Item 10 – Recommended revisions to GRI 102: General Disclosures 2016 (Paper D)

For GSSB discussion

<table>
<thead>
<tr>
<th>Date</th>
<th>10 September 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Meeting</td>
<td>24-25 September 2019</td>
</tr>
<tr>
<td>Project</td>
<td>Review of GRI’s universal Standards</td>
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<tr>
<td>Description</td>
<td>This document presents the GRI Standards Division’s recommended revisions to disclosures in GRI 102: General Disclosures 2016, for review by the Global Sustainability Standards Board (GSSB).</td>
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</tbody>
</table>
Introduction

About this document

This document provides recommendations to revise GRI 102: General Disclosures 2016 in the GRI Sustainability Reporting Standards (GRI Standards). It forms part of the project to review GRI’s universal Standards, as approved by the GSSB at its meeting on 25-26 March 2019. This introduction explains the background for revising the disclosures.

Section 1 summarizes the methodology approach used to assess the current disclosures.

Section 2 presents a summary of the findings.

Section 3 presents an overview of the recommended revisions.

Section 4 presents the recommended revisions in detail and provides further information where significant revisions to individual disclosures are recommended. In this section, specific questions are included for the GSSB’s attention.

It is advised to have the universal Standards available for reference when reading through the recommended revisions:

- GRI 101: Foundation 2016
- GRI 102: General Disclosures 2016
- GRI 103: Management Approach 2016

Background

The objective of the review is to revise, remove, or consolidate existing disclosures in terms of their reporting requirements, reporting recommendations, and guidance in order to clarify the information to be reported.

The overall purpose of the disclosures in GRI 102 is to provide contextual information about the nature of the organization, including its scale, location, and activities, elements of its strategy, responsible business conduct, and governance processes. The disclosures also require an organization to communicate its approach to stakeholder engagement, materiality, and external assurance. Finally, the disclosures communicate specific information about the report and its contents, including the GRI content index and the entities covered by the report.

Much of the content in GRI 102 has evolved over the different versions of the GRI Guidelines, with many of the disclosures having been present in varying degrees since the G1 and G2 Guidelines. Notable additional disclosures were introduced in the G3 and G4 Guidelines: governance-related disclosures (some introduced in G3 and some in G4), Disclosure 102-9 Supply chain (introduced in G4), and Disclosure 102-17 Mechanisms for advice and concerns about ethics (introduced in G4). Disclosures 102-8 Information on employees and other workers and 102-41 Collective bargaining agreements were both moved from social indicators to General Disclosures in G4.

Upon the transition to the GRI Standards in 2016, there was no specific mandate to review the content of section 5.1 in the G4 Guidelines: General Standard Disclosures. Therefore, aside from their new structure in the GRI Standards, no significant changes were made to the content of the disclosures.
Section 1. Methodology

The GRI Standards Division performed an assessment of the GRI 102: General Disclosures 2016 by carrying out the following activities:

1. Analysis of relevant technical enquiries: focused on understanding which specific disclosures were most commonly queried and the related questions;
2. Interviews with a range of experts, stakeholders, and reporters to understand their views on GRI 102 to see if they felt that all disclosures remained valid and feasible, and whether they had any recommendations for revisions;
3. Analysis of responses from the Standards Division’s survey on GRI’s universal Standards;
4. Review of 45 reports claiming to be prepared in accordance with the GRI Standards;
5. Review of other reporting frameworks and guidance documents published by other organizations (e.g., UN Global Compact) covering similar content.

For further information on activities 1 to 4 above, refer to Item 06 – Introduction paper.

Section 2. Summary of findings

Analysis of technical enquiries

The disclosures that received the most technical enquiries included the following:

<table>
<thead>
<tr>
<th>General Disclosure</th>
<th>Types of queries raised (listed in order of most common)</th>
</tr>
</thead>
</table>
| 102-7 Scale of the organization | • Lack of clarity on what is expected to be reported  
• Terms or definitions are unclear  
• Cited difficulties collecting the required data (net sales/revenue, total capitalization, total number of operations, quantity of products or services)  
• Private company not wishing to report the information |
| 102-8 Information on employees and other workers | • Cited difficulties collecting the required data (by gender, region, contract type)  
• Question the relevance of or consider that the disclosures are not material to them  
• Terms or definitions are unclear (employees, workers)  
• Private company not wishing to report the information  
• Lack of clarity on what is expected to be reported |
| 102-11 Precautionary Principle or approach | • Lack of clarity on what is expected to be reported |
102-41 Collective bargaining agreements
- Lack of clarity on what is expected to be reported
- Unable to obtain accurate and complete data
- Time-consuming to collect the data

102-45 Entities included in the consolidated financial statements.
- Lack of clarity on what is expected to be reported

102-55 GRI content index
- Lack of clarity on level of detail to include, e.g., dealing with reasons for omission, topic-specific Standards that address multiple material topics, how to present the publication year of a Standard

102-56 External assurance
- Lack of clarity on how to obtain external assurance and GRI’s expectations or requirements regarding the level of assurance and scope of assurance
- Lack of clarity on whether a GRI report must be assured to be compliant

All these disclosures are included in the existing required criteria for organizations reporting in accordance with the Core option and are therefore currently required by all in accordance GRI Standards reports with no reasons for omission permitted.

Given the nature of questions raised in the first five technical enquiries listed above, these disclosures were specifically targeted in the survey questions to elicit further information.

Feedback from interviews with stakeholders
Feedback received through interviews supported the survey responses (see below) that there are too many general disclosures and that these should be consolidated and rationalized where possible, particularly the governance disclosures. Report users emphasized that governance disclosures are very important but suggested some are too complex (e.g., remuneration related disclosures).

Disclosure 102-8 Information on employees and other workers was discussed in interviews, and although interviewees agreed that it provides important contextual information about an organization, they raised challenges faced by reporters in being able to collect the data to meet all six reporting requirements (a to f) in this disclosure. Finally, some interviewees suggested extending Disclosure 102-56 External assurance to require those organizations that do not seek assurance to provide an explanation for this in their report.

Survey feedback on GRI’s universal Standards
The survey questions were designed to seek feedback on the challenges of reporting five specific disclosures (102-7, 102-8, 102-11, 102-41, and 102-45), and were aimed at those involved in preparing reports (reporting organizations and consultants) as well as training providers and assurance providers.

Further questions were also included for all categories of survey respondents to identify any other specific disclosures that are not clear, not relevant, or do not provide essential information.

The survey responses included suggestions to remove some requirements as they may no longer be considered relevant or essential for all organizations. The most commonly cited disclosures among
these were Disclosure 102-11 Precautionary Principle or approach and Disclosure 102-13 Membership of Associations. The suggestions to combine disclosures focused on disclosures in the governance section, especially those around the highest governing body, and stakeholder engagement. Comments were also made about the overlap between labor-related disclosures (102-8 and 102-41) and GRI 401: Employment 2016. Finally, some suggestions were made to remove disclosures where the information is already incorporated in other publicly available corporate reports (e.g., financial disclosures in financial statements and remuneration-related disclosures included in annual reports).

**Review of GRI Standards reports**

Annex 1 shows the outcome of the review of 45 reports (32 Core and 13 Comprehensive reports) for each of the disclosures in GRI 102. It is important to note that a review of 45 reports does not provide a large enough population to be representative of all GRI Standards reports, and therefore no statistically significant conclusions can be drawn from this analysis. The feedback is therefore only directional in nature.

The table below gives a summary overview of reporting on 10 out of the 33 disclosures required by the Core in accordance option. Less than half of the 45 reports reviewed had sufficient information to fully comply with the reporting requirements under these 10 disclosures:

<table>
<thead>
<tr>
<th>General Disclosure</th>
<th>Number (and %) of reports which addressed all reporting requirements</th>
<th>Number (and %) of reports which addressed some reporting requirements</th>
<th>Number (and %) of reports which addressed none of the reporting requirements or information not located</th>
</tr>
</thead>
<tbody>
<tr>
<td>102-8 Information on employees and other workers*</td>
<td>1 (2%)</td>
<td>35 (78%)</td>
<td>9 (20%)</td>
</tr>
<tr>
<td>102-7 Scale of the organization*</td>
<td>8 (18%)</td>
<td>34 (75%)</td>
<td>3 (7%)</td>
</tr>
<tr>
<td>102-44 Key topics and concerns raised</td>
<td>10 (22%)</td>
<td>16 (36%)</td>
<td>19 (42%)</td>
</tr>
<tr>
<td>102-46 Defining report content and topic Boundaries</td>
<td>11 (25%)</td>
<td>33 (73%)</td>
<td>1 (2%)</td>
</tr>
<tr>
<td>102-9 Supply chain</td>
<td>15 (33%)</td>
<td>23 (51%)</td>
<td>7 (16%)</td>
</tr>
<tr>
<td>102-11 Precautionary Principle or approach*</td>
<td>16 (36%)</td>
<td>14 (31%)</td>
<td>15 (33%)</td>
</tr>
</tbody>
</table>
### Section 3. Overview of recommended revisions

The key structural changes being proposed to GRI 102: General Disclosures 2016 are grouped together below by extent of change to the reporting requirements. (Note that this has no impact upon the order of the recommended revised disclosures nor the reporting requirements for an organization.)

