Item 24 – Transition to GRI Standards

Mock-up of Sustainability Reporting Standard 9: Part 2: Management Approach Indicators

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<th>3-5 November 2015, Amsterdam</th>
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<td>Transition to GRI Standards</td>
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<td>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 (GRI Standards). This paper presents the mock-up of Sustainability Reporting Standard 9-2: Management Approach Indicators.</td>
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This document has been prepared by the GRI Standards Division. It is provided as a convenience to observers at meetings of the Global Sustainability Standards Board (GSSB), to assist them in following the Board’s discussion. It does not represent an official position of the GSSB. Board positions are set out in the GRI Sustainability Reporting Standards. The GSSB is the independent standard-setting body of GRI. For more information visit www.globalreporting.org.
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Clean version

About this version

This section presents a clean version of Sustainability Reporting Standard 9: Part 2: Management Approach Indicators.

For an overview of the changes applied, see the ‘Summary of changes’ on page 21 of this paper. This summary is to be read in conjunction with Item 18 – Transition to GRI Standards – Proposals and mock-ups in development, available for download on the GRI website (www.globalreporting.org).

New text in the mock-ups is a work-in-progress, and will continue to evolve. It is not a final proposal for wording. Instead, it is intended to convey the type of information that users will need. It is also a place to ‘trial’ different terms and formulations.

Decisions about the text, and firm proposals for it, will be made during the forthcoming phase of editorial review. This will include decisions on the tone of voice to be used in the GRI Standards, and the preferred ways to construct sentences and express ideas.

The use of verbs in the GRI Standards will also be covered during the editorial review. In G4, verbs such as ‘can’, ‘may’ or ‘might’ are used interchangeably. In keeping with standard-setting practice, these verbs will be given fixed meanings in the GRI Standards. Each mock-up has a section where the proposed meanings are explained.

In the mock-ups, these meanings have not yet been applied throughout the original G4 text. The editorial review will include an assessment of the intended meaning behind each verb used interchangeably in G4, and any repercussions that might arise from changing it.

The mock-ups use the standard GRI branding. The GRI Standards will have distinct branding, design and layout, including visuals and infographics.

GSSB decisions

Status of Indicators that deal with widely-applicable processes

The GSSB is asked to decide whether the Indicators (or a portion of these) that deal with widely-applicable processes presented in this GRI Standard (see line numbers 195-406) should be mandatory or optional for each material topic. If they are optional, they can be either presented within the GRI Standards (using formulations such as ‘organizations are encouraged to disclose...’) or in separate guidance documents.

Using disclosure requirements that deal with widely-applicable processes for topics not covered by the GRI Standards

The GSSB is asked to decide whether the text in this GRI Standard should stress that it can be used for all material topics, including those not covered by the GRI Standards.
Sustainability Reporting Standard 9: Part 2: Management Approach Indicators: [Publication Year]
Summary information for users of this GRI Standard

This Sustainability Reporting Standard (GRI Standard) is issued by the Global Sustainability Standards Board (GSSB). It is part of the set of GRI Sustainability Reporting Standards, or SRSs.

The GSSB is an independent operating entity within GRI. It has responsibility for setting globally-accepted sustainability reporting standards, according to a formally-defined due process, exclusively in the public interest.

The GSSB also develops materials to support and improve the use of the SRSs. This includes Guidance publications, FAQ documents and Interpretations, with the latter also developed according to due process.

As a component of the due process, Basis for Conclusions documents are created for each GRI Standard.

The SRSs are designed to be used by organizations for compiling and reporting sustainability information1.

The SRSs:

- set out disclosure requirements for sustainability information
- specify Reporting Principles, methods and practices to adhere to when formulating the disclosures

The SRSs are suitable for use by organizations of any size, type, sector or geographical location.

Using the SRSs in conjunction

Each GRI Standard in the set of SRSs has been designed to be used in conjunction with others. The exact combination of SRSs to be used by an organization depends on whether the organization is:

- preparing a report ‘in accordance’ with the SRSs, or
- making use of individual SRSs to report on a particular topic or topics

This GRI Standard is used in conjunction with the following SRSs, which are necessary for its application:

- SRS 1: Conceptual Framework
- SRS 2: Content Principles
- SRS 3: Quality Principles
- Any topic-specific GRI Standard

SRS 1: Conceptual Framework gives essential information on using the SRSs. SRS 2: Content Principles and SRS 3: Quality Principles set out the Reporting Principles which underpin the practice of sustainability reporting, guiding choices on which information to report and how. Therefore, organizations are required to be familiar with SRS 1, SRS 2 and SRS 3 before using any other GRI Standard.

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1 Where the term ‘sustainability’ is used in the SRSs, it is intended to be understood as sustainable development. See the World Commission on Environment and Development. Our Common Future. Oxford: Oxford University Press, 1987, p.43.
This GRI Standard (SRS 9-2), and SRS 9-1: Management Approach Narrative, are designed to be used in combination with any topic-specific GRI Standard. For each material topic, organizations use SRS 9-1 and SRS 9-2 as well as the Indicators set out in the GRI Standard for that topic.

Disclosure on management approach takes two forms: narrative information and Indicators. The Indicators are set out in this GRI Standard. The disclosure requirements for narrative information are set out in SRS 9-1.

Complete information on the combined use of SRSs is given in SRS 1: Conceptual Framework.
All text in a GRI Standard has equal authority.

Disclosure requirements in a GRI Standard are presented in **bold** font. Each disclosure requirement also has a unique identifier (e.g., SRS9-2-1, SRS9-2-2).

The specified methods and practices for formulating each disclosure are presented in regular font, following the disclosure requirements.

The verbs used in the text have the following meanings:

- **Can** = Capability: a particular scenario or course of action is achievable or applicable.
- **May** = Permission: a particular scenario or course of action is permitted when using the GRI Standard.
- **Might** = Possibility: a particular scenario or course of action is possible.
- **Should** = Recommendation: a particular scenario or course of action is recommended and encouraged.

Where a term is defined in the Terms and Definitions section of a GRI Standard, organizations are to adhere to that definition.

Where a document is referenced without its date of publication, the reference applies to the most recent edition.
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### Purpose

1. This GRI Standard sets out Indicators that measure the extent to which an organization has used generic processes as part of its management approach for a material sustainability topic. It specifies methods and practices for formulating the disclosures, and gives background information to aid general understanding.

2. The existence of a management approach for a topic, and its components, are reported using SRS 9-1: Management Approach Narrative. The extent to which certain generic processes have been implemented throughout an organization, as part of this management approach, is reported using this GRI Standard (SRS 9-2).

3. Organizations are not required to respond to every Indicator in this GRI Standard. Organizations select those Indicators from this GRI Standard which provide evidence of the extent to which they have implemented the management approach explained using SRS 9-1.

4. An organization might use many generic processes to identify, analyze and respond to its impacts, and stakeholder concerns, for each topic. Examples include risk assessments, impact assessments, training, and grievance mechanisms.

5. Other types of generic process might be used in specific situations, such as when developing products and services or establishing a relationship with business partners. Examples include lifecycle impact assessments and supplier screening.

6. This GRI Standard sets out Indicators for such generic processes.
Terms and Definitions

Business partner

Business partners include, among others, suppliers, agents, lobbyists and other intermediaries, joint venture and consortia partners, governments, customers, and clients. See also definition of ‘supplier’.

Employee

An individual who is, according to national law or practices, recognized as an employee of the organization.

Employee category

Breakdown of employees by level (such as senior management, middle management) and function (such as technical, administrative, production). This information is derived from an organization’s own human resources system.

Laws and regulations

Refers to laws and regulations applicable to the organization. This includes binding voluntary agreements that are made with regulatory authorities and developed as a substitute for implementing a new regulation. Voluntary agreements can be applicable if the organization directly joins the agreement or if public agencies make the agreement applicable to organizations in their territory through legislation or regulation.

Formal grievance mechanisms

Systems consisting of specified procedures, roles and rules for methodically addressing complaints as well as resolving disputes. Formal grievance mechanisms are expected to be legitimate, accessible, predictable, equitable, rights-compatible, clear and transparent, and based on dialogue and mediation.

Reviews

A formal or documented assessment process that applies a set of performance criteria.

Operation

A single location used by an organization for the production, storage and/or distribution of its goods and services, or for administrative purposes (such as office). Within a single operation, there may be multiple production lines, warehouses, or other activities. For example, a single factory may be used for multiple products or a single retail outlet may contain several different retail operations that are owned or managed by the organization.
Substantiated complaint

Written statement by regulatory or similar official body addressed to the organization that
identifies breaches related to the material topic, or a complaint lodged with the organization that
has been recognized as legitimate by the organization.

Supplier

Organization or person that provides a product or service used in the supply chain of the
reporting organization.

The supplier can have a direct or indirect relationship with the organization.

