope

GRI 101: Foundation and GRI 201: General Disclosures applies to any organization that wishes to use the GRI Standards to report about its economic, environmental, and social impacts. This Standard is applicable to:

- organizations that intend to prepare a sustainability report in accordance with the GRI Standards; or
- organizations that intend to use individual GRI Standards or their content to report specific sustainability information (e.g., to report on emissions).

GRI 101 and 201 can be used by an organization of any size, type, sector, or geographic location.

F. Normative references

The documents below are required to be used together for the application of this Standard. For documents with a date given, only the listed version applies. For undated references, the latest version of the document applies.

- GRI 301: Management approach
- GRI Standards Glossary of terms

G. Effective date

GRI 101: Foundation and GRI 201: General Disclosures is effective for all reports published on or after 1 January 2018. Earlier adoption of this Standard is encouraged.
**Reporting Principles**

**Guidance 1**

The Reporting Principles are fundamental to achieving high-quality sustainability reporting. An organization is required to apply the Reporting Principles if it wishes to claim that its sustainability report has been prepared in accordance with the GRI Standards. See Table 2 in Section 3 of this Standard for more information. The Reporting Principles are divided into two groups: Principles for defining report content and Principles for defining report quality.

The Reporting Principles for defining report content guide decisions to identify what content the report needs to cover by considering the organization’s activities, impacts, and the substantive expectations and interests of its stakeholders.

The Reporting Principles for defining report quality guide choices on ensuring the quality of information in the sustainability report, including its proper presentation. Decisions related to the process of preparing information in the report need to be consistent with these principles. The quality of the information is important to enable stakeholders to make sound and reasonable assessments of performance, and to take appropriate actions.

Each of the Reporting Principles consists of a definition, and guidance on how to apply the principle, including tests. The tests are intended to serve as tools for self-diagnosis, but not as specific disclosures to report against.

**Principles for defining report content**

**Stakeholder Inclusiveness principle**

1.1 The reporting organization should identify its stakeholders, and explain how it has responded to their reasonable expectations and interests.

**Guidance 1.1**

**Applying the principle:**

Stakeholders are defined as entities or individuals that can reasonably be expected to be significantly affected by the reporting organization’s activities, products, and services, or whose actions can reasonably be expected to affect the ability of the organization to successfully implement its strategies and achieve its objectives. This includes, but is not limited to, entities or individuals whose rights under law or international conventions provide them with legitimate claims vis-à-vis the organization.

Stakeholders can include those who are invested in the organization (such as employees and shareholders) as well as those who have other relationships to the organization (such as other workers who are not employees, suppliers, vulnerable groups within local communities, and civil society).

The reasonable expectations and interests of stakeholders are a key reference point for many decisions in the preparation of the report, such as identifying material topics. However, not all of the organization’s stakeholders use the report. This presents challenges in balancing the specific interests and expectations of stakeholders who can reasonably be expected to use the report with broader expectations of accountability to all stakeholders.
For some decisions, such as identifying the material topics, the organization considers the reasonable expectations and interests of a wide range of stakeholders. There can be, for example, stakeholders who are unable to articulate their views and whose concerns are presented by proxies. There can also be stakeholders who choose not to express views on reports because they rely on different means of communication and engagement.

The reasonable expectations and interests of these stakeholders still need to be acknowledged in decisions about the content of the report. The organization needs to identify a process for taking such views into account when determining materiality, including the interests of stakeholders with whom it cannot be in constant or obvious dialogue. It is important to document the processes and approach taken in making these decisions.

The process of stakeholder engagement can serve as a tool for understanding the reasonable expectations and interests of stakeholders and how they are affected by the organization’s activities, products, and services. An organization typically initiates different types of stakeholder engagement as part of its regular activities, which can provide useful inputs for decisions on reporting. These can include, for example, stakeholder engagement for the purpose of compliance with internationally recognized standards, or for informing ongoing organizational or business processes. In addition, stakeholder engagement can be implemented specifically to inform the report preparation process. The organization can also use other means of engagement, such as the media, the scientific community, or collaborative activities with peers and stakeholders. These means help the organization better understand stakeholders’ reasonable expectations and interests.

When the process of stakeholder engagement is used for reporting purposes, it needs to be based on systematic or generally accepted approaches, methodologies, or principles. The overall approach needs to be sufficiently effective to ensure that stakeholders’ information needs are properly understood.

It is important that the process of stakeholder engagement is capable of identifying direct input from stakeholders as well as legitimately established societal expectations. An organization can encounter conflicting views or differing expectations among its stakeholders, and needs to be able to explain how it balanced these in reaching its reporting decisions.

For the report to be assurable, it is important to document the process of stakeholder engagement. The organization documents its approach for identifying its stakeholders, defining which stakeholders it engaged with, how and when it engaged with them, and how engagement has influenced the report content and the organization’s sustainability activities.

Failure to identify and engage with stakeholders is likely to result in reports that are not suitable, and therefore not fully credible, to all stakeholders. In contrast, systematic stakeholder engagement enhances stakeholder receptivity and the usefulness of the report. Executed properly, it is likely to result in ongoing learning within the organization and by external parties. It is also likely to increase accountability to a range of stakeholders. Accountability strengthens trust between the organization and its stakeholders. Trust, in turn, fortifies report credibility.

Tests:

- The reporting organization can describe the stakeholders to whom it considers itself accountable.
- The report content draws upon the outcomes of stakeholder engagement processes used by the organization in its ongoing activities, and as required by the legal and institutional framework in which it operates.
- The report content draws upon the outcomes of any stakeholder engagement processes undertaken specifically for the report.
- The outcome of the stakeholder engagement processes that inform decisions about the report are consistent with the material topics included in the report.

Sustainability Context principle
1.2 The report should present the reporting organization’s performance in the wider context of sustainability.

**Guidance 1.2**

*Applying the principle:*

Information on performance needs to be placed in context. The underlying question of sustainability reporting is how an organization contributes, or aims to contribute in the future, to the improvement or deterioration of economic, environmental, and social conditions, developments and trends at the local, regional, or global level. Reporting only on trends in individual performance (or the efficiency of an organization) fails to respond to this underlying question. Reports therefore need to seek to present performance in relation to broader concepts of sustainability. This involves discussing the performance of the reporting organization in the context of the limits and demands placed on environmental or social resources at the sector, local, regional, or global level. For example, this can mean that in addition to reporting on trends in eco-efficiency, the organization can also present its absolute pollution loading in relation to the capacity of the regional ecosystem to absorb the pollutant.

This concept is often most clearly articulated in the environmental arena in terms of global limits on resource use and pollution levels. However, it can also be relevant with respect to social and economic objectives, such as national or international socio-economic and sustainable development goals. For example, the organization can report on wages and social benefit levels in relation to nation-wide minimum and median income levels. It can also report on the capacity of social safety nets to absorb those in poverty or those living close to the poverty line.

An organization operating in a diverse range of locations, sizes, and sectors needs to consider how to best frame its overall organizational performance in the broader context of sustainability. This can require distinguishing between topics or factors that drive global impacts (such as climate change) and those that have more regional or local impacts (such as community development). When reporting on topics that have positive or negative local impacts, it is important to provide insight into how the organization affects communities in different locations. Similarly, distinctions need to be made between trends or patterns of impacts across the range of operations and contextualizing performance location by location.

The relationship between sustainability and organizational strategy needs to be made clear, as well as the context within which performance is reported.

**Tests:**

- The reporting organization presents its understanding of sustainable development and draws on objective and available information as well as measures of sustainable development for the topics covered in the report.
- The organization presents its performance with reference to broader sustainable development conditions and goals, as reflected in recognized sectoral, local, regional, or global publications.
- The organization presents its performance in a manner that attempts to communicate the magnitude of its impact and contribution in appropriate geographic contexts.
- The report describes how sustainability topics relate to long-term organizational strategy, risks, and opportunities, including supply chain topics.
Materiality principle

1.3 The report should cover topics that:

1.3.1 reflect the reporting organization’s significant economic, environmental, and social impacts; or

1.3.2 substantively influence the assessments and decisions of stakeholders.

Guidance 1.3

Applying the principle:

Organizations are faced with a wide range of topics on which they can report. Relevant topics are those that can reasonably be considered important for reflecting the reporting organization’s economic, environmental, and social impacts, or influencing the decisions of stakeholders, and, therefore, potentially merit inclusion in the report.

Materiality is the threshold at which these relevant topics become sufficiently important that they need to be reported. Beyond this threshold, not all material topics are of equal importance and the emphasis within a report should reflect the relative priority of these material topics.

Determining materiality for a sustainability report includes considering economic, environmental, and social impacts that cross a threshold in affecting the ability to meet the needs of the present without compromising the needs of future generations. ‘Impacts’ in this context refers to the organization’s contribution (positive or negative) to sustainable development.

A combination of internal and external factors can be used to determine whether a topic is material, including factors such as the organization’s overall mission and competitive strategy, or concerns expressed directly by stakeholders. Broader social expectations, and the organization’s influence on upstream (such as supply chain) or downstream (such as customers) entities can also be used to determine materiality. Assessments of materiality also need to take into account the basic expectations expressed in the international standards and agreements with which the organization needs to comply.

These internal and external factors need to be considered when evaluating the importance of information for reflecting significant economic, environmental, and social impacts, or stakeholder decision making. A range of established methodologies can be used to assess the significance of impacts. In general, ‘significant impacts’ refer to those that are a subject of established concern for expert communities, or that have been identified using established tools, such as impact assessment methodologies or life cycle assessments. Impacts that are considered important enough to require active management or engagement by the organization are likely to be considered significant.

The report needs to emphasize information on performance regarding the most material topics. Other relevant topics can be included, but need to be given less prominence in the report. The process by which the relative priority of topics was determined needs to be explained.

When disclosing performance data, there are varying degrees of comprehensiveness and detail that can be provided in the report. Overall, decisions on how to report data need to be guided by the importance of the information for assessing the performance of the organization, and by how it can facilitate appropriate comparisons.

Reporting on material topics can involve disclosing information used by external stakeholders that differs from the information used internally for day-to-day management purposes. However, such information does indeed belong in the report, where it can inform assessments or decision-making by stakeholders, or support engagement with stakeholders that can result in actions that significantly influence performance or address key topics of stakeholder concern.
In defining material topics, the reporting organization takes into account the following factors:

- reasonably estimable sustainability impacts (such as climate change, HIV-AIDS, and poverty) identified through sound investigation by people with recognized expertise, or by expert bodies with recognized credentials in the field;
- the interests and expectations of stakeholders specifically invested in the success of the organization (such as employees, shareholders, and suppliers);
- main sustainability interests and topics, and disclosures raised by stakeholders (such as other workers who are not employees, suppliers, vulnerable groups within local communities, and civil society);
- the main topics and future challenges for the sector reported by peers and competitors;
- relevant laws, regulations, international agreements, or voluntary agreements with strategic significance to the organization and its stakeholders;
- key organizational values, policies, strategies, operational management systems, goals, and targets; and
- the core competencies of the organization and the manner in which they can contribute to sustainable development.