**List A: Consolidation of disclosures with revisions to reporting requirements** (R denotes the revised disclosure):

- Disclosure 102-1 Name of the organization, Disclosure 102-3 Location of headquarters, and Disclosure 102-5 Ownership and legal form are consolidated into Disclosure 102-1R Organizational details
- Disclosure 102-2 Activities, brands, products, and services, Disclosure 102-4 Location of operations, Disclosure 102-6 Markets served, Disclosure 102-7 Scale of the organization, Disclosure 102-9 Supply chain, and Disclosure 102-10 Significant changes to the organization and its supply chain are consolidated into Disclosure 102-2R Activities, value chain, and business relationships
Disclosure 102-11 Precautionary Principle or approach, Disclosure 102-12 External initiatives, and Disclosure 102-16 Values, principles, standards, and norms of behavior are consolidated into Disclosure 102-16R Principles and values.


Disclosure 102-44 Key topics and concerns raised and Disclosure 102-46 Defining report content and topic Boundaries are consolidated into Disclosure 102-46R Process for identifying material topics.

**List B: Other revised disclosures (R denotes the revised disclosure):**

- Disclosure 102-8R Information on employees and other workers
- Disclosure 102-41R Collective bargaining agreements
- Disclosure 102-45R Identifying organizational entities reported on
- Disclosure 102-47R List of material topics, topic-specific GRI Standards and appropriate disclosures
- Disclosure 102-54R Claims about the use of GRI Standards (see Item 11 page 13 for further details)
- Disclosure 102-55R GRI content index
- Disclosure 102-56R External assurance

**List C: New disclosures**

- Disclosure 102-HR1 Policy commitment to respect human rights
- Disclosure 102-HR2 Embedding of the policy commitment to respect human rights throughout the organization
- Disclosure 102-HR3 Remediation processes and grievance mechanisms

**These disclosures have been added or revised based upon recommendations from the GRI Technical Committee on Human Rights Disclosure. They are included in this paper for completeness (see Item 07 for details). Disclosure 102-47R has also been amended to reflect recommended revisions to the reporting model and is further explained in Item 11.**

**List D: Removed disclosures**

- Disclosure 102-13 Membership of associations
- Disclosure 102-15 Key impacts, risks, and opportunities
- Disclosure 102-51 Date of most recent report
- Disclosure 102-53 Contact point for questions regarding the report

More information on these disclosures is included on page 37.
List E: Consolidation of disclosures with no revisions to reporting requirements (R denotes the revised disclosure):

- Disclosure 102-18 Governance structure and Disclosure 102-22 Composition of the highest governance body and its committees are consolidated into Disclosure 102-18R Governance structure and composition.
- Disclosure 102-19 Delegating authority, and Disclosure 102-20 Executive-level responsibility for economic, environmental, and social topics are consolidated into Disclosure 102-19R Executive level responsibility and delegating authority.
- Disclosure 102-33 Communicating critical concerns and Disclosure 102-34 Nature and total number of critical concerns are consolidated into Disclosure 102-33R Communicating critical concerns.
- Disclosure 102-38 Annual total compensation ratio and Disclosure 102-39 Percentage increase in annual total compensation ratio are consolidated into Disclosure 102-38R Annual total compensation ratio.
- Disclosure 102-48 Restatements of information and Disclosure 102-49 Changes in reporting are consolidated into Disclosure 102-48R Restatements and changes in reporting.
- Disclosure 102-50 Reporting period and Disclosure 102-52 Reporting cycle are consolidated into Disclosure 102-50R Reporting period and reporting cycle.

Since no revisions to reporting requirements are being proposed at this stage, no further details are provided. However, further changes may be proposed to the governance related disclosures. See page 36 below.

List F: Disclosures with no proposed changes to reporting requirements:

- Disclosure 102-14 Statement from senior decision-maker.
- Disclosure 102-17 Mechanisms for advice and concerns about ethics.
Section 4. Recommended revisions to GRI 102: General Disclosures 2016

Table 1 below shows the revised General Disclosures as recommended by the Standards Division which apply to all reporting organizations. For convenience, the governance-related disclosures are shown separately in Table 2.

All revised disclosures are denoted R to distinguish them from the existing disclosures. The final numbering and ordering will be addressed in the draft Standard. Text in green indicates a new disclosure, significant new content, or significant revisions to an existing disclosure (but does not indicate content that has been consolidated but not significantly revised). Text in blue indicates new disclosures, or significant changes to disclosures, based upon recommendations from the GRI Technical Committee on Human Rights Disclosure (see Item 07).

For those disclosures where significant revisions are proposed to the reporting requirements, further information is provided, including a summary of feedback received, rationale for making changes, a mock-up of the revised reporting requirements, and an indication of where more detailed guidance will be developed. These items are marked with a ❖ in the tables below.

Where a term is underlined, it has a formal definition in the GRI Standards, and where a term is double-underlined, a new definition or a revised definition is proposed.

Table 1. General Disclosures other than governance-related disclosures

<table>
<thead>
<tr>
<th>Disclosure</th>
<th>Recommended revised disclosures</th>
<th>Further information</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Organizational profile</td>
<td></td>
<td></td>
</tr>
<tr>
<td>102-IR Organizational details</td>
<td>a. Legal name of the organization and trading name or business name, if different. (former 102-1)</td>
<td>Revision to legal name and trading name/business name for clarification.</td>
</tr>
<tr>
<td></td>
<td>b. Nature of ownership and legal form. (former 102-5)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>c. Location of headquarters. (former 102-3)</td>
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</tr>
<tr>
<td>Disclosure</td>
<td>Recommended revised disclosures</td>
<td>Further information</td>
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</table>
| 102-45R Identifying organizational entities reported on ◆ | a. A list of the organizational entities which are the subject of this report.  
b. Any differences between the entities listed in 102-45R-a and entities included in the organization’s audited consolidated financial statements, or in the financial information filed on public record. | Any significant changes to nature of ownership will be included as guidance.  
Further information on the recommended changes is provided below on page 23. |
| 102-2R Activities, value chain and business relationships ◆ | a. A description of the organization’s activities, products, and services, and the sectors served. (former 102-2 and 102-6-a-ii)  
b. A description of the organization’s value chain and business relationships. (former 102-9)  
c. Any significant changes in 102-2R-a and 102-2R-b during the reporting period. (former 102-10) | Change of focus to ‘value chain’ and ‘business relationships’.  
Geographic locations (Disclosure 102-6-a-i) and countries of operations (Disclosure 102-4) will be included as guidance.  
Note that only Disclosure 102-7-a-ii will be retained as guidance and the remainder of 102-7 will be removed.  
Further information on the recommended changes is provided below on page 24. |
| 102-8R Information on employees and other workers ◆ | a. Number of employees by:  
i. employment contract (permanent and temporary), by gender;  
ii. employment contract (permanent and temporary), by region;  
iii. employment type (full-time and part-time), by gender.  
b. Whether a significant portion of the organization’s activities are performed by workers who are not employees, and if | Further information on the recommended changes is provided below on page 28. |
<table>
<thead>
<tr>
<th>Disclosure</th>
<th>Recommended revised disclosures</th>
<th>Further information</th>
</tr>
</thead>
<tbody>
<tr>
<td>Disclosure recommended revised disclosures</td>
<td>applicable, a description of the nature of work performed by workers who are not employees.</td>
<td>Further information</td>
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<tr>
<td>c. Whether there are significant variations in the numbers of employees and workers during the reporting period, and if so, a description of these variations.</td>
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<td>d. An explanation of how the data have been compiled, including any assumptions made, and whether the employee numbers are reported:</td>
<td>i. as head count and Full Time Equivalent (FTE);</td>
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<td></td>
<td>ii. at the end of the reporting period or as an average across the reporting period.</td>
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<tr>
<td>2. Strategy</td>
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<tr>
<td>102-14R Statement from senior decision-maker</td>
<td>a. A statement from the most senior decision-maker of the organization (such as CEO, chair, or equivalent senior position) about the relevance of sustainability to the organization and its strategy for addressing sustainability.</td>
<td>There are no recommended changes to this disclosure.</td>
</tr>
<tr>
<td>3. Responsible business conduct</td>
<td>a. A description of the organization’s values, principles, standards, and norms of behavior. (former 102-16)</td>
<td>In the revised disclosure on the Precautionary Principle the ‘how’ has been removed. For further information see below on page 29.</td>
</tr>
<tr>
<td></td>
<td>b. A list of externally-developed economic, environmental and social charters, principles, or other initiatives to which the organization subscribes, or which it endorses (former 102-12), including:</td>
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<tr>
<td></td>
<td>i. whether the organization adopts the Precautionary Principle. (former 102-11)</td>
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<tr>
<td>Disclosure</td>
<td>Recommended revised disclosures</td>
<td>Further information</td>
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</table>
| 102-HR1 Policy commitment to respect human rights | a. Whether the organization has a publicly available policy commitment to respect human rights, and if so:  
   i. a summary of and/or link to the policy commitment;  
   ii. the level at which the policy commitment was approved within the organization, including whether this is the most senior level, and the date of approval;  
   iii. the internationally recognized human rights and multilateral human rights instruments covered in the policy commitment;  
   iv. any specific stakeholder groups, including at-risk or vulnerable groups, that the organization gives particular attention to in the policy commitment;  
   v. whether the policy commitment applies solely to the organization’s own activities or also includes the organization’s expectations of its business relationships, and if so, what those expectations are;  
   vi. how the policy commitment is communicated to workers, business partners, and other relevant parties.  
  