Examples of suppliers are:

(a) Brokers: Persons or organizations that buy and sell products, services, or assets for others,
including contracting agencies that supply labor

(b) Consultants: Persons or organizations that provide expert advice and services on a legally
recognized professional and commercial basis. Consultants are legally recognized as self-
employed or are legally recognized as employees of another organization

(c) Contractors: Persons or organizations working onsite or offsite on behalf of an organization
with a relationship determined by a contract. A contractor may hire their own staff directly
or hire sub-contractors or independent contractors

(d) Distributors: Agents that supply products to others

(e) Franchisees or licensees: Persons or organizations that are granted a franchise or license by
the reporting organization. Franchises and licenses permit specified commercial activities
(such as the production and sale of a product)

(f) Home workers: Persons at home or in other premises of their choice, other than the
workplace of the employer, who perform work for remuneration and which results in a
product or service as specified by the employer, irrespective of who provides the
equipment, materials or other inputs used

(g) Independent contractors: Persons or organizations working for an organization, a
contractor, or a sub-contractor, with a relationship determined by a contract. Independent
contractors do not have an employment relationship with the organization

(h) Manufacturers: Persons or organizations that make products for sale

(i) Primary producers: Persons or organizations that grow, harvest, or extract raw materials

(j) Sub-contractors: Persons or organizations working onsite or offsite on behalf of an
organization that have a direct contractual relationship with a contractor or sub-contractor
but not necessarily with the organization. A sub-contractor may hire their own staff directly
or hire independent contractors

(k) Wholesalers: Sellers of products in large quantities to be retailed by others
Supplier screening

A formal or documented process that applies a set of performance criteria as one of the factors in determining whether to proceed with a relationship with a supplier.
Management Approach Indicators

Risk assessment

Operational-level risk assessment

SRS9-2-1 TOTAL NUMBER AND PERCENTAGE OF OPERATIONS ASSESSED FOR RISKS RELATED TO THE MATERIAL TOPIC AND THE SIGNIFICANT RISKS IDENTIFIED

(a) Report the total number and percentage of operations assessed for risks related to the material topic.

(b) Report the significant risks related to the material topic identified through the risk assessment.

19 Efforts to manage risks of incidents related to the material topic require a system that has supporting procedures in place. This Indicator measures the extent of the risk assessment’s implementation across the organization. Risk assessments help to assess the potential for incidents related to the material topic within and related to the organization, and help the organization to design policies and procedures to prevent or mitigate impacts related to the material topic.

20 This refers to either a formal risk assessment focused on the material topic or the inclusion of the material topic as a risk factor in overall risk assessments.

Impact assessment

Operational-level impact assessment

SRS9-2-2 TOTAL NUMBER AND PERCENTAGE OF OPERATIONS THAT HAVE BEEN SUBJECT TO REVIEWS OR IMPACT ASSESSMENTS RELATED TO THE MATERIAL TOPIC

(a) Report the total number and percentage of operations that have been subject to reviews or impact assessments related to the material topic, by country.

21 The presence of the organization’s operations can have positive and negative effects in relation to the material topic. Information reported for this Indicator will provide
Supplier impact assessment

SRS9-2-3 PERCENTAGE OF NEW SUPPLIERS THAT WERE SCREENED USING CRITERIA RELATED TO THE MATERIAL TOPIC

(a) Report the percentage of new suppliers that were screened using criteria related to the material topic.

This Indicator informs stakeholders about the percentage of suppliers selected or contracted subject to the organization’s due diligence processes related to the material topic.

Due diligence should be initiated as early as possible in the development of a new relationship with a supplier. Significant potential negative impacts related to the material topic may be prevented or mitigated at the stage of structuring contracts or other agreements.

Identify the total number of new suppliers that the organization considered selecting or contracting with.

SRS9-2-4 SIGNIFICANT ACTUAL AND POTENTIAL NEGATIVE IMPACTS RELATED TO THE MATERIAL TOPIC IN THE SUPPLY CHAIN AND ACTIONS TAKEN

(a) Report the number of suppliers subject to impact assessments related to the material topic.

(b) Report the number of suppliers identified as having significant actual and potential negative impacts related to the material topic.

(c) Report the significant actual and potential negative impacts related to the material topic identified in the supply chain.

(d) Report the percentage of suppliers identified as having significant actual and potential negative impacts related to the material topic with which improvements were agreed upon as a result of assessment.

(e) Report the percentage of suppliers identified as having significant actual and potential negative impacts related to the material topic with which relationships were terminated as a result of assessment, and why.
If it will provide appropriate context on significant impacts, organizations are encouraged to break down the information requested by this Indicator by the location of the supplier and the significant actual and potential negative impact.

Negative impacts include those that are either caused or contributed to by the organization, or that are linked to its activities, products, or services by its relationship with a supplier.

Assessments may be made against agreed performance expectations which were set and communicated to the suppliers prior to the assessment.

Assessments may be informed by audits, contractual reviews, two-way engagement, and grievance and complaint mechanisms.

Improvements may include the adjustment of the organization’s procurement practices, the adjustment of performance expectations, capacity building, training, and changes to processes.

Product and service impact assessment

SRS9-2-5 PERCENTAGE OF SIGNIFICANT PRODUCT AND SERVICE CATEGORIES FOR WHICH IMPACTS RELATED TO THE MATERIAL TOPIC ARE ASSESSED FOR IMPROVEMENT

(a) Report the percentage of significant product and service categories for which impacts related to the material topic are assessed for improvement.

This measure helps to identify the existence and scope of systematic efforts to address impacts related to the material topic across the life cycle of a product or service.

Efforts made to address the impacts of products and services have direct impacts on an organization’s reputation, the organization’s legal and financial risk due to recall, market differentiation in relation to quality, and employee motivation.
**Training and communication**

**SRS9-2-6 TRAINING ON POLICIES AND PROCEDURES RELATED TO THE MATERIAL TOPIC**

(a) Report the total number of hours devoted to training and the total number and percentage of individuals trained on policies and procedures related to the material topic, by:

(i) Employees, further disaggregated by employee category and region

(ii) Governance body members, further disaggregated by region

Information generated from this Indicator offers insight into an organization’s capacity to implement its policies and procedures related to the material topic. The total number of governance body members and employees trained and the amount of training they receive both contribute to an assessment of an organization’s depth of knowledge of the material topic.

Training builds the internal and external awareness and the necessary capacity to prevent or mitigate impacts related to the material topic. This Indicator reveals the proportion of the organization’s governance body members and employees that can reasonably be assumed to be aware of the organization’s policies and procedures related to the material topic.

Identify the number of hours devoted to employee training, using data from G4-LA9.

Using data from G4-LA12 identify:

(a) The governance bodies that exist within the organization (such as the board of directors, management committee, or similar body for non-corporate organizations)

(b) The total number of individuals and/or employees who comprise these governance bodies

(c) The total number of employees in each employee category (excluding governance body members)

This includes the applicability of the policies or procedures related to the material topic to the employees’ work. This can refer either to training dedicated to the material topic or to a module on the material topic within a general training program.
SRS9-2-7  COMMUNICATION ON POLICIES AND PROCEDURES RELATED TO THE MATERIAL TOPIC

(a) Report the total number and percentage of individuals that the organization’s policies and procedures related to the material topic have been communicated to, by:

(i) Employees, further disaggregated by employee category and region

(ii) Governance body members, further disaggregated by region

(iii) Business partners, further disaggregated by type of business partner and region

Communication builds the internal and external awareness and the necessary capacity to prevent or mitigate impacts related to the material topic. This Indicator reveals the proportion of the organization’s governance body members, employees and business partners that can reasonably be assumed to be aware of the organization’s policies and procedures related to the material topic.

Using data from G4-LA12 identify:

(a) The governance bodies that exist within the organization (such as the board of directors, management committee, or similar body for non-corporate organizations)

(b) The total number of individuals and/or employees who comprise these governance bodies

(c) The total number of employees in each employee category (excluding governance body members)

The total number of business partners is to be estimated.

Grievance mechanisms

SRS9-2-8  NUMBER OF GRIEVANCES ABOUT IMPACTS RELATED TO THE MATERIAL TOPIC FILED, ADDRESSED, AND RESOLVED THROUGH FORMAL GRIEVANCE MECHANISMS

(a) Report the total number of grievances about impacts related to the material topic filed through formal grievance mechanisms during the reporting period.

(b) Of the identified grievances, report how many were:
(i) Addressed during the reporting period
(ii) Resolved during the reporting period

(c) Report the total number of grievances about impacts related to the material topic filed prior to the reporting period that were resolved during the reporting period.

Disputes may occur over the impacts related to the material topic of an organization’s activities and relationships with others (such as entities in the supply chain). Effective grievance mechanisms play an important role in remediating impacts.

Formal grievance mechanisms may be managed by the reporting organization or by an external party.

If it will provide appropriate context on significant impacts, organizations are encouraged to break down the number of grievances by the nature and location of the grievance, and the party that filed the grievance. Parties that filed the grievance may include:

(a) Internal stakeholders (such as employees)
(b) External stakeholders (such as suppliers, local communities)
(c) Individuals or groups of people identified by:
   (i) Membership of underrepresented social groups
   (ii) Other indicators of diversity

Compliance

SRS9-2-9 INCIDENTS OF NON-COMPLIANCE WITH LAWS, REGULATIONS AND VOLUNTARY CODES RELATED TO THE MATERIAL TOPIC AND THEIR OUTCOMES

(a) Report the total number of incidents of non-compliance with laws, regulations and voluntary codes related to the material topic in terms of:

(i) Incidents that resulted in a significant fine or penalty
(ii) Incidents that resulted in non-monetary sanctions
(iii) Incidents that resulted in a warning
(iv) Cases brought through dispute resolution mechanisms
(v) Complaints received from outside parties and substantiated by the organization
(vi) Complaints from regulatory bodies

(vii) Incidents of non-compliance with voluntary codes

(b) Report the total monetary value of significant fines.

