

CONSOLIDATED SET OF GRI SUSTAINABILITY REPORTING STANDARDS 2016



Introduction

This document contains the set of 36 GRI Sustainability Reporting Standards and the *GRI Standards Glossary* published in 2016. The full content of each Standard has been incorporated, including the original formatting and page numbering.

Users can navigate to specific Standards using the table of Contents.

Note that this document includes numerous internal links. After clicking on a link, use **'alt' + left arrow** to return to the previous view.

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GRI 101: FOUNDATION 2016



GRI 101

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About this Standard

Responsibility	This Standard is issued by the Global Sustainability Standards Board (GSSB) . The full set of GRI Standards can be downloaded at www.globalreporting.org/standards . Any feedback on the GRI Standards can be submitted to standards@globalreporting.org for the consideration of the GSSB.
Scope	<i>GRI 101: Foundation</i> applies to any organization that wants to use the GRI Standards to report about its economic, environmental, and/or social <u>impacts</u>. Therefore, this Standard is applicable to: • an organization that intends to prepare a sustainability report in accordance with the GRI Standards; or • an organization that intends to use selected GRI Standards, or parts of their content, to report on impacts related to specific economic, social, and/or environmental topics (e.g., to report on emissions only). <i>GRI 101</i> can be used by an organization of any size, type, sector, or geographic location.
Normative references	This Standard is to be used together with the most recent versions of the following documents. GRI 102: General Disclosures GRI 103: Management Approach GRI Standards Glossary In the text of this Standard, terms defined in the Glossary are <u>underlined</u>.
Effective date	This Standard is effective for reports or other materials published on or after 1 July 2018. Earlier adoption is encouraged.

Introduction

A. Background on sustainability reporting

In 1987, the World Commission on Environment and Development set out an aspirational goal of sustainable development – describing it as ‘development which meets the needs of the present without compromising the ability of future generations to meet their own needs.’¹

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

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

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

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

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

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

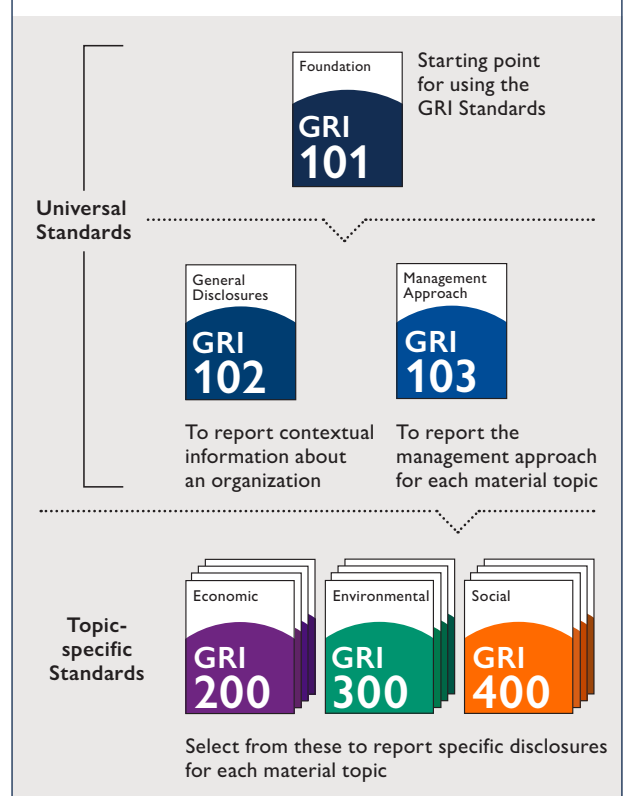
B. Overview of the GRI Sustainability Reporting Standards

The GRI Sustainability Reporting Standards (GRI Standards) are designed to be used by organizations to report about their impacts on the economy, the environment, and/or society.

Using the GRI Standards as a set to prepare a sustainability report

The GRI Standards are structured as a set of interrelated standards. They have been developed primarily to be used together to help an organization prepare a sustainability report which is based on the Reporting Principles and focuses on material topics.

Figure 1
Overview of the set of GRI Standards



¹ World Commission on Environment and Development. 'Our Common Future'. Oxford: Oxford University Press, 1987

Preparing a report in accordance with the GRI Standards demonstrates that the report provides a full and balanced picture of an organization's material topics and related impacts, as well as how these impacts are managed.

A report in accordance with the GRI Standards can be produced as a stand-alone sustainability report, or can reference information disclosed in a variety of locations and formats (e.g., electronic or paper-based). Any report prepared in accordance with the GRI Standards is required to include a GRI content index, which is presented in one location and includes the page number or URL for all disclosures reported. See [clause 2.6](#) in this Standard and [Disclosure 102-55](#) in *GRI 102: General Disclosures*.

Using selected GRI Standards, or parts of their content, to report specific information

An organization can also use selected GRI Standards, or parts of their content, to report specific information, provided that the relevant Standards are referenced correctly.

See [Section 3](#) for more detail on using and referencing the GRI Standards.

Structure of the Standards

The GRI Standards are divided into four series:

Series	Description
Universal Standards 100 series	The 100 series includes three universal Standards: GRI 101: Foundation is the starting point for using the set of GRI Standards. <i>GRI 101</i> sets out the Reporting Principles for defining report content and quality. It includes requirements for preparing a sustainability report in accordance with the GRI Standards, and describes how the GRI Standards can be used and referenced. <i>GRI 101</i> also includes the specific claims that are required for organizations preparing a sustainability report in accordance with the Standards, and for those using selected GRI Standards to report specific information. GRI 102: General Disclosures is used to report contextual information about an organization and its sustainability reporting practices. This includes information about an organization's profile, strategy, ethics and integrity, governance, stakeholder engagement practices, and reporting process. GRI 103: Management Approach is used to report information about how an organization manages a material topic. It is designed to be used for each material topic in a sustainability report, including those covered by the topic-specific GRI Standards (series 200, 300, and 400) and other material topics. Applying <i>GRI 103</i> with each material topic allows the organization to provide a narrative explanation of why the topic is material, where the impacts occur (the topic Boundary), and how the organization manages the impacts.
Topic-specific Standards 200 series (Economic topics) 300 series (Environmental topics) 400 series (Social topics)	The 200, 300, and 400 series include numerous topic-specific Standards. These are used to report information on an organization's impacts related to economic, environmental, and social <u>topics</u> (e.g., Indirect Economic Impacts, Water, or Employment). To prepare a sustainability report in accordance with the GRI Standards, an organization applies the Reporting Principles for defining report content from <i>GRI 101: Foundation</i> to identify its material economic, environmental, and/or social topics. These material topics determine which topic-specific Standards the organization uses to prepare its sustainability report. Selected topic-specific Standards, or parts of their content, can also be used to report specific information, without preparing a sustainability report. See Section 3 for more detail.

C. Using this Standard

Overview of contents

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

- [Section 1](#) of this Standard presents the Reporting Principles for defining report content and report quality. These Reporting Principles are fundamental to helping an organization decide what information to include in a sustainability report and how to ensure the quality of the information.
- [Section 2](#) explains the basic process for using the GRI Standards for sustainability reporting. This section includes fundamental requirements for applying the Reporting Principles, and for identifying and reporting on material topics.
- [Section 3](#) sets out the ways that the GRI Standards can be used and the specific claims, or statements of use, which are required for organizations using the Standards.

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

Requirements, recommendations, and guidance

The GRI Standards include:

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

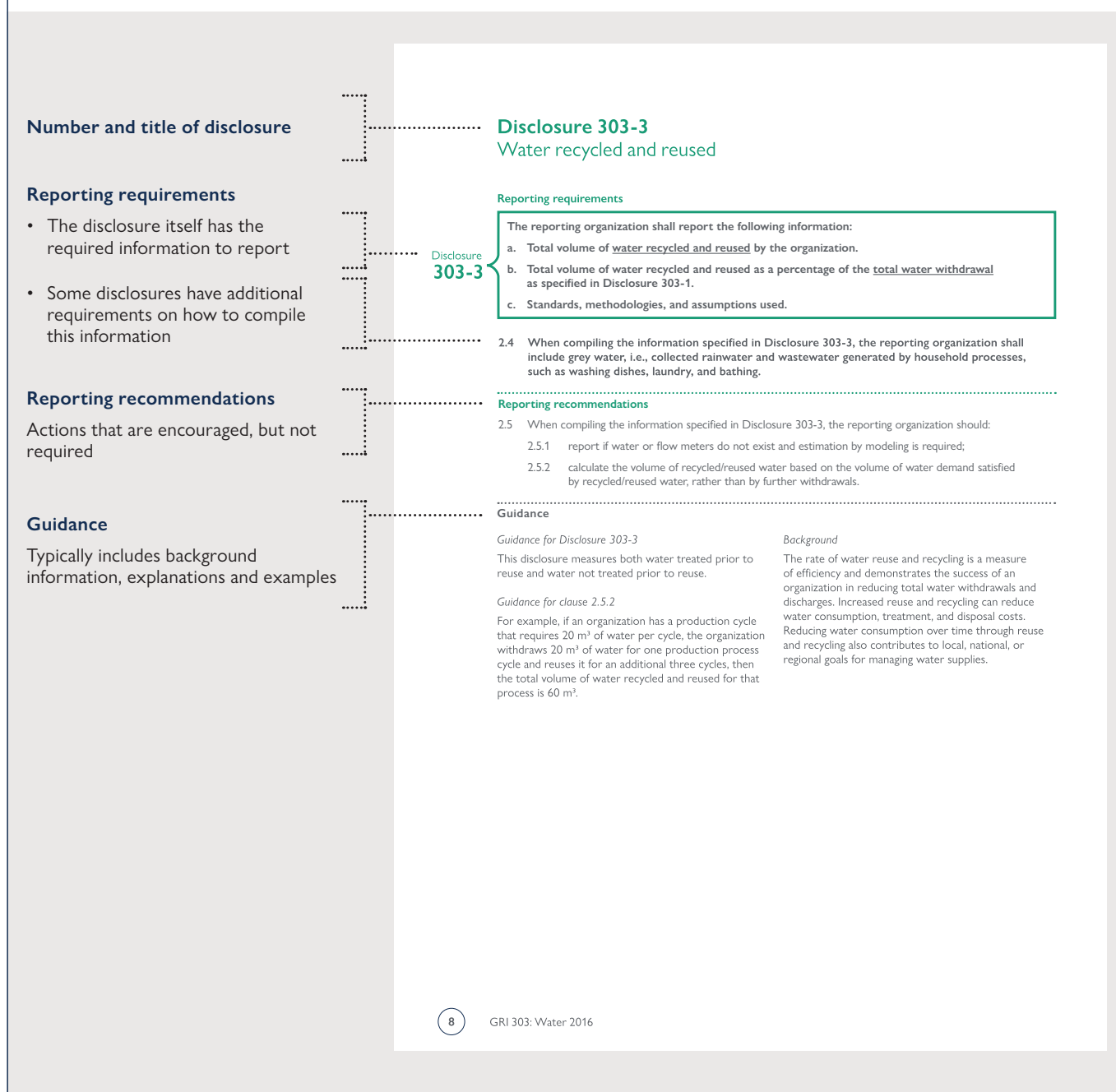
Recommendations: These are cases where a particular course of action is encouraged, but not required. In the text, the word 'should' indicates a recommendation.

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

An organization is required to comply with all applicable requirements in order to make a claim that its report has been prepared in accordance with the GRI Standards. See [Table 1](#) in Section 3 for more information.

Figure 2 on the next page gives an example of how requirements, recommendations, and guidance are set out in a topic-specific GRI Standard.

Figure 2
Example page from a topic-specific GRI Standard



GRI 101: Foundation

1. Reporting Principles

The Reporting Principles are fundamental to achieving high quality sustainability reporting. An organization is required to apply the Reporting Principles if it wants to claim that its sustainability report has been prepared in accordance with the GRI Standards (see [Table 1](#) in Section 3 for more information). The Reporting Principles are divided into two groups: principles for defining report content and principles for defining report quality.

The Reporting Principles for defining report content help organizations decide which content to include in the report. This involves considering the organization's activities, impacts, and the substantive expectations and interests of its stakeholders.

The Reporting Principles for defining report quality guide choices on ensuring the quality of information in a sustainability report, including its proper presentation. The quality of information is important for enabling stakeholders to make sound and reasonable assessments of an organization, and to take appropriate actions.

Each of the Reporting Principles consists of a requirement and guidance on how to apply the principle, including tests. The tests are tools to help an organization assess whether it has applied the principle; they are not disclosures that are required to be reported.

Reporting Principles for defining report content	Reporting Principles for defining report quality
• Stakeholder Inclusiveness • Sustainability Context • Materiality • Completeness	• Accuracy • Balance • Clarity • Comparability • Reliability • Timeliness

Principles for defining report content

Stakeholder Inclusiveness

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

Guidance

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

Stakeholders can include employees and other workers, shareholders, suppliers, vulnerable groups, local communities, and NGOs or other civil society organizations, among others.

When making decisions about the content of its report, the organization is to consider the reasonable expectations and interests of stakeholders. This includes those who are unable to articulate their views and whose concerns are presented by proxies (for example, NGOs acting on their collective behalf); and those with whom the organization cannot be in constant or obvious dialogue. The organization is expected to identify a process for taking such views into account when determining whether a topic is material.

A process of stakeholder engagement can serve as a tool for understanding the reasonable expectations and interests of stakeholders, as well as their information needs. An organization typically initiates different types of stakeholder engagement as part of its regular activities, which can provide useful inputs for decisions on reporting. These include 'routine' engagements to inform ongoing organizational or business processes.

Stakeholder engagement based on systematic or generally accepted approaches, methodologies, or principles can also be implemented specifically to inform the preparation of the report. Other means that can be used to satisfy this principle include monitoring the media, engaging with the scientific community, or collaborative activities with peers and stakeholders. The overall approach is to be sufficiently effective so that stakeholders' information needs are properly understood.

It is important that the means used are capable of identifying direct input from stakeholders as well as legitimately established societal expectations. Moreover, an organization can encounter conflicting views or expectations among its stakeholders, and is expected to be able to explain how it balanced them when making decisions about its reporting.

For it to be possible to assure the report process and data, it is important for the organization to document its approach for identifying stakeholders; deciding which stakeholders to engage with, and how and when to engage with them; and how engagement has influenced the report content and the organization's activities, products, and services.

Systematic stakeholder engagement, executed properly, is likely to result in ongoing learning within the organization, as well as increased accountability to a range of stakeholders. Accountability strengthens trust between the organization and its stakeholders. Trust, in turn, strengthens the credibility of the report.

Tests

The reporting organization can describe the stakeholders to whom it considers itself accountable;

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

Sustainability Context

1.2 The report shall present the reporting organization's performance in the wider context of sustainability.

Guidance

Information on performance is expected to be placed in context. The underlying question of sustainability reporting is how an organization contributes, or aims to contribute in the future, to the improvement or deterioration of economic, environmental, and social conditions at the local, regional, or global level. For example, this can mean that in addition to reporting on trends in eco-efficiency, the organization can also present its absolute pollution loading in relation to the capacity of the regional ecosystem to absorb the pollutant.

Therefore, the aim is to present the organization's performance in relation to broader concepts of sustainability. This involves examining its performance in the context of the limits and demands placed on economic, environmental or social resources, at the sectoral, local, regional, or global level.

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

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

The relationship between sustainability and organizational strategy is expected to be made clear in the report, as well as the context in which disclosures are made.

Tests

- The reporting organization presents its understanding of sustainable development, drawing on objective and available information, and authoritative measures of sustainable development, for the topics covered;
- The organization presents its performance with reference to broader sustainable development conditions and goals, as reflected in recognized sectoral, local, regional, or global instruments;
- The organization presents its performance in a manner that communicates its impacts and contributions in appropriate geographic contexts;
- The organization describes how economic, environmental, and/or social topics relate to its long-term strategy, risks, opportunities, and goals, including in its value chain.

Materiality

1.3 The report shall cover topics that:

- 1.3.1** reflect the reporting organization's significant economic, environmental, and social impacts; or
- 1.3.2** substantively influence the assessments and decisions of stakeholders.

Guidance

An organization is faced with a wide range of topics on which it can report. Relevant topics, which potentially merit inclusion in the report, are those that can reasonably be considered important for reflecting the organization's economic, environmental, and social impacts, or influencing the decisions of stakeholders. In this context, 'impact' refers to the effect an organization has on the economy, the environment, and/or society (positive or negative). A topic can be relevant – and so potentially material – based on only one of these dimensions.

In financial reporting, materiality is commonly thought of as a threshold for influencing the economic decisions of those using an organization's financial statements, investors in particular.

A similar concept is also important in sustainability reporting, but it is concerned with two dimensions, i.e., a wider range of impacts and stakeholders. In sustainability reporting, materiality is the principle that determines which relevant topics are sufficiently important that it is essential to report on them. Not all material topics are of equal importance, and the emphasis within a report is expected to reflect their relative priority.

A combination of internal and external factors can be considered when assessing whether a topic is material. These include the organization's overall mission and competitive strategy, and the concerns expressed directly by stakeholders. Materiality can also be determined by broader societal expectations, and by the organization's influence on upstream entities, such as suppliers, or downstream entities, such as customers. Assessments of materiality are also expected to take into account the expectations expressed in international standards and agreements with which the organization is expected to comply.

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

Applying this principle ensures that the report prioritizes material topics. Other relevant topics can be included, but with less prominence. It is important that the organization can explain the process by which it determined the priority of topics.

Figure 3 presents an example matrix, for guidance purposes. It shows the two dimensions for assessing whether a topic is material; and that a topic can be material based on only one of these dimensions. The use of this exact matrix is not required; however, to apply the Materiality principle, it is required to identify material topics based on these two dimensions.

[Disclosure 102-46](#) and [clause 6.1](#) in *GRI 102: General Disclosures* require an explanation of how the Materiality principle has been applied.

Tests

In defining material topics, the reporting organization has taken into account the following factors:

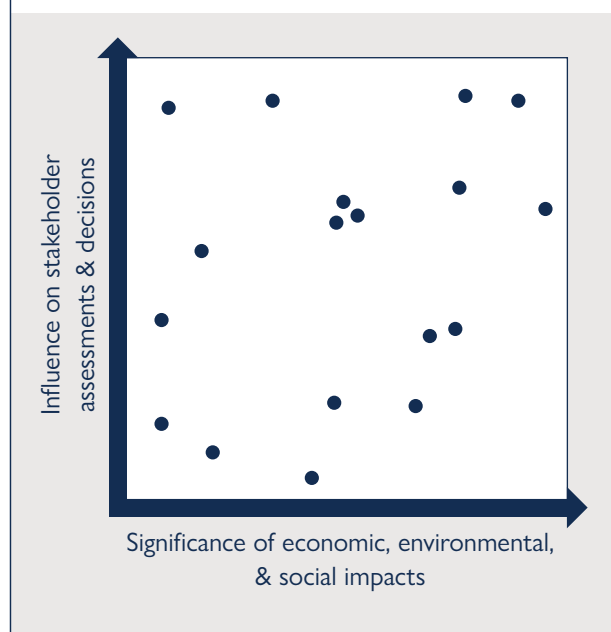
- Reasonably estimable economic, environmental, and/or social impacts (such as climate change, HIV-AIDS, or poverty) identified through sound investigation by people with recognized expertise, or by expert bodies with recognized credentials;
- The interests and expectations of stakeholders specifically invested in the organization, such as employees and shareholders;
- Broader economic, social, and/or environmental interests and topics raised by stakeholders such as workers who are not employees, suppliers, local communities, vulnerable groups, and civil society;
- The main topics and future challenges for a sector, as identified by peers and competitors;
- Laws, regulations, international agreements, or voluntary agreements of strategic significance to the organization and its stakeholders;
- Key organizational values, policies, strategies, operational management systems, goals, and targets;
- The core competencies of the organization and the manner in which they can contribute to sustainable development;

Materiality

Continued

- Consequences for the organization which are related to its impacts on the economy, the environment, and/or society (for example, risks to its business model or reputation);
- Material topics are appropriately prioritized in the report.

Figure 3
Visual representation of prioritization of topics



Completeness

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

Guidance

Completeness primarily encompasses the following dimensions: the list of material topics covered in the report, topic Boundaries, and time.

The concept of completeness can also refer to practices in information collection (for example, ensuring that compiled data includes results from all entities where the impacts occur) and whether the presentation of information is reasonable and appropriate. These issues are also related to report quality, and are addressed in greater detail under the principles of [Accuracy](#) and [Balance](#).

List of material topics covered in the report:

Together, the topics covered in the report are expected to be sufficient to reflect the organization's significant economic, environmental and/or social impacts, and to enable stakeholders to assess the organization. In determining whether the information in the report is sufficient, the organization considers both the results of stakeholder engagement processes and broad-based societal expectations that are not identified directly through stakeholder engagement processes.

Topic Boundaries: the topic Boundary is a description of where the impacts occur for a material topic, and the organization's involvement with those impacts. Organizations might be involved with impacts either through their own activities or as a result of their business relationships with other entities. An organization preparing a report in accordance with the GRI Standards is expected to report not only on impacts it causes, but also on impacts it contributes to, and impacts that are directly linked to its activities, products or services through a business relationship.² See [clause 2.4](#) of this Standard and [GRI 103: Management Approach](#) for more information on topic Boundaries.

Time: Time refers to the need for the selected information to be complete for the time period specified by the report. As far as practicable, activities, events, and impacts are expected to be presented for the reporting period in which they occur. This includes reporting on activities that produce minimal short-term impact, but which have a significant and reasonably foreseeable cumulative effect that can become unavoidable or irreversible in the longer-term (such as bio-accumulative or persistent pollutants).

In making estimates of future impacts (both positive and negative), the reported information is expected to be based on well-reasoned estimates that reflect the likely size and nature of impacts. Although such estimates are by nature subject to uncertainty, they provide useful information for decision-making, as long as the basis for estimates is clearly reported and the limitations of the estimates are clearly acknowledged. Disclosing the nature and likelihood of such impacts, even if they can only materialize in the future, is consistent with the goal of providing a balanced and reasonable representation of the organization's economic, environmental, and social impacts.

Tests

- The report takes into account impacts the reporting organization causes, contributes to, or is directly linked to through a business relationship, and covers and prioritizes all material information on the basis of the principles of [Materiality](#), [Sustainability Context](#), and [Stakeholder Inclusiveness](#);
- The information in the report includes all significant impacts in the reporting period, and reasonable estimates of significant future impacts when those impacts are reasonably foreseeable and can become unavoidable or irreversible;
- The report does not omit relevant information that substantively influences stakeholder assessments and decisions, or that reflects significant economic, environmental, and social impacts.

² These concepts are based on the following instruments:

- Organisation for Economic Co-operation and Development (OECD), OECD Guidelines for Multinational Enterprises, 2011.
- United Nations (UN), 'Guiding Principles on Business and Human Rights, Implementing the United Nations "Protect, Respect and Remedy" Framework', 2011.

Principles for defining report quality

Accuracy

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

Guidance

This principle is designed to reflect the fact that information can be expressed in many different ways, from qualitative responses to detailed quantitative measurements.

The characteristics that define accuracy vary, depending on the nature of the information and who is using it.

For example, the accuracy of qualitative information can be affected by its degree of clarity and detail, and its balance with respect to the topic Boundary. The accuracy of quantitative information can depend on the specific methods used to gather, compile, and analyze data.

Moreover, the specific threshold of accuracy can depend partly on the intended use of the information. Certain decisions by stakeholders require higher levels of accuracy in reported information than others.

Tests

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

Balance

1.6 The reported information shall reflect positive and negative aspects of the reporting organization's performance to enable a reasoned assessment of overall performance.

Guidance

The overall presentation of the report's content is expected to provide an unbiased picture of the organization's performance.

The report is expected to avoid selections, omissions, or presentation formats that are reasonably likely to unduly or inappropriately influence a decision or judgment by the report reader. The report is expected to include both favorable and unfavorable results, as well as information that can influence the decisions of stakeholders in proportion to their materiality. The report is also expected to distinguish clearly between facts and the organization's interpretation of them.

Tests

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

Clarity

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

Guidance

The report is expected to present information in a way that is understandable, accessible, and usable by the organization's range of stakeholders, whether in print form or through other channels.

It is important that stakeholders are able to find the information they want without unreasonable effort. Information is expected to be presented in a manner that is comprehensible to stakeholders who have a reasonable understanding of the organization and its activities.

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

Tests

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

Comparability

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

Guidance

Comparability is necessary for evaluating performance. It is important that stakeholders are able to compare information on the organization's current economic, environmental, and social performance against the organization's past performance, its objectives, and, to the degree possible, against the performance of other organizations.

Consistency allows internal and external parties to benchmark performance and assess progress as part of rating activities, investment decisions, advocacy programs, and other activities. Comparisons between organizations require sensitivity to factors such as the organizations' size, geographic influences, and other considerations that can affect the relative performance of an organization. When necessary, it is important to provide context that helps report users understand the factors that can contribute to differences in impacts or performance between organizations.

To facilitate comparability over time, it is important to maintain consistency in the methods used to calculate data, the layout of the report, and explanations of methods and assumptions used to prepare information. As the importance of a topic to an organization and its stakeholders can change over time, the content of reports can also evolve.

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

Changes can occur with respect to material topics, topic Boundaries, the length of the reporting period, or information, including the design, definitions, and use of disclosures in the report. When this happens, the reporting organization is expected to present current disclosures alongside restatements of historic data, or vice versa. This can ensure that information and comparisons are reliable and meaningful over time. When such restatements are not provided, the organization is expected to give sufficient explanations for interpreting current disclosures.

Comparability

Continued

Tests

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

Reliability

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

Guidance

It is important that stakeholders are confident that the report can be checked to establish the veracity of its contents and the extent to which the Reporting Principles have been applied.

Individuals other than those who prepared the report are expected to be able to review internal controls or documentation that supports the information in the report. Disclosures about the reporting organization's impacts or performance that are not substantiated by evidence do not need to appear in the sustainability report unless they represent material information, and the report provides unambiguous explanations of any uncertainties associated with the information.

The decision-making processes underlying the report are to be documented in a manner that allows for the examination of key decisions, such as processes for determining the report content and topic Boundaries, or stakeholder engagement. If the organization designs information systems for its reporting, it is expected to anticipate that the systems can be examined as part of an external assurance process.

Tests

- The scope and extent of external assurance is identified;
- The organization can identify the original sources of the information in the report;
- The organization can provide reliable evidence to support assumptions or complex calculations;
- Representation is available from the original data or information owners, attesting to its accuracy within acceptable margins of error.

Timeliness

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

Guidance

The usefulness of information is closely tied to whether it is available in time for stakeholders to integrate it into their decision-making. Timeliness refers to the regularity of reporting as well as its proximity to the impacts described in the report.

Although a constant flow of information is desirable for certain purposes, the reporting organization is expected to commit to regularly providing consolidated disclosure of its economic, environmental, and social impacts, at a single point in time.

Consistency in the frequency of reporting, and the length of reporting periods, is also necessary to enable the comparability of information over time, and the report’s accessibility to stakeholders. It can be valuable for stakeholders if the schedules for sustainability reporting and other forms of reporting, in particular financial reporting, are aligned. The organization is expected to balance the need to provide information in a timely manner with the need to ensure that the information is reliable, including any restatements of previous disclosures.

Tests

- Information in the report has been disclosed while it is recent, relative to the reporting period;
- The information in the report clearly indicates the time period to which it relates, when it will be updated, and when the latest updates were made, and separately identifies any restatements of previous disclosures along with the reasons for restatement.

2. Using the GRI Standards for sustainability reporting

This section sets out the basic process for sustainability reporting using the GRI Standards. An organization that wants to claim its sustainability report has been prepared in accordance with the GRI Standards (either Core or Comprehensive option) is required to comply with all requirements in this section. These requirements are denoted by the use of 'shall' in the text and **bold font**. They guide the reporting organization through the process of preparing a sustainability report in which:

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

Some clauses in this section are closely linked to disclosures in [GRI 102: General Disclosures](#) and [GRI 103: Management Approach](#), which ask for specific information to be disclosed by the reporting organization. In these cases, the relevant disclosures from GRI 102 or GRI 103 are identified within guidance.

Applying the Reporting Principles

2.1 The reporting organization shall apply all Reporting Principles from [Section 1](#) to define report content and quality.

Guidance

It is important that an organization using the GRI Standards to prepare a sustainability report has understood and implemented the ten Reporting Principles for defining report content and quality. These principles guide choices about the selection and quality of information in the report.

[Disclosure 102-46](#) in [GRI 102: General Disclosures](#) requires an explanation of how the organization has implemented the Reporting Principles for defining report content.

Reporting general disclosures

2.2 The reporting organization shall report the required disclosures from [GRI 102: General Disclosures](#).

Guidance

The general disclosures request contextual information about an organization and its sustainability reporting practices. If an organization wants to claim that its report has been prepared in accordance with the GRI Standards (Core or Comprehensive option),

there are a number of disclosures from [GRI 102: General Disclosures](#) which it is required to report. For more information, see [Table 1](#) in Section 3.

Identifying material topics and their Boundaries

2.3 The reporting organization shall identify its material topics using the Reporting Principles for defining report content.

- 2.3.1 The reporting organization should consult the GRI Sector Disclosures that relate to its sector, if available, to assist with identifying its material topics.

2.4 The reporting organization shall identify the Boundary for each material topic.

Guidance

Material topics are those that an organization has prioritized for inclusion in the sustainability report. This prioritization exercise is carried out using the [Stakeholder Inclusiveness](#) and the [Materiality](#) principles. The Materiality principle identifies material topics based on the following two dimensions:

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

In applying the Materiality principle, 'impact' refers to the effect an organization has on the economy, the environment, and/or society, which in turn can indicate its contribution (positive or negative) to sustainable development. For more information on the Materiality principle, see [clause 1.3](#).

[Disclosure 102-47](#) in *GRI 102: General Disclosures* requires reporting the list of material topics.

Using the GRI Sector Disclosures

The GRI Sector Disclosures provide additional sector-specific disclosures and guidance which can be used in conjunction with the GRI Standards. The Sector Disclosures can be found on the GRI Standards website. It is recommended that the reporting organization consults the relevant Sector Disclosures, if available, to help identify its material topics. However, the use of the Sector Disclosures is not intended to be a substitute for applying the Reporting Principles for defining report content.

Linking identified material topics to the GRI Standards

The use of 'topics' in the GRI Standards refers to broad economic, environmental, and social subjects, such as Indirect Economic Impacts, Water, or Employment. These topic names are intentionally broad, and each topic can cover numerous related concepts. For example, the topic 'Water' can encompass a range of more specific but related subjects, such as 'water stress' or 'access to water'.

The list of topics covered by the GRI Standards is not exhaustive. In some cases, an organization may identify a material topic that does not match exactly with the available topic-specific Standards. In this case, if the material topic is similar to one of the available topic Standards, or can be considered to relate to it, the organization is expected to use that Standard for reporting on the topic in question.

If the organization identifies a material topic that cannot reasonably be related to one of the topic-specific Standards, see [clauses 2.5.1](#) and [2.5.3](#) for requirements about how to report on it.

Reporting the Boundary for each material topic

The topic Boundary is the description of where the impacts occur for a material topic, and the organization's involvement with those impacts. Organizations might be involved with impacts either through their own activities or as a result of their business relationships with other entities. An organization preparing a report in accordance with the GRI Standards is expected to report not only on impacts it causes, but also on impacts it contributes to, and impacts that are directly linked to its activities, products or services through a business relationship.³ In the context of this GRI Standard, an organization's business relationships can include relationships with business partners, entities in its value chain, and any other non-State or State entity directly linked to its business operations, products or services.⁴

[Disclosure 103-1](#) in *GRI 103: Management Approach* requires reporting the Boundary for each material topic. See GRI 103 for more detailed information on topic Boundaries.

³ These concepts are based on the following instruments:

- Organisation for Economic Co-operation and Development (OECD), OECD Guidelines for Multinational Enterprises, 2011.
- United Nations (UN), 'Guiding Principles on Business and Human Rights, Implementing the United Nations "Protect, Respect and Remedy" Framework', 2011.

⁴ Source: United Nations (UN), 'Guiding Principles on Business and Human Rights, Implementing the United Nations "Protect, Respect and Remedy" Framework', 2011.

Reporting on material topics

2.5 For each material topic, the reporting organization:

- 2.5.1 shall report the management approach disclosures for that topic, using [GRI 103: Management Approach](#); and either:**
- 2.5.2 shall report the topic-specific disclosures in the corresponding GRI Standard, if the material topic is covered by an existing GRI Standard (series 200, 300, and 400); or**
- 2.5.3 should report other appropriate disclosures, if the material topic is not covered by an existing GRI Standard.**

Guidance

Guidance for clause 2.5

To claim that its report has been prepared in accordance with the GRI Standards, the reporting organization is required to report on all material topics identified (the list of material topics is reported with [Disclosure 102-47](#) in [GRI 102: General Disclosures](#)). If a material topic is not covered by an existing topic-specific GRI Standard, the organization is still required to report on its management approach using [GRI 103: Management Approach](#), and is recommended to use appropriate disclosures from other sources to report on its impacts.

In other cases, an organization might want to use additional disclosures from other sources to report on material topics covered by the GRI Standards, as well as reporting the GRI disclosures.

Any additional disclosures are expected to be subject to the same technical rigor as the disclosures in the GRI Standards, and to be consistent with other established standards or reporting frameworks where available and relevant.

Reporting topics where the Boundary extends beyond the reporting organization

In some cases, if the Boundary of a topic extends beyond the organization, it may not be possible to report some topic-specific disclosures. For example, if the Boundary for a topic includes part of the supply chain, the organization might not be able to access the necessary information from suppliers. In these cases, to prepare a report in accordance with the GRI Standards, the organization is still required to report its management approach for the topic, but can use the recognized reasons for omission for topic-specific disclosures. See [clause 3.2](#) for more information on reasons for omission.

[Disclosure 103-1-c](#) in [GRI 103: Management Approach](#) requires reporting any specific limitation regarding the topic Boundary.

Presenting information

Reporting required disclosures using references

- 2.6 If the reporting organization reports a required disclosure using a reference to another source where the information is located, the organization shall ensure:**
- 2.6.1 the reference includes the specific location of the required disclosure;**
 - 2.6.2 the referenced information is publicly available and readily accessible.**

Guidance

Information for a required disclosure might already be included in other materials prepared by the reporting organization, such as its annual report. In this case, an organization can choose to not repeat these disclosures in its sustainability report, but instead give a reference to where the information can be found.

This approach is acceptable as long as the reference is specific, publicly available and readily accessible. For example, a reference to the annual report is acceptable when it includes the page number, section name, or other specific indication of where to find the information.

Presenting information
Continued

Guidance

Reporting format

The reporting organization can choose to use a combination of electronic and paper-based reports, or use only one format. For example, the organization can choose to provide a detailed report on its website and provide an executive summary in paper form.

Regardless of the format, reports prepared in accordance with the GRI Standards are required to include a GRI content index. The content index is required to be presented in one location and to include the page number or URL for all disclosures reported. See [Disclosure 102-55](#) in *GRI 102: General Disclosures* for more information.

Compiling and presenting information in the report

- 2.7 When preparing a sustainability report, the reporting organization should:
- 2.7.1 present information for the current reporting period and at least two previous periods, as well as future short and medium-term targets if they have been established;
 - 2.7.2 compile and report information using generally accepted international metrics (such as kilograms or liters) and standard conversion factors, and explain the basis of measurement/calculation where not otherwise apparent;
 - 2.7.3 provide absolute data and explanatory notes when using ratios or normalized data;
 - 2.7.4 define a consistent reporting period for issuing a report.