  b. If the organization does not have a publicly available policy commitment, the reason for this. | This disclosure has been added based upon recommendations from the GRI Technical Committee on Human Rights Disclosure.  
See Item 07 for more detail. |
| 102-HR2 Embedding of the policy commitment to respect human rights throughout the organization | a. The means by which the policy commitment to respect human rights is embedded throughout the organization, including:  
   i. how responsibility for implementing the policy commitment is allocated across different levels within the organization;  
   ii. how the policy commitment is integrated into organizational strategies and operational policies and procedures; | This disclosure has been added based upon recommendations from the GRI Technical Committee on Human Rights Disclosure.  
See Item 07 for more detail. |
<table>
<thead>
<tr>
<th>Disclosure</th>
<th>Recommended revised disclosures</th>
<th>Further information</th>
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<tbody>
<tr>
<td>iii. how the organization works with those with whom it has business relationships, to implement the policy commitment; iv. any training provided on implementing the policy commitment or training on human rights.</td>
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<tr>
<td>102-HR3 Remediation processes and grievance mechanisms</td>
<td>a. A description of the commitments the organization has made to provide for or cooperate in the remediation of negative impacts that it identifies to have caused or contributed to. b. The approach taken to identify and address grievances, including the grievance mechanisms that the organization has established or participates in. c. Other processes by which the organization provides for or cooperates in the remediation of negative impacts that it identifies to have caused or contributed to. d. How stakeholders, in particular affected and potentially affected stakeholders, are involved in the design, review, functioning, and improvement of the grievance mechanisms and other remediation processes. e. How the organization tracks the effectiveness of the grievance mechanisms and other remediation processes and any evidence gathered of their effectiveness, including stakeholder feedback.</td>
<td>This disclosure has been added based upon recommendations from the GRI Technical Committee on Human Rights Disclosure. See Item 07 for more detail.</td>
</tr>
<tr>
<td>102-17R Mechanisms for advice and concerns about ethics</td>
<td>a. A description of the organization’s internal and external mechanisms for: i. seeking advice about ethical and lawful behavior, and organizational integrity; ii. reporting concerns about unethical or unlawful behavior, and organizational integrity.</td>
<td>There are no recommended changes to this disclosure.</td>
</tr>
</tbody>
</table>

4. Stakeholder engagement
<table>
<thead>
<tr>
<th>Disclosure</th>
<th>Recommended revised disclosures</th>
<th>Further information</th>
</tr>
</thead>
</table>
| 102-43R Approach to stakeholder engagement                                 | a. The organization’s approach to engaging with stakeholders, in particular affected and potentially affected stakeholders, including:  
  i. the stakeholder groups it engages with, and how these groups are identified;  
  ii. the purpose of the stakeholder engagement;  
  iii. how the organization ensures meaningful engagement with stakeholders.                                                                                       | This disclosure has been revised based upon recommendations from the GRI Technical Committee on Human Rights Disclosure.  
  See Item 07 for more detail.                                                                                                                                               |
| 102-41R Collective bargaining agreements ◆                                | a. Percentage of total employees covered by collective bargaining agreements.                                                                                                                                                         | No changes proposed to the reporting requirement, but more guidance will be included.  
  See page 31 for more detail.                                                                                                                                              |
| 5. Governance                                                             |                                                                                                                                                                                                                                  |                                                                                                                                                                         |
| Governance-related disclosures                                             | See Table 2 below                                                                                                                                                                                                                 |                                                                                                                                                                         |
| 6. Report content                                                         |                                                                                                                                                                                                                                  |                                                                                                                                                                         |
| 102-47R List of material topics, topic-specific GRI Standards and appropriate disclosures | a. A list of the material topics identified, and which of these material topics reflect the organization’s significant actual and potential negative human rights impacts.  
  b. Which of the organization's material topics are covered by topic-specific GRI Standards and which are not.  
  c. A list of appropriate disclosures for each of the material topics identified, including topic-specific disclosures where the material topic is covered by an existing GRI Standard (see clause 2.5.2 in GRI 101: Foundation 2016) or other appropriate disclosures where the material topic is not covered by an existing GRI Standard (see clause 2.5.3 in GRI 101: Foundation 2016). | Disclosure 102-47R-a has been revised based upon recommendations from the GRI Technical Committee on Human Rights Disclosure.  
  See Item 07 for more detail.  
  Disclosures 102-47R-b and 102-47R-c have been added to reflect recommended revisions to the reporting model.  
  See Item 11 pages 13-14 for more detail.                                                                                                                                 |
<table>
<thead>
<tr>
<th>Disclosure</th>
<th>Recommended revised disclosures</th>
<th>Further information</th>
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</thead>
</table>
| **102-46R Process for identifying material topics** | a. An explanation of the process for identifying material topics, including:  
  i. how the organization has identified actual and potential negative impacts on people, the environment, and the economy, including impacts on human rights, with which the organization is or could be involved either through its own activities or as a result of its business relationships;  
  ii. how the organization has prioritized significant impacts, based on an assessment of the severity and likelihood of the identified impacts (with emphasis on severity for impacts on human rights);  
  iii. the experts and stakeholders, in particular affected and potentially affected stakeholders, whose views have informed the process;  
  iv. whether topics that are commonly associated with the types of activities the organization carries out, or with the context in which the activities take place, have not been identified as material, and why. | This disclosure has been revised based upon recommendations from the GRI Technical Committee on Human Rights Disclosure.  
See Item 07 for more detail.  
Note that Disclosure 102-44 will be included as guidance to this revised disclosure. |

7. Reporting practice

| 102-48R Restatements and changes in reporting | a. The effect of any restatements of information given in previous reports, and the reasons for such restatements. *(former 102-48)*  
b. Significant changes from previous reporting periods in the list of material topics. *(former 102-49)* | Beyond consolidation of these disclosures, there are no recommended changes to the reporting requirements. |

| 102-50R Reporting period and reporting cycle | a. Reporting period for the information provided. *(former 102-50)*  
b. Reporting cycle. *(former 102-52)* | Beyond consolidation of these disclosures, there are no recommended changes to the reporting requirements. |
<table>
<thead>
<tr>
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</thead>
</table>
| 102-54R Claims about the use of GRI Standards | a. The claim made by the organization, if it has prepared a report in accordance with the GRI Standards: 'This report has been prepared in accordance with the GRI Standards'; or  
b. The claim made by the organization, if it has prepared a report using specific GRI Standards or parts of their content, to report specific information: 'This report has not been prepared in accordance with the GRI Standards, but has made use of the following GRI Standards / parts of the content of GRI Standards [list specific GRI Standards or parts of GRI Standards used].’ | This disclosure has been revised to reflect recommended revisions to the reporting model.  
See Item 11 for more detail.  
Note that the incorporation of a management sign-off may affect the reporting requirements in this disclosure – details included on page 20 of Item 11. |
| 102-55R GRI content index | a. The GRI content index, which specifies each of the GRI Standards used and lists all disclosures included in the report.  
b. For each GRI Standard used, the content index shall include the title of the Standard including the publication year (former 102-55R Clause 6.3.4.)  
c. For each disclosure included in the report, the content index shall include:  
   iii. the number of the disclosure (for disclosures covered by the GRI Standards);  
   iv. the page number(s) or URL(s) where the information can be found, either within the report or in other published materials;  
   v. if applicable, and where permitted, the reason(s) for omission when a required disclosure cannot be made. | Further information on the recommended changes is provided on page 32.  
Additional compilation requirements:  
6.3 When reporting the GRI content index as specified in Disclosure 102-55, the reporting organization shall:  
6.3.1 include the words ‘GRI content index’ in the title; |
<table>
<thead>
<tr>
<th>Disclosure</th>
<th>Recommended revised disclosures</th>
<th>Further information</th>
</tr>
</thead>
<tbody>
<tr>
<td>6.3.2</td>
<td>present the complete GRI content index in one location;</td>
<td>Further information on the recommended changes is provided on page 35.</td>
</tr>
<tr>
<td>6.3.3</td>
<td>include in the report a link or reference to the GRI content index, if it is not provided in the report itself.</td>
<td></td>
</tr>
<tr>
<td>6.3.4</td>
<td>[moved to 102-55R-b]</td>
<td></td>
</tr>
<tr>
<td>6.3.5</td>
<td>include any additional material topics reported on which are not covered by the topic-specific GRI Standards, including page number(s) or URL(s) where the information can be found.</td>
<td></td>
</tr>
</tbody>
</table>

