Transition to GRI Standards

Item 04 – Draft SRS 201: General Disclosures

For GSSB Feedback and Discussion

Date 11 February 2016
Meeting 25 February 2016
Project Transition to GRI Standards
Description
As part of the move to become a standard setter, the Global Sustainability Standards Board (GSSB) has decided that the G4 Guidelines need to be transitioned to Sustainability Reporting Standards (SRSs). This paper presents a draft of the SRS 201: General Disclosures, for GSSB feedback and discussion.
About this version

This paper sets out a draft of the Sustainability Reporting Standard 201: General Disclosures, formerly the G4 General Standard Disclosures.

This draft includes all sections of the G4 General Standard Disclosures and also incorporates feedback from the GSSB meeting on 4th February 2016 on the SRS template.

This draft is a work in progress. It incorporates a number of changes based on the content revision principles (e.g., review location of disclosures, eliminate duplication) and content clarifications previously agreed with the GSSB.

Further work is pending. This includes changes as part of the employee/worker terminology revision project and additional content clarifications under development (e.g., definition of impact, Content Index).

The following key changes have been made:

- In the 'Methodology' sections, all 'shall' statements (requirements) are now grouped together, followed by 'should' statements (recommendations). The aim is to make it easier for users to understand what is mandatory and what is recommended, without introducing more complexity into the document.

- Disclosure G4-11 (on collective bargaining) has been moved from the Organizational Profile section to the Governance section within this SRS in order to improve the logical flow.

- The disclosure requirements related to setting Boundaries for material topics (G4-20 and G4-21) have been moved from the General Disclosures into the Management Approach Standard. This change will be discussed with the GSSB during the meeting on 11th February 2016.

- Disclosure G4-32 has been divided into separate disclosures in this SRS to improve clarity for users. The original disclosure included the following 3 components:
  a) Report the 'in accordance' option the organization has chosen.
  b) Report the GRI Content Index for the chosen option (see tables below).
  c) Report the reference to the External Assurance Report, if the report has been externally assured. GRI recommends the use of external assurance but it is not a requirement to be 'in accordance' with the Guidelines.

  Part a) and b) have been separated into two distinct disclosures in this draft, with minor wording amendments. Part c) has now been included in disclosure G4-33, on assurance.

- The text around the Content Index (G4-32-b) is still in progress and needs further internal review before it can be finalized. The Standards Division would like to request initial GSSB input on how to make this section specific enough for organizations to prepare a correct and complete Content Index, without making it too complex or lengthy.

- Changes have been made to disclosure G4-33 (on assurance) as part of the 'Content Clarifications' work.

Additionally, although GSSB input from the 4th February meeting recommended moving disclosure G4-18 (Explanation of how the Principles for Defining Report Content have been applied...)
to the Foundation SRS; the Standards Division has subsequently determined to leave this disclosure in the General Disclosures. Upon further drafting of the documents, it became clear that numerous other disclosures were closely related to the Foundation SRS or Reporting Principles (e.g., G4-19 on listing material topics, and disclosures under the ‘Stakeholder Engagement’ section). It was determined that it would be clearer for users to have all these disclosures remain in the General Disclosures rather than dividing them between two standards – the Foundation SRS will contain clear cross-references to these disclosures where applicable.

**Requested GSSB feedback**

1. **Clarifying what is required:** The GSSB is asked to please review the Methodology and Guidance sections in this SRS and *indicate if it disagrees with any of the uses of instructive verbs* (i.e., shall, should, can).

2. **Content clarification:** The GSSB is asked to please review the Content Clarifications addressed within this SRS and to provide feedback. These are highlighted within comment boxes throughout this draft.

3. **Location of disclosures:** Does the GSSB agree with the proposal to keep disclosures G4-18 and G4-19 within the General Disclosures, based on the rationale outlined above? If the GSSB feels these disclosures should instead be moved to the Foundation SRS, how does the GSSB recommend we minimize confusion for users?

4. **Content Index Section:** The GSSB is asked to give initial input on the Content Index section and to identify for the Standards Division any changes recommended. Specifically the GSSB is asked to consider whether the Content Index related disclosure requirements are setting out the right disclosure expectation and request an appropriate level of detail given the overall direction taken with the Transition to Standards.

5. **Other major changes needed:** The GSSB is asked to identify any other major changes required before this draft can be submitted for public consultation. Please note that there is additional work underway (e.g., employee/worker terminology, definition of impact).
Sustainability Reporting Standard 201:
General Disclosures 2016
Introduction

A. About the Sustainability Reporting Standards (SRSs) [to be provided]

B. Responsibility for this standard [to be provided]

C. Scope [to be provided]

D. Normative References [to be provided]

E. Effective Date [to be provided]

F. Background Context [to be provided]
1. Organizational Profile

Guidance

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

Name of the reporting organization

Disclosure requirements

1.1 The reporting organization shall report disclosure 201-1 as follows:

Disclosure 201-1

a. Name of the reporting organization.

Brands, products, and services

Disclosure requirements

1.2 The reporting organization shall report disclosure 201-2 as follows:

Disclosure 201-2

a. Primary brands, products, and services.

Location of headquarters

Disclosure requirements

1.3 The reporting organization shall report disclosure 201-3 as follows:

Disclosure 201-3

a. Location of the reporting organization’s headquarters.
112 **Location of operations**

113 **Disclosure requirements**

114 **1.4** The reporting organization shall report disclosure 201-4 as follows:

**Disclosure 201-4**

a. Number of countries where the reporting organization operates, and the names of countries where significant operations, or operations that are relevant to the report’s sustainability topics, occur.