Guidance

When preparing a report, the reporting organization can identify information or processes that have not changed since the previous report. The organization can choose to update only the information that has changed, and to republish or provide a reference to any disclosures that have not changed in the reporting period.

3. Making claims related to the use of the GRI Standards

There are two basic approaches for using the GRI Standards:

1. Using the GRI Standards as a set to prepare a sustainability report in accordance with the Standards.
2. Using selected Standards, or parts of their content, to report specific information.

For each of these ways of using the Standards there is a corresponding claim, or statement of use, that is defined in this Standard. Any published materials with disclosures based on the GRI Standards are always to be referenced using one of these claims. This ensures transparency about how the Standards have been applied.

Using the GRI Standards as a set to prepare a sustainability report in accordance with the Standards

An organization that wants to use the GRI Standards to report on its economic, environmental, and/or social impacts is encouraged to use this approach, and to meet the criteria for reporting in accordance with the Standards (see [Table 1](#)). Meeting these criteria demonstrates that a sustainability report provides a full and balanced picture of the organization's material topics and related impacts, as well as how these impacts are managed.

A report in accordance with the GRI Standards can be produced as a stand-alone sustainability report, or can reference information disclosed in a variety of locations and formats (e.g., electronic or paper-based). Any report prepared in accordance with the GRI Standards is required to include a GRI content index, which is presented in one location and includes the page number or URL for all disclosures reported. See [clause 2.6](#) in this Standard and [Disclosure 102-55](#) in *GRI 102: General Disclosures*.

There are two options for preparing a report in accordance with the GRI Standards: Core and Comprehensive.

Core. This option indicates that a report contains the minimum information needed to understand the nature of the organization, its material topics and related impacts, and how these are managed.

Comprehensive. This builds on the Core option by requiring additional disclosures on the organization's strategy, ethics and integrity, and governance. In addition, the organization is required to report more extensively on its impacts by reporting all the topic-specific disclosures for each material topic covered by the GRI Standards.

These options do not relate to the quality of the information in the report or the magnitude of the organization's impacts. Instead, they reflect the degree to which the GRI Standards have been applied. An organization is not required to progress from Core to Comprehensive; it can choose the option that best meets its reporting needs and the information needs of its stakeholders.

See [Table 1](#) for the specific criteria to claim that a report is in accordance with the GRI Standards.

Using selected Standards, or parts of their content, to report specific information

This option is referred to as a 'GRI-referenced' claim. It is appropriate for an organization that wants to report on specific economic, environmental, and/or social impacts, but which is not looking to use the GRI Standards to provide a full picture of its material topics and related impacts.

For example, an organization might want to report on its impacts on biodiversity for a certain stakeholder group. In this case, the organization could use the disclosures from [GRI 103: Management Approach](#) and [GRI 304: Biodiversity](#), and would include the required GRI-referenced claim in any published materials based on these Standards. See [clause 3.3](#) for the specific criteria to make a GRI-referenced claim.

Claims that a report has been prepared in accordance with the GRI Standards

3.1 To claim that a sustainability report has been prepared in accordance with the GRI Standards, the reporting organization shall meet all criteria for the respective option (Core or Comprehensive) from Table 1 (on page 23):

Guidance

[Disclosure 102-54](#) in *GRI 102: General Disclosures* requires reporting the claim made by the organization for any reports prepared in accordance with the Standards (either Core or Comprehensive option).

If the organization does not meet the minimum criteria in Table 1 for Core or Comprehensive, it cannot make a claim that its report has been prepared in accordance with the GRI Standards. In these cases, a GRI-referenced claim is required to be included in any published materials with disclosures based on the GRI Standards. The next section outlines how to make a GRI-referenced claim.

An organization that reports additional disclosures beyond the criteria for Core, but does not meet the minimum criteria for Comprehensive, cannot make a claim of being in accordance: Comprehensive option. It can, however, include any additional disclosures reported in its GRI content index.

GRI content index

An organization preparing a report in accordance with the GRI Standards, whether Core or Comprehensive, is required to include a GRI content index, which lists all GRI Standards used and disclosures reported. See [Disclosure 102-55](#) in *GRI 102: General Disclosures* for more information.

Selecting disclosures to report for the Core option

Many of the topic-specific GRI Standards include numerous disclosures. If the reporting organization does not report every disclosure for a given topic, it is expected to select and report the disclosure(s) that most adequately reflect its impacts for that topic.

Table 1

Criteria to claim a report has been prepared in accordance with the GRI Standards

Required criteria	Core option	Comprehensive option
Use the correct claim (statement of use) in any published materials with disclosures based on the GRI Standards	Include the following statement: <i>'This report has been prepared in accordance with the GRI Standards: Core option'</i>	Include the following statement: <i>'This report has been prepared in accordance with the GRI Standards: Comprehensive option'</i>
Use GRI 101: Foundation to follow the basic process for preparing a sustainability report	Comply with all requirements in Section 2 of GRI 101: Foundation ('Using the GRI Standards for sustainability reporting')	[Same as for Core]
Use GRI 102: General Disclosures to report contextual information about the organization	Comply with all reporting requirements for the following disclosures from GRI 102: General Disclosures: - Disclosures 102-1 to 102-13 (Organizational profile) - Disclosure 102-14 (Strategy) - Disclosure 102-16 (Ethics and integrity) - Disclosure 102-18 (Governance) - Disclosures 102-40 to 102-44 (Stakeholder engagement) - Disclosures 102-45 to 102-56 (Reporting practice)	Comply with all reporting requirements for all disclosures from GRI 102: General Disclosures <i>Reasons for omission are only permitted for the following disclosures: Disclosure 102-17 (Ethics and integrity), and Disclosures 102-19 to 102-39 (Governance). See clause 3.2 for more information</i>
Use GRI 103: Management Approach to report the management approach and the topic Boundary for all material topics ⁵	For each material topic, comply with all reporting requirements from GRI 103: Management Approach <i>Reasons for omission are only permitted for Disclosures 103-2 and 103-3 (see clause 3.2)</i>	[Same as for Core]
Use the topic-specific GRI Standards (series 200, 300, 400) to report on material topics	For each material topic covered by a topic-specific GRI Standard: - comply with all reporting requirements in the 'Management approach disclosures' section - comply with all reporting requirements for at least one topic-specific disclosure For each material topic not covered by a GRI Standard, it is recommended to report other appropriate disclosures for that topic (see clause 2.5.3) <i>Reasons for omission are permitted for all topic-specific disclosures (see clause 3.2)</i>	For each material topic covered by a topic-specific GRI Standard: - comply with all reporting requirements in the 'Management approach disclosures' section - comply with all reporting requirements for all topic-specific disclosures For each material topic not covered by a GRI Standard, it is recommended to report other appropriate disclosures for that topic (see clause 2.5.3) <i>Reasons for omission are permitted for all topic-specific disclosures (see clause 3.2)</i>
Ensure that reasons for omission are used correctly, if applicable	Comply with all requirements in clause 3.2 (Reasons for omission)	[Same as for Core]
Notify GRI of the use of the Standards	Comply with all requirements in clause 3.4 (Notifying GRI of the use of the Standards)	[Same as for Core]

⁵ This includes material topics covered by the GRI Standards and those not covered by the GRI Standards.

Reasons for omission

3.2 If, in exceptional cases, an organization preparing a sustainability report in accordance with the GRI Standards cannot report a required disclosure, the organization shall provide in the report a reason for omission that:

3.2.1 describes the specific information that has been omitted; and

3.2.2 specifies one of the following reasons for omission from Table 2, including the required explanation for that reason.

Table 2 Reasons for omission	
Reason for omission	Required explanation in the sustainability report
Not applicable	Specify the reason(s) why the disclosure is considered to be not applicable.
Confidentiality constraints	Describe the specific confidentiality constraints prohibiting the disclosure.
Specific legal prohibitions	Describe the specific legal prohibitions.
Information unavailable	Describe the specific steps being taken to obtain the information and the expected timeframe for doing so. If the reason for omission is due to the fact that the necessary information cannot be obtained, or is not of adequate quality to report (as may sometimes be the case when the Boundary for a material topic extends beyond the reporting organization), explain this situation.

Guidance

Reasons for omission can be used if, in exceptional cases, an organization cannot report a disclosure that is required for reporting in accordance with the GRI Standards (either Core or Comprehensive option). Reasons for omission can only be used for certain disclosures – see [Table 1](#) for more detail. Additionally, if an organization omits a large number of required disclosures, this can reduce the credibility of the report and its usefulness to stakeholders.

Using ‘not applicable’ as a reason for omission

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

‘Not applicable’ can also be used as a reason for omission if a disclosure does not cover the specific impacts that make the topic material. For example, the topic ‘Water’ can be material for an organization that uses flowing water to generate hydroelectric power. However, the existing disclosures for this topic relate to water withdrawal, and water recycling/reuse, and therefore do not adequately measure the organization’s impacts (e.g., changes to the volume of water flow). Therefore, the existing disclosures in [GRI 303: Water](#) can be considered ‘not applicable’ for this organization.

Reasons for omission if the topic Boundary extends beyond the reporting organization

If the Boundary for a material topic extends beyond the organization, and the organization cannot obtain information of sufficient quality to enable reporting, ‘information unavailable’ can be used as the reason for omission. In this case, the reason for omission is to include an explanation of why the information cannot be obtained. Even if topic-specific disclosures cannot be reported in this situation, the organization is still required to report its management approach for the topic (using [GRI 103: Management Approach](#)) if it wants to claim that its report has been prepared in accordance with the GRI Standards.

Using selected Standards with a GRI-referenced claim

- 3.3** If the reporting organization uses selected GRI Standards, or parts of their content, to report specific information, but has not met the criteria to prepare a report in accordance with the GRI Standards (as per [clause 3.1](#)), the organization:
- 3.3.1** shall include in any published material with disclosures based on the GRI Standards a statement that:
 - 3.3.1.1** contains the following text: ‘This material references [title and publication year of the Standard]’, for each Standard used;
 - 3.3.1.2** indicates which specific content from the Standard has been applied, if the Standard has not been used in full;
 - 3.3.2** shall comply with all reporting requirements that correspond to the disclosures reported;
 - 3.3.3** shall notify GRI of the use of the Standards, as per [clause 3.4](#);
 - 3.3.4** should apply the Reporting Principles for defining report quality from [Section 1](#);
 - 3.3.5** should report its management approach by applying [GRI 103: Management Approach](#) together with any topic-specific Standard (series 200, 300, or 400) used.

Guidance

Any organization using disclosures from the GRI Standards in published materials is required to state how it has done so. If the organization does not meet the in accordance criteria in [Table 1](#), it is still required to include a ‘GRI-referenced’ claim in any published materials with disclosures based on the Standards.

A GRI-referenced claim has specific wording as set out in clause 3.3.1.1. For example: ‘This material references Disclosures 305-1 and 305-2 from GRI 305: Emissions 2016, and Disclosures 103-1, 103-2 and 103-3 from GRI 103: Management Approach 2016.’

An organization making this selective use of the Standards is not able to claim that it has prepared a report in accordance with the GRI Standards. However, it is still important for an organization to apply the Reporting Principles for defining report quality. These principles help to ensure that the information is accurate and of high quality, which in turn enables stakeholders to make sound assessments based on that information.

Notifying GRI of the use of the Standards

3.4 The reporting organization shall notify GRI of its use of the GRI Standards, and the claim it has made in the report or published material, by either:

- 3.4.1 sending a copy to GRI at standards@globalreporting.org; or
- 3.4.2 registering the report or published material at www.globalreporting.org/standards.

.....

Guidance

Note that this requirement applies to both:

- sustainability reports prepared in accordance with the GRI Standards, using either the Core or Comprehensive option; and
- published materials that include a GRI-referenced claim.

Notifying GRI of the use of the GRI Standards provides transparency in how the Standards are applied by organizations around the world. There is no cost associated with notifying GRI of the use of the Standards.

Key Terms

The following selected terms and definitions from the [GRI Standards Glossary](#)⁶ are useful for understanding *GRI 101: Foundation*.

impact

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

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

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

management approach disclosure

narrative description about how an organization manages its material topics and their related impacts

Note: Disclosures about an organization’s management approach also provide context for the information reported using topic-specific Standards (series 200, 300, and 400).

material topic

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

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

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

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

reporting period

specific time span covered by the information reported

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

Reporting Principle

concept that describes the outcomes a report is expected to achieve, and that guides decisions made throughout the reporting process around report content or quality

⁶ The full GRI Standards Glossary can be found at <https://www.globalreporting.org/standards/media/1035/gri-standards-glossary-2016.pdf>

stakeholder

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

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

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

sustainable development/sustainability

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

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

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

Note 3: In the GRI Standards, the terms 'sustainability' and 'sustainable development' are used interchangeably.

topic

economic, environmental or social subject

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

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

topic Boundary

description of where the impacts occur for a material topic, and the organization's involvement with those impacts

Note: Topic Boundaries vary based on the topics reported.

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Legal liability

This document, designed to promote sustainability reporting, has been developed by the Global Sustainability Standards Board (GSSB) through a unique multi-stakeholder consultative process involving representatives from organizations and report information users from around the world. While the GRI Board of Directors and GSSB encourage use of the GRI Sustainability Reporting Standards (GRI Standards) and related Interpretations by all organizations, the preparation and publication of reports based fully or partially on the GRI Standards and related Interpretations are the full responsibility of those producing them. Neither the GRI Board of Directors, GSSB nor Stichting Global Reporting Initiative (GRI) can assume responsibility for any consequences or damages resulting directly or indirectly from the use of the GRI Standards and related Interpretations in the preparation of reports, or the use of reports based on the GRI Standards and related Interpretations.

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ISBN: 978-90-8866-055-9

GRI 102: GENERAL DISCLOSURES

2016



GRI

102

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About this Standard

Responsibility	This Standard is issued by the Global Sustainability Standards Board (GSSB) . Any feedback on the GRI Standards can be submitted to standards@globalreporting.org for the consideration of the GSSB.
Scope	<i>GRI 102: General Disclosures</i> sets out reporting requirements on contextual information about an organization and its sustainability reporting practices. This Standard can be used by an organization of any size, type, sector or geographic location.
Normative references	This Standard is to be used together with the most recent versions of the following documents. GRI 101: Foundation GRI Standards Glossary In the text of this Standard, terms defined in the Glossary are <u>underlined</u>.
Effective date	This Standard is effective for reports or other materials published on or after 1 July 2018. Earlier adoption is encouraged.

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

Introduction

A. Overview

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

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

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

[GRI 101: Foundation](#)

[GRI 102: General Disclosures](#)

[GRI 103: Management Approach](#)

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

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

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

B. Using the GRI Standards and making claims

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

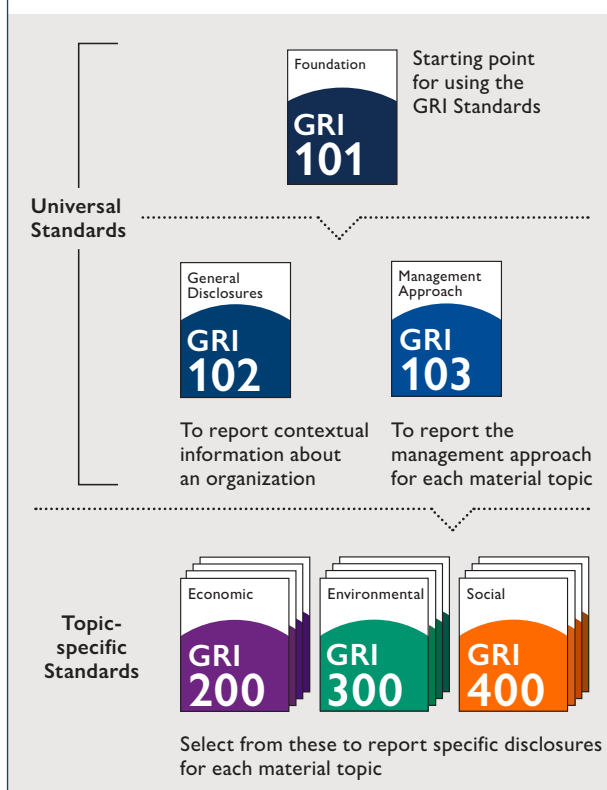
1. The GRI Standards can be used as a set to prepare a sustainability report that is in accordance with the Standards. There are two options for preparing a report in accordance (Core or Comprehensive), depending on the extent of disclosures included in the report.

An organization preparing a report in accordance with the GRI Standards uses this Standard, *GRI 102: General Disclosures*, to report on contextual information about itself and its sustainability reporting practices.

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

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

Figure 1
Overview of the set of GRI Standards



C. Requirements, recommendations and guidance

The GRI Standards include:

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

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

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

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

Note: Throughout this Standard, a 'Core' icon is used to identify those disclosures that are required for preparing a report in accordance with the GRI Standards (Core option). Organizations preparing a report in accordance with the GRI Standards (Comprehensive option) are required to report all disclosures in this Standard, although reasons for omission are permitted for certain disclosures. See [Table 1](#) in *GRI 101: Foundation* for more detail.

GRI 102: General Disclosures

1. Organizational profile

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

Core

Disclosure 102-1

Name of the organization

Reporting requirements

Disclosure
102-1

The reporting organization shall report the following information:

- a. Name of the organization.

Core

Disclosure 102-2

Activities, brands, products, and services

Reporting requirements

Disclosure
102-2

The reporting organization shall report the following information:

- a. A description of the organization's activities.
- b. Primary brands, products, and services, including an explanation of any products or services that are banned in certain markets.

Reporting recommendations

- 1.1 When compiling the information specified in Disclosure 102-2-b, the reporting organization should also explain whether it sells products or services that are the subject of stakeholder questions or public debate.



Disclosure 102-3

Location of headquarters

Reporting requirements

Disclosure
102-3

The reporting organization shall report the following information:

- a. Location of the organization's headquarters.

Guidance

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



Disclosure 102-4

Location of operations

Reporting requirements

Disclosure
102-4

The reporting organization shall report the following information:

- 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.



Disclosure 102-5

Ownership and legal form

Reporting requirements

Disclosure
102-5

The reporting organization shall report the following information:

- a. Nature of ownership and legal form.



Disclosure 102-6

Markets served

Reporting requirements

Disclosure
102-6

The reporting organization shall report the following information:

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

Core

Disclosure 102-7

Scale of the organization

Disclosure
102-7

Reporting requirements

The reporting organization shall report the following information:

- a. Scale of the organization, including:
 - i. total number of employees;
 - ii. total number of operations;
 - iii. net sales (for private sector organizations) or net revenues (for public sector organizations);
 - iv. total capitalization (for private sector organizations) broken down in terms of debt and equity;
 - v. quantity of products or services provided.

Reporting recommendations

- 1.2 When compiling the information specified in Disclosure 102-7, the reporting organization should provide the following additional information:
 - 1.2.1 Total assets;
 - 1.2.2 Beneficial ownership, including the identity and percentage of ownership of the largest shareholders;
 - 1.2.3 Breakdowns of:
 - 1.2.3.1 net sales or net revenues by countries or regions that make up five percent or more of total revenues;
 - 1.2.3.2 costs by countries or regions that make up five percent or more of total costs;
 - 1.2.3.3 total number of employees by country or region.

Disclosure 102-8

Information on employees and other workers

Reporting requirements

The reporting organization shall report the following information:

- a. Total number of employees by employment contract (permanent and temporary), by gender.
- b. Total number of employees by employment contract (permanent and temporary), by region.
- c. Total number of employees by employment type (full-time and part-time), by gender.
- d. 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.
- e. 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).
- f. An explanation of how the data have been compiled, including any assumptions made.

Disclosure
102-8

Reporting recommendations

- 1.3 When compiling the information specified in Disclosure 102-8, the reporting organization should:
 - 1.3.1 express employee numbers as either head count or Full Time Equivalent (FTE), with the chosen approach stated and applied consistently;
 - 1.3.2 identify the contract type and full-time and part-time status of employees based on the definitions under the national laws of the country where they are based;
 - 1.3.3 use numbers as at the end of the reporting period, unless there has been a material change during the reporting period;
 - 1.3.4 combine country statistics to calculate global statistics, and disregard differences in legal definitions. Although what constitutes a type of contract and employment type varies between countries, the global figure should still reflect the relationships under law.

Guidance

Guidance for Disclosure 102-8-d

The organization's activities are reported in [Disclosure 102-2-a](#).

Background

The number of employees and workers involved in an organization's activities provides insight into the scale of impacts created by labor issues.

Breaking down these data by gender enables an understanding of gender representation across an organization, and of the optimal use of available labor and talent.

See references 6, 7, 10 and 12 in the [References section](#).



Disclosure 102-9

Supply chain

Reporting requirements

Disclosure
102-9

The reporting organization shall report the following information:

- 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.

Guidance

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

- the types of suppliers engaged;
- the total number of suppliers engaged by an organization and the estimated number of suppliers throughout the supply chain;
- the geographic location of suppliers;
- the estimated monetary value of payments made to suppliers;
- the supply chain's sector-specific characteristics, such as how labor intensive it is.

Background

This disclosure sets the overall context for understanding an organization's supply chain.

Core

Disclosure 102-10**Significant changes to the organization and its supply chain****Reporting requirements**

The reporting organization shall report the following information:

- a. Significant changes to the organization's size, structure, ownership, or supply chain, including:
 - i. Changes in the location of, or changes in, operations, including facility openings, closings, and expansions;
 - ii. Changes in the share capital structure and other capital formation, maintenance, and alteration operations (for private sector organizations);
 - iii. Changes in the location of suppliers, the structure of the supply chain, or relationships with suppliers, including selection and termination.

Disclosure
102-10**Guidance**

This disclosure covers significant changes during the reporting period.

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

Examples of significant changes can include:

- moving parts of the supply chain from one country to another;
- changing the structure of the supply chain, such as the outsourcing of a significant part of an organization's activities.

Core

Disclosure 102-11**Precautionary Principle or approach****Reporting requirements**

The reporting organization shall report the following information:

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

Disclosure
102-11**Guidance**

Disclosure 102-11 can include an organization's approach to risk management in operational planning, or when developing and introducing new products.

Background

The precautionary approach was introduced by the United Nations in Principle 15 of 'The Rio Declaration on Environment and Development'. It states: 'In order to protect the environment, the precautionary

approach shall be widely applied by States according to their capabilities. Where there are threats of serious or irreversible damage, lack of full scientific certainty shall not be used as a reason for postponing cost-effective measures to prevent environmental degradation.' Applying the Precautionary Principle can help an organization to reduce or to avoid negative impacts on the environment. See reference 13 in the [References section](#).

Core

Disclosure 102-12

External initiatives

Reporting requirements

Disclosure
102-12

The reporting organization shall report the following information:

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

Reporting recommendations

- 1.4 When compiling the information specified in Disclosure 102-12, the reporting organization should:
 - 1.4.1 include the date of adoption, the countries or operations where applied, and the range of stakeholders involved in the development and governance of these initiatives;
 - 1.4.2 differentiate between non-binding, voluntary initiatives and those with which the organization has an obligation to comply.

Core

Disclosure 102-13

Membership of associations

Reporting requirements

Disclosure
102-13

The reporting organization shall report the following information:

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

Reporting recommendations

- 1.5 When compiling the information specified in Disclosure 102-13, the reporting organization should include memberships maintained at the organizational level in associations or organizations in which it holds a position on the governance body, participates in projects or committees, provides substantive funding beyond routine membership dues, or views its membership as strategic.

2. Strategy

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

Core

Disclosure 102-14

Statement from senior decision-maker

Reporting requirements

The reporting organization shall report the following information:

- 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.

Reporting recommendations

- 2.1 When compiling the information specified in Disclosure 102-14, the reporting organization should include:
 - 2.1.1 the overall vision and strategy for the short-term, medium-term, and long-term, with respect to managing the significant economic, environmental, and social impacts that the organization causes, contributes to, or that are directly linked to its activities, products or services as a result of relationships with others (such as suppliers and persons or organizations in local communities);
 - 2.1.2 strategic priorities and key topics for the short and medium-term with respect to sustainability, including observance of internationally-recognized standards and how such standards relate to long-term organizational strategy and success;
 - 2.1.3 broader trends (such as macroeconomic or political) affecting the organization and influencing its sustainability priorities;
 - 2.1.4 key events, achievements, and failures during the reporting period;
 - 2.1.5 views on performance with respect to targets;
 - 2.1.6 outlook on the organization's main challenges and targets for the next year and goals for the coming 3–5 years;
 - 2.1.7 other items pertaining to the organization's strategic approach.

Guidance

See references 14, 15 and 16 in the [References section](#).

Disclosure
102-14

Disclosure 102-15

Key impacts, risks, and opportunities

Reporting requirements

Disclosure
102-15

The reporting organization shall report the following information:

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

Reporting recommendations

- 2.2 When compiling the information specified in Disclosure 102-15, the reporting organization should include:
 - 2.2.1 a description of its significant economic, environmental and social impacts, and associated challenges and opportunities. This includes the effects on stakeholders and their rights as defined by national laws and relevant internationally-recognized standards;
 - 2.2.2 the range of reasonable expectations and interests of the organization's stakeholders;
 - 2.2.3 an explanation of the approach to prioritizing these challenges and opportunities;
 - 2.2.4 key conclusions about progress in addressing these topics and related performance in the reporting period, including an assessment of reasons for underperformance or overperformance;
 - 2.2.5 a description of the main processes in place to address performance, and relevant changes;
 - 2.2.6 the impact of sustainability trends, risks, and opportunities on the long-term prospects and financial performance of the organization;
 - 2.2.7 information relevant to financial stakeholders or that could become so in the future;
 - 2.2.8 a description of the most important risks and opportunities for the organization arising from sustainability trends;
 - 2.2.9 prioritization of key economic, environmental, and social topics as risks and opportunities according to their relevance for long-term organizational strategy, competitive position, qualitative, and, if possible, quantitative financial value drivers;
 - 2.2.10 table(s) summarizing targets, performance against targets, and lessons learned for the current reporting period;
 - 2.2.11 table(s) summarizing targets for the next reporting period and medium-term objectives and goals (i.e., 3–5 years) related to key risks and opportunities;
 - 2.2.12 a description of governance mechanisms in place specifically to manage these risks and opportunities, and identification of other related risks and opportunities.

3. Ethics and integrity

In this section, the term 'business partner' is used in relation to both disclosures. In the context of this GRI Standard, 'business partners' include, among others, suppliers, agents, lobbyists and other intermediaries, joint venture and consortia partners, governments, customers, and clients.

Core

Disclosure 102-16 Values, principles, standards, and norms of behavior

Reporting requirements

Disclosure
102-16

The reporting organization shall report the following information:
a. A description of the organization's values, principles, standards, and norms of behavior.

Reporting recommendations

- 3.1 When compiling the information specified in Disclosure 102-16, the reporting organization should provide additional information about its values, principles, standards, and norms of behavior, including:
 - 3.1.1 how they were developed and approved;
 - 3.1.2 whether training on them is given regularly to all and new governance body members, workers performing the organization's activities, and business partners;
 - 3.1.3 whether they need to be read and signed regularly by all and new governance body members, workers performing the organization's activities, and business partners;
 - 3.1.4 whether any executive-level positions maintain responsibility for them;
 - 3.1.5 whether they are available in different languages to reach all governance body members, workers performing the organization's activities, business partners, and other stakeholders.

Guidance

Values, principles, standards and norms of behavior can include codes of conduct and ethics. The highest governance body's and senior executives' roles in the development, approval, and updating of value statements is reported under [Disclosure 102-26](#).

Disclosure 102-17

Mechanisms for advice and concerns about ethics

Reporting requirements

The reporting organization shall report the following information:

- a. A description of 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.

Guidance

- Examples of elements that can be described include: *Background*
 - Who is assigned the overall responsibility for the mechanisms to seek advice about and report on behavior;
 - Whether any mechanisms are independent of the organization;
 - Whether and how workers performing the organization's activities, business partners, and other stakeholders are informed of the mechanisms;
 - Whether training on them is given to workers performing the organization's activities and business partners;
 - The availability and accessibility of the mechanisms to workers performing the organization's activities and business partners, such as the total number of hours per day, days per week, and availability in different languages;
 - Whether requests for advice and concerns are treated confidentially;
 - Whether the mechanisms can be used anonymously;
 - The total number of requests for advice received, their type, and the percentage that were answered during the reporting period;
 - The total number of concerns reported, the type of misconduct reported, and the percentage of concerns that were addressed, resolved, or found to be unsubstantiated during the reporting period;
 - Whether the organization has a non-retaliation policy;
 - The process through which concerns are investigated;
 - The level of satisfaction of those who used the mechanisms.
- An organization can provide means for stakeholders to seek advice about ethical and lawful behavior, and organizational integrity, or to report concerns about these matters. These means can include escalating issues through line management, whistleblowing mechanisms, and hotlines.

Disclosure
102-17

4. Governance

The disclosures in this section give an overview of:

- the governance structure and its composition;
- the role of the highest governance body in setting the organization's purpose, values, and strategy;
- the competencies and performance evaluation of the highest governance body;
- the role of the highest governance body in risk management;
- the role of the highest governance body in sustainability reporting;
- the role of the highest governance body in evaluating economic, environmental and social performance;
- remuneration and incentives.

The following terms, which are defined in the GRI Standards Glossary, apply to the disclosures in this section:

- highest governance body
- senior executive
- two-tier board system

Core

Disclosure 102-18 Governance structure

Reporting requirements

Disclosure
102-18

The reporting organization shall report the following information:

- a. Governance structure of the organization, including committees of the highest governance body.
- b. Committees responsible for decision-making on economic, environmental, and social topics.

Disclosure 102-19 Delegating authority

Reporting requirements

Disclosure
102-19

The reporting organization shall report the following information:

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

Disclosure 102-20

Executive-level responsibility for economic, environmental, and social topics

Reporting requirements

Disclosure
102-20

The reporting organization shall report the following information:

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

Disclosure 102-21

Consulting stakeholders on economic, environmental, and social topics

Reporting requirements

Disclosure
102-21

The reporting organization shall report the following information:

- a. Processes for consultation between stakeholders and the highest governance body on economic, environmental, and social topics.
- b. If consultation is delegated, describe to whom it is delegated and how the resulting feedback is provided to the highest governance body.

Disclosure 102-22

Composition of the highest governance body and its committees

Reporting requirements

Disclosure
102-22

The reporting organization shall report the following information:

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

Disclosure 102-23

Chair of the highest governance body

Reporting requirements

Disclosure
102-23

The reporting organization shall report the following information:

- 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, describe his or her function within the organization's management and the reasons for this arrangement.

Disclosure 102-24

Nominating and selecting the highest governance body

Reporting requirements

Disclosure
102-24

The reporting organization shall report the following information:

- 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.

Disclosure 102-25

Conflicts of interest

Reporting requirements

Disclosure
102-25

The reporting organization shall report the following information:

- 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.

Reporting recommendations

- 4.1 When compiling the information specified in Disclosure 102-25, the reporting organization should align the definition of controlling shareholder to the definition used for the purpose of the organization's consolidated financial statements or equivalent documents.

Guidance

See reference 11 in the [References section](#).

Disclosure 102-26

Role of highest governance body in setting purpose, values, and strategy

Reporting requirements

Disclosure
102-26

The reporting organization shall report the following information:

- 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.

Disclosure 102-27

Collective knowledge of highest governance body

Reporting requirements

Disclosure
102-27

The reporting organization shall report the following information:

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

Disclosure 102-28

Evaluating the highest governance body's performance

Reporting requirements

Disclosure
102-28

The reporting organization shall report the following information:

- 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.
- c. Whether such evaluation is a self-assessment.
- d. Actions taken in response to evaluation of the highest governance body's performance with respect to governance of economic, environmental, and social topics, including, as a minimum, changes in membership and organizational practice.

Disclosure 102-29

Identifying and managing economic, environmental, and social impacts

Reporting requirements

Disclosure
102-29

The reporting organization shall report the following information:

- 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.
- 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.

Guidance

See references 11, 14, 15 and 16 in the [References section](#).

Disclosure 102-30

Effectiveness of risk management processes

Reporting requirements

Disclosure
102-30

The reporting organization shall report the following information:

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

Guidance

See references 11, 14, 15 and 16 in the [References section](#).

Disclosure 102-31

Review of economic, environmental, and social topics

Reporting requirements

Disclosure
102-31

The reporting organization shall report the following information:

- a. Frequency of the highest governance body's review of economic, environmental, and social topics and their impacts, risks, and opportunities.

Guidance

See references 11, 14, 15 and 16 in the [References section](#).

Disclosure 102-32

Highest governance body's role in sustainability reporting

Reporting requirements

Disclosure
102-32

The reporting organization shall report the following information:

- a. The highest committee or position that formally reviews and approves the organization's sustainability report and ensures that all material topics are covered.

Disclosure 102-33

Communicating critical concerns

Reporting requirements

Disclosure
102-33

The reporting organization shall report the following information:

- a. Process for communicating critical concerns to the highest governance body.

Disclosure 102-34

Nature and total number of critical concerns

Reporting requirements

Disclosure
102-34

The reporting organization shall report the following information:

- a. Total number and nature of critical concerns that were communicated to the highest governance body.
- b. Mechanism(s) used to address and resolve critical concerns.

.....

Guidance

When the exact nature of concerns is sensitive due to regulatory or legal restrictions, this disclosure can be limited to the information that the reporting organization is able to provide without jeopardizing confidentiality. For more information on reasons for omission, see [GRI 101: Foundation](#).

Disclosure 102-35

Remuneration policies

Reporting requirements

The reporting organization shall report the following information:

- 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;
 - v. Retirement benefits, including the difference between benefit schemes and contribution rates for the highest governance body, senior executives, and all other employees.
- b. How performance criteria in the remuneration policies relate to the highest governance body's and senior executives' objectives for economic, environmental, and social topics.

Reporting recommendations

- 4.2 When compiling the information specified in Disclosure 102-35, the reporting organization should, if performance-related pay is used, describe:
 - 4.2.1 how remuneration and incentive-related pay for senior executives are designed to reward longer-term performance;
 - 4.2.2 how performance criteria in the remuneration policies relate to the highest governance body's and senior executives' objectives for economic, environmental, and social topics for the reporting period and the period ahead.
- 4.3 When compiling the information specified in Disclosure 102-35, the reporting organization should, if termination payments are used, explain whether:
 - 4.3.1 notice periods for governance body members and senior executives are different from those for other employees;
 - 4.3.2 termination payments for governance body members and senior executives are different from those for other employees;
 - 4.3.3 any payments other than those related to the notice period are paid to departing governance body members and senior executives;
 - 4.3.4 any mitigation clauses are included in the termination arrangements.

Disclosure
102-35

Disclosure 102-36

Process for determining remuneration

Reporting requirements

Disclosure
102-36

The reporting organization shall report the following information:

- a. Process for determining remuneration.
- b. Whether remuneration consultants are involved in determining remuneration and whether they are independent of management.
- c. Any other relationships that the remuneration consultants have with the organization.

Disclosure 102-37

Stakeholders' involvement in remuneration

Reporting requirements

Disclosure
102-37

The reporting organization shall report the following information:

- a. How stakeholders' views are sought and taken into account regarding remuneration.
- b. If applicable, the results of votes on remuneration policies and proposals.