**102-56R External assurance ✦**

- a. A description of the organization’s policy and current practice with regard to seeking external assurance for the report, including:
  - i. the basis for the scope of external assurance if it does not cover the entire report.
- b. If the report has been externally assured:
  - i. A reference to the external assurance report, statements, or opinions. If not included in the assurance report accompanying the sustainability report, a description of what has been assured, including the assurance standards used, the level of assurance obtained, and any limitations of the assurance process;
  - ii. The relationship between the organization and the assurance provider;
  - iii. Whether and how the highest governance body or senior executives are involved in seeking external assurance for the organization’s sustainability report.
Table 2. Governance-related General Disclosures

The following table shows the governance-related disclosures, which have been consolidated, but currently no revisions are recommended to the reporting requirements:

<table>
<thead>
<tr>
<th>Disclosure</th>
<th>Recommended revised disclosure</th>
</tr>
</thead>
<tbody>
<tr>
<td>102-18R Governance structure and composition</td>
<td>a. Governance structure of the organization, including committees of the highest governance body. (former 102-18)</td>
</tr>
<tr>
<td></td>
<td>b. Committees responsible for decision-making on economic, environmental, and social topics. (former 102-18)</td>
</tr>
<tr>
<td></td>
<td>c. Describe the composition of the highest governance body and its committees by (former 102-22):</td>
</tr>
<tr>
<td></td>
<td>i. executive or non-executive;</td>
</tr>
<tr>
<td></td>
<td>ii. independence;</td>
</tr>
<tr>
<td></td>
<td>iii. tenure on the governance body;</td>
</tr>
<tr>
<td></td>
<td>iv. number of each individual’s other significant positions and commitments, and the nature of the commitments;</td>
</tr>
<tr>
<td></td>
<td>v. gender;</td>
</tr>
<tr>
<td></td>
<td>vi. membership of under-represented social groups;</td>
</tr>
<tr>
<td></td>
<td>vii. competencies relating to economic, environmental, and social topics;</td>
</tr>
<tr>
<td></td>
<td>viii. stakeholder representation.</td>
</tr>
<tr>
<td>102-19R Executive-level responsibility and delegating authority</td>
<td>a. Whether the organization has appointed an executive-level position or positions with responsibility for economic, environmental, and social topics. (former 102-20)</td>
</tr>
<tr>
<td></td>
<td>b. Whether position holders report directly to the highest governance body. (former 102-20)</td>
</tr>
<tr>
<td></td>
<td>c. Process for delegating authority for economic, environmental, and social topics from the highest governance body to senior executives and other employees. (former 102-19)</td>
</tr>
<tr>
<td>102-21R Consulting stakeholders on economic, environmental, and social topics</td>
<td>a. Processes for consultation between stakeholders and the highest governance body on economic, environmental, and social topics.</td>
</tr>
</tbody>
</table>

This document does not contain any official position of the GSSB.
<table>
<thead>
<tr>
<th>Disclosure</th>
<th>Recommended revised disclosure</th>
</tr>
</thead>
</table>
| **102-23R Chair of the highest governance body** | a. Whether the chair of the highest governance body is also an executive officer in the organization.  
b. If the chair is also an executive officer, a description of his or her function within the organization’s management and the reasons for this arrangement. |
| **102-24R Nominating and selecting the highest governance body** | a. Nomination and selection processes for the highest governance body and its committees.  
b. Criteria used for nominating and selecting highest governance body members, including whether and how:  
i. stakeholders (including shareholders) are involved;  
ii. diversity is considered;  
iii. independence is considered;  
iv. expertise and experience relating to economic, environmental, and social topics are considered. |
| **102-25R Conflicts of interest** | a. Processes for the highest governance body to ensure conflicts of interest are avoided and managed.  
b. Whether conflicts of interest are disclosed to stakeholders, including, as a minimum:  
i. Cross-board membership;  
ii. Cross-shareholding with suppliers and other stakeholders;  
iii. Existence of controlling shareholder;  
iv. Related party disclosures. |
| **102-26R Role of highest governance body in setting purpose, values, and strategy.** | a. Highest governance body’s and senior executives’ roles in the development, approval, and updating of the organization’s purpose, value or mission statements, strategies, policies, and goals related to economic, environmental, and social topics. |
| **102-27R Collective knowledge of highest governance body** | a. Measures taken to develop and enhance the highest governance body’s collective knowledge of economic, environmental, and social topics. |
| **102-28R Evaluating the highest governance body’s performance** | a. Processes for evaluating the highest governance body’s performance with respect to governance of economic, environmental, and social topics.  
b. Whether such evaluation is independent or not, and its frequency. |
<table>
<thead>
<tr>
<th>Disclosure</th>
<th>Recommended revised disclosure</th>
</tr>
</thead>
<tbody>
<tr>
<td>c. Whether such evaluation is a self-assessment.</td>
<td>d. Actions taken in response to evaluation of the highest governance body’s performance with respect to governance of economic, environmental, and social topics, including, as a minimum, changes in membership and organizational practice.</td>
</tr>
</tbody>
</table>
| 102-29R Identifying and managing economic, environmental, and social impacts and reviewing risk management processes | a. Highest governance body’s role in identifying and managing economic, environmental, and social topics and their impacts, risks, and opportunities – including its role in the implementation of due diligence processes. *former 102-29*  
b. Whether stakeholder consultation is used to support the highest governance body’s identification and management of economic, environmental, and social topics and their impacts, risks, and opportunities. *former 102-29*  
c. Frequency of the highest governance body’s review of economic, environmental, and social topics and their impacts, risks, and opportunities. *former 102-31*  
d. Highest governance body’s role in reviewing the effectiveness of the organization’s risk management processes for economic, environmental, and social topics. *former 102-30* |
| 102-32R Highest governance body’s role in sustainability reporting       | a. The highest committee or position that formally reviews and approves the organization’s sustainability report and ensures that all material topics are covered.                                                                                       |
| 102-33R Communicating critical concerns                                  | a. Process for communicating critical concerns to the highest governance body. *former 102-33*  
b. Total number and nature of critical concerns that were communicated to the highest governance body. *former 102-34*  
c. Mechanism(s) used to address and resolve critical concerns. *former 102-34*                                                                                             |
| 102-35R Remuneration policies                                            | a. Remuneration policies for the highest governance body and senior executives for the following types of remuneration:  
i. Fixed pay and variable pay, including performance-based pay, equity-based pay, bonuses, and deferred or vested shares;  
ii. Sign-on bonuses or recruitment incentive payments;  
iii. Termination payments;  
iv. Clawbacks;                                                                                                                                 |

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*GSSB*  

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<table>
<thead>
<tr>
<th>Disclosure</th>
<th>Recommended revised disclosure</th>
</tr>
</thead>
<tbody>
<tr>
<td>Disclosure v. Recommended revised disclosure</td>
<td>v. Retirement benefits, including the difference between benefit schemes and contribution rates for the highest governance body, senior executives, and all other employees.</td>
</tr>
<tr>
<td>Disclosure b. Recommended revised disclosure</td>
<td>b. How performance criteria in the remuneration policies relate to the highest governance body’s and senior executives’ objectives for economic, environmental, and social topics.</td>
</tr>
</tbody>
</table>
b. How stakeholders’ views are sought and taken into account regarding remuneration. *(former 102-37)*  
c. If applicable, the results of votes on remuneration policies and proposals. *(former 102-37)*  
d. Whether remuneration consultants are involved in determining remuneration and, if so, whether they are independent of management. *(former 102-36)*  
e. Any other relationships that the remuneration consultants have with the organization. *(former 102-36)* |
| 102-38R Annual total compensation ratio                                       | a. Ratio of the annual total compensation for the organization’s highest-paid individual in each country of significant operations to the median annual total compensation for all employees (excluding the highest-paid individual) in the same country. *(former 102-38)*  
b. Ratio of the percentage increase in annual total compensation for the organization’s highest-paid individual in each country of significant operations to the median percentage increase in annual total compensation for all employees (excluding the highest-paid individual) in the same country *(former 102-39).* |
Disclosure 102-45R Identifying organizational entities reported on

Summary of feedback on existing disclosure 102-45

The term ‘consolidated financial statements’ is not clear. It is also unclear how the information in this requirement is to be reported, i.e., which entities must be listed. At the same time there are reporters who believe that the report must include the entities included in the consolidated financial statements and that the ‘boundary’ needs to be the same for all topics.