(c) Report the context against which significant fines and non-monetary sanctions were incurred.

(d) If the organization has not identified any non-compliance with laws, regulations and voluntary codes, a brief statement of this fact is sufficient.

The level of non-compliance within an organization is an indicator of the ability of management to ensure that operations conform to certain performance parameters. From an economic perspective, ensuring compliance helps to reduce financial risks that occur either directly through fines or indirectly through impacts on reputation. The strength of an organization’s compliance record can also affect its ability to expand operations or gain permits.

Non-compliance with legal requirements indicates either inadequate internal management systems and procedures, or ineffective implementation. In addition to direct financial consequences, ongoing non-compliance poses increased financial risk due to damage to both reputation, employee motivation and customer loyalty and satisfaction.

The trends revealed by this Indicator may indicate improvements or deterioration in the effectiveness of internal controls.

Identify administrative or judicial sanctions levied against the organization for failure to comply with laws or regulations, including:

(a) International declarations, conventions, and treaties; and national, sub-national, regional, and local regulations

(b) Voluntary agreements with regulating authorities that are considered binding and developed as a substitute for implementing new regulations. In certain jurisdictions, such agreements are referred to as ‘covenants’

(c) Cases brought against the organization through the use of international dispute mechanisms or national dispute mechanisms supervised by government authorities

Incidents of non-compliance in which the organization was determined not to be at fault are not counted in this Indicator.

If a number of incidents relate to events in preceding periods, identify this.
The following documents informed the development of this GRI Standard. Organizations are encouraged to be familiar with these documents, as they can improve understanding of the disclosure requirements.


Track ed version

About this version

This section presents a tracked version of Sustainability Reporting Standard 9: Part 2: Management Approach Indicators.

It includes a summary of the changes applied. This summary is to be read in conjunction with Item 18 – Transition to GRI Standards – Proposals and mock-ups in development, available for download on the GRI website (www.globalreporting.org).

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Summary of changes

Formatting legend

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<th>New, amended or combined text (i.e., several G4 texts remade into one)</th>
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<tbody>
<tr>
<td>Regular text:</td>
<td>Existing text or text that has been moved</td>
</tr>
<tr>
<td>Red strike through:</td>
<td>Text deleted permanently</td>
</tr>
<tr>
<td>Regular strike through:</td>
<td>Text deleted from its G4 location and moved elsewhere</td>
</tr>
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</table>

Grouping G4 disclosure requirements that deal with widely-applicable processes

- The following G4 disclosure requirements that deal with widely-applicable processes have been grouped into this GRI Standard:
In addition:

- Due consideration will be given to the location of the grievance mechanisms contents in the GRI Standards, with the aim of preserving their importance, based on appropriate research and consultation to be conducted by the Standards Division

- Additional Indicators that deal with widely-applicable processes could be grouped into this GRI Standard, based on appropriate research and consultation to be conducted by the Standards Division. These include:

  - the Products and Services Aspect and Indicator G4-EN27 on impact mitigation of products and services (Environmental Category, Implementation Manual, pp. 127-128)
  - the Transport Aspect and Indicator G4-EN30 on impacts of transporting products and other goods and materials for the organization's operations, and transporting members of the workforce (Environmental Category, Implementation Manual, pp. 132-133)
  - the Overall Aspect and Indicator G4-EN31 on protection expenditures and investments (Environmental Category, Implementation Manual, pp. 134-135)
  - the Investment Aspect and Indicator G4-HR1 on investment agreements and contracts that underwent screening (Human Rights sub-Category, Implementation Manual, pp. 175-176)
Indicators G4-HR4, G4-HR5 and G4-HR6 on risk assessment (Implementation Manual, pp. 181, 183, 185)

- Indicator G4-HR7 on training (Implementation Manual, p. 187)

**Relocating G4 content**

- Guidance text from the ‘Relevance’ section of Indicator G4-PR1 will be repurposed to develop descriptions of topics (see line numbers 1078-1081)
- Definitions have been consolidated in the section ‘Terms and Definitions’
- References have been consolidated in the section ‘References’

**Eliminating the unnecessary duplication of G4 content**

- Duplicated content has been deleted from Indicators G4-HR9 (see line numbers 740-743), G4-EN32 (see line number 779), G4-LA14 (see line number 803), G4-HR10 (see line number 836), G4-SO9 (see line number 866), G4-PR1 (see line numbers 1087-1088), G4-HR2 (see line numbers 1160-1161), G4-EN34 (see line numbers 1248 and 1250-1253), G4-LA16 (see line numbers 1284 and 1286-1289), G4-HR12 (see line numbers 1321 and 1323-1326), G4-SO11 (see line numbers 1358 and 1360-1363), G4-PR2 (see line numbers 1516-1517), G4-PR4 (see line numbers 1551-1552), and G4-PR7 (see line numbers 1586-1588)

**Removing unnecessary G4 guidance**

- Section headings from guidance text have been removed (‘GUIDANCE’, ‘Relevance’, ‘Compilation’, ‘Definitions’, ‘Documentation sources’, ‘References’)
- Content from ‘Documentation sources’ sections has been deleted
- Guidance text that states the obvious about the relevance of an Indicator has been deleted from Indicators G4-EN33 (see line numbers 917-920), G4-LA15 (see line numbers 955-958), G4-HR11 (see line numbers 999-1005), and G4-SO10 (see line numbers 1046-1049)
- Guidance text that is topic-specific has been deleted from Indicators G4-HR9 (see line numbers 730, 732-734 and 737-738), G4-HR2 (see line numbers 1152-1154), G4-PR4 (see line numbers 1543-1544), G4-PR7 (see line numbers 1579-1580), and G4-PR8 (see line numbers 1612-1613)
- The definition of ‘Type of non-compliance’ has been deleted as the term is no longer used (see line numbers 687-689)
Sustainability Reporting Standard 9: Part 2:
Management Approach Indicators:
[Publication Year]
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- SRS 3: Quality Principles
- Any topic-specific GRI Standard

SRS 1: Conceptual Framework gives essential information on using the SRSs, SRS 2: Content Principles and SRS 3: Quality Principles set out the Reporting Principles which underpin the practice of sustainability reporting, guiding choices on which information to report and how. Therefore, organizations are required to be familiar with SRS 1, SRS 2 and SRS 3 before using any other GRI Standard.

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2 Where the term ‘sustainability’ is used in the SRSs, it is intended to be understood as sustainable development. See the World Commission on Environment and Development. Our Common Future. Oxford: Oxford University Press, 1987, p.43.
This GRI Standard (SRS 9-2), and SRS 9-1: Management Approach Narrative, are designed to be used in combination with any topic-specific GRI Standard. For each material topic, organizations use SRS 9-1 and SRS 9-2 as well as the Indicators set out in the GRI Standard for that topic.

Disclosure on management approach takes two forms: narrative information and Indicators. The Indicators are set out in this GRI Standard. The disclosure requirements for narrative information are set out in SRS 9-1.

Complete information on the combined use of SRSs is given in SRS 1: Conceptual Framework.
All text in a GRI Standard has equal authority.

Disclosure requirements in a GRI Standard are presented in bold font. Each disclosure requirement also has a unique identifier (e.g., SRS9-2-1, SRS9-2-2).

The specified methods and practices for formulating each disclosure are presented in regular font, following the disclosure requirements.

The verbs used in the text have the following meanings:

Can = Capability: a particular scenario or course of action is achievable or applicable.

May = Permission: a particular scenario or course of action is permitted when using the GRI Standard.

Might = Possibility: a particular scenario or course of action is possible.

Should = Recommendation: a particular scenario or course of action is recommended and encouraged.

Where a term is defined in the Terms and Definitions section of a GRI Standard, organizations are to adhere to that definition.

Where a document is referenced without its date of publication, the reference applies to the most recent edition.
Contents

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This GRI Standard sets out Indicators that measure the extent to which an organization has used generic processes as part of its management approach for a material sustainability topic. It specifies methods and practices for formulating the disclosures, and gives background information to aid general understanding.

The existence of a management approach for a topic, and its components, are reported using SRS 9-1: Management Approach Narrative. The extent to which certain generic processes have been implemented throughout an organization, as part of this management approach, is reported using this GRI Standard (SRS 9-2).

Organizations are not required to respond to every Indicator in this GRI Standard. Organizations select those Indicators from this GRI Standard which provide evidence of the extent to which they have implemented the management approach explained using SRS 9-1.

An organization might use many generic processes to identify, analyze and respond to its impacts, and stakeholder concerns, for each topic. Examples include risk assessments, impact assessments, training, and grievance mechanisms.

Other types of generic process might be used in specific situations, such as when developing products and services or establishing a relationship with business partners. Examples include lifecycle impact assessments and supplier screening.

This GRI Standard sets out Indicators for such generic processes.
Terms and Definitions

Business partner

Business partners include, among others, suppliers, agents, lobbyists and other intermediaries, joint
venture and consortia partners, governments, customers, and clients. In the Guidelines, suppliers include
brokers, consultants, contractors, distributors, franchisees or licensees, home workers, independent
contractors, manufacturers, primary producers, sub-contractors and wholesalers. See also definition of
‘supplier’.