Prioritizing

- the report prioritizes material topics

Figure 2 Visual representation of prioritization of topics
Completeness principle

1.4 The report should include coverage of material topics and their Boundaries, sufficient to reflect significant economic, environmental, and social impacts, and to enable stakeholders to assess the reporting organization’s performance in the reporting period.

Guidance 1.4

Applying the principle:
Completeness primarily encompasses the dimensions of material topics included in the report, topic Boundaries, and time.

The concept of completeness can also be used to refer to practices in information collection (for example, ensuring that compiled data includes results from all entities within the reporting organization and entities, groups of entities, or elements outside the organization that cause impacts related to a material topic) and whether the presentation of information is reasonable and appropriate. These topics are however related to report quality, and are addressed in greater detail under the principles of Accuracy and Balance.

List of material topics covered in the report: Together, the topics provided in the report need to be sufficient to reflect the organization’s significant economic, environmental and social impacts. It should also enable stakeholders to assess the organization’s performance. In determining whether the information in the report is sufficient, the organization needs to consider both the results of stakeholder engagement processes and broad-based societal expectations that cannot have surfaced directly through stakeholder engagement processes.

‘Topic Boundary’: The concept of the topic Boundary refers to the entities that cause the impacts related to a material topic. These entities can be within the organization (the entities reported under Disclosure 201-45 of GRI 201: General disclosures), outside of the organization (e.g., suppliers or clients), or both.

See Section 2.4 of this Standard for further information on topic Boundaries.

‘Time’ refers to the need for the selected information to be complete for the time period specified by the report. As far as practicable, activities, events, and impacts need to be presented for the reporting period in which they occur. This includes reporting on activities that produce minimal short-term impact, but which have a significant and reasonably foreseeable cumulative effect that can become unavoidable or irreversible in the longer term (such as bio-accumulative or persistent pollutants). In making estimates of future impacts (both positive and negative), the reported information needs to be based on well-reasoned estimates that reflect the likely size and nature of impacts. Although such estimates are by nature subject to uncertainty, they provide useful information for decision-making, as long as the basis for estimates is clearly reported and the limitations of the estimates are clearly acknowledged. Disclosing the nature and likelihood of such impacts, even if they can only materialize in the future, is consistent with the goal of providing a balanced and reasonable representation of the organization’s economic, environmental, and social performance.

Tests:

- The report takes into account impacts that occur within and outside of the reporting organization, and covers and prioritizes all material information on the basis of the principles of Materiality, Sustainability Context, and Stakeholder Inclusiveness.
- The information in the report includes all significant impacts in the reporting period, and reasonable estimates of significant future impacts when those impacts are reasonably foreseeable and can become unavoidable or irreversible.
- The report does not omit relevant information that influences or informs stakeholder assessments or decisions, or that reflects significant economic, environmental, and social impacts.
Principles for defining report quality

Accuracy principle

1.5 The reported information should be sufficiently accurate and detailed for stakeholders to assess the reporting organization’s performance.

Guidance 1.5

Applying the principle:

Responses to economic, environmental, and social disclosures can be expressed in many different ways, ranging from qualitative responses to detailed quantitative measurements. The characteristics that determine accuracy vary according to the nature of the information and the user of the information. For example, the accuracy of qualitative information is largely determined by the degree of clarity, detail, and balance in presentation within the appropriate topic boundaries. The accuracy of quantitative information, on the other hand, can depend on the specific methods used to gather, compile, and analyze data. The specific threshold of accuracy that is necessary can depend partly on the intended use of the information. Certain decisions require higher levels of accuracy in reported information than others.

Tests:

- The report indicates the data that has been measured.
- The data measurement techniques and bases for calculations are adequately described, and can be replicated with similar results.
- The margin of error for quantitative data is not sufficient to influence substantially the ability of stakeholders to reach appropriate and informed conclusions on performance.
- The report indicates which data has been estimated and the underlying assumptions and techniques used to produce the estimates, or where that information can be found.
- The qualitative statements in the report are valid on the basis of other reported information and other available evidence.

Balance principle

1.6 The report should reflect positive and negative aspects of the reporting organization’s performance to enable a reasoned assessment of overall performance.

Guidance 1.6

Applying the principle:

The overall presentation of the report’s content needs to provide an unbiased picture of the reporting organization’s performance. The report needs to avoid selections, omissions, or presentation formats that are reasonably likely to unduly or inappropriately influence a decision or judgment by the report reader. The report needs to include both favorable and unfavorable results, as well as information that can influence the decisions of stakeholders in proportion to their materiality. The report needs to clearly distinguish between factual presentation and the organization’s interpretation of information.
Tests:

- The report discloses both favorable and unfavorable results and topics.
- The information in the report is presented in a format that allows users to see positive and negative trends in performance on a year-to-year basis.
- The emphasis on the various topics in the report is proportionate to their relative materiality.

Clarity principle

1.7 The reporting organization should make information available in a manner that is understandable and accessible to stakeholders using the report.

Guidance 1.7

Applying the principle:

The report needs to present information in a way that is understandable, accessible, and usable by the reporting organization’s range of stakeholders, whether in print form or through other channels. A stakeholder needs to be able to find desired information without unreasonable effort. Information needs to be presented in a manner that is comprehensible to stakeholders who have a reasonable understanding of the organization and its activities.

Graphics and consolidated data tables can help to make information in the report accessible and understandable. The level of aggregation of information can also affect the clarity of the report, if it is either more or less detailed than stakeholders expect.

Tests:

- The report contains the level of information required by stakeholders, but avoids excessive and unnecessary detail.
- Stakeholders can find the specific information they want without unreasonable effort through tables of contents, maps, links, or other aids.
- The report avoids technical terms, acronyms, jargon, or other content likely to be unfamiliar to stakeholders, and needs to include explanations (where necessary) in the relevant section or in a glossary.
- The data and information in the report is available to stakeholders, including those with particular accessibility needs, such as differing abilities, language, or technology.

Comparability principle

1.8 The reporting organization should select, compile, and report information consistently. The reported information should be presented in a manner that enables stakeholders to analyze changes in the organization’s performance over time, and that could support analysis relative to other organizations.

Guidance 1.8

Applying the principle:
Comparability is necessary for evaluating performance. Stakeholders using the report need to be able to compare information on the reporting organization’s economic, environmental, and social performance against the organization’s past performance, its objectives, and, to the degree possible, against the performance of other organizations. Consistency in reporting allows internal and external parties to benchmark performance and assess progress as part of rating activities, investment decisions, advocacy programs, and other activities. Comparisons between organizations require sensitivity to factors, such as differences in organizational size, geographic influences, and other considerations that can affect the relative performance of an organization. When necessary, report preparers need to consider providing context that helps report users understand the factors that can contribute to differences in impacts or performance between organizations.

In order to facilitate comparability over time, it is important to maintain consistency with the methods used to calculate data, with the layout of the report, and with explaining the methods and assumptions used to prepare information. As the relative importance of a topic to a given organization and its stakeholders change over time, the content of reports can also evolve.

However, within the confines of the Materiality principle, the organization needs to aim for consistency in its reports over time. The organization needs to include total numbers (that is, absolute data, such as tons of waste) as well as ratios (that is, normalized data, such as waste per unit of production) to enable analytical comparisons.

Changes can occur with the list of material topics, topic Boundaries, length of the reporting period, or information, including the design, definitions, and use of any disclosures in the report. When this happens, organizations need to, whenever practicable, restate current disclosures alongside historical data, or vice versa. This ensures that information and comparisons are both reliable and meaningful over time. When such restatements are not provided, the report needs to explain the reasons and implications for interpreting current disclosures.

**Tests:**

- The report and the information contained within it can be compared on a year-to-year basis.
- The reporting organization’s performance can be compared with appropriate benchmarks.
- Any significant variation between reporting periods in the list of material topics, topic Boundaries, length of reporting period, or information covered in the report can be identified and explained.
- When they are available, the report utilizes generally accepted protocols for compiling, measuring, and presenting information, including the information contained in the GRI Standards.

### Reliability principle

**1.9** The reporting organization should gather, record, compile, analyze, and report information and processes used in the preparation of the report in a way that they can be subject to examination, and that establishes the quality and materiality of the information.

**Guidance 1.9**

**Applying the principle:**

Stakeholders need to have confidence that the report can be checked to establish the veracity of its contents and the extent to which it has appropriately applied Reporting Principles. The information and data included in the report need to be supported by internal controls or documentation that can be reviewed by individuals other than those who prepared the report. Disclosures about the reporting organization’s impacts or performance that are not substantiated by evidence do not need to appear in the sustainability report unless they represent material information, and the report provides unambiguous explanations of any uncertainties associated with the information.
The decision-making processes underlying the report needs to be documented in a manner that allows the basis of key decisions (such as processes for determining the report content and topic Boundaries or stakeholder engagement) to be examined. In designing information systems, the organization needs to anticipate that the systems can be examined as part of an external assurance process.

Tests:
- The scope and extent of external assurance is identified.
- The original source of the information in the report can be identified by the reporting organization.
- Reliable evidence to support assumptions or complex calculations can be identified by the organization.
- Representation is available from the original data or information owners, attesting to its accuracy within acceptable margins of error.

Timeliness principle

1.10 The reporting organization should report on a regular schedule so that information is available in time for stakeholders to make informed decisions.

Guidance 1.10

Applying the principle:

The usefulness of information is closely tied to whether the timing of its disclosure to stakeholders enables them to effectively integrate it into their decision-making. The timing of release refers both to the regularity of reporting as well as its proximity to the actual events described in the report. Although a constant flow of information is desirable for certain purposes, the reporting organization needs to commit to regularly providing a consolidated disclosure of its economic, environmental, and social performance at a single point in time. Consistency in the frequency of reporting and the length of reporting periods is also necessary to ensure comparability of information over time and accessibility of the report to stakeholders. It can be of value for stakeholders if the schedules for sustainability reporting and financial reporting are aligned. The organization needs to balance the need to provide information in a timely manner with the importance of ensuring that the information is reliable.

Tests:
- Information in the report has been disclosed while it is recent relative to the reporting period.
- The collection and publication of key performance information is aligned with the sustainability reporting schedule.
- The information in the report (including online reports) clearly indicates the time period to which it relates, when it is updated, and when the last updates were made.
Using the GRI Standards for sustainability reporting

2.1 The reporting organization shall apply all Reporting Principles from Section 1 to define report content and quality.

Guidance 2.1

It is important that an organization using the GRI Standards has understood and implemented the ten Reporting Principles for defining report content and quality. These principles guide choices about what information to include in the report, and on ensuring the quality of the information.

It is also useful for the organization to document its process for defining report content, including its methodologies, assumptions, and decisions made. Accurate records of the sustainability reporting process facilitate analysis and assurance, and enable the organization to explain its chosen approach and to apply a consistent approach when preparing future sustainability reports.

Disclosure 201-46 of GRI 201: General disclosures requires an explanation of how the organization has implemented the Reporting Principles for defining report content.

For more information on applying the Reporting Principles, see Section 1 of this Standard, Section 6 of GRI 201: General disclosures, and the How-To-Guide.