Recommendations

- Change the disclosure title and the requirements so it is clear that the disclosure is about the organizational entities which are the subject of the report:
  - Organizations list the organizational entities included in the report under Disclosure 102-45R-a.
  - Organizations list any discrepancies between their sustainability reporting and their financial reporting in Disclosure 102-45R-b;
- Include guidance to explain the purpose of the disclosure;
- Explain what consolidated financial statements are;
- Move the disclosure to the ‘Organizational Profile’ section in GRI 102: General Disclosures, so it is clear what the scope of the general disclosures is.

The changes are illustrated below.

Disclosure 102-45R Identifying organizational entities reported on Entities included in the consolidated financial statements

The reporting organization shall report the following information:

a. A list of all entities included in the organization’s consolidated financial statements or equivalent documents the organizational entities which are the subject of this report.

b. Whether any entity included in the organization’s consolidated financial statements or equivalent documents is not covered by the report. Any differences between the organizational entities listed in 102-45R-a and entities included in the organization’s audited consolidated financial statements, or in the financial information filed on public record.
Guidance

- Explain that the entities reported on in a sustainability report (‘reporting boundary’) is assumed to be those included in the organization’s consolidated financial statements, or would be included in such statements if they were issued.
- Explain that for organizations which do not have consolidated financial statements Disclosure 102-45R-a requires them to list the entities included in the report. For those organizations with consolidated financial statements they can refer to the list in the consolidated financial statements and address any differences in Disclosure 102-45R-b.
- Explain that the ‘reporting boundary’ determines the scope of the general disclosures (e.g., total number of employees to be disclosed is for those entities listed in Disclosure 102-45R).
- Explain what the terms consolidated financial statements and financial information filed on public record are.

Question for the GSSB: Does the GSSB agree with the revisions and more specifically the need to understand differences with the entities covered in sustainability reporting when compared to financial reporting?

Disclosure 102-2R Activities, value chain, and business relationships

This suggested disclosure combines several existing disclosures:
- Disclosure 102-2 Activities, brands, products, and services
- Disclosure 102-4 Location of operations
- Disclosure 102-6 Markets served
- Disclosure 102-7-a-ii in Disclosure 102-7 Scale of the organization
- Disclosure 102-9 Supply chain
- Disclosure 102-10 Significant changes to the organization and its supply chain

See Annex 2 for an overview of these disclosures and their reporting requirements.

Summary of feedback on existing disclosures

Aside from Disclosure 102-7, which is addressed in more detail below, the survey questions did not specifically address the other disclosures as limited technical queries were received in respect of these disclosures. However, some comments were provided in the survey to recommend these disclosures to be consolidated or to indicate that they did not provide essential contextual information for understanding the organization.

Disclosure 102-7 and Disclosure 102-9 were the least well reported, as observed in the review of 45 GRI Standards reports. The following shows the number of reports that disclosed complete information on all the reporting requirements for each of these disclosures:
General Disclosure | Number (and %) of reports which addressed all reporting requirements | Number (and %) of reports which addressed some reporting requirements | Number (and %) of reports which addressed none of the reporting requirements or information not located
--- | --- | --- | ---
Disclosure 102-2 | 42 (93%) | 2 (4%) | 1 (2%)
Disclosure 102-4 | 37 (82%) | 5 (11%) | 3 (7%)
Disclosure 102-6 | 29 (64%) | 15 (33%) | 1 (2%)
Disclosure 102-7 | 8 (18%) | 34 (76%) | 3 (7%)
Disclosure 102-9 | 15 (33%) | 23 (51%) | 7 (16%)
Disclosure 102-10 | 27 (66%) | 3 (7%) | 15 (33%)

When no information was reported for Disclosure 102-10 it was not possible to determine whether there had been no significant changes or whether the organization had omitted this disclosure.

Recommendations

The rationale for combining the above six disclosures is that they all relate to describing the organization, its activities, and its relationships with other entities. The revised disclosure focuses on three areas: the entity itself, the value chain, and business relationships - and on any relevant significant changes. The concepts of value chain and business relationships are a fundamental part of the revision to GRI’s human rights-related standards (see Item 07) and related changes to GRI 103: Management Approach 2016 (see Item 09). These concepts are proposed for use in other topic-specific Standards and are helpful in assisting organizations to consider how they are involved with significant impacts identified in their materiality assessment. For this reason, it was determined that this revised disclosure should focus on these concepts to align the content of the Standards.

The guidance will provide an understanding of the intended purpose of all sections of this revised disclosure, and where appropriate give examples to guide reporters.

This disclosure is separately addressed since it is one of the least well reported disclosures.

SUMMARY OF FEEDBACK AND RECOMMENDATIONS ON EXISTING DISCLOSURE 102-7: SCALE OF THE ORGANIZATION

The review of 45 GRI Standards reports showed the following:

- 8 reports disclosed information for all reporting requirements.
- 34 reports disclosed information for some of the reporting requirements, but not all.
- 3 reports did not disclose any of the required information.

The total number of operations (Disclosure 102-7-a-ii), total capitalization (Disclosure 102-7-a-iv), and quantity of products or services provided (Disclosure 102-7-a-v) are the least adequately...
reported requirements: more than half of the reports did not disclose information for these
requirements.

The technical questions and survey feedback showed that the scope of reporting is unclear (e.g.,
should all employees included in the organization’s boundary be included or only those within the
scope of the report). Even though reasons for omissions are not permitted, the requirements are
not always considered to be applicable for all organizations, or are considered to be confidential.

Further feedback and recommended revisions are shown below:

<table>
<thead>
<tr>
<th>Reporting requirements of Disclosure 102-7</th>
<th>Feedback from technical queries and survey</th>
<th>Recommendations</th>
</tr>
</thead>
<tbody>
<tr>
<td>102-7-a-i: Total number of employees</td>
<td>• The term ‘employees’ is not clear</td>
<td>Remove this requirement as it is already required by 102-8R Information on employees and other workers.</td>
</tr>
<tr>
<td></td>
<td>• The calculation method is not clear</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• It is difficult to collect the data</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• There is reluctance to disclose the data</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• It is not relevant</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• It is suggested to move this disclosure to the topic-specific GRI Standards related to labor See Disclosure 102-8 below for more information on employee related disclosures.</td>
<td></td>
</tr>
<tr>
<td>102-7-a-ii: Total number of operations</td>
<td>• The term ‘operations’ is not clear</td>
<td>This will be included as guidance to 102-2R Activities, value chain and business relationships as a way to describe the organization and its activities.</td>
</tr>
<tr>
<td></td>
<td>• The calculation method is not clear</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• There is reluctance to disclose the data</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• It is not relevant</td>
<td></td>
</tr>
<tr>
<td>102-7-a-iii: Net sales (for private sector organizations) or net revenues (for public sector organizations)</td>
<td>• It is not clear how this should be reported</td>
<td>Remove this requirement as this is ordinarily included in publicly available financial statements.</td>
</tr>
<tr>
<td></td>
<td>• There is reluctance to disclose the data</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• It is not relevant</td>
<td></td>
</tr>
<tr>
<td>102-7-a-iv: Total capitalization (for private sector organizations) broken down in terms of debt and equity</td>
<td>• The term ‘total capitalization’ is not clear</td>
<td>Remove this requirement as this is ordinarily included in publicly available financial statements.</td>
</tr>
<tr>
<td></td>
<td>• It is not clear how this should be reported</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• There is reluctance to disclose the data</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• It is not relevant</td>
<td></td>
</tr>
</tbody>
</table>
Proposed Disclosure 102-2R Activities, value chain, and business relationships

**Reporting requirements**

<table>
<thead>
<tr>
<th>102-7-a-v:</th>
<th>Quantity of products or services provided</th>
</tr>
</thead>
<tbody>
<tr>
<td>• The term ‘quantity’ is not clear</td>
<td>Remove this requirement as it is not meaningful by itself. A description of products and services is more meaningful as is required by 102-2R Activities, value chain and business relationships.</td>
</tr>
<tr>
<td>• It is not clear how this should be calculated and reported</td>
<td></td>
</tr>
<tr>
<td>• There is reluctance to disclose the data</td>
<td></td>
</tr>
<tr>
<td>• It is not relevant</td>
<td></td>
</tr>
</tbody>
</table>

**Disclosure 102-2R Activities, value chain and business relationships**

The reporting organization shall report the following information:

a. A description of the organization's sectors, activities, products, and services.

b. A description of the organization's value chain and business relationships.

c. Any significant changes in a. and b during the reporting period.

**Guidance**

The following will be incorporated into guidance based upon the requirements in the existing disclosures:

**Guidance for Disclosure 102-2R-a:**

- Primary brands
- Explanation of any products or services that are banned in certain markets
- Total number of operations
- Number of countries where the organization operates, and the names of countries where it has significant operations
- Geographic locations where products and services are offered

**Guidance for Disclosure 102-2R-b:**

- Description of the organization's value chain, including:
  - its main elements as they relate to the organization’s activities, primary brands, products, and services,
  - types of suppliers, and
  - types of customers and beneficiaries.