115 **Ownership and legal form**

116 **Disclosure requirements**

117 **1.5** The reporting organization shall report disclosure 201-5 as follows:

**Disclosure 201-5**

a. Nature of ownership and legal form.

118 **Markets served**

119 **Disclosure requirements**

120 **1.6** The reporting organization shall report disclosure 201-6 as follows:

**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.

121 **Scale of the reporting organization**

122 **Disclosure requirements**

123 **1.7** The reporting organization shall report disclosure 201-7 as follows:
Disclosure 201-7

a. Scale of the reporting organization, including:
   i. total number of employees;
   ii. total number of operations;
   iii. net sales (for a private sector organization) or net revenues (for a public sector organization);
   iv. total capitalization (for a private sector organization), with a breakdown in terms of debt and equity; and
   v. total number of units of products and services sold or provided.

Methodology

1.8 The reporting organization should provide the following additional information:

1.8.1 total assets;

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

1.8.3 breakdowns of:

1.8.3.1 net sales or net revenues by countries or regions that make up 5 per cent or more of total revenues;

1.8.3.2 costs by countries or regions that make up 5 per cent or more of total costs; and

1.8.3.3 total number of employees by country or region.

Size and composition of workforce

Guidance

A workforce’s size and composition show the potential scale of labor issues in an organization. They are also normalizing factors for many other disclosure requirements in the SRSs.

A change in net employment, shown over the course of three or more years, is an important indicator of an organization’s contribution to the stability and economic development of its workforce.

Disclosure requirements

1.9 The reporting organization shall report disclosure 201-8 as follows:
Disclosure 201-8

a. Total number of employees, with a breakdown by employment contract and gender.
b. Total number of permanent employees, with a breakdown by employment type and gender.
c. Total workforce by employees and supervised workers and by gender.
d. Total workforce by region and gender.
e. Whether a substantial portion of the organization’s work is performed by workers who are legally recognized as self-employed, or by persons other than employees or supervised workers, including employees and supervised employees of contractors.
f. Significant variations in employment numbers (such as seasonal variations in the tourism or agricultural industries).

Methodology

1.10 In compiling the information in 1.9, the reporting organization shall:

1.10.1 exclude supply chain workers other than employees or supervised employees of contractors;

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

1.10.3 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; and

1.10.4 use numbers as at the end of the reporting period, unless there has been a material change in the reporting period.

1.11 In compiling the information in 1.9, the reporting organization should combine country statistics to calculate global statistics and disregard differences in legal definitions. Although the definitions of what constitutes types of contract and a full-time or part-time employment relationship vary between countries, the global figure should still reflect the relationships under law.

Supply chain

Guidance

Disclosure 201-9 sets the overall context for understanding the reporting organization’s supply chain.

Disclosure requirements

1.12 The reporting organization shall report disclosure 201-9 as follows:

Disclosure 201-9

a. Description of the reporting organization’s supply chain.
Methodology

1.13 The reporting organization should describe the elements of the supply chain in relation to the organization’s primary activities, products, and services.

Guidance

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.

Significant changes

Disclosure requirements

1.14 The reporting organization shall report disclosure 201-10 as follows:

<table>
<thead>
<tr>
<th>Disclosure 201-10</th>
</tr>
</thead>
<tbody>
<tr>
<td>a. Significant changes to the reporting organization’s size, structure, ownership, or its supply chain, including:</td>
</tr>
<tr>
<td>i. changes in the location or type of operations;</td>
</tr>
<tr>
<td>ii. changes in the share capital structure and other capital formation, maintenance, and alteration operations (for a private sector organization); and</td>
</tr>
<tr>
<td>iii. changes in the location of suppliers, the structure of the supply chain, or relationships with suppliers, including selection and termination.</td>
</tr>
</tbody>
</table>

Guidance

Significant changes to the supply chain are those that cause or contribute to material 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 organization’s activities.
COMMITMENTS TO EXTERNAL INITIATIVES

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': ‘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.’

Disclosure requirements

1.15 The reporting organization shall report disclosure 201-11 as follows:

Disclosure 201-11

a. Whether and how the reporting organization applies the Precautionary Principle or approach.

Guidance

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

Disclosure requirements

1.16 The reporting organization shall report disclosure 201-12 as follows:

Disclosure 201-12

a. List of externally-developed economic, environmental and social charters, principles, or other initiatives to which the reporting organization subscribes or which it endorses.

Methodology

1.17 In compiling the information in 1.16, the reporting organization should:

1.17.1 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

1.17.2 differentiate between non-binding, voluntary initiatives and obligatory initiatives.
Membership of associations

Disclosure requirements

1.18 The reporting organization shall report disclosure 201-13 as follows:

<table>
<thead>
<tr>
<th>Disclosure 201-13</th>
</tr>
</thead>
<tbody>
<tr>
<td>a. List of memberships of industry or other associations, and national or international advocacy organizations.</td>
</tr>
</tbody>
</table>

Methodology

1.19 The reporting organization shall include 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. Ethics and Integrity

Guidance

These General Disclosures provide an overview of the reporting organization’s:

- values, principles, standards and norms;
- internal and external mechanisms to seek advice on ethical and lawful behavior; and
- internal and external mechanisms to report concerns about unethical or unlawful behavior and matters of integrity.

Values, principles, standards and norms of behavior

Guidance

Values, principles, standards and norms of behavior can include codes of conduct and ethics.