2.2 The reporting organization shall report the required disclosures from GRI 201: General disclosures.

Guidance 2.2

This section sets out the basic process for preparing a sustainability report using the GRI Standards. An organization that wants to claim that its report has been prepared in accordance with the GRI Standards is required to comply with all requirements (‘shall’ statements) in this section. These requirements guide the reporting organization through the process of preparing a sustainability report in which:

- the Reporting Principles have been applied;
- disclosures giving contextual information about the organization have been made; and
- all material topics have been identified and reported on.

Some clauses in this section are closely linked to requirements in GRI 201: General disclosures, or GRI 301: Management approach, which ask for specific information to be disclosed in the report. In these cases, the relevant requirements from GRI 201 or GRI 301 are identified in the guidance.

Applying the Reporting Principles
Identifying and reporting on material topics

2.3 The reporting organization shall identify a list of material topics, using the Reporting Principles for defining report content.

Guidance 2.3

Material topics are sustainability topics that the reporting organization has prioritized for inclusion in the sustainability report. This prioritization exercise is based on the Materiality and Stakeholder Inclusiveness principles, which assess each topic based on the following two dimensions:

- The significance of the organization’s economic, environmental, and social impacts; and
- Their substantive influence on the assessments and decisions of stakeholders.

In applying the Materiality principle, ‘impacts’ refers to the organization’s impacts on the economy, the environment, and/or society — in other words, the organization’s contribution (positive or negative) to sustainable development.

A topic does not have to be highly significant with respect to both dimensions to be considered material. Where relevant, organizations can consult the list of topic-specific Standards and the GRI sector guidance (available on the GRI website) as input to identify potential material topics.

Reporting the list of material topics is required in Disclosure 201-47 of GRI 201: General disclosures. For more information on identifying material topics, see Section 1 of this Standard and the How-to-Guide.

Linking identified material topics to the GRI Standards

The use of ‘topics’ in the GRI Standards refers to broad sustainability subjects, such as ‘water’ or ‘indirect economic impacts’. These topic names are intentionally high-level, and each topic covers numerous related concepts. For example, the topic ‘water’ can encompass a broad range of more specific but related subjects, such as ‘water stress,’ or ‘access to water.’

The list of topics covered by the GRI Standards is not exhaustive. In some cases, the organization can identify material topics that do not match exactly with the available topic-specific Standards. In this case, if the material topic is similar to one of the available topic-specific Standards, or can be grouped underneath it, the organization is encouraged to use that Standard for reporting.

If some of the disclosures in the Standard used are not applicable, and if one or more of the recognized reasons for omission applies, the organization can omit these disclosures. For more information on reasons for omission, see Section 2.9 of this Standard. The organization is still required to report its management approach using GRI 301: Management approach if it wishes to make an ‘in accordance’ claim.

If the topic cannot be grouped under one of the available topic-specific GRI Standards, see Section 2.6 of this Standard for requirements about how to report.
2.4 The reporting organization shall identify the Boundary for each material topic.

**Guidance 2.4**

Organizations might be involved with impacts either through their own activities or as a result of their business relationships with other parties. The concept of the topic Boundary refers to the entities that cause the impacts related to a material topic. These entities can be within the organization (i.e., the entities included in the organization’s consolidated financial statements or equivalent documents, as reported under Disclosure 201-45 of GRI 201: General disclosures), outside of the organization (e.g., suppliers or clients), or both.

The Boundary of a material topic is defined as within the organization if the organization or an entity it owns or controls (e.g., subsidiary) has caused a significant impact on the economy, the environment or society. The Boundary of a material topic is defined as outside of the organization if an outside entity (e.g., supplier, client) has caused a significant impact on the economy, the environment or society that the reporting organization has either contributed to, or is linked to, via a business relationship.

The concept of defining topic Boundaries outside of the organization is due to the fact that organizations are increasingly expected to take responsibility for impacts where:

- the organization has contributed to, or is seen as contributing to, the impact through its activities or decisions, but this impact has been caused directly by another party; and
- the organization is involved solely because the impact is directly linked to its operations, products or services by a business relationship (even if the organization has not contributed to that impact).

Even if the organization does not have influence or leverage over the entities causing these impacts, the organization is still expected to report on these impacts and how it has responded to them.

The Boundary is to be defined for each material topic and it can vary by topic.

Reporting the Boundary for each material topic is required in Disclosure 301-1 of GRI 301: Management approach.

See references:


2.5 For each material topic that is covered by an existing GRI Standard (series 400, 500, and 600), the reporting organization shall report:

- 2.5.1 the management approach disclosures for that topic, using GRI 301: Management approach; and
- 2.5.2 the disclosures set out in the topic-specific Standard.

**Guidance 2.5**

The reporting organization can also identify and report other disclosures not included in the topic-specific Standards. These disclosures are to be subject to the same technical rigor as disclosures in the GRI Standards, and are to be consistent with other established standards or reporting frameworks where available and relevant.

**Reporting topics where the Boundary is outside the reporting organization**
If the Boundary for the material topic is defined as outside the reporting organization, it can be difficult to report the topic-specific disclosures. This can happen if, for example, the Boundary for a topic includes part of the supply chain, and the organization does not have access to supplier information to report the topic disclosures. In these cases the organization is still required to report its management approach for the topic, in order to claim that the report is in accordance with the GRI Standards. The organization can omit disclosures if one of the recognized reasons for omission applies. See Section 2.9 of this Standard for more information on reasons for omission.

Any specific limitation regarding the topic Boundary is to be reported with Disclosure 301-1-c of GRI 301: Management approach.

2.6 For each material topic which is not covered by an existing GRI Standard (series 400, 500, and 600), the reporting organization:

2.6.1 shall report the management approach disclosures for that topic using GRI 301: Management approach; and

2.6.2 should report other appropriate disclosures for that topic.

Guidance 2.6

In order to claim that a report has been prepared in accordance with the GRI Standards, the reporting organization is required to report on all material topics identified (as per the list of material topics covered in Disclosure 201-47 of GRI 201: General disclosures). If the material topic is not covered by any of the topic-specific Standards and cannot be related to an existing GRI Standard, the organization still uses GRI 301: Management approach to report on its management approach for the topic. The organization can also use other appropriate disclosures where possible. These disclosures are to be subject to the same technical rigor as disclosures in the GRI Standards, and are to be consistent with other established standards or reporting frameworks, where available and relevant.

General reporting process

2.7 The reporting organization shall determine the appropriate level of aggregation at which to present information, using the Reporting Principles for defining report quality.

2.8 The reporting organization should:

2.8.1 present information for the current reporting period and at least two previous periods, as well as future short and medium-term targets if they have been established;

2.8.2 compile and report information using generally accepted international metrics (such as kilograms or liters) and using standard conversion factors;

2.8.3 if using ratios or normalized data, also provide absolute data and explanatory notes; and

2.8.4 define a consistent reporting period for issuing a report.

Guidance 2.7 and 2.8

When preparing a report, the reporting organization can identify information that has not changed since the prior report. The organization can choose to update only the topics and disclosures that have changed, and to re-publish the disclosures that have not changed in the reporting period.
Reasons for omission

2.9 In exceptional cases, when a required disclosure cannot be made, the reporting organization shall provide in the sustainability report a reason for omission that:

2.9.1 describes the specific information that has been omitted; and

2.9.2 specifies one of the following reasons for omission from Table 1 in Section 2 of this Standard, including the required explanation for that reason.

Table 1

<table>
<thead>
<tr>
<th>Reason for omission</th>
<th>Required explanation in the sustainability report</th>
</tr>
</thead>
<tbody>
<tr>
<td>Not applicable</td>
<td>Specify the reason(s) why this disclosure is considered to be not applicable.</td>
</tr>
<tr>
<td>Confidentiality constraints</td>
<td>Describe the specific confidentiality constraints prohibiting this disclosure.</td>
</tr>
<tr>
<td>Specific legal prohibitions</td>
<td>Describe the specific legal prohibitions.</td>
</tr>
<tr>
<td>Unavailability of the information</td>
<td>Describe the specific steps being taken to obtain the information and the expected timeframe for doing so. If the reason for omission is due to the fact that the Boundary for a material topic is outside the reporting organization (and therefore the necessary information cannot be obtained, or is not of adequate quality to report) explain this situation.</td>
</tr>
</tbody>
</table>

Guidance 2.9

Note that reasons for omission cannot be used for specific required disclosures if the reporting organization wishes to make an ‘in accordance’ claim. For more information, see Table 2 in Section 3 of this Standard. Additionally, if the organization does not report a large number of required disclosures, this can reduce the credibility of the report and its usefulness to stakeholders.

Using ‘not applicable’ as a reason for omission

The ‘not applicable’ reason for omission can mean that the specific situation measured by the disclosure does not apply to the organization. For example, the organization can identify ‘Energy’ and ‘Emissions’ as material topics, but the only form of energy the organization consumes is purchased electricity. In this case, fuel is not directly consumed within the organization, or by sources it owns or controls. Thus, the disclosures related to fuel consumption within the organization and Scope 1 GHG emissions could be considered ‘not applicable’.

‘Not applicable’ can also be used as a reason for omission if a disclosure does not measure the specific impacts that make the topic material. For example, the topic ‘Water’ can be material for an organization that uses flowing water to generate hydroelectric power. However, the existing disclosures for this topic relate to water withdrawal, recycling, or reuse, and therefore do not adequately measure the organization’s impacts (e.g., changes to the volume of water flow). Therefore, the existing disclosures for ‘Water’ can be considered ‘not applicable’ for this organization.

Reasons for omission if the topic Boundary is defined as outside the organization

If the Boundary for a material topic is defined as outside the organization, and the organization cannot obtain information of sufficient quality to enable reporting, the ‘unavailability of the information’ reason for omission can be used. In this case, the reason of omission needs to include an explanation of why the information cannot be obtained. Even if topic-specific disclosures cannot be reported, the organization is still required to report on its...
management approach for the topic (using GRI 301: Management approach) if it wishes to make an 'in accordance' claim for the report.

### Reporting required disclosures using references

2.10 If the reporting organization reports a required disclosure using a reference to another source where the information can be located, the reporting organization shall ensure:

2.10.1 the reference includes the specific location of the required disclosure; and

2.10.2 the referenced information is publicly available and readily accessible.

### Guidance 2.10

Information related to the required disclosures might already be included in other reports prepared by the reporting organization, such as its annual report to shareholders, or other regulatory or voluntary reports. In these circumstances, the organization can elect to not repeat those disclosures in its sustainability report, but to instead reference where the relevant information can be found.

This presentation is acceptable as long as the reference is publicly available, readily accessible, and specific. For example, a reference to the annual report to shareholders is appropriate when it includes the page number, section name, or other specific location where the information can be found.

### Medium of reporting

Electronic or web-based reporting and paper reports are appropriate media for reporting. The reporting organization can choose to use a combination of web and paper-based reports, or use only one medium. For example, the organization can choose to provide a detailed report on their website and provide an executive summary, including their strategy and analysis and performance information in paper form. The choice will likely depend on the organization’s decisions about its reporting period, its plans for updating report content, the likely users of the report, and other practical factors, such as its distribution strategy.
Making claims related to the use of the GRI Standards

Guidance 3

There are three possible options to use and reference the GRI Standards, depending on the extent to which the Standards have been used. Each option has a specific ‘claim,’ or statement, which the reporting organization is to include in any public materials that reference the GRI Standards or their content. The correct use of these claims is important to ensure transparency about how the GRI Standards have been applied.