Employee

An individual who is, according to national law or practices, recognized as an employee of the organization.

Employee category

Breakdown of employees by level (such as senior management, middle management) and function (such
as technical, administrative, production). This information is derived from an organization’s own human
resources system.

Environmental laws and regulations

Refers to laws and regulations related to all types of environmental issues (that is, emissions, effluents,
and waste, as well as material use, energy, water, and biodiversity) applicable to the organization. This
includes binding voluntary agreements that are made with regulatory authorities and developed as a
substitute for implementing a new regulation. Voluntary agreements can be applicable if the organization
directly joins the agreement or if public agencies make the agreement applicable to organizations in their
territory through legislation or regulation.

Formal grievance mechanisms

Systems consisting of specified procedures, roles and rules for methodically addressing complaints as well
as resolving disputes. Formal grievance mechanisms are expected to be legitimate, accessible, predictable,
equitable, rights-compatible, clear and transparent, and based on dialogue and mediation.

Human rights reviews

A formal or documented assessment process that applies a set of human rights performance criteria.

Operation

A single location used by an organization for the production, storage and/or distribution of its goods and
services, or for administrative purposes (such as office). Within a single operation, there may be multiple
production lines, warehouses, or other activities. For example, a single factory may be used for multiple
products or a single retail outlet may contain several different retail operations that are owned or managed
by the organization.

Substantiated complaint
Written statement by regulatory or similar official body addressed to the organization that identifies breaches of customer privacy related to the material topic, or a complaint lodged with the organization that has been recognized as legitimate by the organization.

**Supplier**

Organization or person that provides a product or service used in the supply chain of the reporting organization. The supplier can have a direct or indirect relationship with the organization.

Examples of suppliers are:

- Brokers: Persons or organizations that buy and sell products, services, or assets for others, including contracting agencies that supply labor
- Consultants: Persons or organizations that provide expert advice and services on a legally recognized professional and commercial basis. Consultants are legally recognized as self-employed or are legally recognized as employees of another organization
- Contractors: Persons or organizations working onsite or offsite on behalf of an organization with a relationship determined by a contract. A contractor may hire their own staff directly or hire sub-contractors or independent contractors
- Distributors: Agents that supply products to others
- Franchisees or licensees: Persons or organizations that are granted a franchise or license by the reporting organization. Franchises and licenses permit specified commercial activities (such as the production and sale of a product)
- Home workers: Persons at home or in other premises of their choice, other than the workplace of the employer, who perform work for remuneration and which results in a product or service as specified by the employer, irrespective of who provides the equipment, materials or other inputs used
- Independent contractors: Persons or organizations working for an organization, a contractor, or a sub-contractor, with a relationship determined by a contract. Independent contractors do not have an employment relationship with the organization
- Manufacturers: Persons or organizations that make products for sale
- Primary producers: Persons or organizations that grow, harvest, or extract raw materials
- Sub-contractors: Persons or organizations working onsite or offsite on behalf of an organization that have a direct contractual relationship with a contractor or sub-contractor but not necessarily with the organization. A sub-contractor may hire their own staff directly or hire independent contractors
- Wholesalers: Sellers of products in large quantities to be retailed by others

**Supplier screening**

A formal or documented process that applies a set of performance criteria as one of the factors in determining whether to proceed with a relationship with a supplier.

**Type of non-compliance**

Court judgment on failure to act in accordance with regulations or laws, categorized by the nature of the laws or regulations breached.
Management Approach Indicators

Risk assessment

Operational-level risk assessment

SRS9-2-1G4-S03

TOTAL NUMBER AND PERCENTAGE OF OPERATIONS ASSESSED FOR RISKS RELATED TO CORRUPTION THE MATERIAL TOPIC AND THE SIGNIFICANT RISKS IDENTIFIED

a. Report the total number and percentage of operations assessed for risks related to corruption the material topic.

b. Report the significant risks related to corruption the material topic identified through the risk assessment.

GUIDANCE

Relevance

Efforts to manage risks of incidents of corruption related to the material topic require a system that has supporting procedures in place. This Indicator measures the extent of the risk assessment's implementation across the organization. Risk assessments help to assess the potential for incidents of corruption related to the material topic within and related to the organization, and help the organization to design policies and procedures to combat corruption prevent or mitigate impacts related to the material topic.

Compilation

Identify operations assessed for risks related to corruption. This refers to either a formal risk assessment focused on corruption the material topic or the inclusion of corruption the material topic as a risk factor in overall risk assessments.

Definitions

See Glossary in Implementation Manual, p. 244

- Corruption
- Operation

Documentation sources

Potential information sources include monitoring reports, risk registers or risk management systems.

Impact assessment
Operation
al-level impact assessment

SRS9-2-2 G4-HR9

TOTAL NUMBER AND PERCENTAGE OF OPERATIONS THAT HAVE BEEN SUBJECT TO HUMAN RIGHTS REVIEWS OR IMPACT ASSESSMENTS RELATED TO THE MATERIAL TOPIC

a. Report the total number and percentage of operations that have been subject to human rights reviews or human rights impact assessments related to the material topic, by country.

GUIDANCE

Relevance

Organizations need to be aware of their special responsibility to respect human rights. The presence of the organization’s operations can have positive and negative effects in relation to respecting the protection of human rights the material topic. Organizations may affect human rights directly, through their own actions and operations, and indirectly, through their interaction and relationships with others, including governments, local communities and suppliers.

Information reported for this Indicator will provide insight into how far the organization takes human rights considerations related to the material topic into account when making decisions on its locations of operations. It will also provide information to allow evaluation of the potential for the organization to be associated with, or considered complicit in, human rights abuse.

Compilation

Identify countries in which the organization operates.

Identify the total number of operations, by country.

Identify the number of operations that have been subject to human rights reviews or human rights impact assessments, by country.

Definitions

See Glossary in Implementation Manual, p. 244

- Human rights reviews

Documentation sources

Potential information sources include the reporting organization’s legal, compliance, and human resources departments; information supplied by country managers; internal audit programs; the risk management office; and any external assessment undertaken.
Supplier impact assessment

SRS9-2-3

PERCENTAGE OF NEW SUPPLIERS THAT WERE SCREENED USING CRITERIA RELATED TO THE MATERIAL TOPIC

a. Report the percentage of new suppliers that were screened using criteria related to the material topic.

This Indicator informs stakeholders about the percentage of suppliers selected or contracted subject to the organization’s due diligence processes related to the material topic.

Due diligence should be initiated as early as possible in the development of a new relationship with a supplier. Significant potential negative impacts related to the material topic may be prevented or mitigated at the stage of structuring contracts or other agreements.

Identify the total number of new suppliers that the organization considered selecting or contracting with.

G4-EN32

PERCENTAGE OF NEW SUPPLIERS THAT WERE SCREENED USING ENVIRONMENTAL CRITERIA

a. Report the percentage of new suppliers that were screened using environmental criteria.

GUIDANCE

Relevance

This Indicator informs stakeholders about the percentage of suppliers selected or contracted subject to environmental due diligence processes. Due diligence should be initiated as early as possible in the development of a new relationship with a supplier.

Significant potential negative environmental impacts may be prevented or mitigated at the stage of structuring contracts or other agreements.

Compilation

Identify the total number of new suppliers that the organization considered selecting or contracting with.

Identify the total number of new suppliers that were screened using environmental criteria.

Environmental criteria may include Aspects under the Environmental Category.

Definitions

See Glossary in Implementation Manual, p. 244
Documentation sources

Potential sources of information include the organization’s procurement, purchasing and legal departments.

G4-LA14

PERCENTAGE OF NEW SUPPLIERS THAT WERE SCREENED USING LABOR PRACTICES CRITERIA

- Report the percentage of new suppliers that were screened using labor practices criteria.

GUIDANCE

Relevance

This Indicator informs stakeholders about the percentage of suppliers selected or contracted subject to due diligence processes for labor practices. Due diligence should be initiated as early as possible in the development of a new relationship with a supplier.

Significant potential negative impacts for labor practices may be prevented or mitigated at the stage of structuring contracts or other agreements.

Compilation

Identify the total number of new suppliers that the organization considered selecting or contracting with.

Identify the total number of new suppliers that were screened using labor practices criteria.

Labor practices criteria may include:

- Employment practices
- Health and safety practices
- Incidents (such as of verbal, psychological, physical, or sexual abuse, coercion or harassment)
- Industrial relations
- Wages and compensation
- Working hours

Definitions

See Glossary in Implementation Manual, p. 244

Documentation sources
Potential sources of information include the organization’s procurement, purchasing and legal departments.

G4-HR10

PERCENTAGE OF NEW SUPPLIERS THAT WERE SCREENED USING HUMAN RIGHTS CRITERIA

a. Report the percentage of new suppliers that were screened using human rights criteria.

GUIDANCE

Relevance

This Indicator informs stakeholders about the percentage of suppliers selected or contracted subject to the organization’s human rights due diligence processes.

The UN Protect, Respect and Remedy: a Framework for Business and Human Rights has confirmed the expectation that organizations should respect human rights throughout their activities and relationships with others.