Disclosure 102-38

Annual total compensation ratio

Reporting requirements

Disclosure
102-38

The reporting organization shall report the following information:

- 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.

- 4.4 When compiling the information specified in Disclosure 102-38, the reporting organization shall, for each country of significant operations:

- 4.4.1 identify the highest-paid individual for the reporting period, as defined by total compensation;
- 4.4.2 calculate the median annual total compensation for all employees, except the highest-paid individual;
- 4.4.3 calculate the ratio of the annual total compensation of the highest-paid individual to the median annual total compensation for all employees.

Reporting recommendations

- 4.5 When compiling the information specified in Disclosure 102-38, the reporting organization should:

- 4.5.1 for each country of significant operations, define and report the composition of the annual total compensation for the highest-paid individual and for all employees as follows:
 - 4.5.1.1 List types of compensation included in the calculation;
 - 4.5.1.2 Specify whether full-time and part-time employees are included in this calculation;
 - 4.5.1.3 Specify whether full-time equivalent pay rates are used for each part-time employee in this calculation;
 - 4.5.1.4 Specify which operations or countries are included, if the organization chooses to not consolidate this ratio for the entire organization;
- 4.5.2 depending on the organization's remuneration policies and availability of data, consider the following components for the calculation:
 - 4.5.2.1 Base salary: guaranteed, short-term, and non-variable cash compensation;
 - 4.5.2.2 Cash compensation: sum of base salary + cash allowances + bonuses + commissions + cash profit-sharing + other forms of variable cash payments;
 - 4.5.2.3 Direct compensation: sum of total cash compensation + total fair value of all annual long-term incentives, such as stock option awards, restricted stock shares or units, performance stock shares or units, phantom stock shares, stock appreciation rights, and long-term cash awards.

Disclosure 102-39

Percentage increase in annual total compensation ratio

Reporting requirements

Disclosure 102-39

The reporting organization shall report the following information:

- a. 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.

- 4.6 When compiling the information specified in Disclosure 102-39, the reporting organization shall, for each country of significant operations:

- 4.6.1 identify the highest-paid individual for the reporting period, as defined by total compensation;
- 4.6.2 calculate the percentage increase in the highest-paid individual's compensation from prior period to the reporting period;
- 4.6.3 calculate median annual total compensation for all employees except the highest-paid individual;
- 4.6.4 calculate the percentage increase of the median annual total compensation from the previous reporting period to the current reporting period;
- 4.6.5 calculate the ratio of the annual total compensation percentage increase of the highest-paid individual to the median annual total compensation percentage increase for all employees.

Reporting recommendations

- 4.7 When compiling the information specified in Disclosure 102-39, the reporting organization should:

- 4.7.1 for each country of significant operations, define and report the composition of the annual total compensation for the highest-paid individual and for all employees as follows:
 - 4.7.1.1 List types of compensation included in the calculation;
 - 4.7.1.2 Specify whether full-time and part-time employees are included in this calculation;
 - 4.7.1.3 Specify whether full-time equivalent pay rates are used for each part-time employee in this calculation;
 - 4.7.1.4 Specify which operations or countries are included, if the organization chooses to not consolidate this ratio for the entire organization;
- 4.7.2 depending on the organization's remuneration policies and availability of data, consider the following components for the calculation:
 - 4.7.2.1 Base salary: guaranteed, short-term, and non-variable cash compensation;
 - 4.7.2.2 Cash compensation: sum of base salary + cash allowances + bonuses + commissions + cash profit-sharing + other forms of variable cash payments;
 - 4.7.2.3 Direct compensation: sum of total cash compensation + total fair value of all annual long-term incentives, such as stock option awards, restricted stock shares or units, performance stock shares or units, phantom stock shares, stock appreciation rights, and long-term cash awards.

5. Stakeholder engagement

These disclosures give an overview of an organization's approach to stakeholder engagement. They are not limited to engagement that was conducted for the purposes of preparing the report. For additional guidance on stakeholder engagement, see the [Stakeholder Inclusiveness](#) principle in *GRI 101: Foundation*.

Core

Disclosure 102-40

List of stakeholder groups

Reporting requirements

Disclosure
102-40

The reporting organization shall report the following information:

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

Guidance

Examples of stakeholder groups are:

- civil society
- customers
- employees and workers who are not employees
- trade unions
- local communities
- shareholders and providers of capital
- suppliers



Disclosure 102-41

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 recommendations

- 5.1 When compiling the information specified in Disclosure 102-41, the reporting organization should use data from [Disclosure 102-7](#) as the basis for calculating the percentage.

Guidance

Guidance for Disclosure 102-41

This disclosure asks for the percentage of employees covered by collective bargaining agreements. It does not ask for the percentage of employees belonging to trade unions.

Collective bargaining refers to all negotiations which take place between one or more employers or employers' organizations, on the one hand, and one or more workers' organizations (trade unions), on the other, for determining working conditions and terms of employment or for regulating relations between employers and workers.¹ Therefore, a collective bargaining agreement represents a form of joint decision-making concerning the organization's operations.

By definition, collective bargaining agreements are obligations (often legally binding) that the organization has undertaken. The organization is expected to understand the coverage of the agreement (the workers to whom it is obligated to apply the terms of the agreement).

Collective agreements can be made at various levels and for categories and groups of workers. Collective agreements can be at the level of the organization; at the industry level, in countries where that is the practice; or at both. Collective agreements can cover specific groups of workers; for example, those performing a specific activity or working at a specific location.

See references 1, 2, 3, 4, 5, 8 and 9 in the [References section](#).

¹ This definition is based on the International Labour Organization (ILO) Convention 154, 'Collective Bargaining Convention', 1981.

Core

Disclosure 102-42

Identifying and selecting stakeholders

Reporting requirements

Disclosure
102-42

The reporting organization shall report the following information:

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

Reporting recommendations

- 5.2 When compiling the information specified in Disclosure 102-42, the reporting organization should describe the process for:
 - 5.2.1 defining its stakeholder groups;
 - 5.2.2 determining the groups with which to engage and not to engage.

Core

Disclosure 102-43

Approach to stakeholder engagement

Reporting requirements

Disclosure
102-43

The reporting organization shall report the following information:

- a. The organization's approach to stakeholder engagement, including frequency of engagement by type and by stakeholder group, and an indication of whether any of the engagement was undertaken specifically as part of the report preparation process.

Guidance

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

For many organizations, customers are a relevant stakeholder group. As well as measuring an organization's sensitivity to its customers' needs and preferences, customer satisfaction or dissatisfaction can give insight into the degree to which the organization considers the needs of stakeholders.



Disclosure 102-44

Key topics and concerns raised

Reporting requirements

The reporting organization shall report the following information:

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

Disclosure
102-44

Guidance

As part of the key topics and concerns raised by stakeholders, this disclosure can include the results or key conclusions of customer surveys (based on statistically relevant sample sizes) conducted in the reporting period.

These surveys can indicate customer satisfaction and dissatisfaction relating to:

- the organization as a whole
- a major product or service category
- significant locations of operation

6. Reporting practice

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



Disclosure 102-45

Entities included in the consolidated financial statements

Reporting requirements

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.
- b. Whether any entity included in the organization's consolidated financial statements or equivalent documents is not covered by the report.

Guidance

An organization can report Disclosure 102-45 by referencing the information in publicly available consolidated financial statements or equivalent documents.

Disclosure
102-45

Disclosure 102-46

Defining report content and topic Boundaries

Reporting requirements

Disclosure 102-46

The reporting organization shall report the following information:

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

- 6.1 When compiling the information specified in Disclosure 102-46, the reporting organization shall include an explanation of how the Materiality principle was applied to identify material topics, including any assumptions made.

Reporting recommendations

- 6.2 When compiling the information specified in Disclosure 102-46, the reporting organization should include an explanation of:
- 6.2.1 the steps taken to define the content of the report and to define the topic Boundaries;
 - 6.2.2 at which steps in the process each of the Reporting Principles for defining report content was applied;
 - 6.2.3 assumptions and subjective judgements made in the process;
 - 6.2.4 challenges the organization encountered when applying the Reporting Principles for defining report content.

Guidance

The four Reporting Principles for defining report content are: Stakeholder Inclusiveness, Sustainability Context, Materiality, and Completeness. Together, these Principles help an organization decide which content to include in the report by considering the organization's activities, impacts, and the substantive expectations and interests of its stakeholders.

This disclosure asks for an explanation of how the organization has defined its report content and topic Boundaries, and how these four Principles have been implemented. This explanation also requires a specific description of how the Materiality principle has been applied, including how material topics were identified based on the two dimensions of the principle.

This explanation can also include:

- the steps taken to identify relevant topics (i.e., those that potentially merit inclusion in the report);
- how the relative priority of material topics was determined.

For more information on the Reporting Principles for defining report content, see [GRI 101: Foundation](#).

The description of the topic Boundary for each material topic is reported under [Disclosure 103-1](#) in *GRI 103: Management Approach*.

Core

Disclosure 102-47

List of material topics

Reporting requirements

Disclosure
102-47

The reporting organization shall report the following information:

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

Guidance

Material topics are those that an organization has prioritized for inclusion in the report. This prioritization exercise is carried out using the Stakeholder Inclusiveness and the Materiality principles. The Materiality principle identifies material topics based on the following two dimensions:

The significance of the organization's economic, environmental, and social impacts;

Their substantive influence on the assessments and decisions of stakeholders.

For more information on the Stakeholder Inclusiveness and Materiality principles, see [GRI 101: Foundation](#).

The explanation of why each topic is material is reported under [Disclosure 103-1](#) in GRI 103: *Management Approach*.

Core

Disclosure 102-48

Restatements of information

Reporting requirements

Disclosure
102-48

The reporting organization shall report the following information:

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

Guidance

Restatements can result from:

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



Disclosure 102-49

Changes in reporting

Reporting requirements

Disclosure
102-49

- The reporting organization shall report the following information:
- a. Significant changes from previous reporting periods in the list of material topics and topic Boundaries.



Disclosure 102-50

Reporting period

Reporting requirements

Disclosure
102-50

- The reporting organization shall report the following information:
- a. Reporting period for the information provided.

.....

Guidance

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



Disclosure 102-51

Date of most recent report

Reporting requirements

Disclosure
102-51

- The reporting organization shall report the following information:
- a. If applicable, the date of the most recent previous report.

.....

Guidance

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

Core

Disclosure 102-52

Reporting cycle

Reporting requirements

Disclosure
102-52

The reporting organization shall report the following information:

- a. Reporting cycle.

Guidance

The reporting cycle can be, for example, annual or biennial.

Core

Disclosure 102-53

Contact point for questions regarding the report

Reporting requirements

Disclosure
102-53

The reporting organization shall report the following information:

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

Core

Disclosure 102-54

Claims of reporting in accordance with the GRI Standards

Reporting requirements

Disclosure
102-54

The reporting organization shall report the following information:

- a. The claim made by the organization, if it has prepared a report in accordance with the GRI Standards, either:
 - i. *‘This report has been prepared in accordance with the GRI Standards: Core option’;*
 - ii. *‘This report has been prepared in accordance with the GRI Standards: Comprehensive option’.*

Guidance

An organization preparing a report in accordance with the GRI Standards can choose one of two options (Core or Comprehensive), depending on the degree to which the GRI Standards have been applied. For each option, there is a corresponding claim, or statement of use, that the organization is required to include in the report. These claims have set wording.

For more information on making claims related to the use of the GRI Standards, see [Section 3](#) in *GRI 101: Foundation*.

Disclosure 102-55

GRI content index

Reporting requirements

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 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.

Disclosure
102-55

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 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

The content index required by this disclosure is a navigation tool that specifies which GRI Standards have been used, which disclosures have been made, and where these disclosures can be found in the report or other location. It enables stakeholders to gain a quick overview of the report and facilitates easy navigation across reports. Any organization making a claim that its report has been prepared in accordance with the GRI Standards is required to include a GRI content index in its report or provide a link to where the content index can be found. See [Table 1 in GRI 101: Foundation](#) for more information.

The disclosure number refers to the unique numeric identifier for each disclosure in the GRI Standards (e.g., 102-53).

The page numbers (when the report is PDF-based) or URLs (when the report is web-based) referenced in the content index are expected to be specific enough to direct stakeholders to the information for the disclosures made. If a disclosure is spread over multiple pages or URLs, the content index references all pages and URLs where the information can be found. See '[Reporting required disclosures using references](#)' in *GRI 101: Foundation* for more information.

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

Disclosure 102-55

Continued

Material topics that are not covered by the GRI Standards but are included in the report are also required to be in the content index. See '[Reporting on material topics](#)' in *GRI 101: Foundation* for more information on how to report on these topics, and Table 1 of this Standard for an example of how to include these topics in the content index.

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

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

See [clause 3.2](#) in *GRI 101: Foundation*, which specifies the required information to provide when giving reasons for omission.

The organization can use Table 1 of this Standard as one possible format to prepare the GRI content index.

Table 1
Example of a GRI content index

GRI Content Index

GRI Standard <i>[include the title and publication year for each of the GRI Standards used to prepare the report]</i>	Disclosure <i>[include the number and title for each disclosure made]</i>	Page number(s) and/or URL(s)	Omission <i>[see GRI 101: Foundation for information on reasons for omission]</i>
GRI 101: Foundation 2016 <i>[GRI 101 does not include any disclosures]</i>			
General Disclosures <i>[the list of general disclosures made, based on whether the report has been prepared in accordance with the Core or Comprehensive option]</i>			
GRI 102: General Disclosures 2016	102-1 Name of the organization	Page 3	<i>[this disclosure cannot be omitted]</i>
	102-2 Activities, brands, products, and services	Pages 4-5 and corporate website <i>[direct hyperlink]</i>	<i>[this disclosure cannot be omitted]</i>
	" "	" "	" "
Material topics <i>[the list of material topics included in the report, as reported in Disclosure 102-47. The reporting organization is required to include any material topics reported on which are not covered by the GRI Standards]</i>			
Emissions <i>[example of topic covered by the topic-specific Standards]</i>			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundaries	Page 20	<i>[this disclosure cannot be omitted]</i>
	103-2 The management approach and its components	Page 21	—
	" "	" "	" "
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Page 22	—
	305-2 Energy indirect (Scope 2) GHG emissions	" "	Information unavailable for 305-2 <i>[description of the steps being taken to obtain the data and the expected timeframe for doing so]</i>
	" "	" "	" "
Freedom of speech <i>[example of topic not covered by the topic-specific Standards]</i>			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundaries	Page 28	<i>[this disclosure cannot be omitted]</i>
	103-2 The management approach and its components	Page 29	—
	" "	" "	" "
<i>[not applicable. If the material topic is not covered by an existing GRI Standard, it is recommended, but not required, to report other appropriate disclosures]</i>	<i>[title of topic-specific disclosure]</i>	Page 30	—
	" "	" "	" "

Core

Disclosure 102-56

External assurance

Reporting requirements

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.
- 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 and what has not been assured and on what basis, including the assurance standards used, the level of assurance obtained, and any limitations of the assurance process;
 - 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.

Disclosure
102-56

Guidance

Background

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

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

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

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

In some jurisdictions, corporate governance codes can require directors to inquire, and then, if satisfied, to confirm in the annual report the adequacy of an organization's internal controls. Generally, management is responsible for designing and implementing these internal controls. The confirmation in the annual report might relate only to such internal controls that are necessary for financial reporting purposes, and do not

necessarily extend to those controls that would be required to address the reliability of information in the sustainability report.

An organization can also establish and maintain an internal audit function as part of its processes for risk management and for managing and reporting information.

An organization can also convene a stakeholder panel to review its overall approach to sustainability reporting or to provide advice on the content of its sustainability report.

Guidance for Disclosure 102-56

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

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

- are independent from the organization and therefore able to reach and publish an objective and impartial opinion or conclusions about the report;
- are demonstrably competent in both the subject matter and assurance practices;
- apply quality control procedures to the assurance engagement;

Disclosure 102-56**Continued**

- conduct the engagement in a manner that is systematic, documented, evidence-based, and characterized by defined procedures;
- assess whether the report provides a reasonable and balanced presentation of performance – considering the veracity of data in the report as well as the overall selection of content;
- assess the extent to which the report preparer has applied the GRI Standards in the course of reaching its conclusions;
- issue a written report that is publicly available and includes: an opinion or set of conclusions; a description of the responsibilities of the report preparer and the assurance provider; and a summary of the work performed, which explains the nature of the assurance conveyed by the assurance report.

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

References

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

Authoritative intergovernmental instruments:

1. International Labour Organization (ILO) Convention 87, 'Freedom of Association and Protection of the Right to Organise Convention', 1948.
2. International Labour Organization (ILO) Convention 98, 'Right to Organise and Collective Bargaining Convention', 1949.
3. International Labour Organization (ILO) Convention 135, 'Workers' Representatives Convention', 1971.
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15. United Nations (UN), 'Protect, Respect and Remedy: a Framework for Business and Human Rights', 2008.
16. United Nations (UN), *Report of the Special Representative of the Secretary-General on the Issue of Human Rights and Transnational Corporations and Other Business Enterprises*, John Ruggie, 2011.

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ISBN: 978-90-8866-056-6

GRI 103: MANAGEMENT APPROACH

2016



GRI

103

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About this Standard

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

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

Introduction

A. Overview

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

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

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

GRI 101: Foundation

GRI 102: General Disclosures

GRI 103: Management Approach

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

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

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

B. Using the GRI Standards and making claims

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

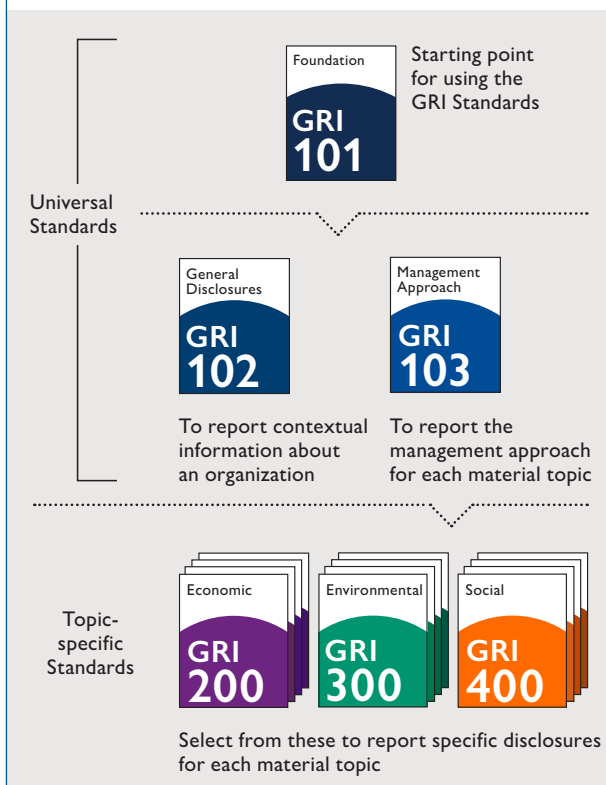
1. The GRI Standards can be used as a set to prepare a sustainability report that is in accordance with the Standards. There are two options for preparing a report in accordance (Core or Comprehensive), depending on the extent of disclosures included in the report.

An organization preparing a report in accordance with the GRI Standards uses this Standard, *GRI 103: Management Approach*, to report its management approach for each material topic.

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

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

Figure 1
Overview of the set of GRI Standards



C. Requirements, recommendations and guidance

The GRI Standards include:

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

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

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

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

D. Background context

Management approach disclosures enable an organization to explain how it manages the economic, environmental and social impacts related to material topics. This provides narrative information about how the organization identifies, analyzes, and responds to its actual and potential impacts.

Disclosure about an organization's management approach also provides context for the information reported using topic-specific Standards (series 200, 300 and 400). This can be especially useful for explaining quantitative information to stakeholders.

The reporting requirements in this Standard have a generic form, and can be applied to a wide variety of topics. An organization preparing a report in accordance with the GRI Standards is required to report its management approach for each material topic using this Standard. Topic-specific Standards can also contain additional reporting requirements, reporting recommendations and/or guidance for reporting management approach information about the topic in question.

GRI 103: Management Approach

This Standard includes general requirements and disclosures for reporting the management approach for material topics. These are set out in the Standard as follows:

- General requirements for reporting the management approach
- Disclosure 103-1 Explanation of the material topic and its Boundary
- Disclosure 103-2 The management approach and its components
- Disclosure 103-3 Evaluation of the management approach

General requirements for reporting the management approach

Reporting requirements

- 1.1** If management approach disclosures are combined for a group of material topics, the reporting organization shall state which topics are covered by each disclosure.
- 1.2** If there is no management approach for a material topic, the reporting organization shall describe:
- 1.2.1** any plans to implement a management approach; or
 - 1.2.2** the reasons for not having a management approach.

Guidance

Guidance for clause 1.1

If an organization's management approach or its components, such as policies or specific actions, apply to more than one material topic, the narrative description does not need to be repeated for each topic. Such information can be provided once in a report, with a clear explanation of the topics it covers.

Disclosure 103-1

Explanation of the material topic and its Boundary

Reporting requirements

For each material topic, the reporting organization shall report the following information:

- a. An explanation of why the topic is material.
- b. The Boundary for the material topic, which includes a description of:
 - i. where the impacts occur;
 - ii. the organization's involvement with the impacts. For example, whether the organization has caused or contributed to the impacts, or is directly linked to the impacts through its business relationships.
- c. Any specific limitation regarding the topic Boundary.

Disclosure
103-1

Guidance

Guidance for Disclosure 103-1-a

Material topics are those that reflect an organization's significant economic, environmental and social impacts; or that substantively influence the assessments and decisions of stakeholders. The list of material topics is reported in [Disclosure 102-47](#) of *GRI 102: General Disclosures*. For more information on identifying material topics, see [GRI 101: Foundation](#).

The explanation of why the topic is material can include:

- a description of the significant impacts identified and the reasonable expectations and interests of stakeholders regarding the topic;
- a description of the process, such as due diligence, that the organization used to identify the impacts related to the topic.

Guidance for Disclosure 103-1-b

Organizations might be involved with impacts either through their own activities or as a result of their business relationships with other entities. An organization preparing a report in accordance with the GRI Standards is expected to report not only on impacts it causes, but also on impacts it contributes to, and impacts that are directly linked to its activities, products or services through a business relationship.¹ In the context of this GRI Standard, an organization's business relationships can include relationships with

business partners, entities in its value chain, and any other non-State or State entity directly linked to its business operations, products or services.²

The topic Boundary is the description of where the impacts for a material topic occur, and the organization's involvement with these impacts.

When describing 'where the impacts occur', the organization can identify the entities where impacts occur, which can be entities in the organization,³ and/or entities with which it has a business relationship, such as entities in its value chain. The entities can be grouped based on their attributes, such as their type, location, or position in the value chain. Examples include 'customers using washing machines manufactured by the organization', 'chemical suppliers in region X', or 'trading subsidiaries of the organization'.

Example of impacts that occur in the organization:

- The subsidiary of an organization operates in a water-stressed area and uses large amounts of water, which has significantly impacted on the availability of water for the local communities in the area. In this case, the description of the topic Boundary would identify the specific subsidiary (where the impacts occur) and the fact that the impact is caused by the activities of this subsidiary (the organization's involvement).

¹ These concepts are based on the following instruments:

- Organisation for Economic Co-operation and Development (OECD), *OECD Guidelines for Multinational Enterprises*, 2011.
- United Nations (UN), 'Guiding Principles on Business and Human Rights, Implementing the United Nations "Protect, Respect and Remedy" Framework', 2011.

² Source: United Nations (UN), 'Guiding Principles on Business and Human Rights, Implementing the United Nations "Protect, Respect and Remedy" Framework', 2011.

³ These are the entities included in the organization's consolidated financial statements or equivalent documents, as reported under [Disclosure 102-45](#) of *GRI 102: General Disclosures*.

Disclosure 103-1

Continued

Example of impacts that occur as a result of the organization's business relationships with other entities:

- An organization discovers through its due diligence that a number of its suppliers in region X do not uphold basic health and safety standards at the factories where its products are being manufactured. The organization has identified potential significant impacts on the health and safety of its suppliers' workers. In this case, the description of the topic Boundary would identify the organization's suppliers or group of suppliers in region X manufacturing its products (where the impacts occur), and the fact that the impacts are directly linked to the organization's products via its relationship with those suppliers (the organization's involvement).

In situations where the organization does not have leverage⁴ over the entities that cause or contribute to these impacts, the organization is still expected to report on these impacts and how it has responded to them.

The topic Boundary can vary by topic.

Guidance for Disclosure 103-1-c

In some cases, if the Boundary of a topic extends beyond the organization, it may not be possible to report some topic-specific disclosures. For example, if the Boundary for a topic includes part of the supply chain, the organization might not be able to access the necessary information from suppliers. In these cases, to prepare a report in accordance with the GRI Standards, the organization is still required to report its management approach for the topic, but can use the recognized reasons for omission for topic-specific disclosures. See [GRI 101: Foundation](#) for more information on reasons for omission.

⁴ Leverage is considered to exist where the organization has the ability to effect change in the wrongful practices of an entity that causes a harm. Source: United Nations (UN), 'Guiding Principles on Business and Human Rights, Implementing the United Nations "Protect, Respect and Remedy" Framework', 2011.

Disclosure 103-2

The management approach and its components

Reporting requirements

For each material topic, the reporting organization shall report the following information:

- a. An explanation of how the organization manages the topic.
- b. A statement of the purpose of the management approach.
- c. A description of the following, if the management approach includes that component:
 - i. Policies
 - ii. Commitments
 - iii. Goals and targets
 - iv. Responsibilities
 - v. Resources
 - vi. Grievance mechanisms
 - vii. Specific actions, such as processes, projects, programs and initiatives

Disclosure
103-2

Guidance

Guidance for Disclosure 103-2

The reporting organization is expected to provide sufficient information for report users to understand its approach to managing the material topic and its impacts.

Guidance for Disclosure 103-2-b

The purpose of the management approach can be to avoid, mitigate, or remediate negative impacts, or to enhance positive impacts.

Reporting recommendations

- 1.3 When reporting on policies as specified in Disclosure 103-2-c-i, the reporting organization should provide an abstract, summary, or link to the publicly-available policies that cover the topic, as well as the following information:
 - 1.3.1 The range and location of entities covered by the policies;
 - 1.3.2 An identification of the person or committee responsible for approving the policies;
 - 1.3.3 Any references the policies make to international standards and widely-recognized initiatives;
 - 1.3.4 The date of issue and last review date of the policies.
- 1.4 When reporting on commitments as specified in Disclosure 103-2-c-ii, the reporting organization should provide a statement of intent to manage the impacts for the topic, or explain:
 - 1.4.1 the organization's position towards the topic;
 - 1.4.2 whether the commitment to manage the topic is based on regulatory compliance or extends beyond it;
 - 1.4.3 compliance with international standards and widely-recognized initiatives related to the topic.

Disclosure 103-2**Continued**

- 1.5 When reporting on goals and targets as specified in Disclosure 103-2-c-iii, the reporting organization should provide the following information:
 - 1.5.1 The baseline and context for goals and targets;
 - 1.5.2 The range and location of entities included in the goals and targets;
 - 1.5.3 The expected result (quantitative or qualitative);
 - 1.5.4 The expected timeline for achieving each goal and target;
 - 1.5.5 Whether goals and targets are mandatory (based on legislation) or voluntary. If they are mandatory, the organization should list the relevant legislation.
- 1.6 When reporting on responsibilities as specified in Disclosure 103-2-c-iv, the reporting organization should explain:
 - 1.6.1 who is assigned responsibility for managing the topic;
 - 1.6.2 whether the responsibility is linked to performance assessments or incentive mechanisms.
- 1.7 When reporting on resources as specified in Disclosure 103-2-c-v, the reporting organization should explain the resources allocated for managing the topic, such as financial, human or technological, as well as the rationale for the allocation.
- 1.8 When reporting on [grievance mechanisms](#) as specified in Disclosure 103-2-c-vi, the reporting organization should explain for each grievance mechanism reported:
 - 1.8.1 The ownership of the mechanism;
 - 1.8.2 The purpose of the mechanism and its relationship to other grievance mechanisms;
 - 1.8.3 The organization's activities that are covered by the mechanism;
 - 1.8.4 The intended users of the mechanism;
 - 1.8.5 How the mechanism is managed;
 - 1.8.6 The process to address and resolve grievances, including how decisions are made;
 - 1.8.7 The effectiveness criteria used.
- 1.9 When reporting on specific actions as specified in Disclosure 103-2-c-vii, the reporting organization should explain:
 - 1.9.1 the range of entities covered by each of the actions and their location;
 - 1.9.2 whether the actions are ad hoc or systemic;
 - 1.9.3 whether the actions are short, medium, or long-term;
 - 1.9.4 how actions are prioritized;
 - 1.9.5 whether the actions are part of a [due diligence](#) process and aim to avoid, mitigate, or remediate the negative impacts with respect to the topic;
 - 1.9.6 whether actions take international norms or standards into account.

Guidance*Guidance for clause 1.6*

The disclosure of the highest governance body's responsibilities for economic, environmental, and social topics is covered in [Section 4](#) of *GRI 102: General Disclosures*.

Guidance for clause 1.7

This explanation can include expenditures to prevent, mitigate and remediate impacts. This includes, for example, expenditures on equipment, maintenance, operating materials and services, training and education, external certification of management systems, research and development, or the installation of new technologies.

Disclosure 103-2

Continued

Guidance for clause 1.8

This Standard covers grievance mechanisms that are linked to the reporting organization. Such mechanisms can be industry, multi-stakeholder or other collaborative initiatives. They can also be processes established by the organization.

Mechanisms established by the organization are referred to as 'operational-level' grievance mechanisms. These can occur at the organization level or at a lower level, such as a site or project level.

When explaining the ownership of the mechanisms, the organization can indicate whether the grievance mechanism is an operational mechanism, or whether it is a collaborative mechanism established by, or formally involving, other organizations.

Grievance mechanisms can serve multiple purposes, which include:

- providing remedy when negative impacts occur;
- helping to identify negative impacts;
- informing the effectiveness of the organization's management approach.

As such, information on grievance mechanisms can also be useful for reporting [Disclosures 103-1](#) and [103-3](#) of this Standard.

In situations where the use of the grievance mechanism precludes access to judicial or other non-judicial mechanisms, or can interfere with the legitimate role of trade unions, the organization is expected to disclose this.

The management of a grievance mechanism can depend on whether the grievance mechanism is an operational mechanism, or whether it involves other organizations. The organization can disclose whether stakeholders, including suppliers, community organizations or trade unions, are involved in the design of the mechanism. It can also disclose whether stakeholders have a role in monitoring the effectiveness of the mechanism.

Effectiveness criteria can include whether the grievance mechanism is legitimate, accessible, predictable, equitable, transparent, rights-compatible, and a source of continuous learning. For operational-level mechanisms to be effective, they are expected to be based on engagement and dialogue. For a description of each of these criteria, see Guiding Principle 31 in the United Nations (UN) 'Guiding Principles on Business and Human Rights'. These effectiveness criteria can be applied to grievance mechanisms addressing any economic, environmental, and social topic or impact.

Where relevant, the organization can report the following for each mechanism:

- The total number of grievances filed through the mechanism during the reporting period;
- The number of grievances that were addressed (or reviewed) during the reporting period;
- The number of grievances that were resolved during the reporting period;
- The number of grievances filed through the mechanism prior to the reporting period that were resolved during the reporting period;
- The number of grievances that were resolved by remediation, and how remedy was provided.

If it will provide context on significant negative impacts, the organization can provide a breakdown of the number of grievances by the nature and location of the grievance, and the party that filed the grievance (including: employees, workers who are not employees, and their trade unions; business partners such as suppliers; and civil society or local communities).

Guidance for clause 1.9.6

International norms and standards include the Organisation for Economic Co-operation and Development (OECD) *OECD Guidelines for Multinational Enterprises*, the UN *Protect, Respect and Remedy: a Framework for Business and Human Rights*; and the UN 'Guiding Principles on Business and Human Rights'.

Disclosure 103-3

Evaluation of the management approach

Reporting requirements

For each material topic, the reporting organization shall report the following information:

- a. An explanation of how the organization evaluates the management approach, including:
- the mechanisms for evaluating the effectiveness of the management approach;
 - the results of the evaluation of the management approach;
 - any related adjustments to the management approach.

Disclosure
103-3

Guidance

Guidance for Disclosure 103-3-a-i

Mechanisms for monitoring the effectiveness of the management approach can include:

- internal or external auditing or verification (type, system, scope);
- measurement systems;
- external performance ratings;
- benchmarking;
- stakeholder feedback;
- grievance mechanisms.

Guidance for Disclosure 103-3-a-ii

The explanation of these results can include:

- disclosures from the GRI Standards or organization-specific measurements used to report results;
- performance against goals and targets, including key successes and shortcomings;
- how results are communicated;
- challenges and gaps in the management approach;
- any obstacles encountered, unsuccessful endeavors, and any lessons learned in the process;
- progress made in implementing the management approach.

Guidance for Disclosure 103-3-a-iii

Adjustments to the management approach as a result of the evaluation can include:

- changes in the allocation of resources, goals, or targets;
- specific actions aimed at improving performance.

References

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

Authoritative intergovernmental instruments:

1. Organisation for Economic Co-operation and Development (OECD), *OECD Guidelines for Multinational Enterprises*, 2011.
2. United Nations (UN), 'Guiding Principles on Business and Human Rights, Implementing the United Nations "Protect, Respect and Remedy" Framework', 2011.
3. United Nations (UN), *Protect, Respect and Remedy: a Framework for Business and Human Rights*, 2008.
4. United Nations (UN), *Report of the Special Representative of the Secretary-General on the Issue of Human Rights and Transnational Corporations and Other Business Enterprises*, John Ruggie, 2011.

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ISBN: 978-90-8866-057-3

GRI 201: ECONOMIC PERFORMANCE

2016



GRI

201

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About this Standard

Responsibility	This Standard is issued by the Global Sustainability Standards Board (GSSB) . Any feedback on the GRI Standards can be submitted to standards@globalreporting.org for the consideration of the GSSB.
Scope	<i>GRI 201: Economic Performance</i> sets out reporting requirements on the topic of economic performance. This Standard can be used by an organization of any size, type, sector or geographic location that wants to report on its impacts related to this topic.
Normative references	This Standard is to be used together with the most recent versions of the following documents. GRI 101: Foundation GRI 103: Management Approach GRI Standards Glossary In the text of this Standard, terms defined in the Glossary are <u>underlined</u>.
Effective date	This Standard is effective for reports or other materials published on or after 1 July 2018. Earlier adoption is encouraged.

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

Introduction

A. Overview

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

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

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

[GRI 101: Foundation](#)

[GRI 102: General Disclosures](#)

[GRI 103: Management Approach](#)

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

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

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

GRI 201: Economic Performance is a topic-specific GRI Standard in the 200 series (Economic topics).