The use of the GRI Standards are always to be referenced using one of these three claims.

‘In accordance’ claims
An organization that follows the requirements in Section 2 of this Standard to develop its sustainability report and complies with certain reporting requirements can declare that its report has been prepared in accordance with the GRI Standards.

Declaring that a report has been prepared in accordance with the GRI Standards is a public statement which signals that the report is based on the Reporting Principles and provides adequate disclosures for understanding the nature of the reporting organization, its material impacts, and how these impacts are managed. The specific criteria required to make these claims can be found in Table 2 in Section 3 of this Standard.

The two types of ‘in accordance’ claims that the reporting organization can make about its report are summarized as follows:

- **‘In accordance’: core option**: this option contains the minimum essential elements of a sustainability report. This covers the minimum information needed to understand the nature of the organization, its material topics and related impacts, and how these are managed.

- **‘In accordance’: comprehensive option**: this builds on the core option by requiring additional disclosures on the organization’s strategy and analysis, ethics and integrity, and governance. In addition, the organization is required to communicate more extensively on its impacts by reporting all disclosure requirements for each identified material topic.

These two options do not relate to the quality of the information in the report or the magnitude of the organization’s impacts. Instead, they reflect the extent of information included in the sustainability report and the degree to which the GRI Standards have been applied.

‘GRI-referenced’ claim
There is a specific claim option for organizations that use individual GRI Standards, or sections of a Standard, to report on specific sustainability information, without meeting the criteria to be in accordance. This ‘GRI-referenced’ claim requires that any organization referring to the GRI Standards, or their content, in published materials is transparent about how the Standards have been applied.

‘In accordance’ claims

3.1 To claim that a sustainability report has been prepared in accordance with the GRI Standards: core option, the reporting organization shall:

3.1.1 comply with all requirements for the ‘in accordance’: core option, as per Table 2 in this Standard; and
3.1.2 include the following statement in the report: ‘This report has been prepared in accordance with the GRI Standards: core option’.

3.2 To claim that a sustainability report has been prepared in accordance with the GRI Standards: comprehensive option, the reporting organization shall:

3.2.1 comply with all requirements for the ‘in accordance’: comprehensive option, as per Table 2 in this Standard; and

3.2.2 include the following statement in the report: ‘This report has been prepared in accordance with the GRI Standards: comprehensive option’.

Guidance 3.1.1 and 3.2.1
Complying with all requirements for a specific ‘in accordance’ option means complying with all applicable ‘shall’ statements. It is not mandatory to comply with recommendations (‘should’ statements) or guidance in order to claim that the report has been prepared in accordance with the GRI Standards. See the Introduction of this Standard for more information.

Table 2: Criteria for making ‘in accordance’ claims related to the GRI Standards

<table>
<thead>
<tr>
<th>Type of claim</th>
<th>In accordance: core option</th>
<th>In accordance: comprehensive option</th>
</tr>
</thead>
<tbody>
<tr>
<td>Claim that can be made about the use of the GRI Standards</td>
<td>‘This report has been prepared in accordance with the GRI Standards: core option’</td>
<td>‘This report has been prepared in accordance with the GRI Standards: comprehensive option’</td>
</tr>
<tr>
<td>GRI 101: Foundation</td>
<td>Comply with all requirements in Section 2 of this Standard, ‘Using the GRI Standards for sustainability reporting’</td>
<td>Same as for ‘core’</td>
</tr>
<tr>
<td>GRI 201: General disclosures</td>
<td>For Report Disclosures 201-1 to 201-14, 201-16, 201-18, 201-22, and 201-41 to 201-56</td>
<td>In addition to the disclosures required for ‘core’, report Disclosures 201-15, 201-17*, 201-19 to 201-21*, and 201-23 to 201-40*</td>
</tr>
<tr>
<td>GRI 301: Management approach</td>
<td>For each material topic identified, report Disclosures 301-1, 301-2*, 301-3* and Comply with all reporting requirements for the disclosures reported</td>
<td>Comply with all reporting requirements for the disclosures reported</td>
</tr>
<tr>
<td>Topic-specific Standards (GRI 400, 500, and 600 series), for those topics identified as material</td>
<td>Report at least one topic-specific disclosure for each material topic* and Comply with all reporting requirements for the disclosures reported</td>
<td>Report at least one topic-specific disclosures for each material topic*</td>
</tr>
</tbody>
</table>

* For reports prepared ‘in accordance’ with the GRI Standards, reasons for omission can only be used for those disclosures indicated with an asterisk. For further information on reasons for omission, see Section 2.9 of this Standard.

Guidance Table 2
Selecting disclosures to report for the ‘in accordance’ core option

Many of the topic-specific Standards include numerous disclosures. If the reporting organization is not reporting all disclosures under a given topic, the organization is to report on the disclosure(s) that most adequately reflect its impacts for that topic.

GRI-referenced claims

3.3 If the reporting organization uses individual GRI Standards or their content to report sustainability information, but does not meet the criteria to be in accordance with the GRI Standards (as per Table 2 in Section 3 of this Standard), the reporting organization:

3.3.1 shall include in any published material with content based on the GRI Standards a statement that:

3.3.1.1 contains the following wording: 'This document references GRI [number]: [Name] [Publication Year]' (for each Standard used)

3.3.1.2 if the full Standard has not been applied, indicates which specific content of the Standard has been applied

3.3.2 shall comply with all reporting requirements related to the disclosures reported

3.3.3 should apply the Reporting Principles for defining report quality from Section 1 of this Standard

3.3.4 should apply GRI 301: Management approach to report its management approach for any topic-specific Standard (series 400, 500, or 600) used.

Guidance 3.3

An organization that uses the GRI Standards or their contents in published materials (but is not preparing a report in accordance with the GRI Standards) is required to include an ‘GRI-referenced’ claim in the published materials.

An GRI-referenced claim can be written as, for example: ‘This document references GRI 505: Emissions 2016 and Sections 1.1 and 1.2 of GRI 301: Management approach 2016.’

When an organization chooses to use individual GRI Standards without meeting the ‘in accordance’ criteria, it is still important that the Reporting Principles for defining report quality are applied. These principles help to ensure that the information reported is accurate and of high quality, which in turn enables stakeholders to make sound assessments based on this information.

Notification of reports

3.4 If the reporting organization uses an ‘in accordance’ or ‘GRI-referenced’ claim as in Sections 3.1, 3.2, or 3.3 of this Standard, the organization shall notify GRI of the report or published material by either:

3.4.1 sending a paper or electronic copy, or

3.4.2 registering the report or published material in the GRI Sustainability Disclosure Database: database.globalreporting.org
General Disclosures

1. Organizational profile

Guidance 4

These disclosures provide an overview of the reporting organization’s size, geographic location, and activities. This contextual information is important to help stakeholders understand the nature of the organization and its sustainability impacts.

Name of the reporting organization

Reporting requirements

4.1 The reporting organization shall report the following information for Disclosure 201-1:

Disclosure 201-1

a. Name of the reporting organization.

Activities, brands, products, and services

Reporting requirements

4.2 The reporting organization shall report the following information for Disclosure 201-2:

Disclosure 201-2

a. A description of the reporting organization’s activities
b. Primary brands, products, and services.
c. Identification of products and services that are relevant to the sustainability topics covered in the report, including:
   i. products and services banned in certain markets, and why they are banned; and
   ii. products and services that are the subject of stakeholder questions or public debate, and why.

Location of headquarters

Reporting requirements

4.3 The reporting organization shall report the following information for Disclosure 201-3:
GRI 101: Foundation and GRI 201: General disclosures

Disclosure 201-3

a. Location of the reporting organization’s headquarters.

Guidance 4.3

Headquarters refers to the administrative center of an organization, from which it is controlled or directed.

Location of operations

Reporting requirements

4.4 The reporting organization shall report the following information for Disclosure 201-4:

Disclosure 201-4

a. Number of countries where the reporting organization operates, and the names of countries where it has significant operations, or operations that are relevant to the sustainability topics covered in the report.

Ownership and legal form

Reporting requirements

4.5 The reporting organization shall report the following information for Disclosure 201-5:

Disclosure 201-5

a. Nature of ownership and legal form.

Markets served

Reporting requirements

4.6 The reporting organization shall report the following information for Disclosure 201-6:

Disclosure 201-6

a. Markets served, including:
   i. geographic locations where products and services are offered;
   ii. sectors served; and
   iii. types of customers and beneficiaries.
Scale of the reporting organization

Reporting requirements

4.7 The reporting organization shall report the following information for Disclosure 201-7:

<table>
<thead>
<tr>
<th>Disclosure 201-7</th>
</tr>
</thead>
<tbody>
<tr>
<td>a. Scale of the reporting organization, including:</td>
</tr>
<tr>
<td>i. total number of employees;</td>
</tr>
<tr>
<td>ii. total number of operations;</td>
</tr>
<tr>
<td>iii. net sales (for private sector organizations) or net revenues (for public sector organizations);</td>
</tr>
<tr>
<td>iv. total capitalization (for private sector organizations), with a breakdown in terms of debt and equity; and</td>
</tr>
<tr>
<td>v. total number of units of products and services sold or provided.</td>
</tr>
</tbody>
</table>

Reporting recommendations

4.8 When compiling the information specified in Disclosure 201-7, the reporting organization should provide the following additional information:

4.8.1 total assets;

4.8.2 beneficial ownership, including the identity and percentage of ownership of the largest shareholders; and

4.8.3 breakdowns of:

4.8.3.1 net sales or net revenues by countries or regions that make up five percent or more of total revenues;

4.8.3.2 costs by countries or regions that make up five percent or more of total costs; and

4.8.3.3 total number of employees by country or region.

Size and composition of workforce

Guidance

The number of employees and workers involved in the reporting organization’s activities provides insight into the scale of impacts created by labor issues. Breaking down this data by gender enables an understanding of gender representation across an organization, and of the optimal use of available labor and talent.

See references 6, 7, 10 and 12 in the References section.
Reporting requirements

4.9 The reporting organization shall report the following information for Disclosure 201-8:

Disclosure 201-8

a. Total number of employees by employment contract (permanent and temporary), with a breakdown by gender.

b. Total number of employees by employment contract (permanent and temporary), with a breakdown by region.

c. Total number of employees by employment type (full-time and part-time), with a breakdown by gender.

d. Whether a significant portion of the reporting organization’s activities are performed by workers who are not employees. If applicable, a description of the nature and scale of work performed by workers who are not employees.

e. Significant variations in the numbers reported in disclosures 201-8-a, 201-8-b, and/or 201-8-c (such as seasonal variations in the tourism or agricultural industries).

Reporting recommendations

4.10 When compiling the information specified in Disclosure 201-8, the reporting organization should:

4.10.1 express employee numbers as either head count or Full Time Equivalent (FTE), with the chosen approach stated and applied consistently;

4.10.2 identify the contract type and full-time and part-time status of employees based on the definitions under the national laws of the country where they are based;

4.10.3 use numbers as at the end of the reporting period, unless there has been a material change during the reporting period; and

4.10.4 combine country statistics to calculate global statistics, and disregard differences in legal definitions. Although what constitutes a type of contract and employment type varies between countries, the global figure should still reflect the relationships under law.