Disclosure requirements

2.1 The reporting organization shall report disclosure 201-14 as follows:

<table>
<thead>
<tr>
<th>Disclosure 201-14</th>
</tr>
</thead>
<tbody>
<tr>
<td>a. Description of the reporting organization’s values, principles, standards and norms of behavior.</td>
</tr>
</tbody>
</table>

Methodology

2.2 The reporting organization should provide additional information about its values, principles, standards and norms of behavior, including:

2.2.1 how they were developed and approved;

2.2.2 whether training on them is provided regularly to all, and to new, governance body members, employees, and business partners;

2.2.3 whether they need to be read and signed regularly by all, and by new, governance body members, employees, and business partners;

2.2.4 whether any executive-level positions maintain responsibility for them; and

2.2.5 whether they are available in different languages to reach all governance body members, employees, business partners and other stakeholders.

Guidance

The highest governance body’s and senior executives’ roles in the development, approval, and updating of value statements is covered under disclosure 201-25.
Mechanisms for advice and concerns about ethics

Guidance
Mechanisms for seeking advice about ethical and lawful behavior, and organizational integrity, can include helplines and advice lines.

Mechanisms for reporting concerns about unethical and unlawful behavior, and organizational integrity, are systems or processes through which a person or organization can report illegal, irregular, dangerous or unethical practices related to the reporting organization’s operations. Reporting mechanisms can include escalation through line management, whistleblowing mechanisms or hotlines.

Disclosure requirements

2.3 The reporting organization shall report disclosure 201-15 as follows:

<table>
<thead>
<tr>
<th>Disclosure 201-15</th>
</tr>
</thead>
<tbody>
<tr>
<td>a. Internal and external mechanisms for:</td>
</tr>
<tr>
<td>i. seeking advice about ethical and lawful behavior, and organizational integrity</td>
</tr>
<tr>
<td>ii. reporting concerns about unethical and unlawful behavior, and organizational integrity</td>
</tr>
</tbody>
</table>

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

- who is assigned the overall responsibility for the mechanisms;
- whether any are independent of the reporting organization;
- whether and how employees, business partners and other stakeholders are informed of the mechanisms;
- whether training on them is given to employees 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.
3. Governance

Guidance
These General Disclosures provide an overview of:
• the governance structure and its composition;
• the role of the highest governance body in setting the reporting organization’s purpose, values, and strategy;
• the competencies and performance evaluation of the highest governance body;
• the role of the highest governance body in risk management;
• the role of the highest governance body in sustainability reporting;
• the role of the highest governance body in evaluating economic, environmental and social performance; and
• remuneration and incentives.

GOVERNANCE STRUCTURE AND COMPOSITION

Guidance
Transparency about a reporting organization’s governance structure is important to ensure that relevant bodies and persons are accountable for governance actions. These General Disclosures show how the highest governance body is established and structured to meet the organization’s purpose. They also explore how this purpose relates to the economic, environmental and social dimensions of sustainability.

Governance structure

Disclosure requirements
3.1 The reporting organization shall report disclosure 201-16 as follows:

**Disclosure 201-16**

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 topics.

Delegation of authority

Disclosure requirements
3.2 The reporting organization shall report disclosure 201-17 as follows:
Disclosure 201-17

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

Executive-level responsibility for economic, environmental and social topics

Disclosure requirements

3.3 The reporting organization shall report disclosure 201-18 as follows:

Disclosure 201-18

a. Whether the reporting organization has appointed an executive-level position or positions with responsibility for economic, environmental and social topics.
b. Whether post holders report directly to the highest governance body.

Consultation on economic, environmental and social topics

Disclosure requirements

3.4 The reporting organization shall report disclosure 201-19 as follows:

Disclosure 201-19

a. Processes for consultation between stakeholders and the highest governance body on economic, environmental and social topics.
b. If consultation is delegated, describe to whom and any feedback processes to the highest governance body.

Collective bargaining

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 like 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 the organization.

Disclosure requirements

3.5 The reporting organization shall report disclosure 201-20 as follows:
Disclosure 201-20

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

Guidance

The reporting organization can use data from disclosure 201-8 as the basis for calculating this percentage.

Composition of the highest governance body and its committees

Disclosure requirements

3.6 The reporting organization shall report disclosure 201-21 as follows:

Disclosure 201-21

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.

Chair of the highest governance body

Disclosure requirements

3.7 The reporting organization shall report disclosure 201-22 as follows:

Disclosure 201-22

a. Whether the Chair of the highest governance body is also an executive officer (and, if so, his or her function within the reporting organization’s management and the reasons for this arrangement).
Nomination and selection

Disclosure requirements

The reporting organization shall report disclosure 201-23 as follows:

### Disclosure 201-23

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:

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

Conflicts of interest

Disclosure requirements

The reporting organization shall report disclosure 201-24 as follows:

### Disclosure 201-24

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.

Methodology

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.
HIGHEST GOVERNANCE BODY’S ROLE IN SETTING PURPOSE, VALUES AND STRATEGY

Guidance

The highest governance body sets the tone for the reporting organization, and has a major role in defining its purpose, values and strategy.

Highest governance body’s role in setting sustainability goals and strategy

Disclosure requirements

3.11 The reporting organization shall report disclosure 201-25 as follows:

<table>
<thead>
<tr>
<th>Disclosure 201-25</th>
</tr>
</thead>
<tbody>
<tr>
<td>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 topics.</td>
</tr>
</tbody>
</table>

HIGHEST GOVERNANCE BODY’S COMPETENCIES AND PERFORMANCE EVALUATION

Guidance

These General Disclosures describe the highest governance body’s and senior executives’ willingness and capability to understand, discuss, and effectively respond to economic, environmental and social impacts; and show if a process is in place, conducted internally or externally, to ensure the highest governance body’s continuing effectiveness.