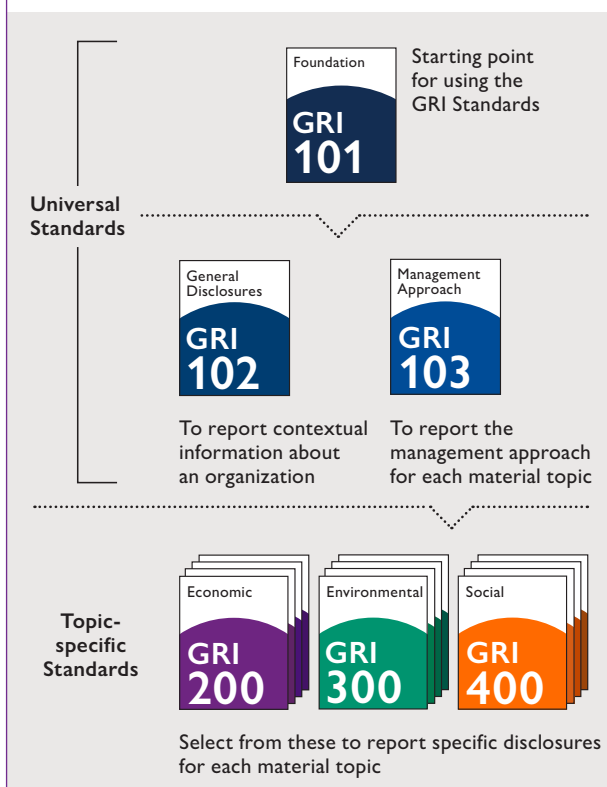
B. Using the GRI Standards and making claims

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

1. The GRI Standards can be used as a set to prepare a sustainability report that is in accordance with the Standards. There are two options for preparing a report in accordance (Core or Comprehensive), depending on the extent of disclosures included in the report.
2. Selected GRI Standards, or parts of their content, can also be used to report specific information, without preparing a report in accordance with the Standards. Any published materials that use the GRI Standards in this way are to include a 'GRI-referenced' claim.

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

Figure 1
Overview of the set of GRI Standards



C. Requirements, recommendations and guidance

The GRI Standards include:

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

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

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

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

D. Background context

In the context of the GRI Standards, the economic dimension of sustainability concerns an organization's impacts on the economic conditions of its stakeholders, and on economic systems at local, national, and global levels.

The Standards in the Economic series (200) address the flow of capital among different stakeholders, and the main economic impacts of an organization throughout society.

GRI 201 addresses the topic of economic performance. This includes the economic value generated and distributed (EVG&D) by an organization; its defined benefit plan obligations; the financial assistance it receives from any government; and the financial implications of climate change.

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

The disclosures in this Standard can provide information about an organization's impacts related to economic performance, and how it manages them.

GRI 201: Economic Performance

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

- Management approach disclosures (this section references *GRI 103*)
- Disclosure 201-1 Direct economic value generated and distributed
- Disclosure 201-2 Financial implications and other risks and opportunities due to climate change
- Disclosure 201-3 Defined benefit plan obligations and other retirement plans
- Disclosure 201-4 Financial assistance received from government

1. Management approach disclosures

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

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

Reporting requirements

- 1.1** The reporting organization shall report its management approach for economic performance using [*GRI 103: Management Approach*](#).

2. Topic-specific disclosures

An organization is expected to compile information for economic disclosures using figures from its audited financial statements or from its internally-audited management accounts, whenever possible. Data can be compiled using, for example:

- the relevant International Financial Reporting Standards (IFRS), published by the International Accounting Standards Board (IASB), and the Interpretations developed by the IFRS Interpretations Committee (specific IFRS are referenced for some of the disclosures);
- the International Public Sector Accounting Standards (IPSAS) issued by the International Federation of Accountants (IFAC);
- national or regional standards recognized internationally for the purpose of financial reporting.

Disclosure 201-1

Direct economic value generated and distributed

Reporting requirements

The reporting organization shall report the following information:

- a. **Direct economic value generated and distributed (EVG&D) on an accruals basis, including the basic components for the organization's global operations as listed below. If data are presented on a cash basis, report the justification for this decision in addition to reporting the following basic components:**
 - i. **Direct economic value generated: revenues;**
 - ii. **Economic value distributed: operating costs, employee wages and benefits, payments to providers of capital, payments to government by country, and community investments;**
 - iii. **Economic value retained: 'direct economic value generated' less 'economic value distributed'.**
- b. **Where significant, report EVG&D separately at country, regional, or market levels, and the criteria used for defining significance.**

Disclosure
201-1

- 2.1** When compiling the information specified in Disclosure 201-1, the reporting organization shall, if applicable, compile the EVG&D from data in the organization's audited financial or profit and loss (P&L) statement, or its internally audited management accounts.

Guidance

Background

Information on the creation and distribution of economic value provides a basic indication of how an organization has created wealth for stakeholders. Several components of the economic value generated and distributed (EVG&D) also provide an economic profile of an organization, which can be useful for normalizing other performance figures.

If presented in country-level detail, EVG&D can provide a useful picture of the direct monetary value added to local economies.

Guidance for Disclosure 201-1

Revenues

An organization can calculate revenues as net sales plus revenues from financial investments and sales of assets. Net sales can be calculated as gross sales from products and services minus returns, discounts, and allowances. Revenues from financial investments can include cash received as:

- interest on financial loans;
- dividends from shareholdings;

Disclosure 201-1

Continued

- royalties;
- direct income generated from assets, such as property rental.

Revenues from sale of assets can include:

- physical assets, such as property, infrastructure, and equipment;
- intangibles, such as intellectual property rights, designs, and brand names.

Operating costs

An organization can calculate operating costs as cash payments made outside the organization for materials, product components, facilities, and services purchased.

Services purchased can include payments to self-employed persons, temporary placement agencies and other organizations providing services. Costs related to workers who are not employees working in an operational role are included as part of services purchased, rather than under employee wages and benefits.

Operating costs can include:

- property rental;
- license fees;
- facilitation payments (since these have a clear commercial objective);
- royalties;
- payments for contract workers;
- training costs, if outside trainers are used;
- personal protective clothing.
- The use of facilitation payments is also addressed in [GRI 205: Anti-corruption](#).

Employee wages and benefits

An organization can calculate employee wages and benefits as total payroll (including employee salaries and amounts paid to government institutions on behalf of employees) plus total benefits (excluding training, costs of protective equipment or other cost items directly related to the employee's job function).

Amounts paid to government institutions on behalf of employees can include employee taxes, levies, and unemployment funds.

Total benefits can include:

- regular contributions, such as to pensions, insurance, company vehicles, and private health;
- other employee support, such as housing, interest-free loans, public transport assistance, educational grants, and redundancy payments.

Payments to providers of capital

An organization can calculate payments to providers of capital as dividends to all shareholders, plus interest payments made to providers of loans.

Interest payments made to providers of loans can include:

- interest on all forms of debt and borrowings (not only long-term debt);
- arrears of dividends due to preferred shareholders.

Payments to government

An organization can calculate payments to governments as all of the organization's taxes plus related penalties paid at the international, national, and local levels. Organization taxes can include corporate, income, and property.

Payments to government exclude deferred taxes, because they may not be paid.

If operating in more than one country, the organization can report taxes paid by country, including the definition of segmentation used.

Community investments

Total community investments refers to actual expenditures in the reporting period, not commitments. An organization can calculate community investments as voluntary donations plus investment of funds in the broader community where the target beneficiaries are external to the organization. Voluntary donations and investment of funds in the broader community where the target beneficiaries are external to the organization can include:

- contributions to charities, NGOs and research institutes (unrelated to the organization's commercial research and development);
- funds to support community infrastructure, such as recreational facilities;
- direct costs of social programs, including arts and educational events.

If reporting infrastructure investments, an organization can include costs of goods and labor, in addition to capital costs, as well as operating costs for support of ongoing facilities or programs. An example of support for ongoing facilities or programs can include the organization funding the daily operations of a public facility.

Community investments exclude legal and commercial activities or where the purpose of the investment is exclusively commercial (donations to political parties can be included, but are also addressed separately in more detail in [GRI 415: Public Policy](#)).

Disclosure 201-1**Continued**

Community investments also exclude any infrastructure investment that is driven primarily by core business needs, or to facilitate the business operations of an organization. Infrastructure investments driven primarily by core business needs can include, for example, building a road to a mine or a factory. The calculation of investment can include infrastructure built outside the main business activities of the organization, such as a school or hospital for workers and their families.

See references 5, 6, 7 and 9 in the [References section](#).

Disclosure 201-2

Financial implications and other risks and opportunities due to climate change

Reporting requirements

The reporting organization shall report the following information:

- a. Risks and opportunities posed by climate change that have the potential to generate substantive changes in operations, revenue, or expenditure, including:
 - i. a description of the risk or opportunity and its classification as either physical, regulatory, or other;
 - ii. a description of the impact associated with the risk or opportunity;
 - iii. the financial implications of the risk or opportunity before action is taken;
 - iv. the methods used to manage the risk or opportunity;
 - v. the costs of actions taken to manage the risk or opportunity.

- 2.2 When compiling the information specified in Disclosure 201-2, if the reporting organization does not have a system in place to calculate the financial implications or costs, or to make revenue projections, it shall report its plans and timeline to develop the necessary systems.

Reporting recommendations

- 2.3 When compiling the information specified in Disclosure 201-2, the reporting organization should report the following additional characteristics for the identified risks and opportunities:

- 2.3.1 A description of the risk or opportunity driver, such as a particular piece of legislation, or a physical driver, such as water scarcity;
- 2.3.2 The projected time frame in which the risk or opportunity is expected to have substantive financial implications;
- 2.3.3 Direct and indirect impacts (whether the impact directly affects the organization, or indirectly affects the organization via its value chain);
- 2.3.4 The potential impacts generally, including increased or decreased:
 - 2.3.4.1 capital and operational costs;
 - 2.3.4.2 demand for products and services;
 - 2.3.4.3 capital availability and investment opportunities;
- 2.3.5 Likelihood (the probability of the impact on the organization);
- 2.3.6 Magnitude of impact (if occurring, the extent to which the impact affects the organization financially).

Guidance

Guidance for Disclosure 201-2

Risk and opportunities due to climate change can be classified as:

- physical
- regulatory
- other

Physical risks and opportunities can include:

- the impact of more frequent and intense storms;
- changes in sea level, ambient temperature, and water availability;
- impacts on workers – such as health effects, including heat-related illness or disease, and the need to relocate operations.

Disclosure 201-2**Continued**

Other risks and opportunities can include the availability of new technologies, products, or services to address challenges related to climate change, as well as changes in customer behavior.

Methods used to manage the risk or opportunity can include:

- carbon capture and storage;
- fuel switching;
- use of renewable and lower carbon footprint energy;
- improving energy efficiency;
- flaring, venting, and fugitive emission reduction;
- renewable energy certificates;
- use of carbon offsets.

Background

Climate change presents risks and opportunities to organizations, their investors, and their stakeholders.

As governments move to regulate activities that contribute to climate change, organizations that are directly or indirectly responsible for emissions face regulatory risks and opportunities. Risks can include increased costs or other factors impacting competitiveness. However, limits on greenhouse gas (GHG) emissions can also create opportunities for organizations as new technologies and markets are created. This is especially the case for organizations that can use or produce energy and energy-efficient products more effectively.

See references 2, 3 and 4 in the [References section](#).

Disclosure 201-3

Defined benefit plan obligations and other retirement plans

Reporting requirements

The reporting organization shall report the following information:

- a. If the plan's liabilities are met by the organization's general resources, the estimated value of those liabilities.
- b. If a separate fund exists to pay the plan's pension liabilities:
 - i. the extent to which the scheme's liabilities are estimated to be covered by the assets that have been set aside to meet them;
 - ii. the basis on which that estimate has been arrived at;
 - iii. when that estimate was made.
- c. If a fund set up to pay the plan's pension liabilities is not fully covered, explain the strategy, if any, adopted by the employer to work towards full coverage, and the timescale, if any, by which the employer hopes to achieve full coverage.
- d. Percentage of salary contributed by employee or employer.
- e. Level of participation in retirement plans, such as participation in mandatory or voluntary schemes, regional, or country-based schemes, or those with financial impact.

Disclosure
201-3

Reporting recommendations

- 2.4 When compiling the information specified in Disclosure 201-3, the reporting organization should:
- 2.4.1 calculate the information in accordance with the regulations and methods for relevant jurisdictions, and report aggregated totals;
 - 2.4.2 use the same consolidation techniques as those applied in preparing the financial accounts of the organization.

Guidance

Guidance for Disclosure 201-3

The structure of retirement plans offered to employees can be based on:

- defined benefit plans;
- defined contribution plans;
- other types of retirement benefits.

Different jurisdictions, such as countries, have varying interpretations and guidance regarding calculations used to determine plan coverage.

Note that benefit pension plans are part of the International Accounting Standards Board (IASB) *IAS 19 Employee Benefits*, however IAS 19 covers additional topics.

See reference 7 in the [References section](#).

Background

When an organization provides a retirement plan for its employees, these benefits can become a commitment that members of the schemes plan on for their long-term economic well-being.

Defined benefit plans have potential implications for employers in terms of the obligations that need to be met. Other types of plans, such as defined contribution plans, do not guarantee access to a retirement plan or the quality of the benefits. Thus, the type of plan chosen has implications for both employees and employers. Conversely, a properly funded pension plan can help to attract and maintain employees and support long-term financial and strategic planning on the part of the employer.

Disclosure 201-4

Financial assistance received from government

Reporting requirements

Disclosure 201-4

The reporting organization shall report the following information:

- a. Total monetary value of financial assistance received by the organization from any government during the reporting period, including:
 - i. tax relief and tax credits;
 - ii. subsidies;
 - iii. investment grants, research and development grants, and other relevant types of grant;
 - iv. awards;
 - v. royalty holidays;
 - vi. financial assistance from Export Credit Agencies (ECAs);
 - vii. financial incentives;
 - viii. other financial benefits received or receivable from any government for any operation.
- b. The information in 201-4-a by country.
- c. Whether, and the extent to which, any government is present in the shareholding structure.

2.5 When compiling the information specified in Disclosure 201-4, the reporting organization shall identify the monetary value of financial assistance received from government through consistent application of generally accepted accounting principles.

.....

Guidance

Background

This disclosure provides a measure of governments' contributions to an organization.

The significant financial assistance received from a government, in comparison with taxes paid, can be useful for developing a balanced picture of the transactions between the organization and government.

See reference 8 in the [References](#) section.

References

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

Authoritative intergovernmental instruments:

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

Other relevant references:

2. Carbon Disclosure Project (CDP), *Guidance for companies responding to the Investor CDP Information Request*, updated annually.
3. Climate Disclosure Standards Board (CDSB), *Climate Change Reporting Framework – Edition 1.1*, October 2012.
4. Climate Disclosure Standards Board (CDSB), *Climate Change Reporting Framework Boundary Update*, June 2012.
5. International Accounting Standards Board (IASB), *IAS 12 Income Taxes*, 2001.
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7. International Accounting Standards Board (IASB), *IAS 19 Employee Benefits*, 2001.
8. International Accounting Standards Board (IASB), *IAS 20 Accounting for Government Grants and Disclosure of Government Assistance*, 2001.
9. International Accounting Standards Board (IASB), *IFRS 8 Operating Segments*, 2006.

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ISBN: 978-90-8866-058-0

GRI 202: MARKET PRESENCE 2016



GRI 202

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About this Standard

Responsibility	This Standard is issued by the Global Sustainability Standards Board (GSSB) . Any feedback on the GRI Standards can be submitted to standards@globalreporting.org for the consideration of the GSSB.
Scope	<i>GRI 202: Market Presence</i> sets out reporting requirements on the topic of market presence. This Standard can be used by an organization of any size, type, sector or geographic location that wants to report on its impacts related to this topic.
Normative references	This Standard is to be used together with the most recent versions of the following documents. GRI 101: Foundation GRI 103: Management Approach GRI Standards Glossary In the text of this Standard, terms defined in the Glossary are <u>underlined</u>.
Effective date	This Standard is effective for reports or other materials published on or after 1 July 2018. Earlier adoption is encouraged.

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

Introduction

A. Overview

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

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

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

[GRI 101: Foundation](#)

[GRI 102: General Disclosures](#)

[GRI 103: Management Approach](#)

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

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

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

GRI 202: Market Presence is a topic-specific GRI Standard in the 200 series (Economic topics).

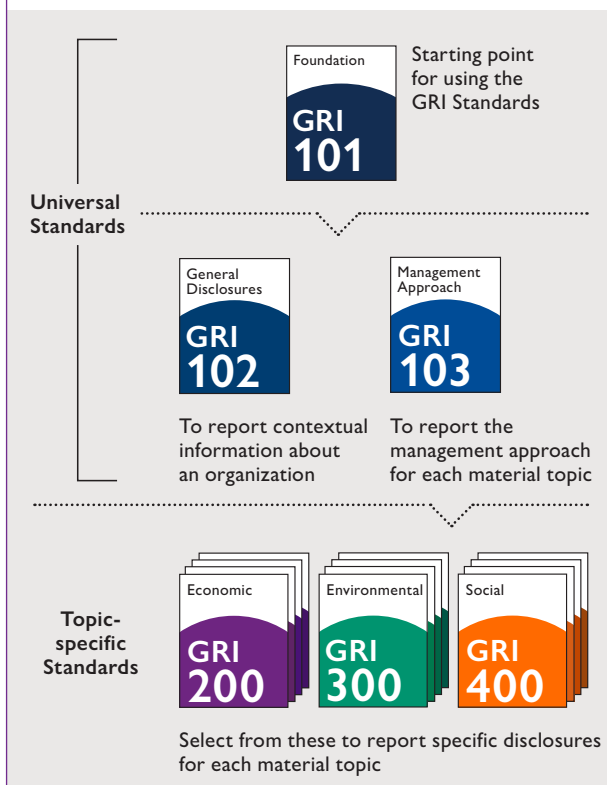
B. Using the GRI Standards and making claims

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

1. The GRI Standards can be used as a set to prepare a sustainability report that is in accordance with the Standards. There are two options for preparing a report in accordance (Core or Comprehensive), depending on the extent of disclosures included in the report.
2. Selected GRI Standards, or parts of their content, can also be used to report specific information, without preparing a report in accordance with the Standards. Any published materials that use the GRI Standards in this way are to include a 'GRI-referenced' claim.

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

Figure 1
Overview of the set of GRI Standards



C. Requirements, recommendations and guidance

The GRI Standards include:

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

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

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

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

D. Background context

In the context of the GRI Standards, the economic dimension of sustainability concerns an organization's impacts on the economic conditions of its stakeholders, and on economic systems at local, national, and global levels. It does not focus on the financial condition of an organization.

The Standards in the Economic series (200) address the flow of capital among different stakeholders, and the main economic impacts of an organization throughout society.

GRI 202 addresses the topic of an organization's market presence, covering its contribution to economic development in the local areas or communities where it operates. For example, this can include the organization's approaches to remuneration or local hiring.

The disclosures in this Standard can provide information about an organization's impacts related to market presence, and how it manages them.

GRI 202: Market Presence

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

- Management approach disclosures (this section references GRI 103)
- Disclosure 202-1 Ratios of standard entry level wage by gender compared to local minimum wage
- Disclosure 202-2 Proportion of senior management hired from the local community

1. Management approach disclosures

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

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

Reporting requirements

- 1.1** The reporting organization shall report its management approach for market presence using [GRI 103: Management Approach](#).

2. Topic-specific disclosures

An organization is expected to compile information for economic disclosures using figures from its audited financial statements or from its internally-audited management accounts, whenever possible. Data can be compiled using, for example:

- the relevant International Financial Reporting Standards (IFRS), published by the International Accounting Standards Board (IASB), and the Interpretations developed by the IFRS Interpretations Committee (specific IFRS are referenced for some of the disclosures);
- the International Public Sector Accounting Standards (IPSAS) issued by the International Federation of Accountants (IFAC);
- national or regional standards recognized internationally for the purpose of financial reporting.

Disclosure 202-1

Ratios of standard entry level wage by gender compared to local minimum wage

Reporting requirements

The reporting organization shall report the following information:

- a. When a significant proportion of employees are compensated based on wages subject to minimum wage rules, report the relevant ratio of the entry level wage by gender at significant locations of operation to the minimum wage.
- b. When a significant proportion of other workers (excluding employees) performing the organization's activities are compensated based on wages subject to minimum wage rules, describe the actions taken to determine whether these workers are paid above the minimum wage.
- c. Whether a local minimum wage is absent or variable at significant locations of operation, by gender. In circumstances in which different minimums can be used as a reference, report which minimum wage is being used.
- d. The definition used for 'significant locations of operation'.

Disclosure
202-1

Reporting recommendations

- 2.1 When compiling the information specified in Disclosure 202-1-b, the reporting organization should:
 - 2.1.1 use the description of the organization's activities from [Disclosure 102-2](#) in GRI 102: *General Disclosures*;
 - 2.1.2 if applicable, convert the entry level wage to the same units used in the minimum wage (e.g., hourly or monthly basis);
 - 2.1.3 when a significant proportion of other workers (excluding employees) performing the organization's activities are compensated based on wages subject to minimum wage rules, report the relevant ratio of the entry level wage by gender at significant locations of operation to the minimum wage.

.....
Guidance

Background

This disclosure applies to those organizations in which a substantial portion of their employees, and workers (excluding employees) performing the organization's activities, are compensated in a manner or scale that is closely linked to laws or regulations on minimum wage.

Providing wages above the minimum wage can help contribute to the economic well-being of workers performing the organization's activities. The impacts of wage levels are immediate, and they directly affect individuals, organizations, countries and economies. The distribution of wages is crucial for eliminating inequalities, such as wage gap differences between women and men, or nationals and migrants.

Also, entry level wages paid compared to local minimum wages show the competitiveness of an organization's wages and provide information relevant for assessing the effect of wages on the local labor market. Comparing this information by gender can also be a measure of an organization's approach to equal opportunity in the workplace.

Disclosure 202-2

Proportion of senior management hired from the local community

Reporting requirements

Disclosure
202-2

The reporting organization shall report the following information:

- a. Percentage of senior management at significant locations of operation that are hired from the local community.
- b. The definition used for ‘senior management’.
- c. The organization’s geographical definition of ‘local’.
- d. The definition used for ‘significant locations of operation’.

2.2 When compiling the information specified in Disclosure 202-2, the reporting organization shall calculate this percentage using data on full-time employees.

Guidance

Guidance for Disclosure 202-2

Senior management hired from the local community includes those individuals either born or who have the legal right to reside indefinitely (such as naturalized citizens or permanent visa holders) in the same geographic market as the operation. The geographical definition of ‘local’ can include the community surrounding operations, a region within a country, or a country.

Background

Including members from the local community in an organization’s senior management demonstrates the organization’s positive market presence. Including local community members in the management team can enhance human capital. It can also increase the economic benefit to the local community, and improve an organization’s ability to understand local needs.

References

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

Authoritative intergovernmental instruments:

1. United Nations (UN) Convention, 'Convention on the Elimination of all Forms of Discrimination against Women (CEDAW)', 1979.

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ISBN: 978-90-8866-059-7

GRI 203: INDIRECT ECONOMIC IMPACTS 2016



GRI **203**

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About this Standard

Responsibility	This Standard is issued by the Global Sustainability Standards Board (GSSB) . Any feedback on the GRI Standards can be submitted to standards@globalreporting.org for the consideration of the GSSB.
Scope	<i>GRI 203: Indirect Economic Impacts</i> sets out reporting requirements on the topic of indirect economic impacts. This Standard can be used by an organization of any size, type, sector or geographic location that wants to report on its impacts related to this topic.
Normative references	This Standard is to be used together with the most recent versions of the following documents. GRI 101: Foundation GRI 103: Management Approach GRI Standards Glossary In the text of this Standard, terms defined in the Glossary are <u>underlined</u>.
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[GRI 102: General Disclosures](#)

[GRI 103: Management Approach](#)

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

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

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

GRI 203: Indirect Economic Impacts is a topic-specific GRI Standard in the 200 series (Economic topics).

B. Using the GRI Standards and making claims

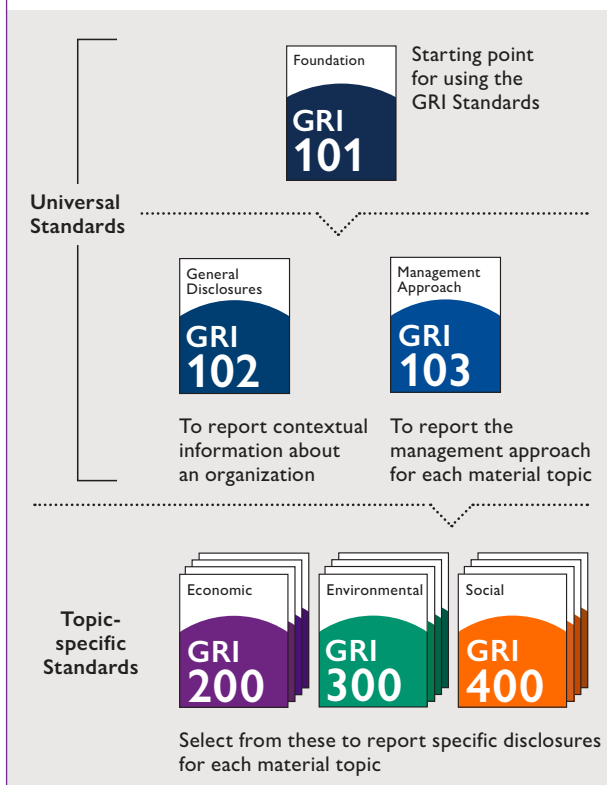
There are two basic approaches for using the GRI Standards. For each way of using the Standards there is a corresponding claim, or statement of use, which an organization is required to include in any published materials.

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

An organization preparing a report in accordance with the GRI Standards uses this Standard, *GRI 203: Indirect Economic Impacts*, if this is one of its material topics.
2. Selected GRI Standards, or parts of their content, can also be used to report specific information, without preparing a report in accordance with the Standards. Any published materials that use the GRI Standards in this way are to include a 'GRI-referenced' claim.

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

Figure 1
Overview of the set of GRI Standards



C. Requirements, recommendations and guidance

The GRI Standards include:

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

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

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

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

D. Background context

In the context of the GRI Standards, the economic dimension of sustainability concerns an organization's impacts on the economic conditions of its stakeholders. It also concerns an organization's impacts on economic systems at the local, national, and global level. It does not focus on the financial condition of an organization.

The Standards in the Economic series (200) address the flow of capital among different stakeholders, and the main economic impacts of an organization throughout society.

An economic impact can be defined as a change in the productive potential of the economy that has an influence on a community's or stakeholder's well-being and longer-term prospects for development.

GRI 203 addresses indirect economic impacts, which are the additional consequences of the direct impact of financial transactions and the flow of money between an organization and its stakeholders. GRI 203 also addresses the impacts of an organization's infrastructure investments and services supported.

Indirect economic impacts can be monetary or non-monetary, and are particularly important to assess in relation to local communities and regional economies.

The disclosures in this Standard can provide information about an organization's indirect economic impacts, and how it manages them.

GRI 203: Indirect Economic Impacts

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

- Management approach disclosures (this section references *GRI 103*)
- Disclosure 203-1 Infrastructure investments and services supported
- Disclosure 203-2 Significant indirect economic impacts

1. Management approach disclosures

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

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

Reporting requirements

- 1.1 The reporting organization shall report its management approach for indirect economic impacts using [GRI 103: Management Approach](#).**

Reporting recommendations

- 1.2** The reporting organization should:
- 1.2.1 describe work undertaken to understand indirect economic impacts at the national, regional, or local level;
 - 1.2.2 explain whether it conducted a community needs assessment to determine the need for infrastructure and other services, and describe the results of the assessment.

2. Topic-specific disclosures

An organization is expected to compile information for economic disclosures using figures from its audited financial statements or from its internally-audited management accounts, whenever possible. Data can be compiled using, for example:

- the relevant International Financial Reporting Standards (IFRS), published by the International Accounting Standards Board (IASB), and the Interpretations developed by the IFRS Interpretations Committee (specific IFRS are referenced for some of the disclosures);
- the International Public Sector Accounting Standards (IPSAS) issued by the International Federation of Accountants (IFAC);
- national or regional standards recognized internationally for the purpose of financial reporting.

Disclosure 203-1

Infrastructure investments and services supported

Reporting requirements

The reporting organization shall report the following information:

- a. Extent of development of significant infrastructure investments and services supported.
- b. Current or expected impacts on communities and local economies, including positive and negative impacts where relevant.
- c. Whether these investments and services are commercial, in-kind, or pro bono engagements.

Reporting recommendations

- 2.1 When compiling the information specified in Disclosure 203-1, the reporting organization should disclose:
- 2.1.1 the size, cost and duration of each significant infrastructure investment or service supported;
 - 2.1.2 the extent to which different communities or local economies are impacted by the organization's infrastructure investments and services supported.

Guidance

Background

This disclosure concerns the impact that an organization's infrastructure investments and services supported have on its stakeholders and the economy.

The impacts of infrastructure investment can extend beyond the scope of an organization's own operations and over a longer timescale. Such investments can include transport links, utilities, community social facilities, health and welfare centers, and sports centers. Along with investment in its own operations, this is one measure of the organization's capital contribution to the economy.

Disclosure 203-2

Significant indirect economic impacts

Reporting requirements

Disclosure
203-2

The reporting organization shall report the following information:

- a. Examples of significant identified indirect economic impacts of the organization, including positive and negative impacts.
- b. Significance of the indirect economic impacts in the context of external benchmarks and stakeholder priorities, such as national and international standards, protocols, and policy agendas.

Guidance

Guidance for Disclosure 203-2

This disclosure concerns the spectrum of indirect economic impacts that an organization can have on its stakeholders and the economy.

Examples of significant indirect economic impacts, both positive and negative, can include:

- changes in the productivity of organizations, sectors, or the whole economy (such as through greater adoption of information technology);
- economic development in areas of high poverty (such as changes in the total number of dependents supported through the income of a single job);
- economic impacts of improving or deteriorating social or environmental conditions (such as changing job market in an area converted from small farms to large plantations, or the economic impacts of pollution);
- availability of products and services for those on low incomes (such as preferential pricing of pharmaceuticals, which contributes to a healthier population that can participate more fully in the economy; or pricing structures that exceed the economic capacity of those on low incomes);
- enhanced skills and knowledge in a professional community or in a geographic location (such as when shifts in an organization's needs attract additional skilled workers to an area, who, in turn, drive a local need for new learning institutions);
- number of jobs supported in the supply or distribution chain (such as the employment impacts on suppliers as a result of an organization's growth or contraction);
- stimulating, enabling, or limiting foreign direct investment (such as when an organization changes the infrastructure or services it provides in a developing country, which then leads to changes in foreign direct investment in the region);
- economic impacts from a change in operation or activity location (such as the impact of outsourcing jobs to an overseas location);
- economic impacts from the use of products and services (such as economic growth resulting from the use of a particular product or service).

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ISBN: 978-90-8866-060-3

GRI 204: PROCUREMENT PRACTICES 2016



GRI 204

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About this Standard

Responsibility	This Standard is issued by the Global Sustainability Standards Board (GSSB) . Any feedback on the GRI Standards can be submitted to standards@globalreporting.org for the consideration of the GSSB.
Scope	<i>GRI 204: Procurement Practices</i> sets out reporting requirements on the topic of procurement practices. This Standard can be used by an organization of any size, type, sector or geographic location that wants to report on its impacts related to this topic.
Normative references	This Standard is to be used together with the most recent versions of the following documents. GRI 101: Foundation GRI 103: Management Approach GRI Standards Glossary In the text of this Standard, terms defined in the Glossary are <u>underlined</u>.
Effective date	This Standard is effective for reports or other materials published on or after 1 July 2018. Earlier adoption is encouraged.

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Introduction

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

GRI 101: Foundation

GRI 102: General Disclosures

GRI 103: Management Approach

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

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

GRI 204: Procurement Practices is a topic-specific GRI Standard in the 200 series (Economic topics).

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

B. Using the GRI Standards and making claims

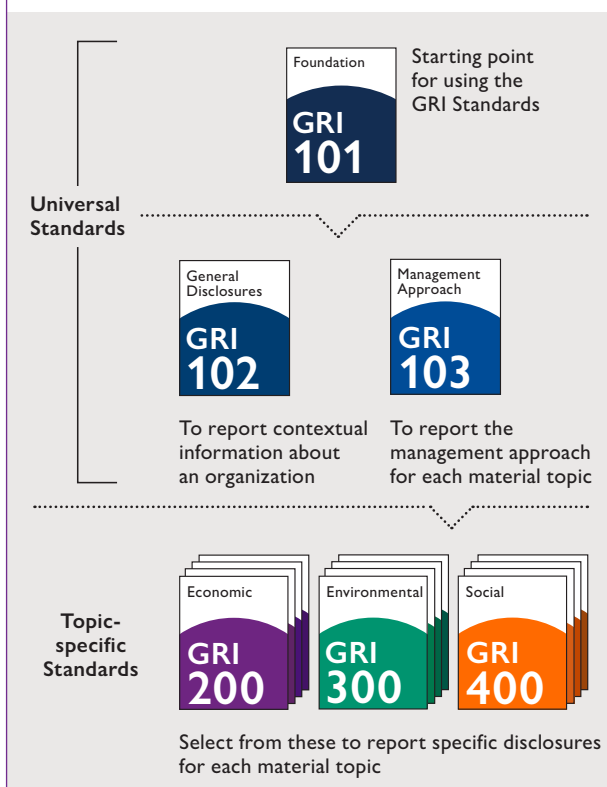
There are two basic approaches for using the GRI Standards. For each way of using the Standards there is a corresponding claim, or statement of use, which an organization is required to include in any published materials.

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

An organization preparing a report in accordance with the GRI Standards uses this Standard, *GRI 204: Procurement Practices*, if this is one of its material topics.
2. Selected GRI Standards, or parts of their content, can also be used to report specific information, without preparing a report in accordance with the Standards. Any published materials that use the GRI Standards in this way are to include a 'GRI-referenced' claim.

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

Figure 1
Overview of the set of GRI Standards



C. Requirements, recommendations and guidance

The GRI Standards include:

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

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

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

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

D. Background context

In the context of the GRI Standards, the economic dimension of sustainability concerns an organization's impacts on the economic conditions of its stakeholders, and on economic systems at local, national, and global levels. It does not focus on the financial condition of an organization.

The Standards in the Economic series (200) address the flow of capital among different stakeholders, and the main economic impacts of an organization throughout society.

GRI 204 addresses the topic of procurement practices. This covers an organization's support for local suppliers, or those owned by women or members of vulnerable groups. It also covers how the organization's procurement practices (such as the lead times it gives to suppliers, or the purchasing prices it negotiates) cause or contribute to negative impacts in the supply chain.

The disclosures in this Standard can provide information about an organization's impacts related to procurement practices, and how it manages these impacts.

GRI 204: Procurement Practices

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

- Management approach disclosures (this section references *GRI 103*)
- Disclosure 204-1 Proportion of spending on local suppliers

1. Management approach disclosures

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

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

Reporting requirements

- 1.1** The reporting organization shall report its management approach for procurement practices using [*GRI 103: Management Approach*](#).

Guidance

When reporting its management approach for procurement practices, the reporting organization can also:

- describe actions taken to identify and adjust the organization's procurement practices that cause or contribute to negative impacts in the supply chain, including:
 - how dialogue with suppliers is used to identify procurement practices that cause or contribute to negative impacts in the supply chain;
 - actions taken to adjust payment policies and procedures;
- describe policies and practices used to select locally-based suppliers, either organization-wide or for specific locations;
- explain the rationale and methodology for tracing the source, origin, or production conditions of raw materials and production inputs purchased, if applicable;
- describe policies and practices used to promote economic inclusion when selecting suppliers.