Supply chain

Guidance

This disclosure sets the overall context for understanding the reporting organization’s supply chain.
Reporting requirements

4.11 The reporting organization shall report the following information for Disclosure 201-9:

Disclosure 201-9

a. A description of the reporting organization’s supply chain, including its main elements as they relate to the reporting organization’s activities, as well as its primary brands, products, and services.

Guidance 1.11

Examples of elements that can be covered in the description include:

- the total number of suppliers engaged by the reporting organization and the estimated number of suppliers throughout the supply chain;
- the geographic location of suppliers;
- the types of suppliers engaged;
- the estimated monetary value of payments made to suppliers; and
- the supply chain’s sector-specific characteristics (such as labor-intensive).

Significant changes

Reporting requirements

4.12 The reporting organization shall report the following information for Disclosure 201-10:

Disclosure 201-10

a. Significant changes to the reporting organization’s size, structure, ownership, or supply chain, including:

   i. changes in the location or type of operations;
   ii. changes in the share capital structure and other capital formation, maintenance, and alteration operations (for private sector organizations); and
   iii. changes in the location of suppliers, the structure of the supply chain, or relationships with suppliers, including selection and termination.

Guidance 1.12

Significant changes to the supply chain are those that can cause or contribute to significant economic, environmental, and social impacts.

Examples of significant changes can include:

- moving parts of the supply chain from one country to another; and
- changing the structure of the supply chain, such as outsourcing a significant part of the reporting organization’s activities.
Precautionary Principle or approach

Guidance

The precautionary approach was introduced by the United Nations in Principle 15 of ‘The Rio Declaration on Environment and Development’. It states: ‘In order to protect the environment, the precautionary approach shall be widely applied by States according to their capabilities. Where there are threats of serious or irreversible damage, lack of full scientific certainty shall not be used as a reason for postponing cost-effective measures to prevent environmental degradation.’ Applying the Precautionary Principle can help an organization to reduce or to avoid negative impacts on the environment.

Reporting requirements

4.13 The reporting organization shall report the following information for Disclosure 201-11:

<table>
<thead>
<tr>
<th>Disclosure 201-11</th>
</tr>
</thead>
<tbody>
<tr>
<td>a. Whether and how the reporting organization applies the Precautionary Principle or approach.</td>
</tr>
</tbody>
</table>

Guidance 1.13

Disclosure 201-11 can include the reporting organization’s approach to risk management in operational planning, or when developing and introducing new products.

External initiatives

Reporting requirements

4.14 The reporting organization shall report the following information for Disclosure 201-12:

<table>
<thead>
<tr>
<th>Disclosure 201-12</th>
</tr>
</thead>
<tbody>
<tr>
<td>a. A list of externally-developed economic, environmental and social charters, principles, or other initiatives to which the reporting organization subscribes, or which it endorses.</td>
</tr>
</tbody>
</table>

Reporting recommendations

4.15 When compiling the information specified in Disclosure 201-12, the reporting organization should:

4.15.1 include the date of adoption, the countries or operations where applied, and the range of stakeholders involved in the development and governance of these initiatives; and

4.15.2 differentiate between non-binding, voluntary initiatives and obligatory initiatives.
4.16 The reporting organization shall report the following information for Disclosure 201-13:

**Disclosure 201-13**

a. A list of the main memberships of industry or other associations, and national or international advocacy organizations.

4.17 When compiling the information specified in Disclosure 201-13, the reporting organization should include memberships maintained at the organizational level in associations or organizations in which it holds a position on the governance body, participates in projects or committees, provides substantive funding beyond routine membership dues, or views its membership as strategic.
2. Strategy

Guidance 5

These disclosures provide an overview of the reporting organization’s strategy for addressing sustainability, in order to provide context for subsequent, more detailed reporting using other GRI Standards. The strategy section can draw on information provided in other parts of the report, but is intended to give insight on strategic issues rather than to summarize the content of the report.

See references 14, 15 and 16 in the References section.

Statement from senior decision-maker

Reporting requirements

5.1 The reporting organization shall report the following information for Disclosure 201-14:

<table>
<thead>
<tr>
<th>Disclosure 201-14</th>
</tr>
</thead>
<tbody>
<tr>
<td>a. A statement from the most senior decision-maker of the reporting organization (such as CEO, chair, or equivalent senior position) about the relevance of sustainability to the organization and its strategy for addressing sustainability.</td>
</tr>
</tbody>
</table>

Reporting recommendations

5.2 When compiling the information specified in Disclosure 201-14, the reporting organization should include:

5.2.1 the overall vision and strategy for the short term, medium term, and long term, particularly with regard to managing the significant economic, environmental, and social impacts that the organization causes and contributes to, or the impacts that can be linked to its activities as a result of relationships with others (such as suppliers and persons or organizations in local communities);

5.2.2 strategic priorities and key topics for the short and medium term with regard to sustainability, including respect for internationally recognized standards and how such standards relate to long term organizational strategy and success;

5.2.3 broader trends (such as macroeconomic or political) affecting the organization and influencing sustainability priorities;

5.2.4 key events, achievements, and failures during the reporting period;

5.2.5 views on performance with respect to targets;

5.2.6 outlook on the organization’s main challenges and targets for the next year and goals for the coming 3–5 years; and

5.2.7 other items pertaining to the organization’s strategic approach.
Key impacts, risks, and opportunities

Reporting requirements

5.3 The reporting organization shall report the following information for Disclosure 201-15:

**Disclosure 201-15**

a. A description of key impacts, risks, and opportunities.

Reporting recommendations

5.4 When compiling the information specified in Disclosure 201-15, the reporting organization should provide information on key impacts, risks, and opportunities including:

5.4.1 the organization’s key impacts on sustainability and effects on stakeholders, including rights as defined by national laws and relevant internationally recognized standards;

5.4.2 the range of reasonable expectations and interests of the organization’s stakeholders;

5.4.3 a description of the significant economic, environmental, and social impacts of the organization, and associated challenges and opportunities, including the effect on stakeholders’ rights as defined by national laws and the expectations in internationally recognized standards and norms;

5.4.4 an explanation of the approach to prioritizing these challenges and opportunities;

5.4.5 key conclusions about progress in addressing these topics and related performance in the reporting period, including an assessment of reasons for underperformance or over-performance;

5.4.6 a description of the main processes in place to address performance and relevant changes;

5.4.7 the impact of sustainability trends, risks, and opportunities on the long-term prospects and financial performance of the organization;

5.4.8 information relevant to financial stakeholders or that could become so in the future;

5.4.9 a description of the most important risks and opportunities for the organization arising from sustainability trends;

5.4.10 prioritization of key sustainability topics as risks and opportunities according to their relevance for long-term organizational strategy, competitive position, qualitative, and, if possible, quantitative financial value drivers;

5.4.11 table(s) summarizing targets, performance against targets, and lessons learned for the current reporting period;
5.4.12 Table(s) summarizing targets for the next reporting period and medium term objectives and goals (i.e., 3–5 years) related to key risks and opportunities; and

5.4.13 A description of governance mechanisms in place specifically to manage these risks and opportunities, and identification of other related risks and opportunities.
3. Ethics and integrity

Values, principles, standards, and norms of behavior

Reporting requirements

6.1 The reporting organization shall report the following information for Disclosure 201-16:

Disclosure 201-16

a. A description of the reporting organization’s values, principles, standards, and norms of behavior.

Reporting recommendations

6.2 When compiling the information specified in Disclosure 201-16, the reporting organization should provide additional information about its values, principles, standards, and norms of behavior, including:

6.2.1 how they were developed and approved;
6.2.2 whether training on them is provided regularly to all and new governance body members, workers, and business partners;
6.2.3 whether they need to be read and signed regularly by all and new governance body members, workers, and business partners;
6.2.4 whether any executive-level positions maintain responsibility for them; and
6.2.5 whether they are available in different languages to reach all governance body members, workers, business partners, and other stakeholders.

Guidance 6.2

Values, principles, standards and norms of behavior can include codes of conduct and ethics. The highest governance body’s and senior executives’ roles in the development, approval, and updating of value statements is reported under Disclosure 201-27.

Mechanisms for advice and concerns about ethics

Guidance

Organizations can provide means for stakeholders to seek advice about ethical and lawful behavior, and organizational integrity, or to report concerns about unethical behavior. These means can include escalating issues through line management, whistleblowing mechanisms, and hotlines.
Reporting requirements

6.3 The reporting organization shall report the following information for Disclosure 201-17:

Disclosure 201-17

a. A description of internal and external mechanisms for:
   i. seeking advice about ethical and lawful behavior, and organizational integrity; and
   ii. reporting concerns about unethical and unlawful behavior, and organizational integrity.

Guidance 3.3

Examples of elements that can be described include:

- who is assigned the overall responsibility for the mechanisms to seek advice about and report on behavior;
- whether any are independent of the reporting organization;
- whether and how workers, business partners, and other stakeholders are informed of the mechanisms;
- whether training on them is given to workers and business partners;
- the availability and accessibility of the mechanisms to employees and business partners, such as the total number of hours per day, days per week, and availability in different languages;
- whether requests for advice and concerns are treated confidentially;
- whether the mechanisms can be used anonymously;
- the total number of requests for advice received, their type, and the percentage that were answered during the reporting period;
- the total number of concerns reported, the type of misconduct reported, and the percentage of concerns that were addressed, resolved, or found to be unsubstantiated during the reporting period;
- whether the organization has a non-retaliation policy;
- the process through which concerns are investigated; and
- the level of satisfaction of those who used the mechanisms.
4. Governance

Guidance 7

These disclosures provide an overview of a reporting organization's governance structure. Transparency about an organization's governance structure is important to ensure that relevant bodies and persons are accountable for governance actions. They also elicit information about the role of the organization’s highest governance body in:

- setting the organization’s purpose, values, and strategy;
- evaluating its economic, environmental, and social performance;
- undertaking risk management;
- conducting sustainability reporting; and
- setting remuneration and incentives.

Governance structure

Reporting requirements

7.1 The reporting organization shall report the following information for Disclosure 201-18:

**Disclosure 201-18**

a. Governance structure of the reporting organization, including committees of the highest governance body.

b. Committees responsible for decision-making on economic, environmental, and social impacts.