Highest governance body’s collective knowledge

Disclosure requirements

3.12 The reporting organization shall report disclosure 201-26 as follows:

<table>
<thead>
<tr>
<th>Disclosure 201-26</th>
</tr>
</thead>
<tbody>
<tr>
<td>a. Measures taken to develop and enhance the highest governance body’s collective knowledge of economic, environmental and social topics.</td>
</tr>
</tbody>
</table>
Evaluation of the highest governance body’s performance

Disclosure requirements

3.13 The reporting organization shall report disclosure 201-27 as follows:

<table>
<thead>
<tr>
<th>Disclosure 201-27</th>
</tr>
</thead>
<tbody>
<tr>
<td>a. Processes for evaluation of the highest governance body’s performance with respect to governance of economic, environmental and social topics.</td>
</tr>
<tr>
<td>b. Whether such evaluation is independent or not, and its frequency.</td>
</tr>
<tr>
<td>c. Whether such evaluation is a self-assessment.</td>
</tr>
<tr>
<td>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.</td>
</tr>
</tbody>
</table>

HIGHEST GOVERNANCE BODY’S ROLE IN RISK MANAGEMENT

Guidance

These General Disclosures describe whether the highest governance body is accountable for a risk management process. Effective risk management requires senior executives and the highest governance body to consider broad, long-term risks, and to integrate the results into strategic planning. Reporting this information is an important governance disclosure.

Identification and management of economic, environmental and social impacts

Disclosure requirements

3.14 The reporting organization shall report disclosure 201-28 as follows:

<table>
<thead>
<tr>
<th>Disclosure 201-28</th>
</tr>
</thead>
<tbody>
<tr>
<td>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.</td>
</tr>
<tr>
<td>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.</td>
</tr>
</tbody>
</table>
Effectiveness of risk management processes

Disclosure requirements

3.15 The reporting organization shall report disclosure 201-29 as follows:

<table>
<thead>
<tr>
<th>Disclosure 201-29</th>
</tr>
</thead>
<tbody>
<tr>
<td>a. Highest governance body’s role in reviewing the effectiveness of the reporting organization’s risk management processes for economic, environmental and social topics.</td>
</tr>
</tbody>
</table>

Review of economic, environmental and social impacts

Disclosure requirements

3.16 The reporting organization shall report disclosure 201-30 as follows:

<table>
<thead>
<tr>
<th>Disclosure 201-30</th>
</tr>
</thead>
<tbody>
<tr>
<td>a. Frequency of the highest governance body’s review of economic, environmental and social impacts, risks, and opportunities.</td>
</tr>
</tbody>
</table>

Highest governance body’s role in sustainability reporting

Guidance

These General Disclosures show the extent of the highest governance body’s involvement in developing and approving the reporting organization’s sustainability disclosures, and the degree by which it may be aligned with processes around financial reporting.

Highest governance body’s role in sustainability reporting

Disclosure requirements

3.17 The reporting organization shall report disclosure 201-31 as follows:

<table>
<thead>
<tr>
<th>Disclosure 201-31</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>
HIGHEST GOVERNANCE BODY’S ROLE IN EVALUATING ECONOMIC, ENVIRONMENTAL AND SOCIAL PERFORMANCE

Guidance

These General Disclosures show how the highest governance body is involved in monitoring and reacting to the reporting organization’s performance for economic, environmental and social topics. Economic, environmental and social performance presents major risks and opportunities that the highest governance body ensures are monitored and addressed, where appropriate. These General Disclosures also address the reporting organization’s processes for communicating critical concerns to the highest governance body.

Communicating critical concerns

Disclosure requirements

3.18 The reporting organization shall report disclosure 201-32 as follows:

<table>
<thead>
<tr>
<th>Disclosure 201-32</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

Disclosure Requirements

3.19 The reporting organization shall report disclosure 201-33 as follows:

<table>
<thead>
<tr>
<th>Disclosure 201-33</th>
</tr>
</thead>
<tbody>
<tr>
<td>a. Nature and total number 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

When the exact nature of concerns is sensitive due to regulatory or legal restrictions, responses to this disclosure can be limited to the information the organization is able to provide without jeopardizing confidentiality.

REMUNERATION AND INCENTIVES

Guidance

These General Disclosures focus on the remuneration policies established to ensure that remuneration arrangements support the strategic aims of the reporting organization, align with the interests of
stakeholders, and enable the recruitment, motivation and retention of members of the highest governance body, senior executives, and employees.

395 **Remuneration policies**

396 **Disclosure requirements**

397 3.20 The reporting organization shall report disclosure 201-34 as follows:

<table>
<thead>
<tr>
<th>Disclosure 201-34</th>
</tr>
</thead>
<tbody>
<tr>
<td>a. Remuneration policies for the highest governance body and senior executives for the below types of remuneration:</td>
</tr>
<tr>
<td>i. Fixed pay and variable pay:</td>
</tr>
<tr>
<td>1. Performance-based pay</td>
</tr>
<tr>
<td>2. Equity-based pay</td>
</tr>
<tr>
<td>3. Bonuses</td>
</tr>
<tr>
<td>4. Deferred or vested shares</td>
</tr>
<tr>
<td>ii. Sign-on bonuses or recruitment incentive payments</td>
</tr>
<tr>
<td>iii. Termination payments</td>
</tr>
<tr>
<td>iv. Clawbacks</td>
</tr>
<tr>
<td>v. Retirement benefits, including the difference between benefit schemes and contribution rates for the highest governance body, senior executives, and all other employees</td>
</tr>
<tr>
<td>b. How performance criteria in the remuneration policy relate to the highest governance body’s and senior executives’ economic, environmental and social objectives.</td>
</tr>
</tbody>
</table>

398 **Methodology**

399 3.21 If performance-related pay is used, the reporting organization should describe how remuneration and incentive-related pay for senior executives are designed to reward longer-term performance.