Human rights due diligence should be initiated as early as possible in the development of a new relationship with a supplier. Significant potential negative human rights impacts may be prevented or mitigated at the stage of structuring contracts or other agreements.

Compilation

Identify the total number of new suppliers that the organization considered selecting or contracting with.

Identify the total number of new suppliers that were screened using human rights criteria.

Human rights criteria may include:

- Child labor
- Discrimination
- Forced or compulsory labor
- Freedom of association and collective bargaining
- Indigenous rights
- Security practices

Definitions

See Glossary in Implementation Manual, p. 244

- Supplier
- Supplier screening

Documentation sources
Potential sources of information include the organization's procurement, purchasing and legal departments.

**G4-S09**

**PERCENTAGE OF NEW SUPPLIERS THAT WERE SCREENED USING CRITERIA FOR IMPACTS ON SOCIETY**

a. Report the percentage of new suppliers that were screened using criteria for impacts on society.

**GUIDANCE**

**Relevance**

This Indicator informs stakeholders about the percentage of suppliers selected or contracted subject to due diligence processes for impacts on society. Due diligence should be initiated as early as possible in the development of a new relationship with a supplier.

Significant potential negative impacts on society may be prevented or mitigated at the stage of structuring contracts or other agreements.

**Compilation**

Identify the total number of new suppliers that the organization considered selecting or contracting with.

Identify the total number of new suppliers that were screened using criteria for impacts on society.

Criteria for impacts on society may include Aspects under the Society sub-Category.

**Definitions**

See Glossary in Implementation Manual, p. 244

- Supplier
- Supplier screening

**Documentation sources**

Potential sources of information include the organization's procurement, purchasing and legal departments.

**SRS9-2-4**

**SIGNIFICANT ACTUAL AND POTENTIAL NEGATIVE IMPACTS RELATED TO THE MATERIAL TOPIC IN THE SUPPLY CHAIN AND ACTIONS TAKEN**

b. Report the number of suppliers subject to impact assessments related to the material topic.
c. Report the number of suppliers identified as having significant actual and potential negative impacts related to the material topic.
d. Report the significant actual and potential negative impacts related to the material topic identified in the supply chain.
e. Report the percentage of suppliers identified as having significant actual and potential negative impacts related to the material topic with which improvements were agreed upon as a result of assessment.
f. Report the percentage of suppliers identified as having significant actual and potential negative impacts related to the material topic with which relationships were terminated as a result of assessment.

If it will provide appropriate context on significant impacts, organizations are encouraged to break down the information requested by this Indicator by the location of the supplier and the significant actual and potential negative impact.

Negative impacts include those that are either caused or contributed to by the organization, or that are linked to its activities, products, or services by its relationship with a supplier.

Assessments may be made against agreed performance expectations which were set and communicated to the suppliers prior to the assessment.

Assessments may be informed by audits, contractual reviews, two-way engagement, and grievance and complaint mechanisms.

Improvements may include the adjustment of the organization’s procurement practices, the adjustment of performance expectations, capacity building, training, and changes to processes.

G4-EN33

SIGNIFICANT ACTUAL AND POTENTIAL NEGATIVE ENVIRONMENTAL IMPACTS IN THE SUPPLY CHAIN AND ACTIONS TAKEN

a. Report the number of suppliers subject to environmental impact assessments.
b. Report the number of suppliers identified as having significant actual and potential negative environmental impacts.
c. Report the significant actual and potential negative environmental impacts identified in the supply chain.
d. Report the percentage of suppliers identified as having significant actual and potential negative environmental impacts with which improvements were agreed upon as a result of assessment.
e. Report the percentage of suppliers identified as having significant actual and potential negative environmental impacts with which relationships were terminated as a result of assessment, and why.

GUIDANCE

Relevance
This Indicator informs stakeholders about an organization’s awareness of significant actual and potential negative environmental impacts in the supply chain. Processes to identify and assess significant actual and potential negative environmental impacts in the supply chain may enable an organization to address them.

Compilation

If it will provide appropriate context on significant impacts, organizations are encouraged to break down the information requested by this Indicator by the location of the supplier and the significant actual and potential negative environmental impact. Negative impacts include those that are either caused or contributed to by the organization, or that are linked to its activities, products, or services by its relationship with a supplier. Environmental impact assessments may include Aspects under the Environmental Category.

Assessments may be made against agreed performance expectations which were set and communicated to the suppliers prior to the assessment. Assessments may be informed by audits, contractual reviews, two-way engagement, and grievance and complaint mechanisms. Improvements may include the adjustment of the reporting organization’s procurement practices, the adjustment of performance expectations, capacity building, training, and changes to processes.

Definitions

See Glossary in Implementation Manual, p. 244

Documentation sources

Potential sources of information include procurement, purchasing and legal departments.

G4-LA.15

SIGNIFICANT ACTUAL AND POTENTIAL NEGATIVE IMPACTS FOR LABOR PRACTICES IN THE SUPPLY CHAIN AND ACTIONS TAKEN

a. Report the number of suppliers subject to impact assessments for labor practices.
b. Report the number of suppliers identified as having significant actual and potential negative impacts for labor practices.
c. Report the significant actual and potential negative impacts for labor practices identified in the supply chain.
d. Report the percentage of suppliers identified as having significant actual and potential negative impacts for labor practices with which improvements were agreed upon as a result of assessment.
e. Report the percentage of suppliers identified as having significant actual and potential negative impacts for labor practices with which relationships were terminated as a result of assessment, and why.

GUIDANCE

Relevance

This Indicator informs stakeholders about an organization’s awareness of significant actual and potential negative impacts for labor practices in the supply chain.

Processes to identify and assess significant actual and potential negative impacts for labor practices in the supply chain may enable an organization to address them.

Compilation

If it will provide appropriate context on significant impacts, organizations are encouraged to break down the information requested by this Indicator by the location of the supplier and the significant actual and potential negative impact for labor practices.

Negative impacts include those that are either caused or contributed to by the organization, or that are linked to its activities, products, or services by its relationship with a supplier.

Impact assessments for labor practices may include:

- Employment practices
- Health and safety practices
- Incidents (such as of verbal, psychological, physical or sexual abuse, coercion or harassment)
- Industrial relations
- Wages and compensation
- Working hours

Assessments may be made against agreed performance expectations which were set and communicated prior to the assessment.

Assessments may be informed by audits, contractual reviews, two-way engagement, and grievance and complaint mechanisms.

Improvements may include the adjustment of the reporting organization’s procurement practices, the adjustment of performance expectations, capacity building, training, and changes to processes.

Definitions

See Glossary in Implementation Manual, p. 244

Supplier

Documentation sources

Potential sources of information include procurement, purchasing and legal departments.
SIGNIFICANT ACTUAL AND POTENTIAL NEGATIVE HUMAN RIGHTS IMPACTS IN THE SUPPLY CHAIN AND ACTIONS TAKEN

a. Report the number of suppliers subject to human rights impact assessments.
b. Report the number of suppliers identified as having significant actual and potential negative human rights impacts.
c. Report the significant actual and potential negative human rights impacts identified in the supply chain.
d. Report the percentage of suppliers identified as having significant actual and potential negative human rights impacts with which improvements were agreed upon as a result of assessment.
e. Report the percentage of suppliers identified as having significant actual and potential negative human rights impacts with which relationships were terminated as a result of assessment, and why.

GUIDANCE

Relevance

This Indicator informs stakeholders about an organization’s awareness of significant actual and potential negative human rights impacts in the supply chain.

The UN Protect, Respect and Remedy: a Framework for Business and Human Rights has affirmed the expectation that organizations should respect human rights throughout their activities and relationships with others.

Processes to identify and assess significant actual and potential negative human rights impacts in the supply chain may enable an organization to address them.

Compilation

If it will provide appropriate context on significant impacts, organizations are encouraged to break down the information requested by this Indicator by the location of the supplier and the significant actual and potential negative human rights impact.

Negative impacts include those that are either caused or contributed to by the organization, or that are linked to its activities, products, or services by its relationship with a supplier.

Human rights assessments may include:

- Child labor
- Discrimination
- Forced or compulsory labor
- Freedom of association and collective bargaining
- Indigenous rights
- Security practices
Assessments may be made against agreed performance expectations which were set and communicated prior to the assessment.

Assessments may be informed by audits, contractual reviews, two-way engagement, and grievance and complaint mechanisms.

Improvements may include the adjustment of the organization’s procurement practices, the adjustment of performance expectations, capacity building, training, and changes to processes.

Definitions

See Glossary in Implementation Manual, p. 244

Documentation sources

Potential sources of information include procurement, purchasing and legal departments.

G4-SO10

SIGNIFICANT ACTUAL AND POTENTIAL NEGATIVE IMPACTS ON SOCIETY IN THE SUPPLY CHAIN AND ACTIONS TAKEN

a. Report the number of suppliers subject to assessments for impacts on society.

b. Report the number of suppliers identified as having significant actual and potential negative impacts on society.

c. Report the significant actual and potential negative impacts on society identified in the supply chain.

d. Report the percentage of suppliers identified as having significant actual and potential negative impacts on society with which improvements were agreed upon as a result of assessment.

e. Report the percentage of suppliers identified as having significant actual and potential negative impacts on society with which relationships were terminated as a result of assessment, and why.