Delegating authority

Reporting requirements

7.2 The reporting organization shall report the following information for Disclosure 201-19:

**Disclosure 201-19**

a. Process for delegating authority for economic, environmental, and social impacts from the highest governance body to senior executives and other employees.
Executive-level responsibility for economic, environmental, and social topics

Reporting requirements

7.3 The reporting organization shall report the following information for Disclosure 201-20:

<table>
<thead>
<tr>
<th>Disclosure 201-20</th>
</tr>
</thead>
<tbody>
<tr>
<td>a. Whether the reporting organization has appointed an executive-level position or positions with responsibility for economic, environmental, and social topics.</td>
</tr>
<tr>
<td>b. Whether post holders report directly to the highest governance body.</td>
</tr>
</tbody>
</table>

Consulting on economic, environmental, and social topics

Reporting requirements

7.4 The reporting organization shall report the following information for Disclosure 201-21:

<table>
<thead>
<tr>
<th>Disclosure 201-21</th>
</tr>
</thead>
<tbody>
<tr>
<td>a. Processes for consultation between stakeholders and the highest governance body on economic, environmental, and social topics.</td>
</tr>
<tr>
<td>b. If consultation is delegated, describe to whom it is delegated and how the resulting feedback is provided to the highest governance body.</td>
</tr>
</tbody>
</table>

Collective bargaining agreements

Guidance

Governance is the means used to control an organization, including the mechanisms and processes used to make and implement decisions. Collective bargaining is a negotiation process through which an organization and its workers’ organizations reach agreements about matters, such as working conditions and terms of employment. It is also used to regulate organization-employee relations. A collective bargaining agreement then represents a form of joint decision making concerning the operations of an organization. Where collective bargaining takes place, it is part of the governance of an organization.

This disclosure does not seek the number or percentage of workers belonging to trade unions. The reporting organization cannot be expected to know whether individuals are union members or not. By definition, collective bargaining agreements are obligations (often legally binding) that the organization has undertaken. The organization is expected to understand the coverage of the agreement (the workers to which the organization is obligated to apply the terms of the agreement). Collective agreements can be made at various levels and for categories and groups of workers. Collective agreements can be at the level of the organization or can be at the industry level in countries where the practice is to conduct collective bargaining at that level or at both. Collective agreements can cover specific groups of workers – for instance those performing specific activities or performing work at specific locations.

See references 1, 2, 3, 4, 5, 8 and 9 in the References section.
7.5 The reporting organization shall report the following information for Disclosure 201-22:

**Disclosure 201-22**

a. Percentage of total employees covered by collective bargaining agreements.

7.6 The reporting organization shall report the following information for Disclosure 201-23:

**Disclosure 201-23**

a. Composition of the highest governance body and its committees by:
   
   i. executive or non-executive;
   
   ii. independence;
   
   iii. tenure on the governance body;
   
   iv. number of each individual’s other significant positions and commitments, and the nature of the commitments;
   
   v. gender;
   
   vi. membership of under-represented social groups;
   
   vii. competences relating to economic, environmental, and social impacts; and
   
   viii. stakeholder representation.

7.7 The reporting organization shall report the following information for Disclosure 201-24:

**Disclosure 201-24**

a. Whether the chair of the highest governance body is also an executive officer in the reporting organization.

b. If the chair is also an executive officer, describe his or her function within the reporting organization’s management and the reasons for this arrangement.
Nominating and selecting the highest governance body

Reporting requirements

7.8 The reporting organization shall report the following information for Disclosure 201-25:

Disclosure 201-25

a. Nomination and selection processes for the highest governance body and its committees.

b. Criteria used for nominating and selecting highest governance body members, including whether and how:

   i. stakeholders (including shareholders) are involved;
   ii. diversity is considered;
   iii. independence is considered; and
   iv. expertise and experience relating to economic, environmental, and social topics are considered.

Conflicts of interest

Reporting requirements

7.9 The reporting organization shall report the following information for Disclosure 201-26:

Disclosure 201-26

a. Processes for the highest governance body to ensure conflicts of interest are avoided and managed.

b. Whether conflicts of interest are disclosed to stakeholders, including, as a minimum:

   i. cross-board membership;
   ii. cross-shareholding with suppliers and other stakeholders;
   iii. existence of controlling shareholder; and
   iv. related party disclosures.

Guidance 7.9

See reference 11 in the References section.

Reporting recommendations

7.10 When compiling the information specified in Disclosure 201-26, the reporting organization should align the definition of controlling shareholder to the definition used for the purpose of the organization’s consolidated financial statements or equivalent documents.
Role of highest governance body in setting sustainability goals and strategy

Reporting requirements

7.11 The reporting organization shall report the following information for Disclosure 201-27:

Disclosure 201-27

a. Highest governance body’s and senior executives’ roles in the development, approval, and updating of the reporting organization’s purpose, value, or mission statements, strategies, policies, and goals related to economic, environmental, and social impacts.

Collective knowledge of highest governance body

Reporting requirements

7.12 The reporting organization shall report the following information for Disclosure 201-28:

Disclosure 201-28

a. Measures taken to develop and enhance the highest governance body’s collective knowledge of economic, environmental, and social topics.

Evaluating the highest governance body’s performance

Reporting requirements

7.13 The reporting organization shall report the following information for Disclosure 201-29:

Disclosure 201-29

a. Processes for evaluation of the highest governance body’s performance with respect to governance of economic, environmental, and social topics.
b. Whether such evaluation is independent or not, and its frequency.
c. Whether such evaluation is a self-assessment.
d. Actions taken in response to evaluation of the highest governance body’s performance with respect to governance of economic, environmental, and social topics, including, as a minimum, changes in membership and organizational practice.

Identifying and managing economic, environmental, and social impacts

Reporting requirements

7.14 The reporting organization shall report the following information for Disclosure 201-30:
Disclosure 201-30

a. Highest governance body’s role in identifying and managing economic, environmental, and social impacts, risks, and opportunities — including its role in implementing the due diligence processes.

b. Whether stakeholder consultation is used to support the highest governance body’s identification and management of economic, environmental, and social impacts, risks, and opportunities.

Guidance 7.14
See references 11, 14, 15 and 16 in the References section.

Effectiveness of risk management processes

Reporting requirements

7.15 The reporting organization shall report the following information for Disclosure 201-31:

Disclosure 201-31

a. Highest governance body’s role in reviewing the effectiveness of the reporting organization’s risk management processes for economic, environmental, and social topics.

Guidance 7.15
See references 11, 14, 15 and 16 in the References section.

Review of economic, environmental, and social impacts

Reporting requirements

7.16 The reporting organization shall report the following information for Disclosure 201-32:

Disclosure 201-32

a. Frequency of the highest governance body’s review of economic, environmental, and social impacts, risks, and opportunities.

Guidance 7.16
See references 11, 14, 15 and 16 in the References section.
Highest governance body’s role in sustainability reporting

7.17 The reporting organization shall report the following information for Disclosure 201-33:

<table>
<thead>
<tr>
<th>Disclosure 201-33</th>
</tr>
</thead>
<tbody>
<tr>
<td>a. The highest committee or position that formally reviews and approves the reporting organization’s sustainability report and ensures that all material topics are covered.</td>
</tr>
</tbody>
</table>

Communicating critical concerns

7.18 The reporting organization shall report the following information for Disclosure 201-34:

<table>
<thead>
<tr>
<th>Disclosure 201-34</th>
</tr>
</thead>
<tbody>
<tr>
<td>a. Process for communicating critical concerns to the highest governance body.</td>
</tr>
</tbody>
</table>

Nature and total number of critical concerns

7.19 The reporting organization shall report the following information for Disclosure 201-35:

<table>
<thead>
<tr>
<th>Disclosure 201-35</th>
</tr>
</thead>
<tbody>
<tr>
<td>a. Total number and nature of critical concerns that were communicated to the highest governance body.</td>
</tr>
<tr>
<td>b. Mechanism(s) used to address and resolve critical concerns.</td>
</tr>
</tbody>
</table>

Guidance 7.19

When the exact nature of concerns is sensitive due to regulatory or legal restrictions, responses to this disclosure are to be limited to the information the reporting organization is able to provide without jeopardizing confidentiality. For more information on reasons for omission, see GRI 101: Foundation.
Remuneration policies

Reporting requirements

7.20 The reporting organization shall report the following information for Disclosure 201-36:

Disclosure 201-36

a. Remuneration policies for the highest governance body and senior executives for the following types of remuneration, if used:
   i. fixed pay and variable pay, including performance-based pay, equity-based pay, bonuses, and deferred or vested shares;
   ii. sign-on bonuses or recruitment incentive payments;
   iii. termination payments;
   iv. clawbacks; and
   v. retirement benefits, including the difference between benefit schemes and contribution rates for the highest governance body, senior executives, and all other employees.

b. How performance criteria in the remuneration policies relate to the highest governance body’s and senior executives’ objectives for economic, environmental, and social topics.

Reporting recommendations

7.21 If performance-related pay is used when compiling the information specified in Disclosure 201-36, the reporting organization should:

7.21.1 describe how remuneration and incentive-related pay for senior executives are designed to reward longer-term performance; and

7.21.2 describe how performance criteria in the remuneration policies relate to the highest governance body’s and senior executives’ objectives for economic, environmental, and social topics for the reporting period and the period ahead.

7.22 If termination payments are used when compiling the information specified in Disclosure 201-36, the reporting organization should explain whether:

7.22.1 notice periods for governance body members and senior executives are different from those for other employees;

7.22.2 termination payments for governance body members and senior executives are different from those for other employees;

7.22.3 any payments other than those related to the notice period are paid to departing governance body members and senior executives; and

7.22.4 any mitigation clauses are included in the termination arrangements.
### Process for determining remuneration

**Reporting requirements**

**7.23** The reporting organization shall report the following information for Disclosure 201-37:

<table>
<thead>
<tr>
<th>Disclosure 201-37</th>
</tr>
</thead>
<tbody>
<tr>
<td>b. Whether and how remuneration consultants are involved in determining remuneration and whether they are independent of management.</td>
</tr>
<tr>
<td>c. Any other relationships that the remuneration consultants have with the reporting organization.</td>
</tr>
</tbody>
</table>

### Stakeholders involvement in remuneration

**Reporting requirements**

**7.24** The reporting organization shall report the following information for Disclosure 201-38:

<table>
<thead>
<tr>
<th>Disclosure 201-38</th>
</tr>
</thead>
<tbody>
<tr>
<td>a. How stakeholders' views are sought and taken into account regarding remuneration.</td>
</tr>
<tr>
<td>b. If applicable, the results of votes on remuneration policies and proposals.</td>
</tr>
</tbody>
</table>

### Annual total compensation ratio

**Reporting requirements**

**7.25** The reporting organization shall report the following information for Disclosure 201-39:

<table>
<thead>
<tr>
<th>Disclosure 201-39</th>
</tr>
</thead>
<tbody>
<tr>
<td>a. Ratio of the annual total compensation for the reporting organization’s highest-paid individual in each country of significant operations to the median annual total compensation for all employees (excluding the highest-paid individual) in the same country.</td>
</tr>
</tbody>
</table>

**7.26** When compiling the information specified in Disclosure 201-39, the reporting organization shall for each country of significant operations:

<table>
<thead>
<tr>
<th>7.26.1</th>
</tr>
</thead>
<tbody>
<tr>
<td>Identify the highest-paid individual for the reporting period, as defined by total compensation,</td>
</tr>
</tbody>
</table>
7.26.2 calculate the highest-paid individual’s annual total compensation; and
7.26.3 calculate the median annual total compensation for all employees, except the
highest-paid individual.