The guidance for Disclosure 102-2R-b will incorporate appropriate definitions. A revised definition for value chain will be considered, and proposed revisions to the definition of business relationships are part of the human rights-related recommendations (see Item 07).

**Questions for the GSSB:** Does the GSSB agree with this revised disclosure as a replacement to the current six disclosures? Specifically, will it provide sufficient flexibility whilst also requiring appropriate contextual information about an organization, its activities, and relationships with other entities?
Disclosure 102-8R Information on employees and other workers

Summary of feedback on existing disclosure

Only one of the 45 reports reviewed addressed all the reporting requirements of Disclosure 102-8, and of all the general disclosures it was the least adequately reported. Of the 9 reports which did not meet any of the reporting requirements, all disclosed the total number of employees and 6 of them disclosed total number of employees by gender. However, none of them provided the required level of detail to meet any of the reporting requirements in existing Disclosures 102-8a, b, or c, which are now Disclosures 102-8R-a-i, ii, and iii as detailed below.

Feedback on Disclosure 102-7-a-i was also considered in making any revisions (see above). The following feedback was received from the survey and technical enquiries:

- definitions of employee, employment contract, permanent, temporary, employment type, worker, region, and gender were queried
- definitions are not homogenous across the world, resulting in differences in application for multinational organizations
- overall it is challenging to meet all the reporting requirements in this disclosure.

In addition, the following feedback was received for specific reporting requirements:

Disclosure 102-8-a, b and c: Challenging to track and gather all of the data (either due to time and cost constraints, or use of different systems across the organization), lack of data quality, regulations restricting collecting and reporting data on gender, questioning relevance for private companies having to disclose this information, if majority of employees are permanent or full time - all mentioned as reasons for not seeing the relevance of having to report quantitative data.

Disclosure 10-2-8-d: Contractors and other workers are not tracked, scale of work differs across countries and regions, and the organization is unsure what significant portion means for them.

Disclosure 10-2-8-e: Difficulty in tracking such information in certain sectors, not of relevance or involving private companies.

Disclosure 10-2-8-f: Unclear how to explain this when the definitions vary across the world.

During the interviews, this type of information was confirmed to be fundamental to understanding the scale and types of impact created by labor issues, and to provide insight into how the organization structures its use of labor to meet its strategy. Quantitative labor disclosures also provide a normalizing factor for other disclosures and impacts.

Recommendations

Since most of the feedback on this disclosure is from reporting organizations and others involved in the preparation of reporting, it is recommended to provide more guidance. In the guidance it would be explained what the purpose of this disclosure is and what is its fundamental importance for understanding an organization’s impacts on sustainable development. Whilst definitions for most of the terms identified in the survey exist already, it is suggested that these definitions be inserted into guidance for clarity.

At this stage, the quantitative reporting requirements are not suggested for revision given their importance for understanding the organization’s related social and labor impacts. To confirm that all
parts of Disclosure 102-8-a, b and c are still essential, it is proposed to convene a small expert group to validate this before the draft Standard is developed.

Other proposed changes in Disclosure 102-8-e and f as shown below.

**Proposed Disclosure 102-8R Information on employees and other workers**

**Reporting requirements**

### Disclosure 102-8R Information on employees and other workers

The reporting organization shall report the following information:

a. Total number of employees by:
   - i. employment contract (permanent and temporary), by gender.
   - ii. employment contract (permanent and temporary), by region.
   - iii. employment type (full-time and part-time), by gender.

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

c. Any significant variations in the numbers reported in Disclosures 102-8-a, 102-8-b, and 102-8-c (such as seasonal variations in the tourism or agricultural industries). Whether there are significant variations in the total numbers of employees and workers during the reporting period, and if applicable, a description of these variations.

d. An explanation of how the data have been compiled, including any assumptions made, and whether the employee numbers are reported:
   - i. as head count and Full Time Equivalent (FTE);
   - ii. at the end of the reporting period or as an average across the reporting period.

The following is suggested to be incorporated into the guidance of the revised disclosure:

- definitions for all terms (rather than links to definitions in the glossary)
- the difference between the two terms: ‘employees’ and ‘workers’
- explanation of how to calculate the total number of employees in case different definitions apply and provide an example of this.

**Questions for the GSSB:** Does the GSSB agree with the changes above? Does the GSSB agree with convening a small expert group to assess whether all reporting requirements are still essential?

**Disclosure 102-16R Principles and values**

This suggested disclosure combines several existing disclosures:

- Disclosure 102-11 Precautionary Principle or approach
Summary of feedback on existing disclosures

Some comments were provided in the survey to recommend that these disclosures be consolidated or to indicate that they did not provide essential contextual information for understanding the organization. The following shows the number of reports that disclosed complete information on all the reporting requirements for each of these disclosures:

<table>
<thead>
<tr>
<th>General Disclosure</th>
<th>Number (and %) of reports which addressed all reporting requirements</th>
<th>Number (and %) of reports which addressed some reporting requirements</th>
<th>Number (and %) of reports which addressed none of the reporting requirements</th>
</tr>
</thead>
<tbody>
<tr>
<td>Disclosure 102-11</td>
<td>16 (36%)</td>
<td>14 (31%)</td>
<td>15 (33%)</td>
</tr>
<tr>
<td>Disclosure 102-12</td>
<td>35 (78%)</td>
<td>2 (4%)</td>
<td>8 (18%)</td>
</tr>
<tr>
<td>Disclosure 102-16</td>
<td>35 (78%)</td>
<td>9 (20%)</td>
<td>1 (2%)</td>
</tr>
</tbody>
</table>

Limited feedback was received on Disclosures 102-12 and 102-16. For Disclosure 102-11, both technical enquiries and the survey responses indicate that it is unclear what the Precautionary Principle is and what organizations are expected to report.

Recommendations

Since the Precautionary Principle underpins laws, regulations, and policy across the world – it is incorporated into law in the United States, the EU, and is incorporated into three UN Conventions1 (CBD, UNFCCC, UNCLOS) – it was determined that it is important to understand whether organizations adopt this principle. Consolidating the disclosure on this principle with other principles and values assists in explaining its context. More guidance is also proposed to explain what the principle means and to give examples of how it can be adopted by organizations. This is expected to assist organizations with understanding the reporting requirements.

Proposed Disclosure 102-16R Principles and values

Reporting requirements

Disclosure 102-16R Principles and values

The reporting organization shall report the following information:

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

b. A list of externally-developed economic, environmental and social charters, principles, or other initiatives to which the organization subscribes, or which it endorses, including:

   i. whether and how the organization applies adopts the Precautionary Principle or approach.

Disclosure 102-41R Collective bargaining agreements

Summary of feedback on existing disclosure

The review of reports showed that 62% of reports provided the percentage of workers covered by collective bargaining agreements. Feedback from technical enquiries and the survey included:

- term ‘collective bargaining agreements’ is unclear
- unclear how this should be reported as it is difficult to collect data and to calculate one percentage
- confusion over whether the requirement can be complied with if there are no collective bargaining agreements
- total percentage is considered not relevant, and it is suggested to move the requirement to GRI 401: Employment 2016.

Recommendations

The review of reports indicates that it is feasible to report this disclosure and therefore the focus on making revisions is to provide more guidance to address the challenges raised. It is therefore suggested to:

- include guidance to explain what collective bargaining agreements are and what they are not, what is expected to be reported, and how it can be calculated.
- keep the disclosure in GRI 102: General Disclosures, as it is important to be reported by all organizations, but it is suggested to move it to another section in GRI 102.

The changes are illustrated below.
Disclosure 102-41R Collective bargaining agreements

Reporting requirements:

**Disclosure 102-41**

The reporting organization shall report the following information:

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

Reporting recommendation

5.1 When compiling the information specified in Disclosure 102-41, the reporting organization should use data from Disclosure 102-7 102-8R as the basis for calculating the percentage.

Guidance

- Explain what collective bargaining agreements are and what they are not, and that only employees who are covered by collective bargaining agreements are to be included and, thus, not employees who are only protected by national law.
- Explain how to calculate the percentage and provide an example.
- Explain that if none of the employees are covered by collective bargaining agreements, the organization can report that none of the employees are covered by collective bargaining agreements, and that this is in accordance with the GRI Standards.
- Explain that it is possible to provide contextual information in addition to the percentage, e.g., provide a breakdown by region or by country, or compare it with previous reporting periods or industry benchmarks. In addition, organizations can describe in what other way the rights of their employees are protected.
- Include a link to the human rights agenda and freedom of association.

**Questions for the GSSB:** Does the GSSB agree with retaining this disclosure as one which all organizations are required to report? Does the GSSB agree with the requirement for organizations to provide one overall percentage?