402 3.22 If termination payments are used, the reporting organization should explain whether:

403 3.22.1 notice periods for governance body members and senior executives are different from those for other employees;

405 3.22.2 termination payments for governance body members and senior executives are different from those for other employees;

407 3.22.3 any payments other than those related to the notice period are paid to departing governance body members and senior executives; and

409 3.22.4 any mitigation clauses are included in the termination arrangements.
Process for determining remuneration

Disclosure requirements

3.23 The reporting organization shall report disclosure 201-35 as follows:

<table>
<thead>
<tr>
<th>Disclosure 201-35</th>
</tr>
</thead>
<tbody>
<tr>
<td>b. Whether 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’ views regarding remuneration

Disclosure requirements

3.24 The reporting organization shall report disclosure 201-36 as follows:

<table>
<thead>
<tr>
<th>Disclosure 201-36</th>
</tr>
</thead>
<tbody>
<tr>
<td>a. How stakeholders’ views are sought and taken into account regarding remuneration. If applicable, include the results of votes on remuneration policies and proposals</td>
</tr>
</tbody>
</table>

Annual total compensation ratio

Disclosure requirements

3.25 The reporting organization shall report disclosure 201-37 as follows:

<table>
<thead>
<tr>
<th>Disclosure 201-37</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>

Methodology

3.26 For each country of significant operations, the reporting organization shall:

3.26.1 identify the highest-paid individual for the reporting year, as defined by total compensation

3.26.1.1 define and disclose the composition of the highest-paid individual’s annual total compensation
3.26.2 calculate the median annual total compensation for all employees except the highest-paid individual

3.27 For each country of significant operations, the reporting organization should define and disclose the composition of the annual total compensation for all employees as follows:

3.27.1 list types of compensation included in the calculation

3.27.2 specify whether full-time, part-time, and contracted employees are included in this calculation.

3.27.3 specify whether full-time equivalent pay rates are used for each part-time employee in this calculation

3.27.4 specify which operations or countries are included, if an organization chooses to not consolidate this ratio for the entire organization

Guidance

Depending on the reporting organization’s remuneration policy and availability of data, the following components can be considered for the calculation:

- base salary: guaranteed, short term, non-variable cash compensation
- cash compensation: sum of base salary + cash allowances + bonuses + commissions + cash profit-sharing + other forms of variable cash payments
- 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

Disclosure requirements

3.28 The reporting organization shall report disclosure 201-38 as follows:

<table>
<thead>
<tr>
<th>Disclosure 201-38</th>
</tr>
</thead>
<tbody>
<tr>
<td>a. Ratio of the percentage increase in annual total compensation for the 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.</td>
</tr>
</tbody>
</table>

Methodology

3.29 For each country of significant operations, the reporting organization shall:

3.29.1 identify the highest-paid individual for the reporting year, defined by total compensation;

3.29.2 calculate the percentage increase in the highest-paid persons’ compensation from prior year to the reporting year;

3.29.3 calculate median annual total compensation for all employees except the highest-paid individual;
3.29.4 calculate the percentage increase of the median total annual compensation from the prior year to the reporting year; and

3.29.5 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.

3.30 For each country of significant operations, the reporting organization should define and disclose the composition of the annual total compensation for all employees as follows:

3.30.1 list types of compensation included in the calculation;

3.30.2 specify whether full-time, part-time, and contracted employees are included in this calculation;

3.30.3 specify whether full-time equivalent pay rates are used for each part-time employee in this calculation; and

3.30.4 specify which operations or countries are included, if an organization chooses to not consolidate this ratio for the entire organization.

Guidance

Depending on the reporting organization’s remuneration policy and availability of data, the following components can be considered for the calculation:

- Base salary: guaranteed, short term, non-variable cash compensation
- Cash compensation: sum of base salary + cash allowances + bonuses + commissions + cash profit-sharing + other forms of variable cash payments
- 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)
4. **Stakeholder Engagement**

**Guidance**

These General Disclosures provide an overview of the reporting organization’s stakeholder engagement during the reporting period. These General Disclosures do not have to be limited to engagement that was conducted for the purposes of preparing the report. For additional guidance on applying the Stakeholder Inclusiveness principle, please refer to SRS 101: Foundation Standard and the ‘How-to-Guide’.

**List of stakeholder groups**

**Disclosure requirements**

4.1 The reporting organization shall report disclosure 201-39 as follows:

<table>
<thead>
<tr>
<th>Disclosure 201-39</th>
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</thead>
<tbody>
<tr>
<td>a. A list of stakeholder groups engaged by the reporting organization.</td>
</tr>
</tbody>
</table>

**Guidance**

Examples of stakeholder groups are:

- Civil society
- Customers
- Employees, other workers, and their trade unions
- Local communities
- Shareholders and providers of capital
- Suppliers

**Identification and selection of stakeholders**

**Disclosure requirements**

4.2 The reporting organization shall report disclosure 201-40 as follows:

<table>
<thead>
<tr>
<th>Disclosure 201-40</th>
</tr>
</thead>
<tbody>
<tr>
<td>a. The basis for identifying and selecting stakeholders with whom to engage.</td>
</tr>
</tbody>
</table>

**Methodology**

4.3 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

Disclosure requirements

4.4 The reporting organization shall report disclosure 201-41 as follows:

Disclosure 201-41

a. The reporting organization’s approach to stakeholder engagement, including frequency of engagement by type and by stakeholder group.