Procurement practices that cause or contribute to negative impacts in the supply chain can include:

- stability or length of relationships with suppliers;
- lead times;
- ordering and payment routines;
- purchasing prices;
- changing or cancelling orders.

Forms of economic inclusion can include:

- small and medium-sized suppliers;
- suppliers owned by women;
- suppliers which are owned by or recruit workers from members of vulnerable, marginalized, or under-represented social groups.

2. Topic-specific disclosures

An organization is expected to compile information for economic disclosures using figures from its audited financial statements or from its internally-audited management accounts, whenever possible. Data can be compiled using, for example:

- the relevant International Financial Reporting Standards (IFRS), published by the International Accounting Standards Board (IASB), and the Interpretations developed by the IFRS Interpretations Committee (specific IFRS are referenced for some of the disclosures);
- the International Public Sector Accounting Standards (IPSAS) issued by the International Federation of Accountants (IFAC);
- national or regional standards recognized internationally for the purpose of financial reporting.

Disclosure 204-1

Proportion of spending on local suppliers

Reporting requirements

The reporting organization shall report the following information:

- a. Percentage of the procurement budget used for significant locations of operation that is spent on suppliers local to that operation (such as percentage of products and services purchased locally).
- b. The organization's geographical definition of 'local'.
- c. The definition used for 'significant locations of operation'.

Disclosure
204-1

Reporting recommendations

- 2.1 When compiling the information specified in Disclosure 204-1, the reporting organization should calculate the percentages based on invoices or commitments made during the reporting period, i.e., using accruals accounting.

Guidance

Guidance for Disclosure 204-1

Local purchases can be made either from a budget managed at the location of operation or at an organization's headquarters.

Background

By supporting local suppliers, an organization can indirectly attract additional investment to the local economy. Local sourcing can be a strategy to help ensure supply, support a stable local economy, and maintain community relations.

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Legal liability

This document, designed to promote sustainability reporting, has been developed by the Global Sustainability Standards Board (GSSB) through a unique multi-stakeholder consultative process involving representatives from organizations and report information users from around the world. While the GRI Board of Directors and GSSB encourage use of the GRI Sustainability Reporting Standards (GRI Standards) and related Interpretations by all organizations, the preparation and publication of reports based fully or partially on the GRI Standards and related Interpretations are the full responsibility of those producing them. Neither the GRI Board of Directors, GSSB nor Stichting Global Reporting Initiative (GRI) can assume responsibility for any consequences or damages resulting directly or indirectly from the use of the GRI Standards and related Interpretations in the preparation of reports, or the use of reports based on the GRI Standards and related Interpretations.

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ISBN: 978-90-8866-061-0

GRI 205: ANTI-CORRUPTION 2016



GRI 205

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Disclosure 205-1 Operations assessed for risks related to corruption	7
Disclosure 205-2 Communication and training about anti-corruption policies and procedures	8
Disclosure 205-3 Confirmed incidents of corruption and actions taken	9

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About this Standard

Responsibility	This Standard is issued by the Global Sustainability Standards Board (GSSB) . Any feedback on the GRI Standards can be submitted to standards@globalreporting.org for the consideration of the GSSB.
Scope	<i>GRI 205: Anti-corruption</i> sets out reporting requirements on the topic of procurement anti-corruption. This Standard can be used by an organization of any size, type, sector or geographic location that wants to report on its impacts related to this topic.
Normative references	This Standard is to be used together with the most recent versions of the following documents. GRI 101: Foundation GRI 103: Management Approach GRI Standards Glossary In the text of this Standard, terms defined in the Glossary are <u>underlined</u> .
Effective date	This Standard is effective for reports or other materials published on or after 1 July 2018. Earlier adoption is encouraged.

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

Introduction

A. Overview

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

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

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

GRI 101: Foundation

GRI 102: General Disclosures

GRI 103: Management Approach

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

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

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

***GRI 205: Anti-corruption* is a topic-specific GRI Standard in the 200 series (Economic topics).**

B. Using the GRI Standards and making claims

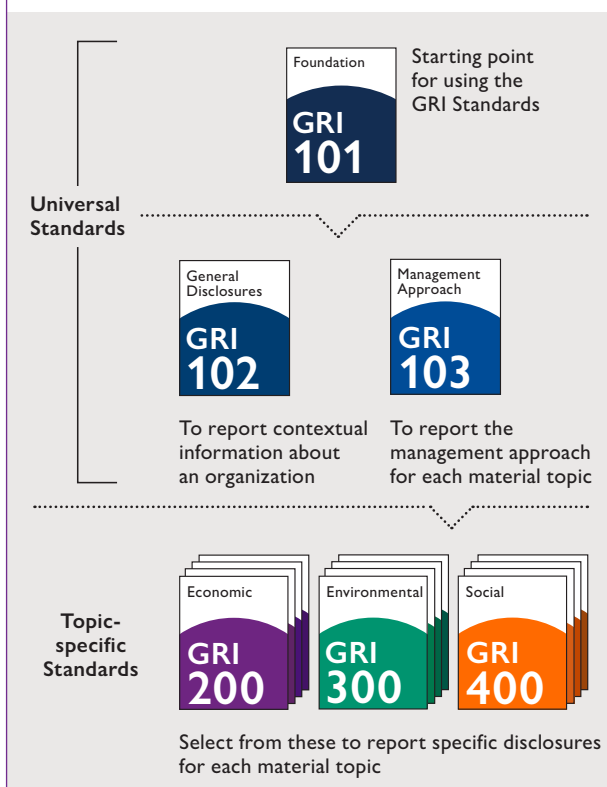
There are two basic approaches for using the GRI Standards. For each way of using the Standards there is a corresponding claim, or statement of use, which an organization is required to include in any published materials.

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

An organization preparing a report in accordance with the GRI Standards uses this Standard, *GRI 205: Anti-corruption*, if this is one of its material topics.
2. Selected GRI Standards, or parts of their content, can also be used to report specific information, without preparing a report in accordance with the Standards. Any published materials that use the GRI Standards in this way are to include a 'GRI-referenced' claim.

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

Figure 1
Overview of the set of GRI Standards



C. Requirements, recommendations and guidance

The GRI Standards include:

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

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

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

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

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

The disclosures in this Standard can provide information about an organization's impacts related to corruption, and how it manages them.

D. Background context

In the context of the GRI Standards, the economic dimension of sustainability concerns an organization's impacts on the economic conditions of its stakeholders, and on economic systems at local, national, and global levels. It does not focus on the financial condition of an organization.

The Standards in the Economic series (200) address the flow of capital among different stakeholders, and the main economic impacts of an organization throughout society.

GRI 205 addresses the topic of anti-corruption. In this Standard, corruption is understood to include practices such as bribery, facilitation payments, fraud, extortion, collusion, and money laundering; the offer or receipt of gifts, loans, fees, rewards, or other advantages as an inducement to do something that is dishonest, illegal, or represents a breach of trust. It can also include practices such as embezzlement, trading in influence, abuse of function, illicit enrichment, concealment, and obstructing justice.

Corruption is broadly linked to negative impacts, such as poverty in transition economies, damage to the environment, abuse of human rights, abuse of democracy, misallocation of investments, and undermining the rule of law. Organizations are expected by the marketplace, international norms, and stakeholders to demonstrate their adherence to integrity, governance, and responsible business practices.

GRI 205: Anti-corruption

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

- Management approach disclosures (this section references *GRI 103*)
- Disclosure 205-1 Operations assessed for risks related to corruption
- Disclosure 205-2 Communication and training about anti-corruption policies and procedures
- Disclosure 205-3 Confirmed incidents of corruption and actions taken

In the context of this GRI Standard, the term ‘business partners’ includes, among others, suppliers, agents, lobbyists and other intermediaries, joint venture and consortia partners, governments, customers, and clients.

1. Management approach disclosures

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

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

Reporting requirements

- 1.1** The reporting organization shall report its management approach for anti-corruption using *GRI 103: Management Approach*.

Reporting recommendations

- 1.2 The reporting organization should disclose the following information:
- 1.2.1 The organization's risk assessment procedures for corruption, including the criteria used in the risk assessment, such as location, activity, and sector;
 - 1.2.2 How the organization identifies and manages conflicts of interest that employees or persons linked to the organization's activities, products, or services may have. Conflicts of interest for the highest governance body are covered in [Disclosure 102-25](#) of *GRI 102: General Disclosures*;
 - 1.2.3 How the organization ensures that charitable donations and sponsorships (financial and in-kind) that are made to other organizations are not used as a disguised form of bribery. Recipients of charitable donations and sponsorships (financial and in-kind) can include not-for-profit organizations, religious organizations, private organizations, and events;
 - 1.2.4 The extent to which communication and training on anti-corruption is tailored to those governance body members, employees, business partners, and other persons that have been identified as having a high risk of incidents of corruption;
 - 1.2.5 At which stage the training on anti-corruption for governance body members, employees, business partners and other persons that have been identified as having a high risk of incidents of corruption is provided (e.g. when new employees join the organization or when relationships with new business partners are established); and the frequency of the training (e.g. annually or biannually);
 - 1.2.6 Whether the organization participates in collective action to combat corruption, including:
 - 1.2.6.1 the strategy for the collective action activities;
 - 1.2.6.2 a list of the collective action initiatives in which the organization participates;
 - 1.2.6.3 a description of the main commitments of these initiatives.

2. Topic-specific disclosures

Disclosure 205-1

Operations assessed for risks related to corruption

Reporting requirements

Disclosure
205-1

The reporting organization shall report the following information:

- a. Total number and percentage of operations assessed for risks related to corruption.
- b. Significant risks related to corruption identified through the risk assessment.

Guidance

Guidance for Disclosure 205-1

This disclosure can include a risk assessment focused on corruption or the inclusion of corruption as a risk factor in overall risk assessments.

The term 'operation' refers to a single location used by the organization for the production, storage and/or distribution of its goods and services, or for administrative purposes. Within a single operation, there can be multiple production lines, warehouses, or other activities. For example, a single factory can be used for multiple products or a single retail outlet can contain several different retail operations that are owned or managed by the organization.

Background

This disclosure measures the extent of the risk assessment's implementation across an organization. Risk assessments can help to assess the potential for incidents of corruption within and related to the organization, and help the organization to design policies and procedures to combat corruption.

Disclosure 205-2

Communication and training about anti-corruption policies and procedures

Reporting requirements

The reporting organization shall report the following information:

- a. 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. 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. 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. Describe if the organization's anti-corruption policies and procedures have been communicated to any other persons or organizations.
- d. Total number and percentage of governance body members that have received training on anti-corruption, broken down by region.
- e. Total number and percentage of employees that have received training on anti-corruption, broken down by employee category and region.

Disclosure
205-2

Reporting recommendations

- 2.1 When compiling the information specified in Disclosure 205-2, the reporting organization should:
 - 2.1.1 draw from the information used for [Disclosure 405-1](#) in *GRI 405: Diversity and Equal Opportunity* to identify:
 - 2.1.1.1 the governance bodies that exist within the organization, such as the board of directors, management committee, or similar body for non-corporate organizations;
 - 2.1.1.2 the total number of individuals and/or employees who comprise these governance bodies;
 - 2.1.1.3 the total number of employees in each employee category, excluding governance body members;
 - 2.1.2 estimate the total number of business partners.

Guidance

Background

Communication and training build the internal and external awareness and the necessary capacity to combat corruption.

Disclosure 205-3

Confirmed incidents of corruption and actions taken

Reporting requirements

The reporting organization shall report the following information:

- a. Total number and nature of confirmed incidents of corruption.
- b. Total number of confirmed incidents in which employees were dismissed or disciplined for corruption.
- c. Total number of confirmed incidents when contracts with business partners were terminated or not renewed due to violations related to corruption.
- d. Public legal cases regarding corruption brought against the organization or its employees during the reporting period and the outcomes of such cases.

Disclosure
205-3

Guidance

Guidance for Disclosure 205-3

For stakeholders, there is an interest in both the occurrence of incidents and an organization's response to the incidents. Public legal cases regarding corruption can include current public investigations, prosecutions, or closed cases.

References

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

Authoritative intergovernmental instruments:

1. Organisation for Economic Co-operation and Development (OECD) Convention, 'Convention on Combating Bribery of Foreign Public Officials in International Business Transactions', 1997.
2. Organisation for Economic Co-operation and Development (OECD), *Good Practice Guidance on Internal Controls, Ethics, and Compliance*, 2010.
3. Organisation for Economic Co-operation and Development (OECD), *OECD Guidelines for Multinational Enterprises*, 2011.
4. United Nations (UN) Convention, 'Convention against Corruption', 2003.

Other relevant references:

5. British Ministry of Justice, *The Bribery Act 2010 Guidance*, 2011.
6. Criminal Division of the U.S. Department of Justice and Enforcement Division of the U.S. Security and Exchange Commission, *A Resource Guide to the U.S. Foreign Corrupt Practices Act*, 2012.
7. Transparency International, 'Business Principles for Countering Bribery', 2011.
8. Transparency International, Corruption Perceptions Index, <http://www.transparency.org/research/cpi/overview>, accessed on 1 September 2016.
9. United Nations Global Compact and Transparency International, *Reporting Guidance on the 10th Principle Against Corruption*, 2009.
10. World Bank, Worldwide Governance Indicators (WGI), Control of Corruption, <http://info.worldbank.org/governance/wgi/index.aspx#home>, accessed on 1 September 2016.

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Legal liability

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ISBN: 978-90-8866-062-7

GRI 206: ANTI-COMPETITIVE BEHAVIOR

2016



GRI

206

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Disclosure 206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	6

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About this Standard

Responsibility	This Standard is issued by the Global Sustainability Standards Board (GSSB) . Any feedback on the GRI Standards can be submitted to standards@globalreporting.org for the consideration of the GSSB.
Scope	<i>GRI 206: Anti-competitive Behaviour</i> sets out reporting requirements on the topic of anti-competitive behaviour. This Standard can be used by an organization of any size, type, sector or geographic location that wants to report on its impacts related to this topic.
Normative references	This Standard is to be used together with the most recent versions of the following documents. GRI 101: Foundation GRI 103: Management Approach GRI Standards Glossary In the text of this Standard, terms defined in the Glossary are <u>underlined</u>.
Effective date	This Standard is effective for reports or other materials published on or after 1 July 2018. Earlier adoption is encouraged.

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

Introduction

A. Overview

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

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

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

GRI 101: Foundation

GRI 102: General Disclosures

GRI 103: Management Approach

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

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

***GRI 206: Anti-competitive Behavior* is a topic-specific GRI Standard in the 200 series (Economic topics).**

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

B. Using the GRI Standards and making claims

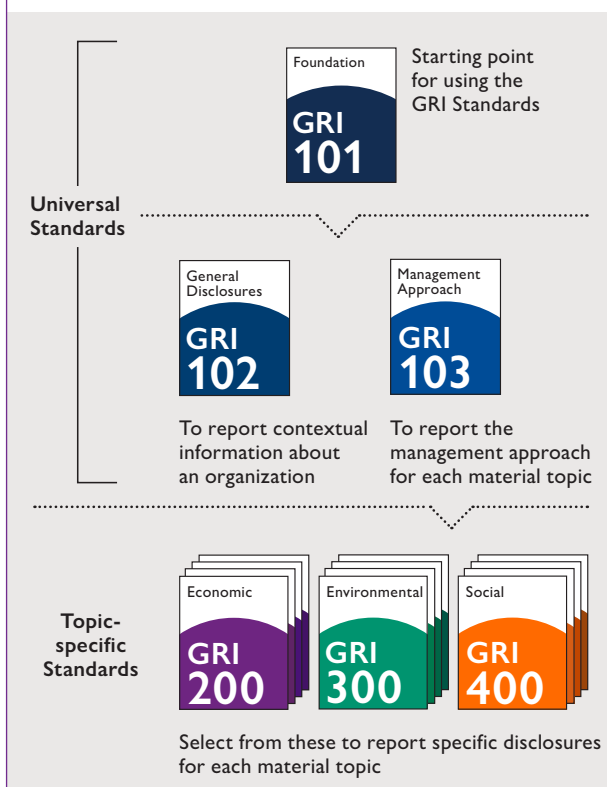
There are two basic approaches for using the GRI Standards. For each way of using the Standards there is a corresponding claim, or statement of use, which an organization is required to include in any published materials.

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

An organization preparing a report in accordance with the GRI Standards uses this Standard, *GRI 206: Anti-competitive Behaviour*, if this is one of its material topics.
2. Selected GRI Standards, or parts of their content, can also be used to report specific information, without preparing a report in accordance with the Standards. Any published materials that use the GRI Standards in this way are to include a 'GRI-referenced' claim.

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

Figure 1
Overview of the set of GRI Standards



C. Requirements, recommendations and guidance

The GRI Standards include:

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

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

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

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

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

The disclosures in this Standard can provide information about an organization's impacts related to anti-competitive behavior, and how it manages them.

D. Background context

In the context of the GRI Standards, the economic dimension of sustainability concerns an organization's impacts on the economic conditions of its stakeholders, and on economic systems at local, national, and global levels. It does not focus on the financial condition of an organization.

The Standards in the Economic series (200) address the flow of capital among different stakeholders, and the main economic impacts of an organization throughout society.

GRI 206 addresses the topic of anti-competitive behavior, including anti-trust and monopoly practices.

Anti-competitive behavior refers to actions of an organization or its employees that can result in collusion with potential competitors, with the purpose of limiting the effects of market competition. This can include fixing prices or coordinating bids, creating market or output restrictions, imposing geographic quotas, and allocating customers, suppliers, geographic areas, or product lines.

Anti-trust and monopoly practices are actions of an organization that can result in collusion to erect barriers for entry to the sector, or to otherwise prevent competition. This can include unfair business practices, abuse of market position, cartels, anti-competitive mergers, and price-fixing.

GRI 206: Anti-competitive Behavior

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

- Management approach disclosures (this section references *GRI 103*)
- Disclosure 206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices

1. Management approach disclosures

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

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

Reporting requirements

- 1.1** The reporting organization shall report its management approach for anti-competitive behavior using [GRI 103: Management Approach](#).

2. Topic-specific disclosures

Disclosure 206-1

Legal actions for anti-competitive behavior, anti-trust, and monopoly practices

Reporting requirements

Disclosure
206-1

The reporting organization shall report the following information:

- a. Number of legal actions pending or completed during the reporting period regarding anti-competitive behavior and violations of anti-trust and monopoly legislation in which the organization has been identified as a participant.
- b. Main outcomes of completed legal actions, including any decisions or judgments.

Guidance

Background

This disclosure pertains to legal actions initiated under national or international laws designed primarily for the purpose of regulating anti-competitive behavior, anti-trust, or monopoly practices.

Anti-competitive behavior, anti-trust, and monopoly practices can affect consumer choice, pricing, and other factors that are essential to efficient markets. Legislation introduced in many countries seeks to control or prevent monopolies, with the underlying assumption that competition between enterprises also promotes economic efficiency and sustainable growth.

Legal action indicates a situation in which the market actions or status of an organization have reached a sufficient scale to merit concern by a third party. Legal decisions arising from these situations can carry the risk of significant disruption of market activities for the organization as well as punitive measures.

References

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

Authoritative intergovernmental instruments:

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

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The Netherlands

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ISBN: 978-90-8866-063-4

GRI 301: MATERIALS

2016



GRI

301

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About this Standard

Responsibility	This Standard is issued by the Global Sustainability Standards Board (GSSB) . Any feedback on the GRI Standards can be submitted to standards@globalreporting.org for the consideration of the GSSB.
Scope	<i>GRI 301: Materials</i> sets out reporting requirements on the topic of materials. This Standard can be used by an organization of any size, type, sector or geographic location that wants to report on its impacts related to this topic.
Normative references	This Standard is to be used together with the most recent versions of the following documents. GRI 101: Foundation GRI 103: Management Approach GRI Standards Glossary In the text of this Standard, terms defined in the Glossary are <u>underlined</u>.
Effective date	This Standard is effective for reports or other materials published on or after 1 July 2018. Earlier adoption is encouraged.

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

Introduction

A. Overview

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

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

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

GRI 101: Foundation

GRI 102: General Disclosures

GRI 103: Management Approach

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

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

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

***GRI 301: Materials* is a topic-specific GRI Standard in the 300 series (Environmental topics).**

B. Using the GRI Standards and making claims

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

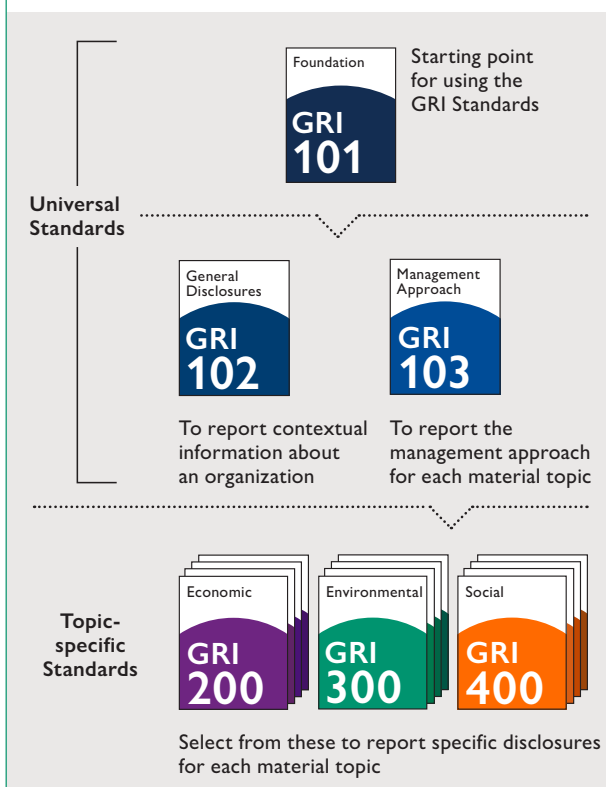
1. The GRI Standards can be used as a set to prepare a sustainability report that is in accordance with the Standards. There are two options for preparing a report in accordance (Core or Comprehensive), depending on the extent of disclosures included in the report.

An organization preparing a report in accordance with the GRI Standards uses this Standard, *GRI 301: Materials*, if this is one of its material topics.

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

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

Figure 1
Overview of the set of GRI Standards



C. Requirements, recommendations and guidance

The GRI Standards include:

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

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

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

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

D. Background context

In the context of the GRI Standards, the environmental dimension of sustainability concerns an organization's impacts on living and non-living natural systems, including land, air, water and ecosystems.

GRI 301 addresses the topic of materials.

The inputs used to manufacture and package an organization's products and services can be non-renewable materials, such as minerals, metals, oil, gas, or coal; or renewable materials, such as wood or water. Both renewable and non-renewable materials can be composed of virgin or recycled input materials.

The type and amount of materials the organization uses can indicate its dependence on natural resources, and the impacts it has on their availability. The organization's contribution to resource conservation can be indicated by its approach to recycling, reusing and reclaiming materials, products, and packaging.

The disclosures in this Standard can provide information about an organization's impacts related to materials, and how it manages these impacts.

GRI 301: Materials

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

- Management approach disclosures (this section references *GRI 103*)
- Disclosure 301-1 Materials used by weight or volume
- Disclosure 301-2 Recycled input materials used
- Disclosure 301-3 Reclaimed products and their packaging materials

1. Management approach disclosures

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

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

Reporting requirements

- 1.1** The reporting organization shall report its management approach for materials using [GRI 103: Management Approach](#).

2. Topic-specific disclosures

Disclosure 301-1

Materials used by weight or volume

Reporting requirements

Disclosure
301-1

The reporting organization shall report the following information:

- a. Total weight or volume of materials that are used to produce and package the organization's primary products and services during the reporting period, by:
 - i. non-renewable materials used;
 - ii. renewable materials used.

Reporting recommendations

- 2.1 When compiling the information specified in Disclosure 301-1, the reporting organization should:
 - 2.1.1 include the following material types in the calculation of total materials used:
 - 2.1.1.1 raw materials, i.e., natural resources used for conversion to products or services, such as ores, minerals, and wood;
 - 2.1.1.2 associated process materials, i.e., materials that are needed for the manufacturing process but are not part of the final product, such as lubricants for manufacturing machinery;
 - 2.1.1.3 semi-manufactured goods or parts, including all forms of materials and components other than raw materials that are part of the final product;
 - 2.1.1.4 materials for packaging purposes, including paper, cardboard and plastics;
 - 2.1.2 report, for each material type, whether it was purchased from external suppliers or sourced internally (such as by captive production and extraction activities);
 - 2.1.3 report whether these data are estimated or sourced from direct measurements;
 - 2.1.4 if estimation is required, report the methods used.

Guidance

Guidance for Disclosure 301-1

The reported usage data are to reflect the material in its original state, and not to be presented with further data manipulation, such as reporting it as 'dry weight'.

Disclosure 301-2

Recycled input materials used

Reporting requirements

Disclosure
301-2

The reporting organization shall report the following information:

- a. Percentage of recycled input materials used to manufacture the organization’s primary products and services.

- 2.2 When compiling the information specified in Disclosure 301-2, the reporting organization shall:
- 2.2.1 use the total weight or volume of materials used as specified in Disclosure 301-1;
 - 2.2.2 calculate the percentage of recycled input materials used by applying the following formula:

$$\text{Percentage of recycled input materials used} = \frac{\text{Total recycled input materials used}}{\text{Total input materials used}} \times 100$$

Reporting recommendations

- 2.3 When compiling the information specified in Disclosure 301-2, the reporting organization should, if estimation is required, report the methods used.

Guidance

Guidance for Disclosure 301-2

If material weight and volume measurements are stated as different units, the organization can convert measurements to standardized units.

Disclosure 301-3

Reclaimed products and their packaging materials

Reporting requirements

Disclosure
301-3

The reporting organization shall report the following information:

- a. Percentage of reclaimed products and their packaging materials for each product category.
- b. How the data for this disclosure have been collected.

- 2.4 When compiling the information specified in Disclosure 301-3, the reporting organization shall:
- 2.4.1 exclude rejects and recalls of products;
 - 2.4.2 calculate the percentage of reclaimed products and their packaging materials for each product category using the following formula:

Percentage of reclaimed products and their packaging materials	=	$\frac{\text{Products and their packaging materials reclaimed within the reporting period}}{\text{Products sold within the reporting period}}$	x 100
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Guidance

Guidance for Disclosure 301-3

The reporting organization can also report recycling or reuse of packaging separately.

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ISBN: 978-90-8866-064-1

GRI 302: ENERGY

2016



GRI

302

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About this Standard

Responsibility	This Standard is issued by the Global Sustainability Standards Board (GSSB) . Any feedback on the GRI Standards can be submitted to standards@globalreporting.org for the consideration of the GSSB.
Scope	<i>GRI 302: Energy</i> sets out reporting requirements on the topic of energy. This Standard can be used by an organization of any size, type, sector or geographic location that wants to report on its impacts related to this topic.
Normative references	This Standard is to be used together with the most recent versions of the following documents. GRI 101: Foundation GRI 103: Management Approach GRI Standards Glossary In the text of this Standard, terms defined in the Glossary are <u>underlined</u>.
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Each topic Standard includes disclosures specific to that topic, and is designed to be used together with *GRI 103: Management Approach*, which is used to report the management approach for the topic.

***GRI 302: Energy* is a topic-specific GRI Standard in the 300 series (Environmental topics).**

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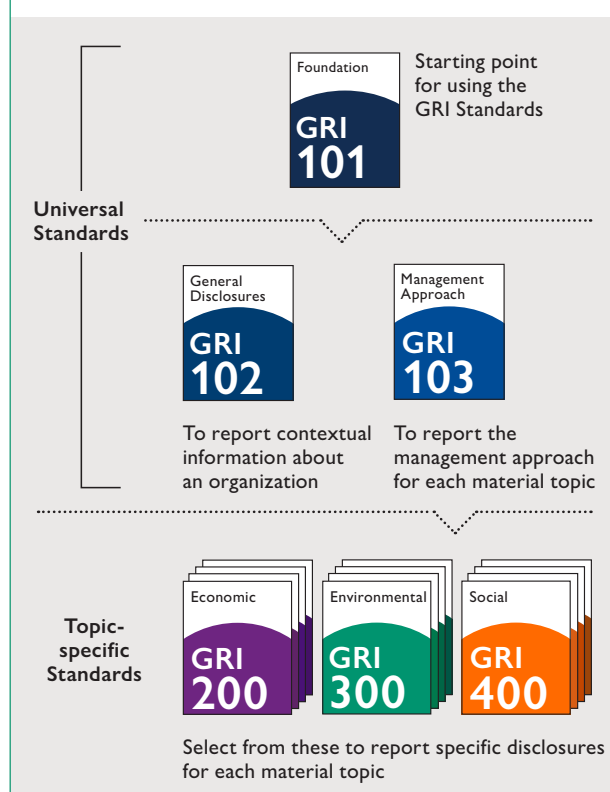
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An organization is required to comply with all applicable requirements in order to claim that its report has been prepared in accordance with the GRI Standards. See [GRI 101: Foundation](#) for more information.

D. Background context

In the context of the GRI Standards, the environmental dimension of sustainability concerns an organization's impacts on living and non-living natural systems, including land, air, water and ecosystems.

GRI 302 addresses the topic of energy.

An organization can consume energy in various forms, such as fuel, electricity, heating, cooling or steam. Energy can be self-generated or purchased from external sources and it can come from renewable sources (such as wind, hydro or solar) or from non-renewable sources (such as coal, petroleum or natural gas).

Using energy more efficiently and opting for renewable energy sources is essential for combating climate change and for lowering an organization's overall environmental footprint.

Energy consumption can also occur throughout the upstream and downstream activities connected with an organization's operations. This can include consumers' use of products the organization sells, and the end-of-life treatment of these products.

The disclosures in this Standard can provide information about an organization's impacts related to energy, and how it manages them.

GRI 302: Energy

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

- Management approach disclosures (this section references GRI 103)
- Disclosure 302-1 Energy consumption within the organization
- Disclosure 302-2 Energy consumption outside of the organization
- Disclosure 302-3 Energy intensity
- Disclosure 302-4 Reduction of energy consumption
- Disclosure 302-5 Reduction in energy requirements of products and services

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

Reporting requirements

- 1.1** The reporting organization shall report its management approach for energy using [GRI 103: Management Approach](#).

Guidance

When reporting its management approach for energy, the reporting organization can also explain whether it is subject to any country, regional, or industry-level energy regulations and policies. Additionally, it can provide examples of these regulations and policies.

2. Topic-specific disclosures

Disclosure 302-1

Energy consumption within the organization

Reporting requirements

The reporting organization shall report the following information:

- a. Total fuel consumption within the organization from non-renewable sources, in joules or multiples, and including fuel types used.
- b. Total fuel consumption within the organization from renewable sources, in joules or multiples, and including fuel types used.
- c. In joules, watt-hours or multiples, the total:
 - i. electricity consumption
 - ii. heating consumption
 - iii. cooling consumption
 - iv. steam consumption
- d. In joules, watt-hours or multiples, the total:
 - i. electricity sold
 - ii. heating sold
 - iii. cooling sold
 - iv. steam sold
- e. Total energy consumption within the organization, in joules or multiples.
- f. Standards, methodologies, assumptions, and/or calculation tools used.
- g. Source of the conversion factors used.

Disclosure
302-1

- 2.1 When compiling the information specified in Disclosure 302-1, the reporting organization shall:
 - 2.1.1 avoid the double-counting of fuel consumption, when reporting self-generated energy consumption. If the organization generates electricity from a non-renewable or renewable fuel source and then consumes the generated electricity, the energy consumption shall be counted once under fuel consumption;
 - 2.1.2 report fuel consumption separately for non-renewable and renewable fuel sources;
 - 2.1.3 only report energy consumed by entities owned or controlled by the organization;
 - 2.1.4 calculate the total energy consumption within the organization in joules or multiples using the following formula:

Disclosure 302-1

Continued

$$\begin{array}{r} \text{Total energy consumption within the organization} \\ = \\ \text{Non-renewable fuel consumed} \\ + \\ \text{Renewable fuel consumed} \\ + \\ \text{Electricity, heating, cooling, and steam purchased for consumption} \\ + \\ \text{Self-generated electricity, heating, cooling, and steam,} \\ \text{which are not consumed (see clause 2.1.1)} \\ - \\ \text{Electricity, heating, cooling, and steam sold} \end{array}$$

Reporting recommendations

- 2.2 When compiling the information specified in Disclosure 302-1, the reporting organization should:
- 2.2.1 apply conversion factors consistently for the data disclosed;
 - 2.2.2 use local conversion factors to convert fuel to joules, or multiples, when possible;
 - 2.2.3 use the generic conversion factors, when local conversion factors are unavailable;
 - 2.2.4 if subject to different standards and methodologies, describe the approach to selecting them;
 - 2.2.5 select a consistent topic Boundary for energy consumption. When possible, the Boundary should be consistent with that used in [Disclosures 305-1](#) and [305-2](#) of *GRI 305: Emissions*;
 - 2.2.6 where it aids transparency or comparability over time, provide a breakdown of energy consumption data by:
 - 2.2.6.1 business unit or facility;
 - 2.2.6.2 country;
 - 2.2.6.3 type of source (see definitions for the listing of non-renewable sources and renewable sources);
 - 2.2.6.4 type of activity.

Guidance

Background

For some organizations, electricity is the only significant form of energy they consume. For others, energy sources such as steam or water provided from a district heating plant or chilled water plant can also be important.

Energy can be purchased from sources external to the organization or produced by the organization itself (self-generated).

Non-renewable fuel sources can include fuel for combustion in boilers, furnaces, heaters, turbines, flares, incinerators, generators and vehicles that are owned or controlled by the organization. Non-renewable fuel sources cover fuels purchased by the organization. They also include fuel generated by the organization's activities – such as mined coal, or gas from oil and gas extraction.

Renewable fuel sources can include biofuels, when purchased for direct use, and biomass in sources owned or controlled by the organization.

Consuming non-renewable fuels is usually the main contributor to direct (Scope 1) GHG emissions, which are reported in [Disclosure 305-1](#) of *GRI 305: Emissions*. Consuming purchased electricity, heating, cooling, and steam contributes to the organization's energy indirect (Scope 2) GHG emissions, which are reported in [Disclosure 305-2](#) of *GRI 305: Emissions*.

Disclosure 302-2

Energy consumption outside of the organization

Reporting requirements

Disclosure 302-2

The reporting organization shall report the following information:

- a. Energy consumption outside of the organization, in joules or multiples.
- b. Standards, methodologies, assumptions, and/or calculation tools used.
- c. Source of the conversion factors used.

2.3 When compiling the information specified in Disclosure 302-2, the reporting organization shall exclude energy consumption reported in Disclosure 302-1.

Reporting recommendations

2.4 When compiling the information specified in Disclosure 302-2, the reporting organization should:

- 2.4.1 if subject to different standards and methodologies, describe the approach to selecting them;
- 2.4.2 list energy consumption outside of the organization, with a breakdown by upstream and downstream categories and activities.

Guidance

Guidance for Disclosure 302-2

The reporting organization can identify energy consumption outside of the organization by assessing whether an activity's energy consumption:

- contributes significantly to the organization's total anticipated energy consumption outside of the organization;
- offers potential for reductions the organization can undertake or influence;
- contributes to climate change-related risks, such as financial, regulatory, supply chain, product and customer, litigation, and reputational risks;
- is deemed material by stakeholders, such as customers, suppliers, investors, or civil society;
- results from outsourced activities previously performed in-house, or that are typically performed in-house by other organizations in the same sector;
- has been identified as significant for the organization's sector;
- meets any additional criteria for determining relevance, developed by the organization or by organizations in its sector.