Disclosure 102-55R GRI content index

Summary of feedback on existing disclosure

Unclear which topics should be included in the content index:

- It is unclear whether all GRI topics need to be included or only an organization’s material topics;
- It is unclear whether to include, in addition to identified material topics, identified non-material topics (i.e., those topics which are not material but are included in the report anyway).
Unclear how to present some elements of the content index:

- It is unclear how to include the management approach disclosures - organizations do not necessarily want to include all management approach disclosures separately and/or to repeat them for all material topics as it takes up a lot of space.
- Lack of clarity of what the publication year of the Standards relates to. It can be understood as the year covered by the data. As a result, organizations include the incorrect year or if they do provide the publication year of the Standard (which for most of the Standards is 2016), report users may believe that the report provides old data or that the organizations has used outdated Standards. A suggestion was made to use edition versions (v1.1, v1.2, etc.) instead of publication years.

Value of the content index:

- When disclosures are only made in the content index, report users state that they are not able to find the information as they do not read or use the content index, since it is often presented at the back of the report or separately on a website.
- Further, the content index is considered by some to be too long and should be condensed.

Recommendations

- It is suggested to move clause 6.3.4 into the disclosure box to increase the visibility of this requirement and because it is not a compilation instruction.
- It is suggested to amend clause 6.3.5 to refer to topic-specific GRI Standards only. For material topics that are not covered by the topic-specific GRI Standards, organizations are still required to report on the management approach using GRI 103: Management Approach, which it will included in the content index, and are recommended to use appropriate disclosures from other sources to report on the impacts.
- It is suggested to explain that the content index only includes the GRI Standards used by the organization and, thus, that it should not include the GRI Standards that have not been used.
- It is suggested to explain that the content index is required to include all GRI Standards used, whether they are used to report on material topics or non-material topics.
- It is suggested to explain that the content index is required to include all disclosures included in the report, whether they are covered by the GRI Standards or not.
- It is suggested to explain how the management approach disclosures can be presented in the content index and to include several example tables.
- It is suggested to explain what the publication year of the GRI Standards refers to and why it important to include in the content index.

The changes are illustrated below.

Question for the GSSB: To address the feedback that the content index is not often used to find the information in the report, would adding a requirement to include disclosure labels (e.g., 102-41) in the report itself where the disclosure is reported, help those readers that do not use the content index to find the information?
Disclosure 102-55 R GRI content index

Reporting requirements

Disclosure 102-55

The reporting organization shall report the following information:

a. The GRI content index, which specifies each of the GRI Standards used and lists all disclosures included in the report.

b. For each GRI Standard, the content index shall include the title, which includes the publication year.

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

6.3 When reporting the GRI content index as specified in Disclosure 102-55, the reporting organization shall:

6.3.1 include the words ‘GRI Content Index’ in the title;

6.3.2 present the complete GRI content index in one location;

6.3.3 include in the report a link or reference to the GRI content index, if it is not provided in the report itself;

6.3.4 for each GRI Standard used, include the title and publication year (e.g., GRI 102: General Disclosures 2016);

6.3.5 include any additional material topics reported on which are not covered by the topic-specific GRI Standards, including page number(s) or URL(s) where the information can be found.

Reporting recommendations

6.4 When compiling the information specified in Disclosure 102-55, the reporting organization should include in the GRI content index the title of each disclosure made (e.g., Name of the organization), in addition to the number (e.g., 102-1).

Guidance

- Explain that the content index only includes the GRI Standards that have been used by the organization and, thus, not the Standards that have not been used.

- Explain that it is required to include all GRI Standards used in the content index, whether they are used to report on material topics or non-material topics.
• Explain that it is required to include all disclosures included in the report, whether they are covered by the GRI Standards or not.

• Explain that the management approach disclosures can be presented in several ways and, thus, that the GRI Standards do not require one specific way of how to present them, and there should be included a few examples to show the various ways in which they can be presented.

• Explain that the publication year refers to the year the Standard has been published and that it does not refer to the time span covered by the information reported or the publication year of the report, and explain it is important to include the publication year in the title of the Standard. Such an explanation can be included in the introduction to the content index.

**Disclosure 102-56R External assurance**

**Summary of feedback on existing disclosures**

As indicated above in the general feedback section (page 4) the technical enquiries included questions relating to how an organization should obtain external assurance and GRI’s expectations or requirements regarding the level of assurance and scope of assurance. Queries also asked whether a GRI report must be assured to be in accordance and recognized as a GRI Standards report.

Although specific questions did not address this disclosure in the survey, some comments were received which requested that GRI investigates a common framework for external assurance and identify accredited assurance providers and mandates assurance in order to enforce better quality and integrity of sustainability reporting. One comment recommended that Disclosure 102-56 requires the following information:

- the exact information that is assured,
- which level of assurance (e.g. limited and/or reasonable) is obtained,
- why this was the choice of the organization, and
- an additional column in the GRI content index to indicate whether each of the disclosure item has been externally assured could be included.

This last suggestion was also provided by some of the stakeholders interviewed.

**Recommendations**

Most of the feedback (about requiring assurance, setting an assurance framework and providing advice on how to obtain assurance) is not directly within the remit of GRI as a standard setter and cannot be addressed in the reporting requirements.

It is suggested to include additional guidance for those reporters who do not seek external assurance what to disclose in their report. This is further reinforced by including a reporting requirement for the reporting organization to describe the basis for the scope of assurance, as this will not be provided in the assurance provider’s report. The scope refers to both the subject matter being assured and the level of assurance.
Disclosure 102-56R External assurance

Reporting requirements

Disclosure 102-56R External assurance

The reporting organization shall report the following information:

a. A description of the organization’s policy and current practice with regard to seeking external assurance for the report, including:
   i. the basis for the scope of external assurance if it does not cover the entire report.

b. If the report has been externally assured:
   i. A reference to the external assurance report, statements, or opinions. If not included in the assurance report accompanying the sustainability report, a description of what has been assured, including the assurance standards used, the level of assurance obtained, and any limitations of the assurance process;
   ii. The relationship between the organization and the assurance provider;
   iii. Whether and how the highest governance body or senior executives are involved in seeking external assurance for the organization’s sustainability report.

Question for the GSSB: Does the GSSB agree with requiring organizations to describe the basis for the scope of any assurance which has been provided?

Disclosures 102-18R to 102-39R Governance related disclosures

Summary of feedback on existing disclosures

Specific questions were not included in the survey on governance related disclosures and therefore limited feedback was received in respect of individual disclosures. As can be seen above in the key changes section and in Table 2, there has been some consolidation of disclosures without making revisions to the reporting requirements. Note that any recommended revisions in Item 07, e.g., referring to ‘impacts on people, the environment, and the economy, including impacts on human rights’ have not been incorporated into the governance related disclosures.
Recommendations

Given the limited feedback and the fact that many of the disclosures were developed by an expert group during the development of G4, it is proposed to engage a small group of governance experts to review the disclosures and understand if any further revisions can be made.

**Question for the GSSB:** Does the GSSB agree with further engagement with governance experts to review the governance disclosures?

**Removed disclosures**

<table>
<thead>
<tr>
<th>Disclosure</th>
<th>Current reporting requirements</th>
<th>Further information</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>102-13 Membership of associations</strong></td>
<td>a. A list of the main memberships of industry or other associations, and national or international advocacy organizations.</td>
<td>The information provided by this disclosure is often publicly available, the type of information provided can relate to a broad list of associations, many of which are not connected with sustainable development. For this reason, it is proposed to remove this disclosure. Note that Disclosure 102-13 includes a reporting recommendation which will also be removed, i.e., organizations should include memberships maintained at the organizational level in associations or organizations in which it holds a position on the governance body, participates in projects or committees, provides substantive funding beyond routine membership dues, or views its membership as strategic.</td>
</tr>
<tr>
<td><strong>102-15 Key impacts, risks, and opportunities</strong></td>
<td>a. A description of key impacts, risks, and opportunities.</td>
<td>This disclosure significantly overlaps with requirements in the GRI 103: Management Approach</td>
</tr>
<tr>
<td><strong>102-51 Date of most recent report</strong></td>
<td>a. If applicable, the date of the most recent previous report.</td>
<td>This disclosure is not seen to add any contextual information to the current period’s report. It is recommended that this information be included when an organization notifies GRI that it has used the GRI Standards.</td>
</tr>
<tr>
<td><strong>102-53 Contact point for questions regarding the report</strong></td>
<td>a. The contact point for questions regarding the report or its contents.</td>
<td>This information will be included by the organization when registering its report with GRI.</td>
</tr>
</tbody>
</table>

**Questions for the GSSB:** Does the GSSB agree with removing these disclosures? Specifically, in respect of the reporting recommendations in Disclosure 102-13 will the removal of this disclosure be detrimental in understanding an organization’s lobbying activities?
Annex 1. Level of compliance with Core General Disclosures

The following table shows the percentage of 45 reports reviewed where all reporting requirements were disclosed (full compliance), some of the reporting requirements were disclosed (partial compliance) or no reporting requirements were disclosed (no compliance or could not locate information). This only includes the General Disclosures that are required to be reported for both Core and Comprehensive level reports and for which reasons for omission are not permitted.