Guidance

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

Response to key topics and concerns

Disclosure requirements

4.5 The reporting organization shall report disclosure 201-42 as follows:

Disclosure 201-42

a. Key topics and concerns that have been raised through stakeholder engagement, including:
   i. how the reporting organization has responded to those key topics and concerns, and
   ii. the stakeholder groups that raised each of the key topics and concerns.
5. Reporting Practice

Guidance

These General Disclosures provide an overview of the process that the reporting organization has followed to define the Report Content, the identified material topics and their Boundaries, and any changes or restatements.

REPORT CONTENT

Entities included in the reporting organization

Disclosure requirements

5.1 The reporting organization shall report disclosure 201-43 as follows:

**Disclosure 201-43**

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

Guidance

The reporting organization can report on disclosure 201-43 by referencing the information in publicly available consolidated financial statements or equivalent documents.

Defining the report content and the topic Boundaries

Disclosure requirements

5.2 The reporting organization shall report disclosure 201-44 as follows:

**Disclosure 201-44**

- a. Explanation of the process for defining the report content and the topic Boundaries.
- b. Explanation of how the reporting organization has implemented the Reporting Principles for Defining Report Content.

Methodology

5.3 In reporting the information for disclosure 201-44, the reporting organization should include:
5.3.1 a description of the steps the reporting organization followed to identify relevant sustainability topics (i.e. those which could potentially be included in the report)

5.3.2 a description of how these relevant topics were prioritized to identify material topics to report on, including:

5.3.2.1 a description of the dimensions or axes used by the materiality matrix (e.g. ‘significant economic, environmental, and social impacts’ and ‘influence on the assessments and decisions of stakeholders’)

5.3.2.2 how the threshold was defined in order to distinguish between material and non-material topics in the materiality assessment

5.3.2.3 any assumptions or judgements made in this process

5.3.3 a description of the specific steps taken to identify Boundaries for each topic, including how stakeholders were engaged, and any judgements or assumptions made

5.3.4 a description of how the reporting organization has understood and applied the four Principles for Defining Report Content, including which principles were applied at specific steps

5.3.4.1 an explanation of any cases where the Principles for Defining Report Content were not applied, or were only partially applied

Guidance

This disclosure asks organizations to explain the process they went through to determine the content to include in the sustainability report. This explanation typically describes, in detail, how the organization identified relevant sustainability topics and prioritized these topics using a materiality assessment. The explanation also typically includes a description of how stakeholders were involved throughout these steps, although this can also be covered in the General Disclosures related to Stakeholder Engagement.

The disclosure also asks the reporting organization to demonstrate how it has applied the four Principles for Defining Report Content as part of this process. Together, these four Principles help organizations to make choices on what content the report should cover, by considering the organization’s activities and impacts, along with the interests or expectations of its stakeholders.

More information on applying the Principles and Defining Report Content can be found in SRS 101: Foundation and in the How-to-Guide [reference to be provided].

List of material topics

Disclosure requirements

5.4 The reporting organization shall report disclosure 201-45 as follows:

<table>
<thead>
<tr>
<th>Disclosure 201-45</th>
</tr>
</thead>
<tbody>
<tr>
<td>c. List all the material topics identified in the process for defining report content.</td>
</tr>
</tbody>
</table>
Material topics are sustainability topics which have been prioritized by the reporting organization and which will be included in the sustainability report. This prioritization exercise is based on the Materiality Principle, which assesses each topic based on the following two dimensions:

- The significance of the organization’s economic, environmental and social impacts, and/or
- The influence on stakeholder assessments and decisions

In applying the Materiality Principle, ‘impacts’ refers to impacts on the economy, the environment, or society – in other words, the organization’s contribution (positive or negative) to sustainable development. Impacts in this context does not refer to the effects on the organization itself or its viability.

A topic can be considered material if it is significant based on only one of these two dimensions.

Refer to the Reporting Principles [reference to be provided] and the How-To Guide [reference to be provided] for further information on identifying material topics.

---

### Restatements

#### Disclosure requirements

5.5 The reporting organization shall report disclosure 201-46 as follows:

**Disclosure 201-46**

- The effect of any restatements of information provided in previous reports, and the reasons for such restatements.

---

Restatements can result from:

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

---

### Changes in reporting

#### Disclosure requirements

5.6 The reporting organization shall report disclosure 201-47 as follows:

**Disclosure 201-47**

- Significant changes from previous reporting periods in the list of material topics included in the report and topic Boundaries.
REPORT PROFILE

Guidance

These General Disclosures provide an overview of the basic information about the report, the Content Index, and the reporting organization’s approach to seeking external assurance.