Reporting recommendations
7.27 When compiling the information specified in Disclosure 201-39, the reporting
organization should for each country of significant operations define and report the
composition of the annual total compensation for all employees as follows:
7.27.1 list types of compensation included in the calculation;
7.27.2 specify whether full-time and part-time employees are included in this
calculation;
7.27.3 specify whether full-time equivalent pay rates are used for each part-time
employee in this calculation; and
7.27.4 specify which operations or countries are included, if the organization chooses
to not consolidate this ratio for the entire organization.

Guidance 7.27
Depending on the reporting organization’s remuneration policies and availability of data, the following
components can be considered for the calculation:
- base salary: guaranteed, short term, and non-variable cash compensation;
- cash compensation: sum of base salary + cash allowances + bonuses + commissions + cash profit-
  sharing + other forms of variable cash payments; or
- direct compensation: sum of total cash compensation + total fair value of all annual long-term
  incentives, such as stock option awards, restricted stock shares or units, performance stock shares or
  units, phantom stock shares, stock appreciation rights, and long-term cash awards.

Percentage increase in annual total compensation ratio
Reporting requirements
7.28 The reporting organization shall report the following information for Disclosure 201-40:

Disclosure 201-40

a. Ratio of the percentage increase in annual total compensation for the reporting
organization’s highest-paid individual in each country of significant operations to the
median percentage increase in annual total compensation for all employees (excluding the
highest-paid individual) in the same country.

7.29 When compiling the information specified in Disclosure 201-40, the reporting
organization shall for each country of significant operations:
7.29.1 identify the highest-paid individual for the reporting period, as defined by total
compensation;
7.29.2 calculate the percentage increase in the highest-paid persons’ compensation from prior period to the reporting period;
7.29.3 calculate median annual total compensation for all employees except the highest-paid individual;
7.29.4 calculate the percentage increase of the median annual total compensation from the prior period to the reporting period; and
7.29.5 calculate the ratio of the annual total compensation percentage increase of the highest-paid individual to the median annual total compensation percentage increase for all employees.

Reporting recommendations

7.30 When compiling the information specified in Disclosure 201-40, the reporting organization should for each country of significant operations define and report the composition of the annual total compensation for all employees as follows:
7.30.1 list types of compensation included in the calculation;
7.30.2 specify whether full-time and part-time employees are included in this calculation;
7.30.3 specify whether full-time equivalent pay rates are used for each part-time employee in this calculation; and
7.30.4 specify which operations or countries are included, if the organization chooses to not consolidate this ratio for the entire organization.

Guidance 7.30

Depending on the reporting organization’s remuneration policies and availability of data, the following components can be considered for the calculation:
• base salary: guaranteed, short term, and non-variable cash compensation;
• cash compensation: sum of base salary + cash allowances + bonuses + commissions + cash profit-sharing + other forms of variable cash payments; or
• direct compensation: sum of total cash compensation + total fair value of all annual long-term incentives, such as stock option awards, restricted stock shares or units, performance stock shares or units, phantom stock shares, stock appreciation rights, and long-term cash awards.
5. Stakeholder engagement

Guidance 10

These disclosures provide an overview of the reporting organization’s approach to stakeholder engagement. These disclosures do not have to be limited to engagement that was conducted for the purposes of preparing the report. For additional guidance on stakeholder engagement, see the Stakeholder Inclusiveness principle in GRI 101: Foundation and the How-to-Guide.

List of stakeholder groups

Reporting requirements

10.1 The reporting organization shall report the following information for Disclosure 201-41:

Disclosure 201-41

a. A list of stakeholder groups engaged by the reporting organization.

Guidance 10.1

Examples of stakeholder groups are:

- civil society
- customers
- employees and other workers who are not employees as well as their respective trade unions
- local communities
- shareholders and providers of capital
- suppliers

Identifying and selecting stakeholders

Reporting requirements

10.2 The reporting organization shall report the following information for Disclosure 201-42:

Disclosure 201-42

a. The basis for identifying and selecting stakeholders with whom to engage.

Reporting recommendations

10.3 When compiling the information specified in Disclosure 201-42, the reporting organization should describe the process for defining its stakeholder groups, and for determining which groups it will or will not engage with.
Approach to stakeholder engagement

Reporting requirements

10.4 The reporting organization shall report the following information for Disclosure 201-43:

<table>
<thead>
<tr>
<th>Disclosure 201-43</th>
</tr>
</thead>
<tbody>
<tr>
<td>a. The reporting organization’s approach to stakeholder engagement, including frequency of engagement by type and by stakeholder group.</td>
</tr>
</tbody>
</table>

Guidance 10.4

Methods of stakeholder engagement can include surveys (such as supplier or customer surveys), focus groups, community panels, corporate advisory panels, written communication, management or union structures, and other mechanisms.

Key topics and concerns raised

Reporting requirements

10.5 The reporting organization shall report the following information for Disclosure 201-44:

<table>
<thead>
<tr>
<th>Disclosure 201-44</th>
</tr>
</thead>
<tbody>
<tr>
<td>a. Key topics and concerns that have been raised through stakeholder engagement, including:</td>
</tr>
<tr>
<td>i. how the reporting organization has responded to those key topics and concerns; and</td>
</tr>
<tr>
<td>ii. the stakeholder groups that raised each of the key topics and concerns.</td>
</tr>
</tbody>
</table>
6. Reporting practice

Guidance 11

These disclosures provide an overview of the process that the reporting organization has followed to define the sustainability report content. They also review the process it followed to identify its material topics and their Boundaries, along with any changes or restatements. They also provide an overview of the basic information about the report, the claims made about the use of the GRI Standards, the content index, and the organization’s approach to seeking external assurance.

Entities included in the consolidated financial statements

Reporting requirements

11.1 The reporting organization shall report the following information for Disclosure 201-45:

Disclosure 201-45

a. A list of all entities included in the reporting organization’s consolidated financial statements or equivalent documents.
b. Whether any entity included in the reporting organization’s consolidated financial statements or equivalent documents is not covered by the report.

Guidance 11.1

The reporting organization can report Disclosure 201-45 by referencing the information in publicly available consolidated financial statements or equivalent documents.

Defining report content and topic Boundaries

Reporting requirements

11.2 The reporting organization shall report the following information for Disclosure 201-46:

Disclosure 201-46

a. An explanation of the process for defining the report content and the topic Boundaries.
b. An explanation of how the reporting organization has implemented the Reporting Principles for defining report content.

Reporting recommendations

11.3 When compiling the information specified in Disclosure 201-46, the reporting organization should include an explanation of:

11.3.1 the steps taken to define the content of the report and to define the topic Boundary;
11.3.2 at which steps in the process each of the Reporting Principles for defining report content were applied;  
11.3.3 any assumptions and subjective judgements made in this process; and  
11.3.4 any challenges the organization encountered when applying the Reporting Principles for defining report content.

Guidance 11.2 and 11.3

This disclosure asks the reporting organization to explain the process it has gone through to determine the content to include in its sustainability report. This disclosure can be used to explain how the organization identified relevant sustainability topics and prioritized them using the Materiality and Stakeholder Inclusiveness principles. The explanation can also include how stakeholders’ views were sought throughout this process, although this can also be covered in the general disclosures related to stakeholder engagement of this Standard.

The disclosure also asks the organization to explain how it has applied the four Reporting Principles for defining report content during this process. Together, these four principles help the organization to make choices on what content to report, by considering its activities and impacts, along with the reasonable interests and expectations of its stakeholders.

This explanation can include a description of:

- the steps taken to identify relevant sustainability topics (i.e., those that potentially merit inclusion in the report);  
- how these relevant topics were prioritized to identify the material topics to report on; and  
- how thresholds (criteria that render a topic material) were defined.

For more information on applying the Reporting Principles for defining report content, see GRI 101: Foundation and the How-to-Guide.

For a description of the topic Boundaries for each material topic, see GRI 301: Management approach.

List of material topics

Reporting requirements

11.4 The reporting organization shall report the following information for Disclosure 201-47:

Disclosure 201-47

a. A list of material topics identified in the process for defining report content.

Guidance 11.4

Material topics are sustainability topics that the reporting organization has prioritized for inclusion in the sustainability report. This prioritization exercise is based on the Materiality and Stakeholder Inclusiveness principles, which assess each topic based on the following two dimensions:

- The significance of the organization’s economic, environmental, and social impacts; and  
- Their substantive influence on the assessments and decisions of stakeholders.
In applying the Materiality principle, ‘impacts’ refers to the organization’s impacts on the economy, the environment, and/or society – in other words, the organization’s contribution (positive or negative) to sustainable development. ‘Impacts’ in this context do not refer to consequences for the organization itself (such as financial costs or reputational risks).

A topic does not have to be highly significant with respect to both dimensions to be considered material.

For more information on the Reporting Principles for defining report content, see GRI 101: Foundation and the How-to-Guide.

The explanation of why each topic is material is reported under Disclosure 301-1 in GRI 301: Management approach.

### Restatements of information

#### Reporting requirements

11.5 The reporting organization shall report the following information for Disclosure 201-48:

<table>
<thead>
<tr>
<th>Disclosure 201-48</th>
</tr>
</thead>
<tbody>
<tr>
<td>a. The effect of any restatements of information provided in previous reports, and the reasons for such restatements.</td>
</tr>
</tbody>
</table>

#### Guidance 11.5

Restatements can result from:

- mergers or acquisitions
- change of base years or periods
- nature of business
- measurement methods

### Changes in reporting

#### Reporting requirements

11.6 The reporting organization shall report the following information for Disclosure 201-49:

<table>
<thead>
<tr>
<th>Disclosure 201-49</th>
</tr>
</thead>
<tbody>
<tr>
<td>a. Significant changes from previous reporting periods in the list of material topics included in the report and topic Boundaries.</td>
</tr>
</tbody>
</table>
Reporting period

Reporting requirements

11.7 The reporting organization shall report the following information for Disclosure 201-50:

Disclosure 201-50

a. Reporting period for information provided.

Guidance 11.7

The reporting period can be, for example, the fiscal or calendar year.

Date of most recent report

Reporting requirements

11.8 The reporting organization shall report the following information for Disclosure 201-51:

Disclosure 201-51

a. If applicable, the date of the most recent report.

Guidance 11.8

If this is the first report prepared by the reporting organization, the response to this disclosure can state that this is the first report.

Reporting cycle

Reporting requirements

11.9 The reporting organization shall report the following information for Disclosure 201-52:

Disclosure 201-52

a. Reporting cycle.

Guidance 11.9

The reporting cycle can be, for example, annual or biennial.
Contact point for questions regarding the report

Reporting requirements

11.10 The reporting organization shall report the following information for Disclosure 201-53:

Disclosure 201-53

a. The contact point for questions regarding the report or its contents.

‘In accordance’ claims

Reporting requirements

11.11 The reporting organization shall report the following information for Disclosure 201-54:

Disclosure 201-54

a. The ‘in accordance’ claim made by the reporting organization about its use of the GRI Standards, either:
   i. ‘This report has been prepared in accordance with the GRI Standards: core option’; or
   ii. ‘This report has been prepared in accordance with the GRI Standards: comprehensive option’.

Guidance 11.11

A reporting organization that uses all or part of the GRI Standards to report sustainability information can make one of three types of claims. These claims can vary depending on the extent to which it applied the GRI Standards.