The organization can use the following upstream and downstream categories and activities from the 'GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard' for identifying relevant energy consumption outside of the organization (see reference 2 in the [References section](#)):

Upstream categories

1. Purchased goods and services
2. Capital goods
3. Fuel- and energy-related activities (not included in Disclosure 302-1)
4. Upstream transportation and distribution
5. Waste generated in operations
6. Business travel
7. Employee commuting
8. Upstream leased assets
- Other upstream

Downstream categories

9. Downstream transportation and distribution
10. Processing of sold products
11. Use of sold products
12. End-of-life treatment of sold products
13. Downstream leased assets
14. Franchises
15. Investments
- Other downstream

Disclosure 302-2**Continued**

For each of these categories and activities, the organization can calculate or estimate the amount of energy consumed.

The organization can report energy consumption separately for non-renewable sources and renewable sources.

Background

Energy consumption can occur outside an organization, i.e., throughout the organization's upstream and downstream activities associated with its operations.

This can include consumers' use of products the organization sells, and the end-of-life treatment of products.

Quantifying energy consumption outside of the organization can provide a basis for calculating some of the relevant other indirect (Scope 3) GHG emissions in [Disclosure 305-3](#) of *GRI 305: Emissions*.

Disclosure 302-3

Energy intensity

Reporting requirements

Disclosure 302-3

The reporting organization shall report the following information:

- a. Energy intensity ratio for the organization.
- b. Organization-specific metric (the denominator) chosen to calculate the ratio.
- c. Types of energy included in the intensity ratio; whether fuel, electricity, heating, cooling, steam, or all.
- d. Whether the ratio uses energy consumption within the organization, outside of it, or both.

2.5 When compiling the information specified in Disclosure 302-3, the reporting organization shall:

- 2.5.1 calculate the ratio by dividing the absolute energy consumption (the numerator) by the organization-specific metric (the denominator);
- 2.5.2 if reporting an intensity ratio both for the energy consumed within the organization and outside of it, report these intensity ratios separately.

Reporting recommendations

2.6 When compiling the information specified in Disclosure 302-3, the reporting organization should, where it aids transparency or comparability over time, provide a breakdown of the energy intensity ratio by:

- 2.6.1 business unit or facility;
- 2.6.2 country;
- 2.6.3 type of source (see definitions for the listing of non-renewable sources and renewable sources);
- 2.6.4 type of activity.

Guidance

Guidance for Disclosure 302-3

Intensity ratios can be provided for, among others:

- products (such as energy consumed per unit produced);
- services (such as energy consumed per function or per service);
- sales (such as energy consumed per monetary unit of sales).

Organization-specific metrics (denominators) can include:

- units of product;
- production volume (such as metric tons, liters, or MWh);
- size (such as m² floor space);
- number of full-time employees;
- monetary units (such as revenue or sales).

Background

Energy intensity ratios define energy consumption in the context of an organization-specific metric.

These ratios express the energy required per unit of activity, output, or any other organization-specific metric. Intensity ratios are often called normalized environmental impact data.

In combination with the organization's total energy consumption, reported in Disclosures 302-1 and 302-2, energy intensity helps to contextualize the organization's efficiency, including in relation to other organizations.

See references 1 and 3 in the [References section](#).

Disclosure 302-4

Reduction of energy consumption

Reporting requirements

Disclosure 302-4

The reporting organization shall report the following information:

- a. Amount of reductions in energy consumption achieved as a direct result of conservation and efficiency initiatives, in joules or multiples.
- b. Types of energy included in the reductions; whether fuel, electricity, heating, cooling, steam, or all.
- c. Basis for calculating reductions in energy consumption, such as base year or baseline, including the rationale for choosing it.
- d. Standards, methodologies, assumptions, and/or calculation tools used.

2.7 When compiling the information specified in Disclosure 302-4, the reporting organization shall:

- 2.7.1 exclude reductions resulting from reduced production capacity or outsourcing;
- 2.7.2 describe whether energy reduction is estimated, modeled, or sourced from direct measurements. If estimation or modeling is used, the organization shall disclose the methods used.

Reporting recommendations

2.8 When compiling the information specified in Disclosure 302-4, the reporting organization should, if subject to different standards and methodologies, describe the approach to selecting them.

Guidance

Guidance for Disclosure 302-4

The reporting organization can prioritize disclosing reduction initiatives that were implemented in the reporting period, and that have the potential to contribute significantly to reductions. Reduction initiatives and their targets can be described in the management approach for this topic.

Reduction initiatives can include:

- process redesign;
- conversion and retrofitting of equipment;
- changes in behavior;
- operational changes.

The organization can report reductions in energy consumption by combining energy types, or separately for fuel, electricity, heating, cooling, and steam.

The organization can also provide a breakdown of reductions in energy consumption by individual initiatives or groups of initiatives.

Disclosure 302-5

Reductions in energy requirements of products and services

Reporting requirements

Disclosure 302-5

The reporting organization shall report the following information:

- a. Reductions in energy requirements of sold products and services achieved during the reporting period, in joules or multiples.
- b. Basis for calculating reductions in energy consumption, such as base year or baseline, including the rationale for choosing it.
- c. Standards, methodologies, assumptions, and/or calculation tools used.

Reporting recommendations

- 2.9 When compiling the information specified in Disclosure 302-5, the reporting organization should:
- 2.9.1 if subject to different standards and methodologies, describe the approach to selecting them;
 - 2.9.2 refer to industry use standards to obtain this information, where available (such as fuel consumption of cars for 100 km at 90 km/h).

Guidance

Guidance for Disclosure 302-5

Use-oriented figures can include, for example, the energy requirements of a car or a computer.

Consumption patterns can include, for example, 10 percent less energy use per 100 km travelled or per time unit (hour, average working day).

References

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

Relevant references:

1. World Resources Institute (WRI) and World Business Council for Sustainable Development (WBCSD), 'GHG Protocol Corporate Accounting and Reporting Standard', Revised Edition, 2004.
2. World Resources Institute (WRI) and World Business Council for Sustainable Development (WBCSD), 'GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard', 2011.
3. World Resources Institute (WRI) and World Business Council for Sustainable Development (WBCSD), 'Greenhouse Gas Protocol Accounting Notes, No. 1, Accounting and Reporting Standard Amendment', 2012.

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ISBN: 978-90-8866-065-8

GRI 303: WATER 2016



GRI **303**

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About this Standard

Responsibility	This Standard is issued by the Global Sustainability Standards Board (GSSB) . Any feedback on the GRI Standards can be submitted to standards@globalreporting.org for the consideration of the GSSB.
Scope	<i>GRI 303: Water</i> sets out reporting requirements on the topic of water. This Standard can be used by an organization of any size, type, sector or geographic location that wants to report on its impacts related to this topic.
Normative references	This Standard is to be used together with the most recent versions of the following documents. GRI 101: Foundation GRI 103: Management Approach GRI Standards Glossary In the text of this Standard, terms defined in the Glossary are <u>underlined</u>.
Effective date	This Standard is effective for reports or other materials published on or after 1 July 2018. Earlier adoption is encouraged.

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

Introduction

A. Overview

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

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

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

GRI 101: Foundation

GRI 102: General Disclosures

GRI 103: Management Approach

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

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

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

GRI 303: Water is a topic-specific GRI Standard in the 300 series (Environmental topics).

B. Using the GRI Standards and making claims

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

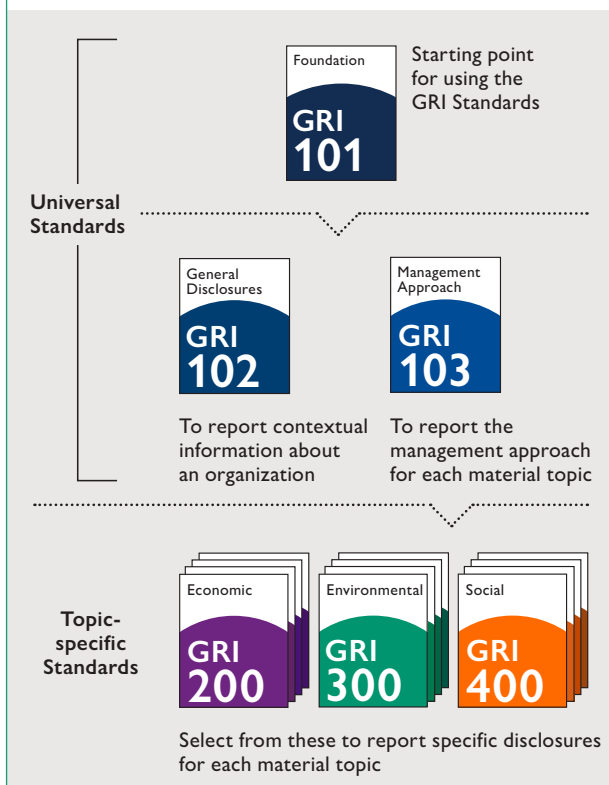
1. The GRI Standards can be used as a set to prepare a sustainability report that is in accordance with the Standards. There are two options for preparing a report in accordance (Core or Comprehensive), depending on the extent of disclosures included in the report.

An organization preparing a report in accordance with the GRI Standards uses this Standard, *GRI 303: Water*, if this is one of its material topics.

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

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

Figure 1
Overview of the set of GRI Standards



C. Requirements, recommendations and guidance

The GRI Standards include:

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

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

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

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

D. Background context

In the context of the GRI Standards, the environmental dimension of sustainability concerns an organization's impacts on living and non-living natural systems, including land, air, water and ecosystems.

GRI 303 addresses the topic of water.

Access to fresh water is essential for human life and wellbeing, and is recognized by the United Nations as a human right. An organization can impact water resources through its withdrawal and consumption of water.

Withdrawals from a water system can affect the environment by lowering the water table, reducing the volume of water available for use, or otherwise altering the ability of an ecosystem to perform its functions. Such changes have wider impacts on the quality of life in the area, including economic and social consequences; and consequences for the local communities or indigenous peoples for whom the water source is important.

The disclosures in this Standard can provide information about an organization's impacts related to water, and how it manages them.

Additional disclosures that relate to this topic can also be found in:

- [GRI 306: Effluents and Waste](#)

GRI 303: Water

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

- Management approach disclosures (this section references *GRI 103*)
- Disclosure 303-1 Water withdrawal by source
- Disclosure 303-2 Water sources significantly affected by withdrawal of water
- Disclosure 303-3 Water recycled and reused

1. Management approach disclosures

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

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

Reporting requirements

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

2. Topic-specific disclosures

Disclosure 303-1

Water withdrawal by source

Reporting requirements

The reporting organization shall report the following information:

- a. Total volume of water withdrawn, with a breakdown by the following sources:
 - i. Surface water, including water from wetlands, rivers, lakes, and oceans;
 - ii. Ground water;
 - iii. Rainwater collected directly and stored by the organization;
 - iv. Waste water from another organization;
 - v. Municipal water supplies or other public or private water utilities.
- b. Standards, methodologies, and assumptions used.

Disclosure
303-1

Reporting recommendations

- 2.1 When compiling the information specified in Disclosure 303-1, the reporting organization should:
 - 2.1.1 include the abstraction of cooling water;
 - 2.1.2 report whether these calculations are estimated, modelled, or sourced from direct measurements;
 - 2.1.3 if estimation or modelling has been used, report the estimation or modelling methods.

Guidance

Guidance for Disclosure 303-1

This disclosure can include water withdrawn either directly by the organization or through intermediaries, such as water utilities.

Background

Reporting the total volume of water withdrawn by source contributes to an understanding of the overall scale of potential impacts and risks associated with an organization's water use. The total volume withdrawn provides an indication of the organization's relative size and importance as a user of water, and provides a baseline figure for other calculations relating to efficiency and use.

Disclosure 303-2

Water sources significantly affected by withdrawal of water

Reporting requirements

The reporting organization shall report the following information:

- a. Total number of water sources significantly affected by withdrawal by type:
 - i. Size of the water source;
 - ii. Whether the source is designated as a nationally or internationally protected area;
 - iii. Biodiversity value (such as species diversity and endemism, and total number of protected species);
 - iv. Value or importance of the water source to local communities and indigenous peoples.
- b. Standards, methodologies, and assumptions used.

- 2.2 When compiling the information specified in Disclosure 303-2, the reporting organization shall report water sources significantly affected by withdrawal that meet one or more of the following criteria:
- 2.2.1 Withdrawals that account for an average of five percent or more of the annual average volume of the water body;
 - 2.2.2 Withdrawals from water bodies that are recognized by professionals to be particularly sensitive due to their relative size, function, or status as a rare, threatened, or endangered system, or that support a particular endangered species of plant or animal;
 - 2.2.3 Any withdrawal from a wetland listed in the Ramsar Convention or any other nationally or internationally proclaimed conservation area, regardless of the rate of withdrawal;
 - 2.2.4 The water source has been identified as having high biodiversity value, such as species diversity and endemism, or total number of protected species;
 - 2.2.5 The water source has been identified as having a high value or importance to local communities and indigenous peoples.

Reporting recommendations

- 2.3 When compiling the information specified in Disclosure 303-2, the reporting organization should report the original water body or source, if the water is provided by municipal water supplies or other public or private water utilities.

Guidance

See references 1 and 3 in the [References section](#).

Disclosure
303-2

Disclosure 303-3

Water recycled and reused

Reporting requirements

Disclosure 303-3

The reporting organization shall report the following information:

- a. Total volume of water recycled and reused by the organization.
- b. Total volume of water recycled and reused as a percentage of the total water withdrawal as specified in Disclosure 303-1.
- c. Standards, methodologies, and assumptions used.

- 2.4 When compiling the information specified in Disclosure 303-3, the reporting organization shall include grey water, i.e., collected rainwater and wastewater generated by household processes, such as washing dishes, laundry, and bathing.

Reporting recommendations

- 2.5 When compiling the information specified in Disclosure 303-3, the reporting organization should:
- 2.5.1 report if water or flow meters do not exist and estimation by modeling is required;
 - 2.5.2 calculate the volume of recycled/reused water based on the volume of water demand satisfied by recycled/reused water, rather than by further withdrawals.

Guidance

Guidance for Disclosure 303-3

This disclosure measures both water treated prior to reuse and water not treated prior to reuse.

Guidance for clause 2.5.2

For example, if an organization has a production cycle that requires 20 m³ of water per cycle, the organization withdraws 20 m³ of water for one production process cycle and reuses it for an additional three cycles, then the total volume of water recycled and reused for that process is 60 m³.

Background

The rate of water reuse and recycling is a measure of efficiency and demonstrates the success of an organization in reducing total water withdrawals and discharges. Increased reuse and recycling can reduce water consumption, treatment, and disposal costs. Reducing water consumption over time through reuse and recycling also contributes to local, national, or regional goals for managing water supplies.

References

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

Authoritative intergovernmental instruments:

1. Ramsar Convention, 'The Convention on Wetlands of International Importance especially as Waterfowl Habitat', 1994.

Other relevant references:

2. Ceres, *The Ceres Aqua Gauge: A Framework for 21st Century Water Risk Management*, 2011.
3. International Union for Conservation of Nature (IUCN), Red List of Threatened Species, <http://www.iucnredlist.org/>, accessed on 1 September 2016.

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ISBN: 978-90-8866-066-5

GRI 304: BIODIVERSITY

2016



GRI

304

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About this Standard

Responsibility	This Standard is issued by the Global Sustainability Standards Board (GSSB) . Any feedback on the GRI Standards can be submitted to standards@globalreporting.org for the consideration of the GSSB.
Scope	<i>GRI 304: Biodiversity</i> sets out reporting requirements on the topic of biodiversity. This Standard can be used by an organization of any size, type, sector or geographic location that wants to report on its impacts related to this topic.
Normative references	This Standard is to be used together with the most recent versions of the following documents. GRI 101: Foundation GRI 103: Management Approach GRI Standards Glossary In the text of this Standard, terms defined in the Glossary are <u>underlined</u>.
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[GRI 103: Management Approach](#)

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

GRI 304: Biodiversity is a topic-specific GRI Standard in the 300 series (Environmental topics).

B. Using the GRI Standards and making claims

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

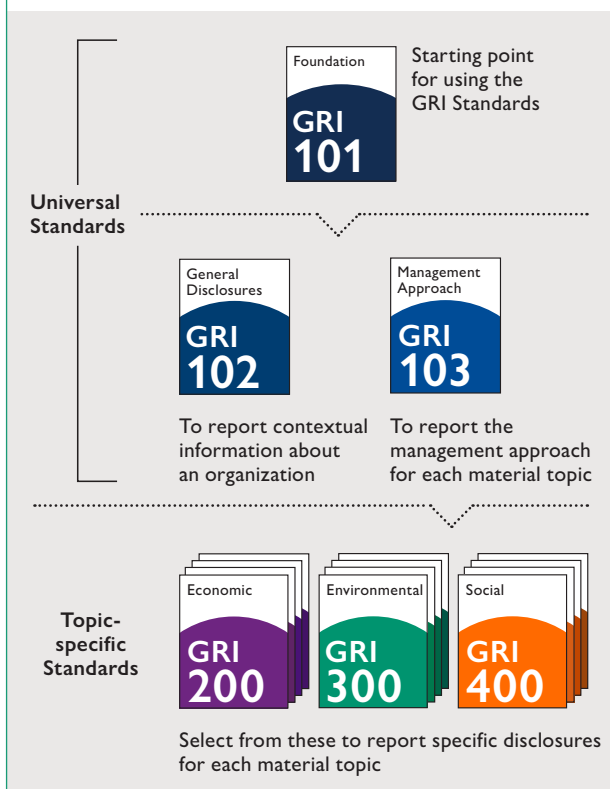
1. The GRI Standards can be used as a set to prepare a sustainability report that is in accordance with the Standards. There are two options for preparing a report in accordance (Core or Comprehensive), depending on the extent of disclosures included in the report.

An organization preparing a report in accordance with the GRI Standards uses this Standard, *GRI 304: Biodiversity*, if this is one of its material topics.

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

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

Figure 1
Overview of the set of GRI Standards



C. Requirements, recommendations and guidance

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

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

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

D. Background context

In the context of the GRI Standards, the environmental dimension of sustainability concerns an organization's impacts on living and non-living natural systems, including land, air, water, and ecosystems.

GRI 304 addresses the topic of biodiversity.

Protecting biological diversity is important for ensuring the survival of plant and animal species, genetic diversity, and natural ecosystems. In addition, natural ecosystems provide clean water and air, and contribute to food security and human health. Biodiversity also contributes directly to local livelihoods, making it essential for achieving poverty reduction, and thus sustainable development.

These concepts are covered in key instruments of the United Nations: see [References](#).

The disclosures in this Standard can provide information about an organization's impacts related to biodiversity, and how it manages them.

GRI 304: Biodiversity

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

- Management approach disclosures (this section references *GRI 103*)
- Disclosure 304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas
- Disclosure 304-2 Significant impacts of activities, products, and services on biodiversity
- Disclosure 304-3 Habitats protected or restored
- Disclosure 304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations

1. Management approach disclosures

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

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

Reporting requirements

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

Management approach disclosures

Continued

Guidance

When reporting its management approach for biodiversity, the reporting organization can also describe its strategy for achieving its policy on biodiversity management. A biodiversity strategy can contain a combination of elements related to the prevention, management, and remediation of damage to natural habitats resulting from the organization's activities. An example of this is the integration of biodiversity considerations into analytical tools, such as environmental site impact assessments.

2. Topic-specific disclosures

Disclosure 304-1

Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas

Reporting requirements

The reporting organization shall report the following information:

- a. For each operational site owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas, the following information:
 - i. Geographic location;
 - ii. Subsurface and underground land that may be owned, leased, or managed by the organization;
 - iii. Position in relation to the protected area (in the area, adjacent to, or containing portions of the protected area) or the high biodiversity value area outside protected areas;
 - iv. Type of operation (office, manufacturing or production, or extractive);
 - v. Size of operational site in km² (or another unit, if appropriate);
 - vi. Biodiversity value characterized by the attribute of the protected area or area of high biodiversity value outside the protected area (terrestrial, freshwater, or maritime ecosystem);
 - vii. Biodiversity value characterized by listing of protected status (such as IUCN Protected Area Management Categories, Ramsar Convention, national legislation).

Disclosure
304-1

Reporting recommendations

- 2.1 When compiling the information specified in Disclosure 304-1, the reporting organization should include information about sites for which future operations have been formally announced.

Guidance

Background

Monitoring which activities are taking place in both protected areas and areas of high biodiversity value outside protected areas makes it possible for the organization to reduce the risks of impacts. It also makes it possible for the organization to manage impacts on biodiversity or to avoid mismanagement.

Disclosure 304-2

Significant impacts of activities, products, and services on biodiversity

Reporting requirements

Disclosure 304-2

The reporting organization shall report the following information:

- a. Nature of significant direct and indirect impacts on biodiversity with reference to one or more of the following:
 - i. Construction or use of manufacturing plants, mines, and transport infrastructure;
 - ii. Pollution (introduction of substances that do not naturally occur in the habitat from point and non-point sources);
 - iii. Introduction of invasive species, pests, and pathogens;
 - iv. Reduction of species;
 - v. Habitat conversion;
 - vi. Changes in ecological processes outside the natural range of variation (such as salinity or changes in groundwater level).
- b. Significant direct and indirect positive and negative impacts with reference to the following:
 - i. Species affected;
 - ii. Extent of areas impacted;
 - iii. Duration of impacts;
 - iv. Reversibility or irreversibility of the impacts.

.....

Guidance

Guidance for Disclosure 304-2

Indirect impacts on biodiversity can include impacts in the supply chain.

Areas of impact are not limited to areas that are formally protected and include consideration of impacts on buffer zones, as well as formally designated areas of special importance or sensitivity.

Background

This disclosure provides the background for understanding (and developing) an organization's strategy to mitigate significant direct and indirect impacts on biodiversity. By presenting structured and qualitative information, the disclosure enables comparison of the relative size, scale, and nature of impacts over time and across organizations.

Disclosure 304-3

Habitats protected or restored

Reporting requirements

The reporting organization shall report the following information:

- a. Size and location of all habitat areas protected or restored, and whether the success of the restoration measure was or is approved by independent external professionals.
- b. Whether partnerships exist with third parties to protect or restore habitat areas distinct from where the organization has overseen and implemented restoration or protection measures.
- c. Status of each area based on its condition at the close of the reporting period.
- d. Standards, methodologies, and assumptions used.

Disclosure
304-3

Reporting recommendations

- 2.2 When compiling the information specified in Disclosure 304-3, the reporting organization should align the information presented in this disclosure with regulatory or license requirements for the protection or restoration of habitats, if applicable.

Guidance

Guidance for Disclosure 304-3

This disclosure addresses the extent of an organization's prevention and remediation activities with respect to its impacts on biodiversity. This disclosure refers to areas where remediation has

been completed or where the area is actively protected. Areas where operations are still active can be counted if they conform to the definitions of 'area restored' or 'area protected'.

Disclosure 304-4

IUCN Red List species and national conservation list species with habitats in areas affected by operations

Reporting requirements

Disclosure
304-4

The reporting organization shall report the following information:

- a. Total number of IUCN Red List species and national conservation list species with habitats in areas affected by the operations of the organization, by level of extinction risk:
 - i. Critically endangered
 - ii. Endangered
 - iii. Vulnerable
 - iv. Near threatened
 - v. Least concern

Reporting recommendations

- 2.3 When compiling the information specified in Disclosure 304-4, the reporting organization should compare the information in the IUCN Red List and national conservation lists with the species outlined in planning documentation and monitoring records to ensure consistency.

Guidance

Background

This disclosure helps an organization to identify where its activities pose a threat to endangered plant and animal species. By identifying these threats, the organization can initiate appropriate steps to avoid harm and to prevent the extinction of species. The International Union for Conservation of Nature (IUCN) 'Red List of Threatened Species' (an inventory

of the global conservation status of plant and animal species) and national conservation lists serve as authorities on the sensitivity of habitat in areas affected by operations, and on the relative importance of these habitats from a management perspective.

See reference 8 in the [References section](#).

References

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

Authoritative intergovernmental instruments:

1. Ramsar Convention, 'The Convention on Wetlands of International Importance especially as Waterfowl Habitat', 1994.
2. United Nations (UN) Convention, 'Convention on Biological Diversity', 1992.
3. United Nations (UN) Convention, 'Convention on International Trade in Endangered Species of Wild Flora and Fauna (CITES)', 1979.
4. United Nations Educational, Scientific and Cultural Organization (UNESCO), Biosphere Reserves, <http://www.unesco.org/new/en/natural-sciences/environment/ecological-sciences/biosphere-reserves/>, accessed on 1 September 2016.
5. United Nations Educational, Scientific and Cultural Organization (UNESCO), World Heritage Sites List, <http://whc.unesco.org/en/list>, accessed on 1 September 2016.

Other relevant references:

6. BirdLife International, Important Bird and Biodiversity Areas, <http://www.birdlife.org/datazone/site>, accessed on 1 September 2016.
7. International Union for Conservation of Nature (IUCN), *Guidelines for Applying Protected Area Management Categories*, 2008.
8. International Union for Conservation of Nature (IUCN), Red List of Threatened Species, <http://www.iucnredlist.org/>, accessed on 1 September 2016.

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ISBN: 978-90-8866-067-2

GRI 305: EMISSIONS 2016

GRI **305**

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About this Standard

Responsibility	This Standard is issued by the Global Sustainability Standards Board (GSSB) . Any feedback on the GRI Standards can be submitted to standards@globalreporting.org for the consideration of the GSSB.
Scope	<i>GRI 305: Emissions</i> sets out reporting requirements on the topic of emissions. This Standard can be used by an organization of any size, type, sector or geographic location that wants to report on its impacts related to this topic.
Normative references	This Standard is to be used together with the most recent versions of the following documents. GRI 101: Foundation GRI 103: Management Approach GRI Standards Glossary In the text of this Standard, terms defined in the Glossary are <u>underlined</u>.
Effective date	This Standard is effective for reports or other materials published on or after 1 July 2018. Earlier adoption is encouraged.

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

Introduction

A. Overview

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

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

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

GRI 101: Foundation

GRI 102: General Disclosures

GRI 103: Management Approach

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

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

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

***GRI 305: Emissions* is a topic-specific GRI Standard in the 300 series (Environmental topics).**

B. Using the GRI Standards and making claims

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

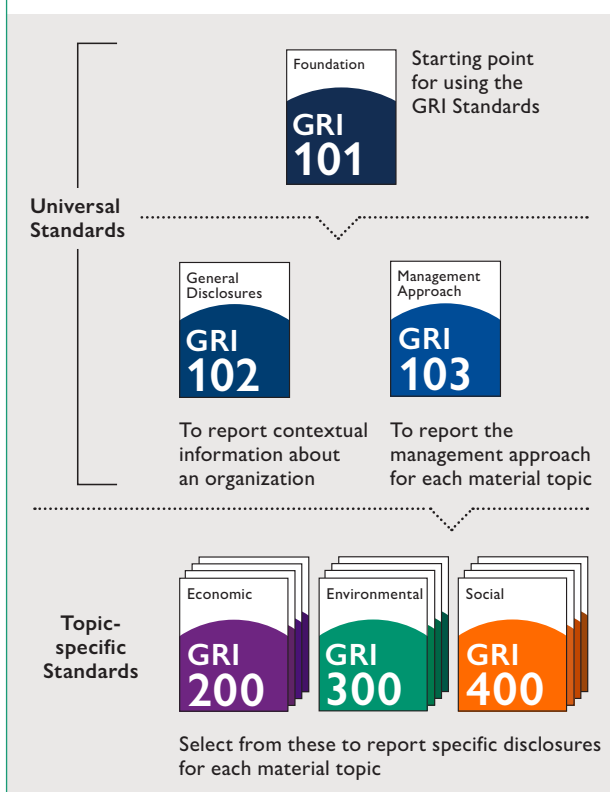
1. The GRI Standards can be used as a set to prepare a sustainability report that is in accordance with the Standards. There are two options for preparing a report in accordance (Core or Comprehensive), depending on the extent of disclosures included in the report.

An organization preparing a report in accordance with the GRI Standards uses this Standard, *GRI 305: Emissions*, if this is one of its material topics.

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

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

Figure 1
Overview of the set of GRI Standards



C. Requirements, recommendations and guidance

The GRI Standards include:

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

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

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

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

D. Background context

In the context of the GRI Standards, the environmental dimension of sustainability concerns an organization's impacts on living and non-living natural systems, including land, air, water and ecosystems.

GRI 305 addresses emissions into air, which are the discharge of substances from a source into the atmosphere. Types of emissions include: greenhouse gas (GHG), ozone-depleting substances (ODS), and nitrogen oxides (NO_x) and sulfur oxides (SO_x), among other significant air emissions.

GHG emissions

GHG emissions are a major contributor to climate change and are governed by the United Nations (UN) 'Framework Convention on Climate Change' and the subsequent UN 'Kyoto Protocol'.

This Standard covers the following GHGs:

- Carbon dioxide (CO₂)
- Methane (CH₄)
- Nitrous oxide (N₂O)
- Hydrofluorocarbons (HFCs)
- Perfluorocarbons (PFCs)
- Sulphur hexafluoride (SF₆)
- Nitrogen trifluoride (NF₃)

Some GHGs, including methane, are also air pollutants that have significant adverse impacts on ecosystems, air quality, agriculture, and human and animal health.

As a result, different national and international regulations and incentive systems, such as emissions trading, aim to control the volume and reward the reduction of GHG emissions.

The reporting requirements for GHG emissions in this Standard are based on the requirements of the 'GHG Protocol Corporate Accounting and Reporting Standard' ('GHG Protocol Corporate Standard') and the 'GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard' ('GHG Protocol Corporate Value Chain Standard'). These two standards are part of the GHG Protocol developed by the World Resources Institute (WRI) and the World Business Council on Sustainable Development (WBCSD).

The GHG Protocol has established a classification of GHG emissions called 'Scope': Scope 1, Scope 2 and Scope 3. The GHG emissions standard published by the International Organization for Standardization (ISO), 'ISO 14064', represents these classifications of Scope with the following terms:

- Direct GHG emissions = Scope 1
- Energy indirect GHG emissions = Scope 2
- Other indirect GHG emissions = Scope 3

In this Standard, these terms are combined in the following way, as defined in the [GRI Standards Glossary](#):

- Direct (Scope 1) GHG emissions
- Energy indirect (Scope 2) GHG emissions
- Other indirect (Scope 3) GHG emissions

Ozone-depleting substances (ODS)

The ozone layer filters out most of the sun's biologically harmful ultraviolet (UV-B) radiation. Observed and projected ozone depletion due to ODS generates worldwide concern. The UN Environment Programme (UNEP) 'Montreal Protocol on Substances that Deplete the Ozone Layer' ('Montreal Protocol') regulates the phase-out of ODS internationally.

Nitrogen oxides (NO_x), sulfur oxides (SO_x), and other significant air emissions

Pollutants such as NO_x and SO_x have adverse effects on climate, ecosystems, air quality, habitats, agriculture, and human and animal health. Deterioration of air quality, acidification, forest degradation and public health concerns have led to local and international regulations to control emissions of these pollutants.

Reductions in the emission of regulated pollutants lead to improved health conditions for workers and local communities and can enhance relations with affected stakeholders. In regions with emission caps, the volume of emissions also has direct cost implications.

Other significant air emissions include, for example, persistent organic pollutants or particulate matter, as well as air emissions that are regulated under international conventions and/or national laws or regulations, including those listed on an organization's environmental permits.

GRI 305: Emissions

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

- Management approach disclosures (this section references GRI 103)
- Disclosure 305-1 Direct (Scope 1) GHG emissions
- Disclosure 305-2 Energy indirect (Scope 2) GHG emissions
- Disclosure 305-3 Other indirect (Scope 3) GHG emissions
- Disclosure 305-4 GHG emissions intensity
- Disclosure 305-5 Reduction of GHG emissions
- Disclosure 305-6 Emissions of ozone-depleting substances (ODS)
- Disclosure 305-7 Nitrogen oxides (NO_x), sulfur oxides (SO_x), and other significant air emissions

1. Management approach disclosures

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

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

Reporting requirements

- 1.1** The reporting organization shall report its management approach for emissions using [GRI 103: Management Approach](#).
- 1.2** When reporting on GHG emissions targets, the reporting organization shall explain whether offsets were used to meet the targets, including the type, amount, criteria or scheme of which the offsets are part.

Management approach disclosures

Continued

Guidance

When reporting its management approach for emissions, the reporting organization can also:

- explain whether it is subject to any country, regional, or industry-level emissions regulations and policies; and provide examples of these regulations and policies;
- disclose expenditures on treatment of emissions (such as expenditures for filters, agents) and for the purchase and use of emissions certificates.

2. Topic-specific disclosures

Disclosure 305-1

Direct (Scope 1) GHG emissions

Reporting requirements

The reporting organization shall report the following information:

- a. Gross direct (Scope 1) GHG emissions in metric tons of CO₂ equivalent.
- b. Gases included in the calculation; whether CO₂, CH₄, N₂O, HFCs, PFCs, SF₆, NF₃, or all.
- c. Biogenic CO₂ emissions in metric tons of CO₂ equivalent.
- d. Base year for the calculation, if applicable, including:
 - i. the rationale for choosing it;
 - ii. emissions in the base year;
 - iii. the context for any significant changes in emissions that triggered recalculations of base year emissions.
- e. Source of the emission factors and the global warming potential (GWP) rates used, or a reference to the GWP source.
- f. Consolidation approach for emissions; whether equity share, financial control, or operational control.
- g. Standards, methodologies, assumptions, and/or calculation tools used.

Disclosure
305-1

2.1 When compiling the information specified in Disclosure 305-1, the reporting organization shall:

- 2.1.1 exclude any GHG trades from the calculation of gross direct (Scope 1) GHG emissions;
- 2.1.2 report biogenic emissions of CO₂ from the combustion or biodegradation of biomass separately from the gross direct (Scope 1) GHG emissions. Exclude biogenic emissions of other types of GHG (such as CH₄ and N₂O), and biogenic emissions of CO₂ that occur in the life cycle of biomass other than from combustion or biodegradation (such as GHG emissions from processing or transporting biomass).

Reporting recommendations

2.2 When compiling the information specified in Disclosure 305-1, the reporting organization should:

- 2.2.1 apply emission factors and GWP rates consistently for the data disclosed;
- 2.2.2 use the GWP rates from the IPCC assessment reports based on a 100-year timeframe;
- 2.2.3 select a consistent approach for consolidating direct (Scope 1) and energy indirect (Scope 2) GHG emissions; choosing from the equity share, financial control, or operational control methods outlined in the 'GHG Protocol Corporate Standard';
- 2.2.4 if subject to different standards and methodologies, describe the approach to selecting them;

Disclosure 305-1

Continued

- 2.2.5 where it aids transparency or comparability over time, provide a breakdown of the direct (Scope 1) GHG emissions by:
- 2.2.5.1 business unit or facility;
 - 2.2.5.2 country;
 - 2.2.5.3 type of source (stationary combustion, process, fugitive);
 - 2.2.5.4 type of activity.

Guidance

Guidance for Disclosure 305-1

Direct (Scope 1) GHG emissions include, but are not limited to, the CO₂ emissions from the fuel consumption as reported in [Disclosure 302-1](#) of *GRI 302: Energy*.