Reporting period

Disclosure requirements

5.7 The reporting organization shall report disclosure 201-48 as follows:

<table>
<thead>
<tr>
<th>Disclosure 201-48</th>
</tr>
</thead>
<tbody>
<tr>
<td>a. Reporting period (such as fiscal or calendar year) for information provided.</td>
</tr>
</tbody>
</table>

Date of most recent previous report

Disclosure requirements

5.8 The reporting organization shall report disclosure 201-49 as follows:

<table>
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<tr>
<th>Disclosure 201-49</th>
</tr>
</thead>
<tbody>
<tr>
<td>a. Date of most recent previous report (if any).</td>
</tr>
</tbody>
</table>

Reporting cycle

Disclosure requirements

5.9 The reporting organization shall report disclosure 201-50 as follows:

<table>
<thead>
<tr>
<th>Disclosure 201-50</th>
</tr>
</thead>
<tbody>
<tr>
<td>a. Reporting cycle (such as annual, biennial).</td>
</tr>
</tbody>
</table>

Contact point for questions regarding the report

Disclosure requirements

5.10 The reporting organization shall report disclosure 201-51 as follows:
 Disclosure 201-51

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

IN ACCORDANCE CLAIMS, CONTENT INDEX, AND ASSURANCE

In Accordance Claims

Disclosure requirements

5.11 The reporting organization shall report disclosure 201-52 as follows:

Disclosure 201-52

a. If applicable, the specific claim made by the reporting organization about its use of the SRSs, whether:
   i. In Accordance: Comprehensive
   ii. In Accordance: Core

Guidance:

Organizations that use the SRSs or its content to report sustainability information can make three types of claims, depending on the extent to which they have used the SRSs and the number of disclosures made.

Organizations that use the SRSs as an overall framework for preparing sustainability reports, and which meet specific criteria, can make a claim that their sustainability report is In Accordance with the SRSs.

Declaring that a report has been prepared In Accordance is a public statement of credibility which signals the degree of compliance of the organization’s sustainability report with the Standards. There are two options for applying the In Accordance criteria: Core and Comprehensive.

Any published materials with content based on the SRSs but which does not meet the In Accordance criteria needs to include a specific ‘SRS-referenced’ claim.

More information on these claim options can be found in SRS 101: Foundation Standard.

Content Index

Disclosure requirements

5.12 The reporting organization shall report disclosure 201-53 as follows:
Disclosure 201-53

a. The completed Content Index, if making an In Accordance: Core or In Accordance: Comprehensive claim.

Methodology

5.13 In reporting the Content Index, the reporting organization should:

5.13.1 present this information using the structure in Figure XX below

5.13.2 include the title ‘Content Index’

5.13.3 include the Content Index in the report or include clear text explaining that the Content Index is made available through the use of a direct hyperlink.

5.13.4 include in the Content Index:

5.13.4.1 the number and title for each disclosure requirement reported (e.g., 201-1 ‘Name of the reporting organization’);

5.13.4.2 for each disclosure requirement reported, the specific page number(s) or range, or URLs where the information can be located (either in the report or another named source document)

5.13.4.3 if applicable, the disclosure requirements where reasons for omission were used, along with the specific reason(s) for omission;

5.13.4.4 any material topics reported on which are not covered by the Topic-Specific SRSs, including page numbers or website locations where the information is reported

Guidance

The Content Index is a navigation tool that specifies which SRSs and disclosure requirements are reported and where to find their disclosures in the report. It enables report readers to gain a quick overview of the report and ensures easy navigation across reports. Any organization making a claim that their report was prepared ‘In Accordance’ with the SRSs needs to complete a Content Index and include this in the sustainability report.

The references in the Content Index are intended to be specific enough to direct stakeholders to information related to a certain disclosure requirement. If the disclosure is spread over multiple pages or webpages, 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 direct URL to the website content.

Topics that are material to the reporting organization, but not covered by the Topic-Specific SRSs, are also expected be included in the Content Index. The Content Index for these topics can specify the topic name and any page numbers where disclosures on the management approach or other relevant disclosures can be found.
In general, it is recommended that organizations do not respond to disclosure requirements directly in the Content Index. The Content Index is intended as a navigation tool, and too much text can diminish the clarity and usability of the Content Index.
### Content Index for ‘In accordance’ – Core

<table>
<thead>
<tr>
<th>GENERAL STANDARD DISCLOSURES</th>
<th>Page</th>
<th>External Assurance [Optional]</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Standard Disclosures</td>
<td></td>
<td>Indicate if the Standard Disclosure Item has been externally assured. If yes, include the page reference for the External Assurance Statement in the report.</td>
</tr>
</tbody>
</table>

#### STRATEGY AND ANALYSIS

- G4-1

#### ORGANIZATIONAL PROFILE

- G4-3
- G4-4
- G4-5
- G4-6
- G4-7
- G4-8
- G4-9
- G4-10
- G4-11
- G4-12
- G4-13
- G4-14
- G4-15
- G4-16

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- G4-17
- G4-18
- G4-19
- G4-20
- G4-21
- G4-22
- G4-23

#### STAKEHOLDER ENGAGEMENT

- G4-24
- G4-25
- G4-26
- G4-27

#### REPORT PROFILE

- G4-28
- G4-29
## SPECIFIC STANDARD DISCLOSURES

<table>
<thead>
<tr>
<th>Material Aspects</th>
<th>DMA and Indicators</th>
<th>Omissions</th>
<th>External Assurance [Optional]</th>
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<tbody>
<tr>
<td>(As in G4-19)</td>
<td>List management approach disclosures and topic disclosures related to each identified material topic, with page number (or link).</td>
<td>In exceptional cases, if it is not possible to disclose certain required information, provide the reason for omission (as defined on p. 13).</td>
<td>Indicate if the Standard Disclosure has been externally assured. If yes, include the page reference for the External Assurance Statement in the report.</td>
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### Content Index for ‘In accordance’ – Comprehensive