GUIDANCE

Relevance

This Indicator informs stakeholders about an organization’s awareness of significant actual and potential negative impacts on society in the supply chain.

Processes to identify and assess significant actual and potential negative impacts on society in the supply chain may enable an organization to address them.

Compilation

If it will provide appropriate context on significant impacts, organizations are encouraged to break down the information requested by this Indicator by the location of the supplier and the significant actual and potential negative impact on society.
Negative impacts include those that are either caused or contributed to by the organization, or that are linked to its activities, products, or services by its relationship with a supplier.

Assessments for impacts on society may include Aspects under the Society sub-Category.

Assessments may be made against agreed performance expectations which were set and communicated prior to the assessment.

Assessments may be informed by audits, contractual reviews, two-way engagement, and grievance and complaint mechanisms.

Improvements may include the adjustment of the reporting organization’s procurement practices, the adjustment of performance expectations, capacity building, training, and changes to processes.

Definitions

See Glossary in Implementation Manual, p. 244

Documentation sources

Potential sources of information include procurement, purchasing and legal departments.

Product and service impact assessment

SRS9-2-SG-LPR1

PERCENTAGE OF SIGNIFICANT PRODUCT AND SERVICE CATEGORIES FOR WHICH HEALTH AND SAFETY IMPACTS RELATED TO THE MATERIAL TOPIC ARE ASSESSED FOR IMPROVEMENT

a. Report the percentage of significant product and service categories for which health and safety impacts related to the material topic are assessed for improvement.

GUIDANCE

Relevance

This measure helps to identify the existence and scope of systematic efforts to address health and safety impacts related to the material topic across the life cycle of a product or service. Customers expect products and services to perform their intended functions satisfactorily, and not pose a risk to health and safety. This responsibility is not only subject to laws and regulations, but is also addressed in voluntary codes such as the OECD Guidelines for Multinational Enterprises.

Efforts made to protect the health and safety of those who use or deliver the product or service address the impacts of products and services have direct impacts on an organization’s reputation, the organization’s legal and financial risk due to recall, market differentiation in relation to quality, and employee motivation.

Compilation
Identify significant product and service categories for which health and safety impacts are assessed for improvement.

Documentation sources

Potential sources of information include the organization’s legal and sales departments as well as the documentation collected through quality management systems.

Training and communication

SRS9-2-6

TRAINING ON POLICIES AND PROCEDURES RELATED TO THE MATERIAL TOPIC

a. Report the total number of hours devoted to training and the total number and percentage of individuals trained on policies and procedures related to the material topic, by:

- Employees, further disaggregated by employee category and region
- Governance body members, further disaggregated by region

Information generated from this Indicator offers insight into an organization’s capacity to implement its policies and procedures related to the material topic. The total number of governance body members and employees trained and the amount of training they receive both contribute to an assessment of an organization’s depth of knowledge of the material topic.

Training builds the internal and external awareness and the necessary capacity to prevent or mitigate impacts related to the material topic. This Indicator reveals the proportion of the organization’s governance body members and employees that can reasonably be assumed to be aware of the organization’s policies and procedures related to the material topic.

Identify the number of hours devoted to employee training, using data from G4-LA9.

Using data from G4-LA12 identify:

- The governance bodies that exist within the organization (such as the board of directors, management committee, or similar body for non-corporate organizations)
- The total number of individuals and/or employees who comprise these governance bodies
- The total number of employees in each employee category (excluding governance body members)

This includes the applicability of the policies or procedures related to the material topic to the employees’ work. This can refer either to training dedicated to the material topic or to a module on the material topic within a general training program.
COMMUNICATION ON POLICIES AND PROCEDURES RELATED TO THE MATERIAL TOPIC

a. Report the total number and percentage of individuals that the organization's policies and procedures related to the material topic have been communicated to, by:
   • Employees, further disaggregated by employee category and region
   • Governance body members, further disaggregated by region
   • Business partners, further disaggregated by type of business partner and region

Communication builds the internal and external awareness and the necessary capacity to prevent or mitigate impacts related to the material topic. This Indicator reveals the proportion of the organization’s governance body members, employees and business partners that can reasonably be assumed to be aware of the organization’s policies and procedures related to the material topic.

Using data from G4-LA12 identify:

   • The governance bodies that exist within the organization (such as the board of directors, management committee, or similar body for non-corporate organizations)
   • The total number of individuals and/or employees who comprise these governance bodies
   • The total number of employees in each employee category (excluding governance body members)

The total number of business partners is to be estimated.

G4-HR2

TOTAL HOURS OF EMPLOYEE TRAINING ON HUMAN RIGHTS POLICIES OR PROCEDURES CONCERNING ASPECTS OF HUMAN RIGHTS THAT ARE RELEVANT TO OPERATIONS, INCLUDING THE PERCENTAGE OF EMPLOYEES TRAINED

a. Report the total number of hours in the reporting period devoted to training on human rights policies or procedures concerning aspects of human rights that are relevant to operations.

b. Report the percentage of employees in the reporting period trained in human rights policies or procedures concerning aspects of human rights that are relevant to operations.

GUIDANCE

Relevance

Information generated from this Indicator offers insight into an organization’s capacity to implement its human rights policies and procedures. Human rights have become well-established in international
standards and laws, and this has obligated organizations to implement specialized training that equips employees to address human rights in the course of their regular work. The total number of employees trained and the amount of training they receive both contribute to an assessment of an organization's depth of knowledge about human rights.

**Compilation**

Identify the number of hours devoted to employee training, using data from G4-LA9.

Identify the total number of employees, using data from G4-10.

Identify employees who have received formal training in the organization's human rights policies or procedures concerning aspects of human rights that are relevant to operations, including the applicability of the human rights policies or procedures to the employees' work. This can refer either to training dedicated to the topic of human rights or to a human rights module within a general training program.

**Definitions**

See Glossary in Implementation Manual, p. 244

- Employee

**Documentation sources**

Potential sources of information include employee records of training and training schedules.

**G4-S04**

**COMMUNICATION AND TRAINING ON ANTI-CORRUPTION POLICIES AND PROCEDURES**

a. Report the total number and percentage of governance body members that the organization's anti-corruption policies and procedures have been communicated to, broken down by region.

b. Report the total number and percentage of employees that the organization's anti-corruption policies and procedures have been communicated to, broken down by employee category and region.

c. Report the total number and percentage of business partners that the organization's anti-corruption policies and procedures have been communicated to, broken down by type of business partner and region.

d. Report the total number and percentage of governance body members that have received training on anti-corruption, broken down by region.

e. Report the total number and percentage of employees that have received training on anti-corruption, broken down by employee category and region.

**GUIDANCE**

**Relevance**
Communication and training build the internal and external awareness and the necessary capacity to combat corruption. This indicator reveals the proportion of the organization’s governance body members, employees and business partners that can reasonably be assumed to be aware of the organization’s anti-corruption policies and procedures.

**Compilation**

Using data from G4-LA12 identify:

- The governance bodies that exist within the organization (such as the board of directors, management committee, or similar body for non-corporate organizations)
- The total number of individuals and/or employees who comprise these governance bodies
- The total number of employees in each employee category (excluding governance body members)

The total number of business partners is to be estimated.

**Definitions**

See Glossary in Implementation Manual, p. 244

- Business partner
- Corruption
- Employee
- Employee category

**Documentation sources**

Potential information sources include training records.

**Grievance mechanisms**

SRS9-2-8

**NUMBER OF GRIEVANCES ABOUT IMPACTS RELATED TO THE MATERIAL TOPIC FILED, ADDRESSED, AND RESOLVED THROUGH FORMAL GRIEVANCE MECHANISMS**

a. Report the total number of grievances about impacts related to the material topic filed through formal grievance mechanisms during the reporting period.

b. Of the identified grievances, report how many were:

   - Addressed during the reporting period
   - Resolved during the reporting period

c. Report the total number of grievances about impacts related to the material topic filed prior to the reporting period that were resolved during the reporting period.

Disputes may occur over the impacts related to the material topic of an organization’s activities and relationships with others (such as entities in the supply chain). Effective grievance mechanisms play an important role in remediating impacts.
Formal grievance mechanisms may be managed by the reporting organization or by an external party.

If it will provide appropriate context on significant impacts, organizations are encouraged to break down the number of grievances by the nature and location of the grievance, and the party that filed the grievance. Parties that filed the grievance may include:

- Internal stakeholders (such as employees)
- External stakeholders (such as suppliers, local communities)
- Individuals or groups of people identified by:
  - Membership of underrepresented social groups
  - Other indicators of diversity

**G4-EN34**

**NUMBER OF GRIEVANCES ABOUT ENVIRONMENTAL IMPACTS FILED, ADDRESSED, AND RESOLVED THROUGH FORMAL GRIEVANCE MECHANISMS**

- Report the total number of grievances about environmental impacts filed through formal grievance mechanisms during the reporting period.
- Of the identified grievances, report how many were:
  - Addressed during the reporting period
  - Resolved during the reporting period
- Report the total number of grievances about environmental impacts filed prior to the reporting period that were resolved during the reporting period.