<table>
<thead>
<tr>
<th>GRI 102 disclosure</th>
<th>Full compliance</th>
<th>Partial compliance</th>
<th>No compliance or information not located</th>
</tr>
</thead>
<tbody>
<tr>
<td>Disclosure 102-1 Name of the organization</td>
<td>100%</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>Disclosure 102-2 Activities, brands, products, and services</td>
<td>93%</td>
<td>4%</td>
<td>2%</td>
</tr>
<tr>
<td>Disclosure 102-3 Location of headquarters</td>
<td>89%</td>
<td>7%</td>
<td>4%</td>
</tr>
<tr>
<td>Disclosure 102-4 Location of operations</td>
<td>82%</td>
<td>11%</td>
<td>7%</td>
</tr>
<tr>
<td>Disclosure 102-5 Ownership and legal form</td>
<td>87%</td>
<td>7%</td>
<td>7%</td>
</tr>
<tr>
<td>Disclosure 102-6 Markets served</td>
<td>64%</td>
<td>33%</td>
<td>2%</td>
</tr>
<tr>
<td>Disclosure 102-7 Scale of the organization</td>
<td>18%</td>
<td>76%</td>
<td>7%</td>
</tr>
<tr>
<td>Disclosure 102-8 Information on employees and other workers</td>
<td>2%</td>
<td>78%</td>
<td>20%</td>
</tr>
<tr>
<td>GRI 102 disclosure</td>
<td>Full compliance</td>
<td>Partial compliance</td>
<td>No compliance or information not located</td>
</tr>
<tr>
<td>-------------------</td>
<td>----------------</td>
<td>--------------------</td>
<td>------------------------------------------</td>
</tr>
<tr>
<td>Disclosure 102-9 Supply chain</td>
<td>33%</td>
<td>51%</td>
<td>16%</td>
</tr>
<tr>
<td>Disclosure 102-10 Significant changes to the organization and its supply chain</td>
<td>60%</td>
<td>7%</td>
<td>33%</td>
</tr>
<tr>
<td>Disclosure 102-11 Precautionary Principle or approach</td>
<td>36%</td>
<td>31%</td>
<td>33%</td>
</tr>
<tr>
<td>Disclosure 102-12 External initiatives</td>
<td>78%</td>
<td>4%</td>
<td>18%</td>
</tr>
<tr>
<td>Disclosure 102-13 Membership of associations</td>
<td>84%</td>
<td>2%</td>
<td>13%</td>
</tr>
<tr>
<td>Disclosure 102-14 Statement from senior decision-maker</td>
<td>87%</td>
<td>13%</td>
<td>0%</td>
</tr>
<tr>
<td>Disclosure 102-16 Values, principles, standards, and norms of behavior</td>
<td>78%</td>
<td>20%</td>
<td>2%</td>
</tr>
<tr>
<td>Disclosure 102-18 Governance structure</td>
<td>79%</td>
<td>19%</td>
<td>2%</td>
</tr>
<tr>
<td>Disclosure 102-40 List of stakeholder groups</td>
<td>98%</td>
<td>0%</td>
<td>2%</td>
</tr>
<tr>
<td>Disclosure 102-41 Collective bargaining agreements</td>
<td>62%</td>
<td>0%</td>
<td>38%</td>
</tr>
<tr>
<td>Disclosure 102-42 Identifying and selecting stakeholders</td>
<td>49%</td>
<td>16%</td>
<td>36%</td>
</tr>
<tr>
<td>Disclosure 102-43 Approach to stakeholder engagement</td>
<td>38%</td>
<td>56%</td>
<td>7%</td>
</tr>
<tr>
<td>Disclosure 102-44 Key topics and concerns raised</td>
<td>22%</td>
<td>36%</td>
<td>42%</td>
</tr>
<tr>
<td>GRI 102 disclosure</td>
<td>Full compliance</td>
<td>Partial compliance</td>
<td>No compliance or information not located</td>
</tr>
<tr>
<td>-------------------</td>
<td>----------------</td>
<td>--------------------</td>
<td>------------------------------------------</td>
</tr>
<tr>
<td>Disclosure 102-45 Entities included in the consolidated financial statements</td>
<td>40%</td>
<td>49%</td>
<td>11%</td>
</tr>
<tr>
<td>Disclosure 102-46 Defining report content and topic Boundaries</td>
<td>24%</td>
<td>73%</td>
<td>2%</td>
</tr>
<tr>
<td>Disclosure 102-47 List of material topics</td>
<td>98%</td>
<td>0%</td>
<td>2%</td>
</tr>
<tr>
<td>Disclosure 102-48 Restatements of information</td>
<td>69%</td>
<td>2%</td>
<td>29%</td>
</tr>
<tr>
<td>Disclosure 102-49 Changes in reporting</td>
<td>71%</td>
<td>0%</td>
<td>29%</td>
</tr>
<tr>
<td>Disclosure 102-50 Reporting period</td>
<td>100%</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>Disclosure 102-51 Date of most recent report</td>
<td>87%</td>
<td>0%</td>
<td>13%</td>
</tr>
<tr>
<td>Disclosure 102-52 Reporting cycle</td>
<td>87%</td>
<td>0%</td>
<td>13%</td>
</tr>
<tr>
<td>Disclosure 102-53 Contact point for questions regarding the report</td>
<td>93%</td>
<td>2%</td>
<td>4%</td>
</tr>
<tr>
<td>Disclosure 102-54 Claims of reporting in accordance with the GRI Standards</td>
<td>100%</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>Disclosure 102-55 GRI content index</td>
<td>100%</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>Disclosure 102-56 External assurance</td>
<td>47%</td>
<td>36%</td>
<td>18%</td>
</tr>
</tbody>
</table>
### Annex 2. Overview of the current 102-2R disclosures and reporting requirements

<table>
<thead>
<tr>
<th>Recommended revised disclosure</th>
<th>Current disclosure</th>
</tr>
</thead>
<tbody>
<tr>
<td>102-2R Activities, value chain and business relationships</td>
<td><strong>102-2 Activities, brands, products, and services</strong></td>
</tr>
<tr>
<td>a. A description of the organization’s activities, products, and services, and the sectors served.</td>
<td>a. A description of the organization’s activities.</td>
</tr>
<tr>
<td>b. A description of the organization’s value chain and business relationships.</td>
<td>b. Primary brands, products, and services, including an explanation of any products or services that are banned in certain markets.</td>
</tr>
<tr>
<td>c. Any significant changes in 102-2R-a and 102-2R-b during the reporting period.</td>
<td><strong>102-4 Location of operations</strong></td>
</tr>
<tr>
<td></td>
<td>a. Number of countries where the organization operates, and the names of countries where it has significant operations and/or that are relevant to the topics covered in the report.</td>
</tr>
<tr>
<td></td>
<td><strong>102-6 Markets served</strong></td>
</tr>
<tr>
<td></td>
<td>a. Markets served, including:</td>
</tr>
<tr>
<td></td>
<td>i. geographic locations where products and services are offered;</td>
</tr>
<tr>
<td></td>
<td>ii. sectors served;</td>
</tr>
<tr>
<td></td>
<td>iii. types of customers and beneficiaries.</td>
</tr>
<tr>
<td></td>
<td><strong>102-7 Scale of the organization</strong></td>
</tr>
<tr>
<td></td>
<td>a. Scale of the organization, including:</td>
</tr>
<tr>
<td></td>
<td>i. total number of employees;</td>
</tr>
<tr>
<td></td>
<td>ii. total number of operations;</td>
</tr>
<tr>
<td></td>
<td>iii. net sales (for private sector organizations) or net revenues (for public sector organizations);</td>
</tr>
<tr>
<td></td>
<td>iv. total capitalization (for private sector organizations) broken down in terms of debt and equity;</td>
</tr>
<tr>
<td></td>
<td>v. quantity of products or services provided.</td>
</tr>
<tr>
<td></td>
<td><strong>102-9 Supply chain</strong></td>
</tr>
<tr>
<td></td>
<td>a. A description of the organization’s supply chain, including its main elements as they relate to the organization’s activities, primary brands, products, and services.</td>
</tr>
<tr>
<td></td>
<td><strong>102-10 Significant changes to the organization and its supply chain</strong></td>
</tr>
<tr>
<td></td>
<td>a. Significant changes to the organization’s size, structure, ownership, or supply chain, including:</td>
</tr>
<tr>
<td></td>
<td>i. Changes in the location of, or changes in, operations, including facility openings, closings, and expansions;</td>
</tr>
<tr>
<td></td>
<td>ii. Changes in the share capital structure and other capital formation, maintenance, and alteration operations (for private sector organizations);</td>
</tr>
<tr>
<td></td>
<td>iii. Changes in the location of suppliers, the structure of the supply chain, or relationships with suppliers, including selection and termination.</td>
</tr>
</tbody>
</table>