#### GENERAL STANDARD DISCLOSURES

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<tr>
<th>General Standard Disclosures</th>
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<th>Omissions</th>
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#### STRATEGY AND ANALYSIS

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#### ORGANIZATIONAL PROFILE

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**IDENTIFIED MATERIAL ASPECTS AND BOUNDARIES**

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**STAKEHOLDER ENGAGEMENT**

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**REPORT PROFILE**

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**GOVERNANCE**

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</table>
## SRS 201: General Disclosures

### Specific Standard Disclosures

<table>
<thead>
<tr>
<th>Material topics (As in G4-19)</th>
<th>DMA and Indicators</th>
<th>Omissions</th>
<th>External Assurance [Optional]</th>
</tr>
</thead>
<tbody>
<tr>
<td>List identified material topics</td>
<td>List management disclosures and topic disclosures related to each identified material topic with page number (or link).</td>
<td>In exceptional cases, if it is not possible to disclose certain required information, provide the reason for omission (as defined on p. 13).</td>
<td>Indicate if the Standard Disclosure has been externally assured. If yes, include the page reference for the External Assurance Statement in the report.</td>
</tr>
</tbody>
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**661** External assurance

**662** Disclosure requirements

**663** The reporting organization shall report disclosure 201-54 as follows:

### Disclosure 201-54

- **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, e.g., the assurance standards used, the level of assurance obtained and limitations of the assurance process.

- **c.** The relationship between the reporting organization and the assurance providers.
Disclosure 201-54

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

Methodology

5.15 The reporting organization should ensure that the language used in external assurance reports, statements, or opinions is clear and broadly-accessible to report readers.

Guidance

The reporting organization can use a variety of approaches to enhance the credibility of their reports.

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 SRSs.

The SRSs 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 on 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.

A variety of approaches are currently used by reporting organizations to implement external assurance, including 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 external to the organization who follow professional standards for assurance, or who apply systematic, documented, and evidence-based processes (‘assurance providers’).

Overall, for external assurance of reports using the SRSs, 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 on 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 SRSs in the course of reaching its conclusions
• 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 to explain the nature of the assurance conveyed by the assurance report

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 the organization’s internal controls. An organization can also establish and maintain an internal audit function, as part of their 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 provide advice on the content of its sustainability report.
6. Strategy and Analysis

Guidance

These disclosures provide a general strategic view of the reporting organization’s sustainability, in order to provide context for subsequent, more detailed reporting using other SRSs. The Strategy and Analysis section can draw on information provided in other parts of the report, but is intended to give insight on strategic topics rather than simply summarize the contents of the report.

Statement from senior decision-maker

Disclosure requirements

6.1 The reporting organization shall report disclosure 201-55 as follows:

Disclosure 201-55

- 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 the organization’s strategy for addressing sustainability.

The statement should present 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, persons or organizations in local communities). The statement should include:

- 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
- Broader trends (such as macroeconomic or political) affecting the organization and influencing sustainability priorities
- Key events, achievements, and failures during the reporting period
- Views on performance with respect to targets
- Outlook on the organization’s main challenges and targets for the next year and goals for the coming 3–5 years
- Other items pertaining to the organization’s strategic approach
Key impacts, risks and opportunities

Disclosure requirements

6.2 The reporting organization shall report disclosure 201-56 as follows:

<table>
<thead>
<tr>
<th>Disclosure 201-56</th>
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<tbody>
<tr>
<td>a. A description of key impacts, risks, and opportunities.</td>
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</table>

The reporting organization should provide two concise narrative sections on key impacts, risks, and opportunities.

Section One should focus on the organization’s key impacts on sustainability and effects on stakeholders, including rights as defined by national laws and relevant internationally recognized standards. This should take into account the range of reasonable expectations and interests of the organization’s stakeholders. This section should include:

- A description of the significant economic, environmental and social impacts of the organization, and associated challenges and opportunities. This includes the effect on stakeholders’ rights as defined by national laws and the expectations in internationally recognized standards and norms.
- An explanation of the approach to prioritizing these challenges and opportunities.
- Key conclusions about progress in addressing these topics and related performance in the reporting period. This includes an assessment of reasons for underperformance or over-performance.
- A description of the main processes in place to address performance and relevant changes.

Section Two should focus on the impact of sustainability trends, risks, and opportunities on the long-term prospects and financial performance of the organization. This should concentrate specifically on information relevant to financial stakeholders or that could become so in the future. Section Two should include the following:

- A description of the most important risks and opportunities for the organization arising from sustainability trends.
- 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.
- Table(s) summarizing:
  - Targets, performance against targets, and lessons learned for the current reporting period.
  - Targets for the next reporting period and medium term objectives and goals (that is, 3–5 years) related to key risks and opportunities.
- Concise description of governance mechanisms in place specifically to manage these risks and opportunities, and identification of other related risks and opportunities.
7. References

Guidance

These documents informed the development of this SRS. Familiarity with them is recommended, as they can improve understanding of the disclosure requirements.


• International Labour Organization (ILO), Key Indicators of the Labour Market (KILM), http://kilm.ilo.org/kilmnet, accessed on 1 May 2013.


• International Labour Organization (ILO), ‘Resolution concerning the International Classification of Status in Employment (ICSE)’, 1993.


• United Nations Global Compact LEAD, A New Agenda for the Board of Directors: Adoption and Oversight of Corporate Sustainability, 2012.

• United Nations Global Compact LEAD and Principles for Responsible Investment (PRI), Integrating ESG issues into Executive Pay, 2012.