**GUIDANCE**

**Relevance**

Disputes may occur over the environmental impacts of an organization’s activities and relationships with others (such as entities in the supply chain). Effective grievance mechanisms play an important role in remediating environmental impacts.

**Compilation**

Identify existing formal grievance mechanisms. Formal grievance mechanisms may be managed by the reporting organization or by an external party.

Identify the total number of grievances about environmental impacts filed through formal grievance mechanisms during the reporting period.

Identify the total number of grievances addressed or resolved during the reporting period from both current year and prior year grievance filings.

If it will provide appropriate context on significant impacts, organizations are encouraged to break down the number of grievances by the nature and location of the grievance, and the party that filed the grievance. Parties that filed the grievance may include:
Definitions

See Glossary in Implementation Manual, p. 244

Documentation-sources

Potential sources of information include the organization’s legal, compliance, procurement, purchasing, and human resources departments.

G4-LA16

NUMBER OF GRIEVANCES ABOUT LABOR PRACTICES FILED, ADDRESSED, AND RESOLVED THROUGH FORMAL GRIEVANCE MECHANISM

a. Report the total number of grievances about labor practices filed through formal grievance mechanisms during the reporting period.

   Of the identified grievances, report how many were:

   Addressed during the reporting period

   Resolved during the reporting period

b. Report the total number of grievances about labor practices filed prior to the reporting period that were resolved during the reporting period.

GUIDANCE

Relevance

Disputes may occur over the labor practices of an organization’s activities and relationships with others (such as entities in the supply chain). Effective grievance mechanisms play an important role in remediating impacts for labor practices.

Compilation

Identify existing formal grievance mechanisms. Formal grievance mechanisms may be managed by the reporting organization or by an external party.

Identify the total number of grievances about labor practices filed through formal grievance mechanisms during the reporting period.

Identify the total number of grievances addressed or resolved during the reporting period from both current-year and prior-year grievance filings.
If it will provide appropriate context on significant impacts, organizations are encouraged to break down the number of grievances by the nature and location of the grievance, and the party that filed the grievance. Parties that filed the grievance may include:

- Internal stakeholders (such as employees)
- External stakeholders (such as suppliers, local communities)
- Individuals or groups of people identified by:
  - Membership of underrepresented social groups
  - Other indicators of diversity

Definitions

See Glossary in Implementation Manual, p. 244

Documentation sources

Potential sources of information include the organization’s legal, compliance, procurement, purchasing, and human resources departments.

G4-HR12

NUMBER OF GRIEVANCES ABOUT HUMAN RIGHTS IMPACTS FILED, ADDRESSED, AND RESOLVED THROUGH FORMAL GRIEVANCE MECHANISMS

a. Report the total number of grievances about human rights impacts filed through formal grievance mechanisms during the reporting period.

b. Of the identified grievances, report how many were:
  - Addressed during the reporting period
  - Resolved during the reporting period

c. Report the total number of grievances about human rights impacts filed prior to the reporting period that were resolved during the reporting period.

GUIDANCE

Relevance

Disputes may occur over the human rights impacts of an organization’s activities and relationships with others (such as entities in the supply chain). Effective grievance mechanisms play an important role in the successful protection of human rights.

Compilation

Identify existing formal grievance mechanisms. Formal grievance mechanisms may be managed by the reporting organization or by an external party.

Identify the total number of grievances about human rights impact filed through formal grievance mechanisms during the reporting period.
Identify the total number of grievances addressed or resolved during the reporting period from both current year and prior year grievance filings.

If it will provide appropriate context on significant impacts, organizations are encouraged to break down the number of grievances by the nature and location of the grievance, and the party that filed the grievance. Parties that filed the grievance may include:

- Internal stakeholders (such as employees)
- External stakeholders (such as suppliers, local communities)
- Individuals or groups of people identified by:
  - Membership of underrepresented social groups
  - Other indicators of diversity

Definitions

See Glossary in Implementation Manual, p. 244

Formal grievance mechanisms

Documentation sources

Potential sources of information include the organization’s legal, compliance, procurement, purchasing, and human resources departments.

G4-SO1

NUMBER OF GRIEVANCES ABOUT IMPACTS ON SOCIETY FILED, ADDRESSED, AND RESOLVED THROUGH FORMAL GRIEVANCE MECHANISMS

a. Report the total number of grievances about impacts on society filed through formal grievance mechanisms during the reporting period.

b. Of the identified grievances, report how many were:
   - Addressed during the reporting period
   - Resolved during the reporting period

c. Report the total number of grievances about impacts on society filed prior to the reporting period that were resolved during the reporting period.

GUIDANCE

Relevance

Disputes may occur over the impacts on society of an organization’s activities and relationships with others (such as entities in the supply chain). Effective grievance mechanisms play an important role in remediating impacts on society.

Compilation

Identify existing formal grievance mechanisms. Formal grievance mechanisms may be managed by the reporting organization or by an external party.
Identify the total number of grievances about impacts on society filed through formal grievance mechanisms.

Identify the total number of grievances addressed or resolved during the reporting period from both current year and prior year grievance filings.

If it will provide appropriate context on significant impacts, organizations are encouraged to break down the number of grievances by the nature and location of the grievance, and the party that filed the grievance. Parties that filed the grievance may include:

- Internal stakeholders (such as employees)
- External stakeholders (such as suppliers, local communities)
- Individuals or groups of people identified by:
  - Membership of underrepresented social groups
  - Other indicators of diversity

Definitions

See Glossary in Implementation Manual, p. 244

- Formal grievance mechanisms

Documentation sources

Potential sources of information include the organization’s legal, compliance, procurement, purchasing, and human resources departments.

Compliance

SRS9-2-9

INCIDENTS OF NON-COMPLIANCE WITH LAWS, REGULATIONS AND VOLUNTARY CODES RELATED TO THE MATERIAL TOPIC AND THEIR OUTCOMES

a. Report the total number of incidents of non-compliance with laws, regulations and voluntary codes related to the material topic in terms of:
   - Incidents that resulted in a significant fine or penalty
   - Incidents that resulted in non-monetary sanctions
   - Incidents that resulted in a warning
   - Cases brought through dispute resolution mechanisms
   - Complaints received from outside parties and substantiated by the organization
   - Complaints from regulatory bodies
   - Incidents of non-compliance with voluntary codes

b. Report the total monetary value of significant fines.

c. Report the context against which significant fines and non-monetary sanctions were incurred.
If the organization has not identified any non-compliance with laws, regulations and voluntary codes, a brief statement of this fact is sufficient.

The level of non-compliance within an organization is an indicator of the ability of management to ensure that operations conform to certain performance parameters. From an economic perspective, ensuring compliance helps to reduce financial risks that occur either directly through fines or indirectly through impacts on reputation. The strength of an organization’s compliance record can also affect its ability to expand operations or gain permits.

Non-compliance with legal requirements indicates either inadequate internal management systems and procedures, or ineffective implementation. In addition to direct financial consequences, ongoing non-compliance poses increased financial risk due to damage to both reputation, employee motivation and customer loyalty and satisfaction.

The trends revealed by this Indicator may indicate improvements or deterioration in the effectiveness of internal controls.

Identify administrative or judicial sanctions levied against the organization for failure to comply with laws or regulations, including:

- International declarations, conventions, and treaties; and national, sub-national, regional, and local regulations
- Voluntary agreements with regulating authorities that are considered binding and developed as a substitute for implementing new regulations. In certain jurisdictions, such agreements are referred to as ‘covenants’
- Cases brought against the organization through the use of international dispute mechanisms or national dispute mechanisms supervised by government authorities

Incidents of non-compliance in which the organization was determined not to be at fault are not counted in this Indicator.

If a number of incidents relate to events in preceding periods, identify this.

G4-EN29

MONETARY VALUE OF SIGNIFICANT FINES AND TOTAL NUMBER OF NON-MONETARY SANCTIONS FOR NON-COMPLIANCE WITH ENVIRONMENTAL LAWS AND REGULATIONS

a. Report significant fines and non-monetary sanctions in terms of
   - Total monetary value of significant fines
   - Total number of non-monetary sanctions
   - Cases brought through dispute resolution mechanisms

b. Where organizations have not identified any non-compliance with laws or regulations, a brief statement of this fact is sufficient.

GUIDANCE

Relevance
The level of non-compliance within the organization helps indicate the ability of management to ensure that operations conform to certain performance parameters. From an economic perspective, ensuring compliance helps to reduce financial risks that occur either directly through fines or indirectly through impacts on reputation. In some circumstances, non-compliance can lead to clean-up obligations or other costly environmental liabilities. The strength of the organization’s compliance record can also affect its ability to expand operations or gain permits.

Compilation

Identify administrative or judicial sanctions for failure to comply with environmental laws and regulations, including, as a minimum:

- International declarations, conventions, and treaties, as well as national, sub-national, regional, and local regulations. Include non-compliances related to spills as disclosed under G4-EN24 that meet the criteria for G4-EN29.
- Voluntary environmental agreements with regulating authorities that are considered binding and developed as a substitute for implementing new regulations. In certain jurisdictions, such agreements are referred to as ‘covenants.’
- Cases brought against the organization through the use of international dispute mechanisms or national dispute mechanisms supervised by government authorities.

Definitions

See Glossary in Implementation Manual, p. 244.