Direct (Scope 1) GHG emissions can come from the following sources owned or controlled by an organization:

- Generation of electricity, heating, cooling and steam: these emissions result from combustion of fuels in stationary sources, such as boilers, furnaces, and turbines – and from other combustion processes such as flaring;
- Physical or chemical processing: most of these emissions result from the manufacturing or processing of chemicals and materials, such as cement, steel, aluminum, ammonia, and waste processing;
- Transportation of materials, products, waste, workers, and passengers: these emissions result from the combustion of fuels in mobile combustion sources owned or controlled by the organization, such as trucks, trains, ships, airplanes, buses, and cars;
- Fugitive emissions: these are emissions that are not physically controlled but result from intentional or unintentional releases of GHGs. These can include equipment leaks from joints, seals, packing, and gaskets; methane emissions (e.g., from coal mines) and venting; HFC emissions from refrigeration and air conditioning equipment; and methane leakages (e.g., from gas transport).

Methodologies used to calculate the direct (Scope 1) GHG emissions can include:

- direct measurement of energy source consumed (coal, gas) or losses (refills) of cooling systems and conversion to GHG (CO₂ equivalents);
- mass balance calculations;
- calculations based on site-specific data, such as for fuel composition analysis;

- calculations based on published criteria, such as emission factors and GWP rates;
- direct measurements of GHG emissions, such as continuous online analyzers;
- estimations.

If estimations are used due to a lack of default figures, the reporting organization can indicate the basis and assumptions on which figures were estimated.

For recalculations of prior year emissions, the organization can follow the approach in the 'GHG Protocol Corporate Standard'.

The chosen emission factors can originate from mandatory reporting requirements, voluntary reporting frameworks, or industry groups.

Estimates of GWP rates change over time as scientific research develops. GWP rates from the *Second Assessment Report* of the Intergovernmental Panel on Climate Change (IPCC) are used as the basis for international negotiations under the 'Kyoto Protocol'. Thus, such rates can be used for disclosing GHG emissions where it does not conflict with national or regional reporting requirements. The organization can also use the latest GWP rates from the most recent IPCC assessment report.

The organization can combine Disclosure 305-1 with Disclosures 305-2 (energy indirect/Scope 2 GHG emissions) and 305-3 (other indirect/Scope 3 GHG emissions) to disclose total GHG emissions.

Further details and guidance are available in the 'GHG Protocol Corporate Standard'. See also references 1, 2, 12, 13, 14 and 19 in the [References section](#).

Disclosure 305-2

Energy indirect (Scope 2) GHG emissions

Reporting requirements

The reporting organization shall report the following information:

- a. Gross location-based energy indirect (Scope 2) GHG emissions in metric tons of CO₂ equivalent.
- b. If applicable, gross market-based energy indirect (Scope 2) GHG emissions in metric tons of CO₂ equivalent.
- c. If available, the gases included in the calculation; whether CO₂, CH₄, N₂O, HFCs, PFCs, SF₆, NF₃, or all.
- d. Base year for the calculation, if applicable, including:
 - i. the rationale for choosing it;
 - ii. emissions in the base year;
 - iii. the context for any significant changes in emissions that triggered recalculations of base year emissions.
- e. Source of the emission factors and the global warming potential (GWP) rates used, or a reference to the GWP source.
- f. Consolidation approach for emissions; whether equity share, financial control, or operational control.
- g. Standards, methodologies, assumptions, and/or calculation tools used.

Disclosure
305-2

2.3 When compiling the information specified in Disclosure 305-2, the reporting organization shall:

- 2.3.1 exclude any GHG trades from the calculation of gross energy indirect (Scope 2) GHG emissions;
- 2.3.2 exclude other indirect (Scope 3) GHG emissions that are disclosed as specified in Disclosure 305-3;
- 2.3.3 account and report energy indirect (Scope 2) GHG emissions based on the location-based method, if it has operations in markets without product or supplier-specific data;
- 2.3.4 account and report energy indirect (Scope 2) GHG emissions based on both the location-based and market-based methods, if it has any operations in markets providing product or supplier-specific data in the form of contractual instruments.

Reporting recommendations

2.4 When compiling the information specified in Disclosure 305-2, the reporting organization should:

- 2.4.1 apply emission factors and GWP rates consistently for the data disclosed;
- 2.4.2 use the GWP rates from the IPCC assessment reports based on a 100-year timeframe;
- 2.4.3 select a consistent approach for consolidating direct (Scope 1) and energy indirect (Scope 2) GHG emissions, choosing from the equity share, financial control, or operational control methods outlined in the 'GHG Protocol Corporate Standard';
- 2.4.4 if subject to different standards and methodologies, describe the approach to selecting them;
- 2.4.5 where it aids transparency or comparability over time, provide a breakdown of the energy indirect (Scope 2) GHG emissions by:
 - 2.4.5.1 business unit or facility;
 - 2.4.5.2 country;
 - 2.4.5.3 type of source (electricity, heating, cooling, and steam);
 - 2.4.5.4 type of activity.

Disclosure 305-2

Continued

Guidance

Guidance for Disclosure 305-2

Energy indirect (Scope 2) GHG emissions include, but are not limited to, the CO₂ emissions from the generation of purchased or acquired electricity, heating, cooling, and steam consumed by an organization – disclosed as specified in [Disclosure 302-1](#) of *GRI 302: Energy*. For many organizations, the energy indirect (Scope 2) GHG emissions that result from the generation of purchased electricity can be much greater than their direct (Scope 1) GHG emissions.

The ‘GHG Protocol Scope 2 Guidance’ requires organizations to provide two distinct Scope 2 values: a location-based and a market-based value. A location-based method reflects the average GHG emissions intensity of grids on which energy consumption occurs, using mostly grid-average emission factor data. A market-based method reflects emissions from electricity that an organization has purposefully chosen (or its lack of choice). It derives emission factors from contractual instruments, which include any type of contract between two parties for the sale and purchase of energy bundled with attributes about the energy generation, or for unbundled attribute claims.

The market-based method calculation also includes the use of a residual mix, if the organization does not have specified emissions-intensity from its contractual instruments. This helps prevent double counting between consumers’ market-based method figures. If a residual mix is unavailable, the organization can disclose this and use grid-average emission factors as a proxy (which can mean that the location-based and market-based are the same number until information on the residual mix is available).

The reporting organization can apply the Quality Criteria in the ‘GHG Protocol Scope 2 Guidance’ so that contractual instruments convey GHG emission rate claims and to prevent double counting. See reference 18 in the [References section](#).

For recalculations of prior year emissions, the organization can follow the approach in the ‘GHG Protocol Corporate Standard’.

The chosen emission factors can originate from mandatory reporting requirements, voluntary reporting frameworks, or industry groups.

Estimates of GWP rates change over time as scientific research develops. GWP rates from the *Second Assessment Report* of the IPCC are used as the basis for international negotiations under the ‘Kyoto Protocol’. Thus, such rates can be used for disclosing GHG emissions where it does not conflict with national or regional reporting requirements. The organization can also use the latest GWP rates from the most recent IPCC assessment report.

The organization can combine Disclosure 305-2 with Disclosures 305-1 (direct/Scope 1 GHG emissions) and 305-3 (other indirect/Scope 3 GHG emissions) to disclose total GHG emissions.

Further details and guidance are available in the ‘GHG Protocol Corporate Standard’. Details on the location-based and market-based methods are available in the ‘GHG Protocol Scope 2 Guidance’. See also references 1, 2, 12, 13, 14 and 18 in the [References section](#).

Disclosure 305-3

Other indirect (Scope 3) GHG emissions

Reporting requirements

The reporting organization shall report the following information:

- a. Gross other indirect (Scope 3) GHG emissions in metric tons of CO₂ equivalent.
- b. If available, the gases included in the calculation; whether CO₂, CH₄, N₂O, HFCs, PFCs, SF₆, NF₃, or all.
- c. Biogenic CO₂ emissions in metric tons of CO₂ equivalent.
- d. Other indirect (Scope 3) GHG emissions categories and activities included in the calculation.
- e. Base year for the calculation, if applicable, including:
 - i. the rationale for choosing it;
 - ii. emissions in the base year;
 - iii. the context for any significant changes in emissions that triggered recalculations of base year emissions.
- f. Source of the emission factors and the global warming potential (GWP) rates used, or a reference to the GWP source.
- g. Standards, methodologies, assumptions, and/or calculation tools used.

Disclosure
305-3

2.5 When compiling the information specified in Disclosure 305-3, the reporting organization shall:

- 2.5.1 exclude any GHG trades from the calculation of gross other indirect (Scope 3) GHG emissions;
- 2.5.2 exclude energy indirect (Scope 2) GHG emissions from this disclosure. Energy indirect (Scope 2) GHG emissions are disclosed as specified in Disclosure 305-2;
- 2.5.3 report biogenic emissions of CO₂ from the combustion or biodegradation of biomass that occur in its value chain separately from the gross other indirect (Scope 3) GHG emissions. Exclude biogenic emissions of other types of GHG (such as CH₄ and N₂O), and biogenic emissions of CO₂ that occur in the life cycle of biomass other than from combustion or biodegradation (such as GHG emissions from processing or transporting biomass).

Reporting recommendations

2.6 When compiling the information specified in Disclosure 305-3, the reporting organization should:

- 2.6.1 apply emission factors and GWP rates consistently for the data disclosed;
- 2.6.2 use the GWP rates from the IPCC assessment reports based on a 100-year timeframe;
- 2.6.3 if subject to different standards and methodologies, describe the approach to selecting them;
- 2.6.4 list other indirect (Scope 3) GHG emissions, with a breakdown by upstream and downstream categories and activities;
- 2.6.5 where it aids transparency or comparability over time, provide a breakdown of the other indirect (Scope 3) GHG emissions by:
 - 2.6.5.1 business unit or facility;
 - 2.6.5.2 country;
 - 2.6.5.3 type of source;
 - 2.6.5.4 type of activity.

Disclosure 305-3

Continued

Guidance

Guidance for Disclosure 305-3

Other indirect (Scope 3) GHG emissions are a consequence of an organization's activities, but occur from sources not owned or controlled by the organization. Other indirect (Scope 3) GHG emissions include both upstream and downstream emissions. Some examples of Scope 3 activities include extracting and producing purchased materials; transporting purchased fuels in vehicles not owned or controlled by the organization; and the end use of products and services.

Other indirect emissions can also come from the decomposing of the organization's waste. Process-related emissions during the manufacture of purchased goods and fugitive emissions in facilities not owned by the organization can also produce indirect emissions.

For some organizations, GHG emissions that result from energy consumption outside of the organization can be much greater than their direct (Scope 1) or energy indirect (Scope 2) GHG emissions.

The reporting organization can identify other indirect (Scope 3) GHG emissions by assessing which of its activities' emissions:

- contribute significantly to the organization's total anticipated other indirect (Scope 3) GHG emissions;
- offer potential for reductions the organization can undertake or influence;
- contribute to climate change-related risks, such as financial, regulatory, supply chain, product and customer, litigation, and reputational risks;
- are deemed material by stakeholders, such as customers, suppliers, investors, or civil society;
- result from outsourced activities previously performed in-house, or that are typically performed in-house by other organizations in the same sector;
- have been identified as significant for the organization's sector;
- meet any additional criteria for determining relevance, developed by the organization or by organizations in its sector.

The organization can use the following upstream and downstream categories and activities from the 'GHG Protocol Corporate Value Chain Standard' (see reference 15 in the [References section](#)):

Upstream categories

1. Purchased goods and services
 2. Capital goods
 3. Fuel- and energy-related activities (not included in Scope 1 or Scope 2)
 4. Upstream transportation and distribution
 5. Waste generated in operations
 6. Business travel
 7. Employee commuting
 8. Upstream leased assets
- Other upstream

Downstream categories

9. Downstream transportation and distribution
 10. Processing of sold products
 11. Use of sold products
 12. End-of-life treatment of sold products
 13. Downstream leased assets
 14. Franchises
 15. Investments
- Other downstream

For each of these categories and activities, the organization can provide a figure in CO₂ equivalent or explain why certain data are not included.

For recalculations of prior year emissions, the organization can follow the approach in the 'GHG Protocol Corporate Value Chain Standard'.

The chosen emission factors can originate from mandatory reporting requirements, voluntary reporting frameworks, or industry groups.

Estimates of GWP rates change over time as scientific research develops. GWP rates from the *Second Assessment Report* of the IPCC are used as the basis for international negotiations under the 'Kyoto Protocol'. Thus, such rates can be used for disclosing GHG emissions where it does not conflict with national or regional reporting requirements. The organization can also use the latest GWP rates from the most recent IPCC assessment report.

The organization can combine Disclosure 305-3 with Disclosures 305-1 (direct/Scope 1 GHG emissions) and 305-2 (energy indirect/Scope 2 GHG emissions) to disclose total GHG emissions.

See references 1, 2, 12, 13, 15, 17 and 19 in the [References section](#).

Disclosure 305-4

GHG emissions intensity

Reporting requirements

Disclosure 305-4

The reporting organization shall report the following information:

- a. GHG emissions intensity ratio for the organization.
- b. Organization-specific metric (the denominator) chosen to calculate the ratio.
- c. Types of GHG emissions included in the intensity ratio; whether direct (Scope 1), energy indirect (Scope 2), and/or other indirect (Scope 3).
- d. Gases included in the calculation; whether CO₂, CH₄, N₂O, HFCs, PFCs, SF₆, NF₃, or all.

2.7 When compiling the information specified in Disclosure 305-4, the reporting organization shall:

- 2.7.1 calculate the ratio by dividing the absolute GHG emissions (the numerator) by the organization-specific metric (the denominator);
- 2.7.2 if reporting an intensity ratio for other indirect (Scope 3) GHG emissions, report this intensity ratio separately from the intensity ratios for direct (Scope 1) and energy indirect (Scope 2) emissions.

Reporting recommendations

2.8 When compiling the information specified in Disclosure 305-4, the reporting organization should, where it aids transparency or comparability over time, provide a breakdown of the GHG emissions intensity ratio by:

- 2.8.1 business unit or facility;
- 2.8.2 country;
- 2.8.3 type of source;
- 2.8.4 type of activity.

Guidance

Guidance for Disclosure 305-4

Intensity ratios can be provided for, among others:

- products (such as metric tons of CO₂ emissions per unit produced);
- services (such as metric tons of CO₂ emissions per function or per service);
- sales (such as metric tons of CO₂ emissions per sales).

Organization-specific metrics (denominators) can include:

- units of product;
- production volume (such as metric tons, liters, or MWh);
- size (such as m² floor space);
- number of full-time employees;
- monetary units (such as revenue or sales).

The reporting organization can report an intensity ratio for direct (Scope 1) and energy indirect (Scope 2) GHG emissions combined, using the figures reported in Disclosures 305-1 and 305-2.

Background

Intensity ratios define GHG emissions in the context of an organization-specific metric. Many organizations track environmental performance with intensity ratios, which are often called normalized environmental impact data.

GHG emissions intensity expresses the amount of GHG emissions per unit of activity, output, or any other organization-specific metric. In combination with an organization's absolute GHG emissions, reported in Disclosures 305-1, 305-2, and 305-3, GHG emissions intensity helps to contextualize the organization's efficiency, including in relation to other organizations.

See references 13, 14, and 19 in the [References section](#).

Disclosure 305-5

Reduction of GHG emissions

Reporting requirements

Disclosure 305-5

The reporting organization shall report the following information:

- a. GHG emissions reduced as a direct result of reduction initiatives, in metric tons of CO₂ equivalent.
- b. Gases included in the calculation; whether CO₂, CH₄, N₂O, HFCs, PFCs, SF₆, NF₃, or all.
- c. Base year or baseline, including the rationale for choosing it.
- d. Scopes in which reductions took place; whether direct (Scope 1), energy indirect (Scope 2), and/or other indirect (Scope 3).
- e. Standards, methodologies, assumptions, and/or calculation tools used.

2.9 When compiling the information specified in Disclosure 305-5, the reporting organization shall:

- 2.9.1 exclude reductions resulting from reduced production capacity or outsourcing;
- 2.9.2 use the inventory or project method to account for reductions;
- 2.9.3 calculate an initiative's total reductions of GHG emissions as the sum of its associated primary effects and any significant secondary effects;
- 2.9.4 if reporting two or more Scope types, report the reductions for each separately;
- 2.9.5 report reductions from offsets separately.

Reporting recommendations

2.10 When compiling the information specified in Disclosure 305-5, the reporting organization should, if subject to different standards and methodologies, describe the approach to selecting them.

Guidance

Guidance for Disclosure 305-5

The reporting organization can prioritize disclosing reduction initiatives that were implemented in the reporting period, and that have the potential to contribute significantly to reductions. Reduction initiatives and their targets can be described in the management approach for this topic.

Reduction initiatives can include:

- process redesign;
- conversion and retrofitting of equipment;
- fuel switching;
- changes in behavior;
- offsets.

The organization can report reductions disaggregated by initiatives or groups of initiatives.

This disclosure can be used in combination with Disclosures 305-1, 305-2, and 305-3 of this Standard to monitor the reduction of GHG emissions with reference to the organization's targets, or to regulations and trading systems at international or national level.

See references 12, 13, 14, 15, 16, and 19 in the [References section](#).

Guidance for clause 2.9.2

The inventory method compares reductions to a base year. The project method compares reductions to a baseline. Further details on these methods are available in references 15 and 16 in the References section.

Guidance for clause 2.9.3

Primary effects are the elements or activities designed to reduce GHG emissions, such as carbon storage. Secondary effects are smaller, unintended consequences of a reduction initiative, including changes to production or manufacture, which result in changes to GHG emissions elsewhere. See reference 14 in the [References section](#).

Disclosure 305-6

Emissions of ozone-depleting substances (ODS)

Reporting requirements

Disclosure
305-6

The reporting organization shall report the following information:

- a. Production, imports, and exports of ODS in metric tons of CFC-11 (trichlorofluoromethane) equivalent.
- b. Substances included in the calculation.
- c. Source of the emission factors used.
- d. Standards, methodologies, assumptions, and/or calculation tools used.

- 2.11 When compiling the information specified in Disclosure 305-6, the reporting organization shall:
- 2.11.1 calculate the production of ODS as the amount of ODS produced, minus the amount destroyed by approved technologies, and minus the amount entirely used as feedstock in the manufacture of other chemicals;

Production of ODS

=

ODS produced

–

ODS destroyed by approved technologies

–

ODS entirely used as feedstock in the manufacture of other chemicals

- 2.11.2 exclude ODS recycled and reused.

Reporting recommendations

- 2.12 When compiling the information specified in Disclosure 305-6, the reporting organization should:
- 2.12.1 if subject to different standards and methodologies, describe the approach to selecting them;
- 2.12.2 where it aids transparency or comparability over time, provide a breakdown of the ODS data by:
- 2.12.2.1 business unit or facility;
 - 2.12.2.2 country;
 - 2.12.2.3 type of source;
 - 2.12.2.4 type of activity.

Disclosure 305-6

Continued

Guidance

Guidance for Disclosure 305-6

The reporting organization can report separate or combined data for the substances included in the calculation.

This disclosure covers the substances included in Annexes A, B, C, and E of the 'Montreal Protocol' as well as any other ODS produced, imported, or exported by an organization.

See references 1, 2, 8 and 9 in the [References section](#).

Background

Measuring ODS production, imports, and exports helps to indicate how an organization complies with legislation. This is particularly relevant if the organization produces or uses ODS in its processes, products and services and is subject to phase-out commitments. Results on ODS phase-out help to indicate the organization's position in any markets affected by regulation on ODS.

Disclosure 305-7

Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions

Reporting requirements

Disclosure 305-7

The reporting organization shall report the following information:

- a. Significant air emissions, in kilograms or multiples, for each of the following:
 - i. NO_x
 - ii. SO_x
 - iii. Persistent organic pollutants (POP)
 - iv. Volatile organic compounds (VOC)
 - v. Hazardous air pollutants (HAP)
 - vi. Particulate matter (PM)
 - vii. Other standard categories of air emissions identified in relevant regulations
- b. Source of the emission factors used.
- c. Standards, methodologies, assumptions, and/or calculation tools used.

2.13 When compiling the information specified in Disclosure 305-7, the reporting organization shall select one of the following approaches for calculating significant air emissions:

- 2.13.1 Direct measurement of emissions (such as online analyzers);
- 2.13.2 Calculation based on site-specific data;
- 2.13.3 Calculation based on published emission factors;
- 2.13.4 Estimation. If estimations are used due to a lack of default figures, the organization shall indicate the basis on which figures were estimated.

Reporting recommendations

2.14 When compiling the information specified in Disclosure 305-7, the reporting organization should:

- 2.14.1 if subject to different standards and methodologies, describe the approach to selecting them;
- 2.14.2 where it aids transparency or comparability over time, provide a breakdown of the air emissions data by:
 - 2.14.2.1 business unit or facility;
 - 2.14.2.2 country;
 - 2.14.2.3 type of source;
 - 2.14.2.4 type of activity.

Guidance

See references 3, 4, 5, 6 and 10 in the [References section](#).

References

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

Authoritative intergovernmental instruments:

1. Intergovernmental Panel on Climate Change (IPCC), *Climate Change 1995: The Science of Climate Change, Contribution of Working Group I to the Second Assessment Report of the Intergovernmental Panel on Climate Change*, 1995.
2. Intergovernmental Panel on Climate Change (IPCC), *Climate Change 2007: The Physical Science Basis, Contribution of Working Group I to the Fourth Assessment Report of the Intergovernmental Panel on Climate Change*, 2007.
3. United Nations Economic Commission for Europe (UNECE) Convention, 'Geneva Protocol concerning the Control of Emissions of Volatile Organic Compounds or their Transboundary Fluxes', 1991.
4. United Nations Economic Commission for Europe (UNECE) Convention, 'Gothenburg Protocol to Abate Acidification, Eutrophication and Ground-level Ozone', 1999.
5. United Nations Economic Commission for Europe (UNECE) Convention, 'Helsinki Protocol on the Reduction of Sulphur Emissions or their Transboundary Fluxes', 1985.
6. United Nations Economic Commission for Europe (UNECE) Convention, 'Sofia Protocol concerning the Control of Emissions of Nitrogen Oxides or their Transboundary Fluxes', 1988.
7. United Nations Environment Programme (UNEP) and World Meteorological Organization (WMO), *Integrated Assessment of Black Carbon and Tropospheric Ozone*, 2011.
8. United Nations Environment Programme (UNEP), 'Montreal Protocol on Substances that Deplete the Ozone Layer', 1987.
9. United Nations Environment Programme (UNEP), *Standards and Codes of Practice to Eliminate Dependency on Halons - Handbook of Good Practices in the Halon Sector*, 2001.
10. United Nations Environment Programme (UNEP) Convention, 'Stockholm Convention on Persistent Organic Pollutants (POPs)', Annex A, B, and C, 2009.
11. United Nations (UN) Framework Convention, 'United Nations Framework Convention on Climate Change', 1992.
12. United Nations (UN) Protocol, 'Kyoto Protocol to the United Nations Framework Convention on Climate Change', 1997.

Other relevant references:

13. Carbon Disclosure Project (CDP), Investor CDP Information Request, updated annually.
14. World Resources Institute (WRI) and World Business Council for Sustainable Development (WBCSD), 'GHG Protocol Corporate Accounting and Reporting Standard', Revised Edition, 2004.
15. World Resources Institute (WRI) and World Business Council for Sustainable Development (WBCSD), 'GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard', 2011.
16. World Resources Institute (WRI) and World Business Council for Sustainable Development (WBCSD), 'GHG Protocol for Project Accounting', 2005.

17. World Resources Institute (WRI) and World Business Council for Sustainable Development (WBCSD), 'GHG Protocol Product Life Cycle Accounting and Reporting Standard', 2011.
18. World Resources Institute (WRI) and World Business Council for Sustainable Development (WBCSD), 'GHG Protocol Scope 2 Guidance. An amendment to the GHG Protocol Corporate Standard', 2015.
19. World Resources Institute (WRI) and World Business Council for Sustainable Development (WBCSD), 'Greenhouse Gas Protocol Accounting Notes, No. 1, Accounting and Reporting Standard Amendment', 2012.

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ISBN: 978-90-8866-068-9

GRI 306: EFFLUENTS AND WASTE

2016



GRI

306

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About this Standard

Responsibility	This Standard is issued by the Global Sustainability Standards Board (GSSB) . Any feedback on the GRI Standards can be submitted to standards@globalreporting.org for the consideration of the GSSB.
Scope	<i>GRI 306: Effluents and Waste</i> sets out reporting requirements on the topic of effluents and waste. This Standard can be used by an organization of any size, type, sector or geographic location that wants to report on its impacts related to this topic.
Normative references	This Standard is to be used together with the most recent versions of the following documents. GRI 101: Foundation GRI 103: Management Approach GRI Standards Glossary In the text of this Standard, terms defined in the Glossary are <u>underlined</u>.
Effective date	This Standard is effective for reports or other materials published on or after 1 July 2018. Earlier adoption is encouraged.

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

Introduction

A. Overview

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

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

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

[GRI 101: Foundation](#)

[GRI 102: General Disclosures](#)

[GRI 103: Management Approach](#)

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

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

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

GRI 306: Effluents and Waste is a topic-specific GRI Standard in the 300 series (Environmental topics).

B. Using the GRI Standards and making claims

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

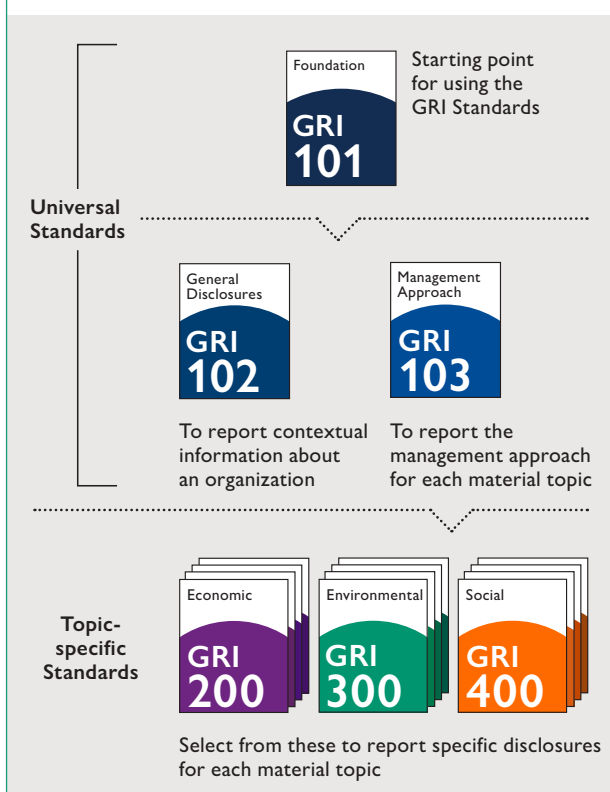
1. The GRI Standards can be used as a set to prepare a sustainability report that is in accordance with the Standards. There are two options for preparing a report in accordance (Core or Comprehensive), depending on the extent of disclosures included in the report.

An organization preparing a report in accordance with the GRI Standards uses this Standard, *GRI 306: Effluents and Waste*, if this is one of its material topics.

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

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

Figure 1
Overview of the set of GRI Standards



C. Requirements, recommendations and guidance

The GRI Standards include:

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

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

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

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

These concepts are covered by the Basel and Ramsar Conventions, and in key instruments of the International Maritime Organization: see [References](#).

The disclosures in this Standard can provide information about an organization's impacts related to effluents and waste, and how it manages these impacts.

D. Background context

In the context of the GRI Standards, the environmental dimension of sustainability concerns an organization's impacts on living and non-living natural systems, including land, air, water, and ecosystems.

GRI 306 addresses the topic of effluents and waste. This includes water discharges; the generation, treatment and disposal of waste; and spills of chemicals, oils, fuels, and other substances.

The impacts of water discharges vary depending on the quantity, quality, and destination of the discharge. The unmanaged discharge of effluents with a high chemical or nutrient load (principally nitrogen, phosphorous, or potassium) can affect aquatic habitats, the quality of an available water supply, and an organization's relationship with communities and other water users.

The generation, treatment and disposal of waste – including its improper transportation – can also pose harm to human health and the environment. This is of particular concern if waste is transported to countries lacking the infrastructure and regulations to handle it.

Spills of chemicals, oils, and fuels, among other substances, can potentially affect soil, water, air, biodiversity, and human health.

GRI 306: Effluents and Waste

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

- Management approach disclosures (this section references *GRI 103*)
- Disclosure 306-1 Water discharge by quality and destination
- Disclosure 306-2 Waste by type and disposal method
- Disclosure 306-3 Significant spills
- Disclosure 306-4 Transport of hazardous waste
- Disclosure 306-5 Water bodies affected by water discharges and/or runoff

1. Management approach disclosures

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

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

Reporting requirements

- 1.1** The reporting organization shall report its management approach for effluents and waste using [GRI 103: Management Approach](#).

Guidance

When reporting its management approach for effluents and waste, the reporting organization can also disclose expenditures on:

- treatment and disposal of waste;
- clean-up costs, including costs for remediation of spills as specified in [Disclosure 306-3](#).

2. Topic-specific disclosures

Disclosure 306-1

Water discharge by quality and destination

Reporting requirements

Disclosure
306-1

The reporting organization shall report the following information:

- a. Total volume of planned and unplanned water discharges by:
 - i. destination;
 - ii. quality of the water, including treatment method;
 - iii. whether the water was reused by another organization.
- b. Standards, methodologies, and assumptions used.

2.1 When compiling the information specified in Disclosure 306-1, the reporting organization shall:

- 2.1.1** exclude collected rainwater and domestic sewage from the volume of planned and unplanned water discharges;
- 2.1.2** if it does not have a meter to measure water discharges, estimate the volume of planned and unplanned water discharges by subtracting the approximate volume consumed on-site from the volume withdrawn as specified in [Disclosure 303-1](#) of *GRI 303: Water*.

Reporting recommendations

2.2 When compiling the information specified in Disclosure 306-1, the reporting organization should:

- 2.2.1** if it discharges effluents or process water, report water quality in terms of total volumes of effluent using standard effluent parameters, such as Biological Oxygen Demand (BOD) or Total Suspended Solids (TSS);
- 2.2.2** select parameters that are consistent with those used in the organization's sector.

Guidance

Guidance for Disclosure 306-1

In the context of this Standard, 'water discharge' includes water effluents discharged over the course of the reporting period. These effluents can be discharged to subsurface waters, surface waters, sewers that lead to rivers, oceans, lakes, wetlands, treatment facilities, and ground water, either:

- through a defined discharge point (point source discharge);
- over land in a dispersed or undefined manner (non-point source discharge);
- as wastewater removed from the organization via truck.

Discharge of collected rainwater and domestic sewage is not considered to be water discharge.

Guidance for clause 2.2

The specific choice of water quality parameters can vary depending on the organization's products, services, and operations.

Water quality metrics can vary depending on national or regional regulations.

Disclosure 306-2

Waste by type and disposal method

Reporting requirements

The reporting organization shall report the following information:

- a. Total weight of hazardous waste, with a breakdown by the following disposal methods where applicable:
 - i. Reuse
 - ii. Recycling
 - iii. Composting
 - iv. Recovery, including energy recovery
 - v. Incineration (mass burn)
 - vi. Deep well injection
 - vii. Landfill
 - viii. On-site storage
 - ix. Other (to be specified by the organization)
- b. Total weight of non-hazardous waste, with a breakdown by the following disposal methods where applicable:
 - i. Reuse
 - ii. Recycling
 - iii. Composting
 - iv. Recovery, including energy recovery
 - v. Incineration (mass burn)
 - vi. Deep well injection
 - vii. Landfill
 - viii. On-site storage
 - ix. Other (to be specified by the organization)
- c. How the waste disposal method has been determined:
 - i. Disposed of directly by the organization, or otherwise directly confirmed
 - ii. Information provided by the waste disposal contractor
 - iii. Organizational defaults of the waste disposal contractor

Disclosure
306-2

- 2.3 When compiling the information specified in Disclosure 306-2, the reporting organization shall:
 - 2.3.1 identify hazardous waste as defined by national legislation at the point of generation;
 - 2.3.2 exclude non-hazardous wastewater from the calculation of non-hazardous waste;
 - 2.3.3 if no weight data are available, estimate the weight using available information on waste density and volume collected, mass balances, or similar information.

Disclosure 306-2

Continued

Guidance

Background

Information about waste disposal methods reveals the extent to which an organization has managed the balance between disposal options and uneven environmental impacts. For example, land filling and recycling create very different types of environmental impacts and residual effects. Most waste minimization strategies emphasize prioritizing options for reuse, recycling, and then recovery over other disposal options to minimize ecological impacts.

Disclosure 306-3

Significant spills

Reporting requirements

The reporting organization shall report the following information:

- a. Total number and total volume of recorded significant spills.
- b. The following additional information for each spill that was reported in the organization's financial statements:
 - i. Location of spill;
 - ii. Volume of spill;
 - iii. Material of spill, categorized by: oil spills (soil or water surfaces), fuel spills (soil or water surfaces), spills of wastes (soil or water surfaces), spills of chemicals (mostly soil or water surfaces), and other (to be specified by the organization).
- c. Impacts of significant spills.

Disclosure
306-3

Disclosure 306-4

Transport of hazardous waste

Reporting requirements

The reporting organization shall report the following information:

- a. Total weight for each of the following:
 - i. Hazardous waste transported
 - ii. Hazardous waste imported
 - iii. Hazardous waste exported
 - iv. Hazardous waste treated
- b. Percentage of hazardous waste shipped internationally.
- c. Standards, methodologies, and assumptions used.

Disclosure
306-4

2.4 When compiling the information specified in Disclosure 306-4, the reporting organization shall:

- 2.4.1** convert volumes to an estimate of weight;
- 2.4.2** in response to Disclosure 306-4-c, provide a brief explanation of the methodology used for making these conversions.

Guidance

Guidance for Disclosure 306-4

This disclosure covers waste deemed hazardous under the terms of the Basel Convention Annex I, II, III, and VIII (see reference 1 in the [References section](#)). It covers hazardous waste transported by or on behalf of the reporting organization within the reporting period by destination, including transport across operational boundaries and within operations.

The organization can calculate the total weight of transported hazardous waste using the following equation:

$$\begin{array}{c}
 \text{Total weight of hazardous waste} \\
 \text{transported by destination} \\
 = \\
 \text{Weight of hazardous waste transported to the} \\
 \text{organization by destination from external sources/} \\
 \text{suppliers not owned by the organization} \\
 + \\
 \text{Weight of hazardous waste transported from the} \\
 \text{organization by destination to external sources/} \\
 \text{suppliers not owned by the organization} \\
 + \\
 \text{Weight of hazardous waste transported nationally} \\
 \text{and internationally by destination between locations} \\
 \text{owned, leased, or managed by the organization}
 \end{array}$$

Imported hazardous waste can be calculated as the total weight of hazardous waste transported across international borders and which enters the boundaries of the organization, by destination, excluding waste transported between different locations of the organization.

Exported hazardous waste can be calculated as the proportion of the total amount of transported hazardous waste by destination that is transported from the organization to locations abroad, including all waste that leaves the boundaries of the organization to cross international borders and excluding transportation between different locations of the organization.

For treated waste, the organization can identify:

- the portion of the total amount of transported and exported waste that the organization has treated, by destination;
- the portion of the total amount of waste, by destination, that is treated by external sources/suppliers, that has been transported, exported, or imported by the organization.