An organization that uses the set of GRI Standards as an overall framework for preparing a sustainability report, and which meets specific criteria, can make a claim that its sustainability report has been prepared in accordance with the GRI Standards. There are two options for preparing a report in accordance with the GRI Standards – comprehensive and core – with a specific claim that can be made for each one.

Any published materials that contain content based on the GRI Standards but do not meet the ‘in accordance’ criteria are required to include an ‘GRI-referenced’ claim. This is a statement referencing the specific GRI Standards or sections used.

For more information on these claims, see GRI 101: Foundation.
Content index

Reporting requirements

11.12 The reporting organization shall report the following information for Disclosure 201-55:

**Disclosure 201-55**

a. The content index for the report, which specifies each of the GRI Standards used to prepare the report and lists all relevant disclosures.

b. For each disclosure, the content index shall include:
   i. the number of the disclosure;
   ii. the page number(s) or URL(s) where the information for each disclosure can be found, either within the report or in another published material; and
   iii. if applicable, and where permitted, the reason(s) for omission when a required disclosure cannot be made.

11.13 When compiling the information specified in Disclosure 201-55, the reporting organization shall:

   11.13.1 ensure that all information in the content index is contained in one location; and
   11.13.2 ensure that if the content index is not contained in the report, that a link or reference to the content index is provided in the report.

Reporting recommendations

11.14 When compiling the information specified in Disclosure 201-55, the reporting organization should:

   11.14.1 use the title ‘Content Index’;
   11.14.2 include the content index in the report or provide a direct link to where the content index can be found; and
   11.14.3 include in the content index:

   11.14.3.1 the number, title, and publication year for each of the GRI Standards used in the preparation of the report (e.g., GRI 201: General disclosures 2016);
   11.14.3.2 the title of each disclosure made (e.g., Name of the reporting organization), in addition to the number (e.g., 201-1); and
   11.14.3.3 any additional material topics reported on which are not covered by the GRI Standards, including page number(s) or URL(s) where the information can be found.
The content index required by this disclosure is a navigation tool that specifies which GRI Standards have been used, which disclosures have been made, and where these disclosures can be found in the sustainability report or other location. It enables stakeholders to gain a quick overview of the report and ensures easy navigation across reports. Any organization making a claim that its report has been prepared in accordance with the GRI Standards is required to include a content index in its report or provide a link to where the content index can be found. See GRI 101: Foundation for more information.

The disclosure number refers to the unique numeric identifier for each disclosure in the GRI Standards (e.g., 201-53). The name of the disclosure or a description of its contents can also be included.

The page number (when the report is PDF-based) or URL (when the report is web-based) referenced in the content index need to be specific enough to direct stakeholders to information related to a certain disclosure. If a disclosure is spread over multiple pages or URLs, the content index is expected to specify the page range where the information can be found.

References to webpages and documents other than the report, such as the annual financial report or a policy document, can be included in the content index as long as they have a specific page number or a direct URL to the webpage.

Material topics that are not covered by the GRI Standards but are included in the report are also expected to be listed in the content index. Here, the organization can specify the topic name and the page number(s) where disclosures on the management approach and topic-specific disclosures can be found.

While in principle it is up to the organization to add direct answers to the content index, too much text can diminish its clarity and navigation functionality.

Additional content can also be included in the content index, for example to show the connection with other reporting standards or frameworks. Such additions can be made to add clarity for stakeholders, as long as they do not compromise the readability of the content index.

See GRI 101: Foundation for guidance on reasons for omission.

Organizations can use Table 1 as one possible format to prepare the content index.

<table>
<thead>
<tr>
<th>Content index</th>
</tr>
</thead>
<tbody>
<tr>
<td>GRI Sustainability Reporting Standard</td>
</tr>
<tr>
<td>[Include the number, title and publication year for each of the GRI Standards used to prepare the report.]</td>
</tr>
</tbody>
</table>

General disclosures
The list of general disclosures made, based on the in accordance claim chosen.

<table>
<thead>
<tr>
<th>GRI 201: General disclosures 2016</th>
<th>201-1 Name of the reporting organization</th>
<th>Page 7</th>
<th>-</th>
</tr>
</thead>
<tbody>
<tr>
<td>201-2 Activities, brands, products, and services</td>
<td>Corporate website [direct hyperlink]</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>
### Material topics

The list of material topics included in the report, as reported in Disclosure 201-47. The reporting organization can include material topics identified that are not covered by the topic-specific Standards.

#### Emissions [example topic covered by the GRI Standards]

<table>
<thead>
<tr>
<th>GRI 301: Management approach 2016</th>
<th>301-1 Explanation of the material topic and its Boundaries</th>
<th>Page 20</th>
<th>-</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>301-2 The management approach and its components</td>
<td>Page 20</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>GRI 505: Emissions 2016</td>
<td>505-1 Direct (Scope 1) GHG emissions</td>
<td>Page 21</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>505-2 Energy indirect (Scope 2) GHG emissions</td>
<td>Page 22</td>
<td>Data for this disclosure is not available. [Description of the steps being taken to obtain the data and the expected timeframe for doing so.]</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

#### Freedom of speech [example of topic not covered by the topic-specific Standards]

<table>
<thead>
<tr>
<th>GRI 301: Management approach 2016</th>
<th>301-1 Explanation of the material topic and its Boundaries</th>
<th>Pages 28-29</th>
<th>-</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>301-2 The management approach and its components</td>
<td>Page 29</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Not applicable</td>
<td>Title of organization-specific disclosure, if applicable</td>
<td>Page 29</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### External assurance

#### Guidance

The reporting organization can use a variety of approaches to enhance the credibility of its report.

The use of external assurance for sustainability reports is recommended in addition to any internal resources, but it is not required in order to make a claim that a report has been prepared in accordance with the GRI Standards.

The GRI Standards use the term ‘external assurance’ to refer to activities designed to result in published conclusions on the quality of the report and the information (whether it be qualitative or quantitative) contained within it. External assurance can also refer to activities designed to result in published conclusions about systems or processes (such as the process for defining report content, including the application of the Materiality principle or the stakeholder engagement process). This is different from activities designed to assess or validate the quality or level of performance of an organization, such as issuing performance certifications or compliance assessments.
Reporting requirements

11.15 The reporting organization shall report the following information for Disclosure 201-56:

Disclosure 201-56

a. A description of the reporting organization’s policy and current practice with regard to seeking external assurance for the report.

b. A reference to the external assurance report, statements, or opinions. If not included in the assurance report accompanying the sustainability report, a description of what has and what has not been assured and on what basis, including the assurance standards used, the level of assurance obtained, and any limitations of the assurance process.

c. The relationship between the reporting organization and the assurance provider.

d. Whether and how the highest governance body or senior executives are involved in seeking external assurance for the reporting organization’s sustainability report.

Guidance 11.15

Organizations can use a variety of approaches to seek external assurance, such as the use of professional assurance providers, or other external groups or persons. Regardless of the specific approach, it is recommended that external assurance is conducted by competent groups or persons who follow professional standards for assurance, or who apply systematic, documented, and evidence-based processes (‘assurance providers’).

Overall, for external assurance of reports that have used the GRI Standards, it is important that the assurance providers:

- are independent from the organization and therefore able to reach and publish an objective and impartial opinion or conclusions about the report;
- are demonstrably competent in both the subject matter and assurance practices;
- apply quality control procedures to the assurance engagement;
- conduct the engagement in a manner that is systematic, documented, evidence-based, and characterized by defined procedures;
- assess whether the report provides a reasonable and balanced presentation of performance – considering the veracity of data in the report as well as the overall selection of content;
- assess the extent to which the report preparer has applied the GRI Standards in the course of reaching its conclusions; and
- issue a written report that is publicly available and includes: an opinion or set of conclusions; a description of the responsibilities of the report preparer and the assurance provider; and a summary of the work performed, which explains the nature of the assurance conveyed by the assurance report.

The language used in external assurance reports, statements, or opinions can be technical and is not always accessible. Thus, it is recommended that information for this disclosure is to be included in broadly-accessible language.

In addition to external assurance, an organization can have systems of internal controls in place. These internal systems are also important to the overall integrity and credibility of a report.

In some jurisdictions, corporate governance codes can require directors to inquire, and then, if satisfied, to confirm in the annual report the adequacy of an organization’s internal controls. An organization can also establish and maintain an internal audit function, as part of its processes for risk management and for managing and reporting information.
An organization can also convene a stakeholder panel to review its overall approach to sustainability reporting or to provide advice on the content of its sustainability report.
Key terms

claim

A declaration made by the reporting organization in any published materials that use the GRI Standards or their content, and which indicates the extent to which the GRI Standards have been used.

NOTE: There are three different claims that can be made: ‘in accordance’: core, ‘in accordance’: comprehensive, and ‘GRI-referenced’.

impact

In the context of the GRI Standards, unless otherwise stated, ‘impact’ refers to an organization’s impact on the economy, the environment, and/or society – in other words, the organization’s contribution (positive or negative) to sustainable development.

NOTE: In the GRI Standards, the term ‘impact’ can refer to positive, negative, actual, potential, direct, indirect, short term, long term, intended, or unintended impacts.

management approach disclosure

A narrative description of how an organization manages its material topics and their related impacts.

NOTE: Disclosures about an organization’s management approach also provide context for the information reported using topic-specific Standards (series 400, 500 and 600).

material topic

A 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 topics that are material to the organization (material topics).

Reporting Principle

A concept that describes the outcomes a report should achieve, and that guides decisions made throughout the reporting process around report content or quality.

stakeholder
entity or individual that can reasonably be expected to be significantly affected by the reporting organization’s activities, products and services, or whose actions can reasonably be expected to affect the ability of the organization to successfully implement its strategies and achieve its objectives.

NOTE 1: Stakeholders include entities or individuals whose rights under law or international conventions provide them with legitimate claims vis-à-vis to the organization.

NOTE 2: Stakeholders can include those who are invested in the organization (such as employees and shareholders), as well as those who have other relationships to the organization (such as other workers who are not employees, suppliers, vulnerable groups within local communities, or civil society).

sustainable development / sustainability
development that meets the needs of the present without compromising the ability of future generations to meet their own needs.

NOTE 1: Sustainable development encompasses three dimensions: economic, environmental and social.

NOTE 2: Sustainable development refers to broader environmental and societal interests, rather than to the interests of specific organizations.

NOTE 3: In the GRI Standards, the terms ‘sustainability’ and ‘sustainable development’ are used interchangeably.

topic
sustainability subject

NOTE 1: In the GRI Standards, topics are grouped according to the three dimensions of sustainable development: economic, environmental and social.

NOTE 2: To prepare a report in accordance with the GRI Standards, an organization is required to report on topics that are material to the organization (material topics).

topic Boundary
description of which entities cause the impacts related to a material topic

NOTE 1: Entities can be within the organization (i.e., the entities included in the organization’s consolidated financial statements or equivalent documents, as reported under Disclosure 201-45 of GRI 201: General disclosures), outside of the organization (e.g., suppliers or clients), or both.

NOTE 2: Topic Boundaries vary based on the topics reported.
The following documents informed the development of this Standard and can improve understanding of this Standard.

**Authoritative intergovernmental instruments:**