Documentation sources

Data sources include audit results, regulatory tracking systems operated by the legal department, or environmental management systems. Information regarding the aggregate value of monetary fines can be found in accounting departments.

G4-SO8

MONETARY VALUE OF SIGNIFICANT FINES AND TOTAL NUMBER OF NON-MONETARY SANCTIONS FOR NON-COMPLIANCE WITH LAWS AND REGULATIONS

a. Report significant fines and non-monetary sanctions in terms of:
   - Total monetary value of significant fines
   - Total number of non-monetary sanctions
   - Cases brought through dispute-resolution mechanisms
b. If the organization has not identified any non-compliance with laws or regulations, a brief statement of this fact is sufficient.
c. Report the context against which significant fines and non-monetary sanctions were incurred.

GUIDANCE
Relevance

The level of non-compliance within an organization is an indicator of the ability of management to ensure that operations conform to certain performance parameters. From an economic perspective, ensuring compliance helps to reduce financial risks that occur either directly through fines or indirectly through impacts on reputation. The strength of an organization’s compliance record can also affect its ability to expand operations or gain permits.

Indicators G4-EN29 and G4-PR9 address compliance with specific aspects of law. An organization’s overall record of compliance with the range of laws under which it operates is equally of interest. This indicator is intended to reflect significant fines and non-monetary sanctions under laws or regulations not covered by G4-EN29 and G4-PR9, such as laws and regulations related to accounting fraud, workplace discrimination, or corruption.

Compilation

Identify administrative or judicial sanctions levied against the organization for failure to comply with laws or regulations, including:

- International declarations, conventions, and treaties; and national, sub-national, regional, and local regulations
- Cases brought against the organization through the use of international dispute mechanisms or national dispute mechanisms supervised by government authorities

Documentation sources

Potential sources of information include audit results or regulatory tracking systems operated by the legal department. Information regarding monetary fines may be found in accounting departments.

G4-PR2

TOTAL NUMBER OF INCIDENTS OF NON-COMPLIANCE WITH REGULATIONS AND VOLUNTARY CODES CONCERNING THE HEALTH AND SAFETY IMPACTS OF PRODUCTS AND SERVICES DURING THEIR LIFE CYCLE, BY TYPE OF OUTCOMES

a. Report the total number of incidents of non-compliance with regulations and voluntary codes concerning the health and safety impacts of products and services within the reporting period, by:
   - Incidents of non-compliance with regulations resulting in a fine or penalty
   - Incidents of non-compliance with regulations resulting in a warning
   - Incidents of non-compliance with voluntary codes

b. If the organization has not identified any non-compliance with regulations and voluntary codes, a brief statement of this fact is sufficient.

GUIDANCE

Relevance
Protection of health and safety is a recognized goal of many national and international regulations. Non-compliance with legal requirements indicates either inadequate internal management systems and procedures, or ineffective implementation. In addition to direct financial consequences (refer to G4-PR9), ongoing non-compliance poses increased financial risk due to damage to both reputation and employee motivation.

This Indicator addresses the life cycle of the product or service once it is available for use and therefore subject to regulations and voluntary codes concerning the health and safety of products and services. The trends revealed by this Indicator may indicate improvements or deterioration in the effectiveness of internal controls.

**Compilation**

Identify the total number of incidents of non-compliance with regulations and voluntary codes concerning the health and safety impacts of products and services during the reporting period.

Incidents of non-compliance in which the organization was determined not to be at fault are not counted in this Indicator.

Incidents related to labeling are dealt with in G4-PR4.

This Indicator refers to incidents of non-compliance within the reporting period. If a number of incidents relate to events in preceding periods, identify this.

**Definitions**

See Glossary in Implementation Manual, p. 244

- Type of non-compliance

**Documentation sources**

Potential sources of information include the organization’s legal, occupational health and safety, human resources, research and development (R&D) departments, as well as documentation collected through quality management systems.

**G4-PR4**

**TOTAL NUMBER OF INCIDENTS OF NON-COMPLIANCE WITH REGULATIONS AND VOLUNTARY CODES CONCERNING PRODUCT AND SERVICE INFORMATION AND LABELING, BY TYPE OF OUTCOMES**

a. Report the total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by:

- Incidents of non-compliance with regulations resulting in a fine or penalty
- Incidents of non-compliance with regulations resulting in a warning
- Incidents of non-compliance with voluntary codes

b. If the organization has not identified any non-compliance with regulations and voluntary codes, a brief statement of this fact is sufficient.
GUIDANCE

Relevance

The display and provision of information and labeling for products and services are subject to many regulations and laws. Non-compliance indicates either inadequate internal management systems and procedures or ineffective implementation. In addition to direct financial consequences, such as penalties and fines (refer to G4-PR9), non-compliance poses a risk to reputation and customer loyalty and satisfaction.

The trends revealed by this Indicator may indicate improvements or deterioration in the effectiveness of internal controls.

Compilation

Identify the total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling during the reporting period.

Incidents of non-compliance in which the organization was determined not to be at fault are not counted in this Indicator.

This Indicator refers to incidents of non-compliance within the reporting period. If a number of incidents relate to events in preceding periods, identify this.

Definitions

See Glossary in Implementation Manual, p. 244

- Product and service information and labeling
- Type of non-compliance

Documentation sources

Potential sources of information include the organization’s legal and technical departments, as well as documentation collected through quality management systems.

G4-PR7

TOTAL NUMBER OF INCIDENTS OF NON-COMPLIANCE WITH REGULATIONS AND VOLUNTARY CODES CONCERNING MARKETING COMMUNICATIONS, INCLUDING ADVERTISING, PROMOTION, AND SPONSORSHIP, BY TYPE OF OUTCOMES

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

**GUIDANCE**

**Relevance**

Marketing communications including advertising, promotion, and sponsorship for products and services are subject to many regulations and laws. Non-compliance indicates either inadequate internal management systems and procedures or ineffective implementation. In addition to direct financial consequences, such as penalties and fines (refer to G4-PR9), non-compliance poses a risk to reputation and to customer loyalty and satisfaction. The trends revealed by this Indicator may indicate improvements or deterioration in the effectiveness of internal controls.

**Compilation**

Identify the total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship, during the reporting period.

Incidents of non-compliance in which the organization was determined not to be at fault are not counted in this Indicator.

This Indicator refers to incidents of non-compliance within the reporting period. If a number of incidents relate to events in preceding periods, identify this.

**Definitions**

See Glossary in Implementation Manual, p. 244

- Marketing communications
- Type of non-compliance

**Documentation sources**

Potential sources of information include the organization’s legal, sales, and marketing departments.

**G4-PR8**

**TOTAL NUMBER OF SUBSTANTIATED COMPLAINTS REGARDING BREACHES OF CUSTOMER PRIVACY AND LOSSES OF CUSTOMER DATA**

a. Report the total number of substantiated complaints received concerning breaches of customer privacy, categorized by:

- Complaints received from outside parties and substantiated by the organization
- Complaints from regulatory bodies

b. Report the total number of identified leaks, thefts, or losses of customer data.

c. If the organization has not identified any substantiated complaints, a brief statement of this fact is sufficient.
GUIDANCE

Relevance

Protection of customer privacy is a generally recognized goal in national regulations and organizational policies. Non-compliance indicates either inadequate internal management systems and procedures or ineffective implementation. This Indicator provides an evaluation of the success of management systems and procedures relating to customer privacy protection. In addition to direct financial consequences such as penalties and fines, non-compliance poses a risk to reputation and customer loyalty and satisfaction. The trends revealed by this Indicator indicate improvements or deterioration in the effectiveness of internal controls.

Compilation

Identify the total number of complaints regarding breaches of customer privacy during the reporting period.

If a substantial number of these breaches relate to events in preceding years, this should be indicated.

Definitions

See Glossary in Implementation Manual, p. 244

- Breach of customer privacy
- Customer privacy
- Substantiated complaint

Documentation sources

Potential sources of information include departments responsible for customer service, public relations, or legal concerns.

G4-PR9

MONETARY VALUE OF SIGNIFICANT FINES FOR NON-COMPLIANCE WITH LAWS AND REGULATIONS CONCERNING THE PROVISION AND USE OF PRODUCTS AND SERVICES

a. Report the total monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services.
b. If the organization has not identified any non-compliance with laws or regulations, a brief statement of this fact is sufficient.

GUIDANCE

Relevance

The level of non-compliance within an organization is an indicator of the ability of management to ensure that operations conform to certain performance parameters. From an economic perspective, ensuring compliance helps to reduce financial risks that occur either directly through fines or indirectly...
through impacts on reputation. The strength of an organization’s compliance record may also affect its ability to expand operations or gain permits.

**Compilation**

Identify administrative or judicial sanctions levied against the organization for failure to comply with laws and regulations, including international declarations, conventions and treaties, and national, sub-national, regional, and local regulations concerning the provision and use of the organization’s products and services. Relevant information for this Indicator includes data from G4-PR2, G4-PR4, and G4-PR7.

**Documentation sources**

Potential sources of information include audit results or regulatory tracking systems operated by the legal department. Information regarding monetary fines can be found in accounting departments.
The following documents informed the development of this GRI Standard. Organizations are encouraged to be familiar with these documents, as they can improve understanding of the disclosure requirements.