Disclosure 306-5

Water bodies affected by water discharges and/or runoff

Reporting requirements

The reporting organization shall report the following information:

- a. Water bodies and related habitats that are significantly affected by water discharges and/or runoff, including information on:
 - i. the size of the water body and related habitat;
 - ii. whether the water body and related habitat is designated as a nationally or internationally protected area;
 - iii. the biodiversity value, such as total number of protected species.

- 2.5 When compiling the information in Disclosure 306-5, the reporting organization shall report water bodies and related habitats significantly affected by water discharges and/or runoff that meet one or more of the following criteria:
- 2.5.1 Discharges account for an average of five percent or more of the annual average volume of the water body;
 - 2.5.2 Discharges that, on the advice of appropriate professionals, such as municipal authorities, are known to have or are highly likely to have significant impacts on the water body and associated habitats;
 - 2.5.3 Discharges to water bodies that are recognized by professionals to be particularly sensitive due to their relative size, function, or status as a rare, threatened, or endangered system, or that support a particular endangered species of plant or animal;
 - 2.5.4 Any discharge to a wetland listed in the Ramsar Convention or any other nationally or internationally proclaimed conservation area regardless of the rate of discharge;
 - 2.5.5 The water body has been identified as having a high biodiversity value, such as species diversity and endemism, or total number of protected species;
 - 2.5.6 The water body has been identified as having a high value or importance to local communities.

Guidance

Background

This disclosure is a qualitative counterpart to the quantitative disclosures of water discharge, and helps to describe the impact of these discharges. Discharges and runoff affecting aquatic habitats can have a significant impact on the availability of water resources.

See references 4 and 5 in the [References section](#).

References

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

Authoritative intergovernmental instruments:

1. Basel Convention, 'Ban Amendment to the Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and their Disposal', 1995.
2. International Maritime Organization (IMO) Convention, 'Convention on the Prevention of Marine Pollution by Dumping of Wastes and Other Matter' (London Convention), 1972.
3. International Maritime Organization (IMO) Convention, 'International Convention for the Prevention of Pollution from Ships (Marpol)', 1973, as modified by the Protocol of 1978.
4. Ramsar Convention, 'The Convention on Wetlands of International Importance especially as Waterfowl Habitat', 1994.

Other relevant references:

5. International Union for Conservation of Nature (IUCN), Red List of Threatened Species, <http://www.iucnredlist.org/>, accessed on 1 September 2016.

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ISBN: 978-90-8866-069-6

GRI 307: ENVIRONMENTAL COMPLIANCE 2016



GRI 307

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About this Standard

Responsibility	This Standard is issued by the Global Sustainability Standards Board (GSSB) . Any feedback on the GRI Standards can be submitted to standards@globalreporting.org for the consideration of the GSSB.
Scope	<i>GRI 307: Environmental Compliance</i> sets out reporting requirements on the topic of environmental compliance. This Standard can be used by an organization of any size, type, sector or geographic location that wants to report on its impacts related to this topic.
Normative references	This Standard is to be used together with the most recent versions of the following documents. GRI 101: Foundation GRI 103: Management Approach GRI Standards Glossary In the text of this Standard, terms defined in the Glossary are <u>underlined</u>.
Effective date	This Standard is effective for reports or other materials published on or after 1 July 2018. Earlier adoption is encouraged.

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Introduction

A. Overview

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

[GRI 101: Foundation](#)

[GRI 102: General Disclosures](#)

[GRI 103: Management Approach](#)

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

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

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

GRI 307: Environmental Compliance is a topic-specific GRI Standard in the 300 series (Environmental topics).

B. Using the GRI Standards and making claims

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

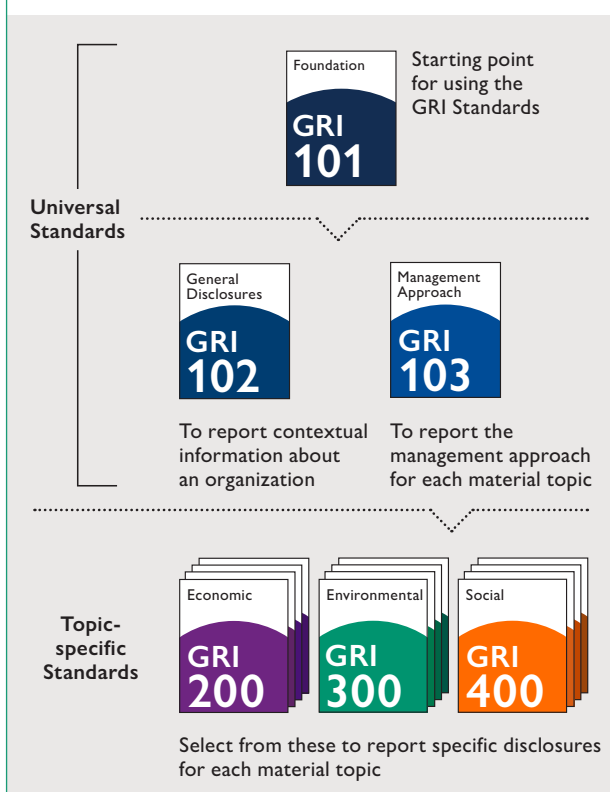
1. The GRI Standards can be used as a set to prepare a sustainability report that is in accordance with the Standards. There are two options for preparing a report in accordance (Core or Comprehensive), depending on the extent of disclosures included in the report.

An organization preparing a report in accordance with the GRI Standards uses this Standard, *GRI 307: Environmental Compliance*, if this is one of its material topics.

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

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

Figure 1
Overview of the set of GRI Standards



C. Requirements, recommendations and guidance

The GRI Standards include:

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

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

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

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

D. Background context

In the context of the GRI Standards, the environmental dimension of sustainability concerns an organization's impacts on living and non-living natural systems, including land, air, water, and ecosystems.

GRI 307 addresses the topic of environmental compliance, covering an organization's compliance with environmental laws and/or regulations. This includes compliance with international declarations, conventions and treaties, as well as national, sub-national, regional, and local regulations.

The disclosures in this Standard can provide information on an organization's compliance with applicable laws and regulations, and with other instruments concerned with environmental protection.

Additional disclosures that relate to this topic can also be found in:

- [GRI 419: Socioeconomic Compliance](#)

If the reporting organization has identified both topics as material, it can combine its disclosures for *GRI 307* and *GRI 419*. For example, if the organization uses the same approach for managing both topics, it can provide one combined explanation of its management approach.

GRI 307: Environmental Compliance

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

- Management approach disclosures (this section references *GRI 103*)
- Disclosure 307-1 Non-compliance with environmental laws and regulations

1. Management approach disclosures

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

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

Reporting requirements

- 1.1 The reporting organization shall report its management approach for environmental compliance using [GRI 103: Management Approach](#).**

Guidance

When reporting its management approach for environmental compliance, the reporting organization can also disclose expenditures on insurance for environmental liability.

2. Topic-specific disclosures

Disclosure 307-1

Non-compliance with environmental laws and regulations

Reporting requirements

The reporting organization shall report the following information:

- a. Significant fines and non-monetary sanctions for non-compliance with environmental laws and/or regulations in terms of:
 - i. total monetary value of significant fines;
 - ii. total number of non-monetary sanctions;
 - iii. cases brought through dispute resolution mechanisms.
- b. If the organization has not identified any non-compliance with environmental laws and/or regulations, a brief statement of this fact is sufficient.

Disclosure
307-1

Reporting recommendations

- 2.1 When compiling the information specified in Disclosure 307-1, the reporting organization should include administrative and judicial sanctions for failure to comply with environmental laws and/or regulations, including:
 - 2.1.1 international declarations, conventions, and treaties;
 - 2.1.2 national, sub-national, regional, and local regulations;
 - 2.1.3 voluntary environmental agreements with regulating authorities that are considered binding and developed as a substitute for implementing new regulations;
 - 2.1.4 cases brought against the organization through the use of international dispute mechanisms or national dispute mechanisms supervised by government authorities;
 - 2.1.5 cases of non-compliance related to spills as reported with [GRI 306: Effluents and Waste](#).

Guidance

Guidance for Disclosure 307-1

In certain jurisdictions, voluntary environmental agreements with regulating authorities can be referred to as 'covenants'.

Background

Non-compliance within an organization can indicate the ability of management to ensure that operations conform to certain performance parameters. In some circumstances, non-compliance can lead to clean-up obligations or other costly environmental liabilities. The strength of an organization's compliance record can also affect its ability to expand operations or gain permits.

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Legal liability

This document, designed to promote sustainability reporting, has been developed by the Global Sustainability Standards Board (GSSB) through a unique multi-stakeholder consultative process involving representatives from organizations and report information users from around the world. While the GRI Board of Directors and GSSB encourage use of the GRI Sustainability Reporting Standards (GRI Standards) and related Interpretations by all organizations, the preparation and publication of reports based fully or partially on the GRI Standards and related Interpretations are the full responsibility of those producing them. Neither the GRI Board of Directors, GSSB nor Stichting Global Reporting Initiative (GRI) can assume responsibility for any consequences or damages resulting directly or indirectly from the use of the GRI Standards and related Interpretations in the preparation of reports, or the use of reports based on the GRI Standards and related Interpretations.

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ISBN: 978-90-8866-070-2

GRI 308: SUPPLIER ENVIRONMENTAL ASSESSMENT 2016



GRI 308

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About this Standard

Responsibility	This Standard is issued by the Global Sustainability Standards Board (GSSB) . Any feedback on the GRI Standards can be submitted to standards@globalreporting.org for the consideration of the GSSB.
Scope	<i>GRI 308: Supplier Environmental Assessment</i> sets out reporting requirements on the topic of supplier environmental assessment. This Standard can be used by an organization of any size, type, sector or geographic location that wants to report on its impacts related to this topic.
Normative references	This Standard is to be used together with the most recent versions of the following documents. GRI 101: Foundation GRI 103: Management Approach GRI Standards Glossary In the text of this Standard, terms defined in the Glossary are <u>underlined</u>.
Effective date	This Standard is effective for reports or other materials published on or after 1 July 2018. Earlier adoption is encouraged.

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

Introduction

A. Overview

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

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

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

GRI 101: Foundation

GRI 102: General Disclosures

GRI 103: Management Approach

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

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

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

***GRI 308: Supplier Environmental Assessment* is a topic-specific GRI Standard in the 300 series (Environmental topics).**

B. Using the GRI Standards and making claims

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

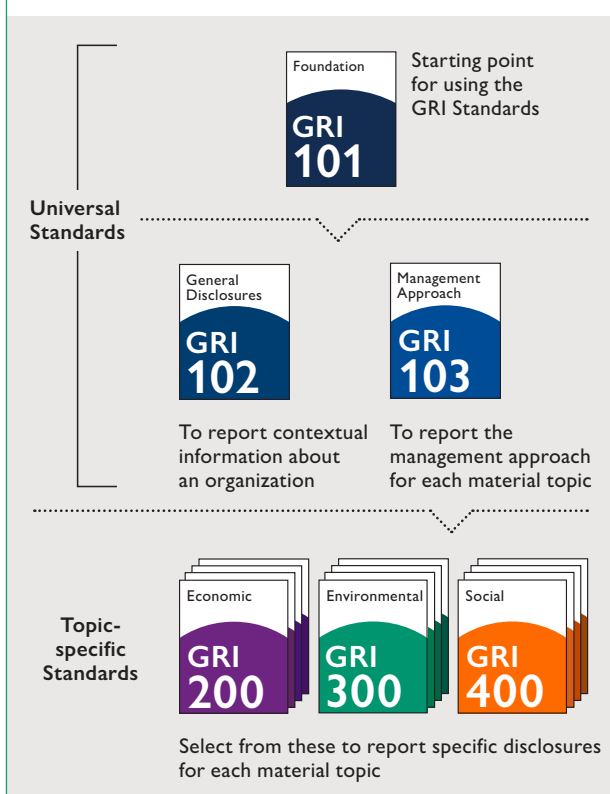
1. The GRI Standards can be used as a set to prepare a sustainability report that is in accordance with the Standards. There are two options for preparing a report in accordance (Core or Comprehensive), depending on the extent of disclosures included in the report.

An organization preparing a report in accordance with the GRI Standards uses this Standard, *GRI 308: Supplier Environmental Assessment*, if this is one of its material topics.

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

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

Figure 1
Overview of the set of GRI Standards



C. Requirements, recommendations and guidance

The GRI Standards include:

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

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

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

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

Additional disclosures that relate to this topic can also be found in:

- [GRI 414: Supplier Social Assessment](#)

If the reporting organization has identified both topics as material, it can combine its disclosures for *GRI 308* and *GRI 414*. For example, if the organization uses the same approach for managing both topics, it can provide one combined explanation of its management approach.

D. Background context

In the context of the GRI Standards, the environmental dimension of sustainability concerns an organization's impacts on living and non-living natural systems, including land, air, water and ecosystems.

GRI 308 addresses the topic of supplier environmental assessment.

An organization might be involved with impacts either through its own activities or as a result of its business relationships with other parties. Due diligence is expected of an organization in order to prevent and mitigate negative environmental impacts in the supply chain. These include impacts the organization either causes or contributes to, or that are directly linked to its activities, products, or services by its relationship with a supplier.

These concepts are covered in key instruments of the United Nations: see [References](#).

The disclosures in this Standard can provide information about an organization's approach to preventing and mitigating negative environmental impacts in its supply chain. Suppliers can be assessed for a range of environmental criteria such as impacts related to water, emissions, or energy. Some of these criteria are covered in other GRI Standards in the 300 series (Environmental topics).

GRI 308: Supplier Environmental Assessment

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

- Management approach disclosures (this section references GRI 103)
- Disclosure 308-1 New suppliers that were screened using environmental criteria
- Disclosure 308-2 Negative environmental impacts in the supply chain and actions taken

1. Management approach disclosures

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

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

Reporting requirements

- 1.1** The reporting organization shall report its management approach for supplier environmental assessment using [GRI 103: Management Approach](#).

Guidance

When reporting its management approach for supplier environmental assessment, the reporting organization can also disclose:

- the systems used to screen new suppliers using environmental criteria, and a list of the environmental criteria used to screen new suppliers;
- processes used, such as due diligence, to identify and assess significant actual and potential negative environmental impacts in the supply chain;
- how the organization identifies and prioritizes suppliers for assessment of environmental impacts;

Management approach disclosures

Continued

- actions taken to address the significant actual and potential negative environmental impacts identified in the supply chain, and whether the actions are intended to prevent, mitigate, or remediate the impacts;
- how expectations are established and defined in contracts with suppliers to promote the prevention, mitigation, and remediation of significant actual and potential negative environmental impacts, including targets and objectives;
- whether suppliers are incentivized and rewarded for the prevention, mitigation, and remediation of significant actual and potential negative environmental impacts;
- practices for assessing and auditing suppliers and their products and services using environmental criteria;
- a list of the type, system, scope, frequency, current implementation of assessment and audit, and which parts of the supply chain have been certified and audited;
- the systems in place to assess the potential negative impacts of terminating a relationship with a supplier as a result of assessing the supplier for environmental impacts, and the organization's strategy to mitigate those impacts.

Environmental criteria or assessments of suppliers for environmental impacts can include the topics in the 300 series (Environmental topics).

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

Assessments can be informed by audits, contractual reviews, two-way engagement, and complaint and [grievance mechanisms](#).

Actions taken to address environmental impacts can include changing an organization's procurement practices, adjusting performance expectations, capacity building, training, changes to processes, as well as terminating supplier relationships.

Assessments and audits of suppliers and their products and services using environmental criteria can be undertaken by an organization, by a second party, or by a third party.

2. Topic-specific disclosures

Disclosure 308-1

New suppliers that were screened using environmental criteria

Reporting requirements

Disclosure
308-1

The reporting organization shall report the following information:

- a. Percentage of new suppliers that were screened using environmental criteria.

.....

Guidance

Guidance for Disclosure 308-1

Environmental criteria can include the topics in the 300 series (Environmental topics).

Background

This disclosure informs stakeholders about the percentage of suppliers selected or contracted subject to due diligence processes for environmental impacts.

An organization is expected to initiate due diligence as early as possible in the development of a new relationship with a supplier.

Impacts may be prevented or mitigated at the stage of structuring contracts or other agreements, as well as via ongoing collaboration with suppliers.

Disclosure 308-2

Negative environmental impacts in the supply chain and actions taken

Reporting requirements

The reporting organization shall report the following information:

- a. Number of suppliers assessed for environmental impacts.
- b. Number of suppliers identified as having significant actual and potential negative environmental impacts.
- c. Significant actual and potential negative environmental impacts identified in the supply chain.
- d. 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. 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.

Disclosure
308-2

Reporting recommendations

- 2.1 When compiling the information specified in Disclosure 308-2, the reporting organization should, where it provides appropriate context on significant impacts, provide a breakdown of the information by:
 - 2.1.1 the location of the supplier;
 - 2.1.2 the significant actual and potential negative environmental impact.

Guidance

Guidance for Disclosure 308-2

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

Assessments for environmental impacts can include the topics in the 300 series (Environmental topics).

Assessments can be made against agreed performance expectations that are set and communicated to the suppliers prior to the assessment.

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

Improvements can include changing an organization's procurement practices, the adjustment of performance expectations, capacity building, training, and changes to processes.

Background

This disclosure informs stakeholders about an organization's awareness of significant actual and potential negative environmental impacts in the supply chain.

References

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

Authoritative intergovernmental instruments:

1. United Nations (UN), 'Guiding Principles on Business and Human Rights, Implementing the United Nations "Protect, Respect and Remedy" Framework', 2011.
2. United Nations (UN), *Protect, Respect and Remedy: a Framework for Business and Human Rights*, 2008.
3. United Nations (UN), *Report of the Special Representative of the Secretary-General on the Issue of Human Rights and Transnational Corporations and Other Business Enterprises, John Ruggie*, 2011.

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This document, designed to promote sustainability reporting, has been developed by the Global Sustainability Standards Board (GSSB) through a unique multi-stakeholder consultative process involving representatives from organizations and report information users from around the world. While the GRI Board of Directors and GSSB encourage use of the GRI Sustainability Reporting Standards (GRI Standards) and related Interpretations by all organizations, the preparation and publication of reports based fully or partially on the GRI Standards and related Interpretations are the full responsibility of those producing them. Neither the GRI Board of Directors, GSSB nor Stichting Global Reporting Initiative (GRI) can assume responsibility for any consequences or damages resulting directly or indirectly from the use of the GRI Standards and related Interpretations in the preparation of reports, or the use of reports based on the GRI Standards and related Interpretations.

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ISBN: 978-90-8866-071-9

GRI 401: EMPLOYMENT 2016



GRI 401

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About this Standard

Responsibility	This Standard is issued by the Global Sustainability Standards Board (GSSB) . Any feedback on the GRI Standards can be submitted to standards@globalreporting.org for the consideration of the GSSB.
Scope	<i>GRI 401: Employment</i> sets out reporting requirements on the topic of employment. This Standard can be used by an organization of any size, type, sector or geographic location that wants to report on its impacts related to this topic.
Normative references	This Standard is to be used together with the most recent versions of the following documents. GRI 101: Foundation GRI 103: Management Approach GRI Standards Glossary In the text of this Standard, terms defined in the Glossary are <u>underlined</u> .
Effective date	This Standard is effective for reports or other materials published on or after 1 July 2018. Earlier adoption is encouraged.

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Introduction

A. Overview

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

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

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

GRI 101: Foundation

GRI 102: General Disclosures

GRI 103: Management Approach

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

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

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

***GRI 401: Employment* is a topic-specific GRI Standard in the 400 series (Social topics).**

B. Using the GRI Standards and making claims

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

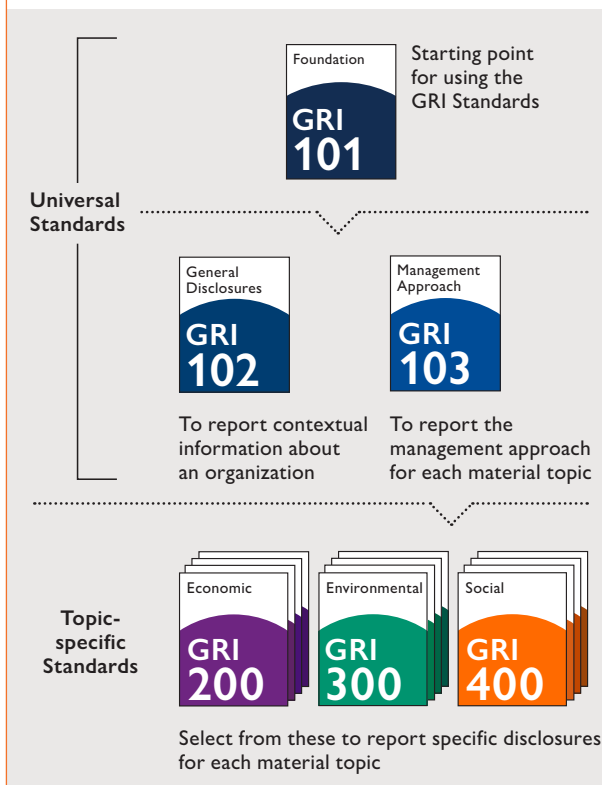
1. The GRI Standards can be used as a set to prepare a sustainability report that is in accordance with the Standards. There are two options for preparing a report in accordance (Core or Comprehensive), depending on the extent of disclosures included in the report.

An organization preparing a report in accordance with the GRI Standards uses this Standard, *GRI 401: Employment*, if this is one of its material topics.

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

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

Figure 1
Overview of the set of GRI Standards



C. Requirements, recommendations and guidance

The GRI Standards include:

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

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

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

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

D. Background context

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

GRI 401 addresses the topic of employment. This includes an organization's approach to employment or job creation, that is, an organization's approach to hiring, recruitment, retention and related practices, and the working conditions it provides. *GRI 401* also covers the employment and working conditions in an organization's supply chain.

An employment relationship is a legal relationship between a worker and an organization that confers rights and obligations to both parties. This relationship is usually the means for determining whether employment or labor law is applicable or whether commercial law is applicable.

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

The disclosures in this Standard can provide information about an organization's impacts related to employment, and how it manages them.

Conditions of work are also covered in detail in other Standards:

- [GRI 402: Labor/Management Relations](#)
- [GRI 403: Occupational Health and Safety](#)
- [GRI 404: Training and Education](#)
- [GRI 405: Diversity and Equal Opportunity](#)
- [GRI 406: Non-discrimination](#)

In addition, [Disclosure 102-8](#) in *GRI 102: General Disclosures* requires information on employees and other workers performing an organization's activities, such as the total number of employees by employment contract (permanent and temporary), by gender.

GRI 401: Employment

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

- Management approach disclosures (this section references *GRI 103*)
- Disclosure 401-1 New employee hires and employee turnover
- Disclosure 401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees
- Disclosure 401-3 Parental leave

1. Management approach disclosures

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

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

Reporting requirements

- 1.1** The reporting organization shall report its management approach for employment using [*GRI 103: Management Approach*](#).

Reporting recommendations

- 1.2 The reporting organization should describe:
- 1.2.1 its policies or practices covering the relationships under which work is performed for the organization;
 - 1.2.2 actions taken to determine and address situations where work undertaken within its supply chain does not take place within appropriate institutional and legal frameworks;
 - 1.2.3 actions taken to determine and address situations where persons working for suppliers are not provided the social and labor protection that they are entitled to receive by national labor law;
 - 1.2.4 actions taken to determine and address situations where working conditions in its supply chain do not meet international labor standards or national labor law;
 - 1.2.5 actions taken to determine and address situations where work undertaken in its supply chain is inadequately remunerated;
 - 1.2.6 actions taken to determine and address situations of disguised employment relationships where workers in its supply chain are falsely considered to be self-employed or where there is no legally recognized employer;
 - 1.2.7 actions taken to determine and address situations where work undertaken in its supply chain that is performed at home is not subject to legally recognized contracts.

Guidance*Guidance for clause 1.2*

Policies or practices covering the relationships under which work is performed for an organization can include recognized employment relationships, the use of employees of other organizations (such as workers supplied by agencies), and the extent to which work is performed on a temporary or part-time basis. A description of policies and practices can include policies and practices with respect to discrimination, compensation, promotion, privacy, human resource development and industrial relations.

Work taking place within an appropriate institutional and legal framework usually entails a recognized employment relationship with an identifiable and legally recognized employer.

Conditions of work can include compensation, working time, rest periods, holidays, disciplinary and dismissal practices, maternity protection, the workplace environment, and occupational health and safety. They can also include the quality of living accommodations where provided, and welfare matters, such as safe drinking water, canteens and access to medical services.

Adequately remunerated work is work where wages and compensation for a standard working week, excluding overtime, meet legal and industry minimum standards, and are sufficient to meet the basic needs of workers and their families, and to provide them with some discretionary income. Actions taken to address situations where work is inadequately remunerated can include:

- dialogue with suppliers regarding the relationship of the prices paid to suppliers and the wages paid to workers;
- changes to an organization's procurement practices;
- support for collective bargaining to determine wages;
- determining the extent that overtime is used, whether it is mandatory, and whether it is compensated at a premium rate.

2. Topic-specific disclosures

Disclosure 401-1

New employee hires and employee turnover

Reporting requirements

Disclosure
401-1

The reporting organization shall report the following information:

- a. Total number and rate of new employee hires during the reporting period, by age group, gender and region.
- b. Total number and rate of employee turnover during the reporting period, by age group, gender and region.

- 2.1 When compiling the information specified in Disclosure 401-1, the reporting organization shall use the total employee numbers at the end of the reporting period to calculate the rates of new employee hires and employee turnover.

Reporting recommendations

- 2.2 When compiling the information specified in Disclosure 401-1, the reporting organization should use data from [Disclosure 102-7](#) in GRI 102: General Disclosures to identify the total number of employees.

Guidance

Guidance for Disclosure 401-1

An organization can use the following age groups:

- Under 30 years old;
- 30-50 years old;
- Over 50 years old.

Background

The number, age, gender, and region of an organization's new employee hires can indicate its strategy and ability to attract diverse, qualified employees. This information can signify the organization's efforts to implement inclusive recruitment practices based on age and gender. It can also signify the optimal use of available labor and talent in different regions.

A high rate of employee turnover can indicate levels of uncertainty and dissatisfaction among employees. It can also signal a fundamental change in the structure of an organization's core operations. An uneven pattern of turnover by age or gender can indicate incompatibility or potential inequity in the workplace. Turnover results in changes to the human and intellectual capital of the organization and can impact productivity. Turnover has direct cost implications either in terms of reduced payroll or greater expenses for the recruitment of employees.

Disclosure 401-2

Benefits provided to full-time employees that are not provided to temporary or part-time employees

Reporting requirements

The reporting organization shall report the following information:

- a. Benefits which are standard for full-time employees of the organization but are not provided to temporary or part-time employees, by significant locations of operation. These include, as a minimum:
 - i. life insurance;
 - ii. health care;
 - iii. disability and invalidity coverage;
 - iv. parental leave;
 - v. retirement provision;
 - vi. stock ownership;
 - vii. others.
- b. The definition used for 'significant locations of operation'.

- 2.3 When compiling the information specified in Disclosure 401-2, the reporting organization shall exclude in-kind benefits such as provision of sports or child day care facilities, free meals during working time, and similar general employee welfare programs.

Guidance

Background

Data reported under this disclosure provide a measure of an organization's investment in human resources and the minimum benefits it offers its full-time employees. The quality of [benefits](#) for full-time employees is a key factor in retaining employees.

Disclosure 401-3

Parental leave

Reporting requirements

The reporting organization shall report the following information:

- Total number of employees that were entitled to parental leave, by gender.
- Total number of employees that took parental leave, by gender.
- Total number of employees that returned to work in the reporting period after parental leave ended, by gender.
- Total number of employees that returned to work after parental leave ended that were still employed 12 months after their return to work, by gender.
- Return to work and retention rates of employees that took parental leave, by gender.

Disclosure
401-3

Reporting recommendations

- 2.4 When compiling the information specified in Disclosure 401-3, the reporting organization should use the following formulas to calculate the return to work and retention rates:

$$\text{Return to work rate} = \frac{\text{Total number of employees that did return to work after parental leave}}{\text{Total number of employees due to return to work after taking parental leave}} \times 100$$

$$\text{Retention rate} = \frac{\text{Total number of employees retained 12 months after returning to work following a period of parental leave}}{\text{Total number of employees returning from parental leave in the prior reporting period(s)}} \times 100$$

Guidance

Guidance for Disclosure 401-3

Employees entitled to parental leave means those employees that are covered by organizational policies, agreements or contracts that contain parental leave entitlements.

To determine who returned to work after parental leave ended and were still employed 12 months later, an organization can consult records from the prior reporting periods.

Background

Many countries have introduced legislation to provide parental leave. The aim of the legislation is to allow employees to take leave and return to work in the same or a comparable position.

The application of legislation varies according to interpretation by government, employers and employees. Many women are discouraged from taking leave and returning to work by employer practices that affect their employment security, remuneration and career path. Many men are not encouraged to take the leave to which they are entitled.

Equitable gender choice for maternity and paternity leave, and other leave entitlements, can lead to the greater recruitment and retention of qualified employees. It can also boost employee morale and productivity. Men's uptake of paternity leave options can indicate the degree to which an organization encourages fathers to take such leave. Men taking advantage of leave entitlements positively impacts women to take such leave without prejudicing their career path.

References

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

Authoritative intergovernmental instruments:

1. International Labour Organization (ILO) Convention 102, 'Social Security (Minimum Standards) Convention', 1952.
2. International Labour Organization (ILO) Convention 121, 'Employment Injury Benefits Convention', 1964.
3. International Labour Organization (ILO) Convention 128, 'Invalidity, Old-Age and Survivors' Benefits Convention', 1967.
4. International Labour Organization (ILO) Convention 130, 'Medical Care and Sickness Benefits Convention', 1969.
5. International Labour Organization (ILO) Convention 132, 'Holidays with Pay Convention (Revised)', 1970.
6. International Labour Organization (ILO) Convention 140, 'Paid Educational Leave Convention', 1974.
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10. International Labour Organization (ILO) Convention 183, 'Maternity Protection Convention', 2000.
11. International Labour Organization (ILO) Declaration, 'Declaration Concerning the Aims and Purposes of the International Labour Organization (Declaration of Philadelphia)', 1944.
12. International Labour Organization (ILO) Declaration, 'Declaration of Social Justice for a Fair Globalization', 2008.
13. International Labour Organization (ILO), 'Decent Work', 1999.
14. International Labour Organization (ILO) Recommendation 198, 'Employment Relationship Recommendation', 2006.
15. International Labour Organization (ILO), 'Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy', 2006.
16. Organisation for Economic Co-operation and Development (OECD), OECD Guidelines for Multinational Enterprises, 2011.
17. United Nations (UN) Convention, 'International Convention on the Protection of the Rights of All Migrant Workers and Members of Their Families', 1990.

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ISBN: 978-90-8866-072-6

**GRI 402: LABOR/MANAGEMENT
RELATIONS
2016**

**GRI
402**

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About this Standard

Responsibility	This Standard is issued by the Global Sustainability Standards Board (GSSB) . Any feedback on the GRI Standards can be submitted to standards@globalreporting.org for the consideration of the GSSB.
Scope	<i>GRI 402: Labor/Management Relations</i> sets out reporting requirements on the topic of labor/management relations. This Standard can be used by an organization of any size, type, sector or geographic location that wants to report on its impacts related to this topic.
Normative references	This Standard is to be used together with the most recent versions of the following documents. GRI 101: Foundation GRI 103: Management Approach GRI Standards Glossary In the text of this Standard, terms defined in the Glossary are <u>underlined</u> .
Effective date	This Standard is effective for reports or other materials published on or after 1 July 2018. Earlier adoption is encouraged.

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

Introduction

A. Overview

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

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

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

GRI 101: Foundation

GRI 102: General Disclosures

GRI 103: Management Approach

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

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

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

***GRI 402: Labor/Management Relations* is a topic-specific GRI Standard in the 400 series (Social topics).**

B. Using the GRI Standards and making claims

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

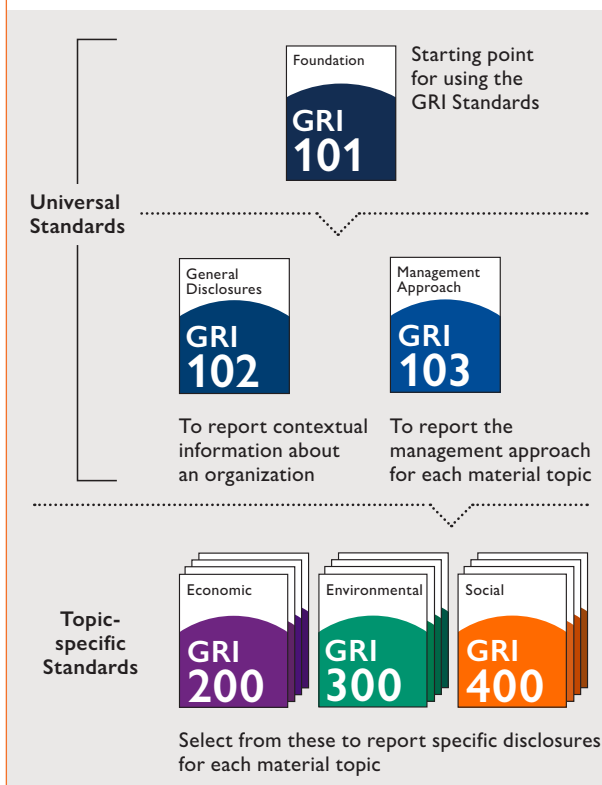
1. The GRI Standards can be used as a set to prepare a sustainability report that is in accordance with the Standards. There are two options for preparing a report in accordance (Core or Comprehensive), depending on the extent of disclosures included in the report.

An organization preparing a report in accordance with the GRI Standards uses this Standard, *GRI 402: Labor/Management Relations*, if this is one of its material topics.

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

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

Figure 1
Overview of the set of GRI Standards



C. Requirements, recommendations and guidance

The GRI Standards include:

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

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

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

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

The disclosures in this Standard can provide information about an organization's impacts related to labor/management relations, and how it manages these impacts.

Reporting on collective bargaining is covered in more detail in [GRI 407: Freedom of Association and Collective Bargaining](#). In addition, [Disclosure 102-41](#) in [GRI 102: General Disclosures](#) requires reporting on the percentage of total employees covered by collective bargaining agreements.

D. Background context

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

[GRI 402](#) addresses the topic of labor/management relations. This covers an organization's consultative practices with employees and their representatives, including its approach to communicating significant operational changes.

An organization's consultation practices are expected to be aligned with relevant international norms and standards.

Collective bargaining can play an important role in an organization's consultation practices. Collective bargaining refers to all negotiations which take place between one or more employers or employers' organizations, on the one hand, and one or more workers' organizations (trade unions), on the other, for determining working conditions and terms of employment or for regulating relations between employers and workers.¹

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

¹ This definition is based on the International Labour Organization (ILO) Convention 154, 'Collective Bargaining Convention', 1981.

GRI 402: Labor/Management Relations

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

- Management approach disclosures (this section references *GRI 103*)
- Disclosure 402-1 Minimum notice periods regarding operational changes

1. Management approach disclosures

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

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

Reporting requirements

- 1.1 The reporting organization shall report its management approach for labor/management relations using [GRI 103: Management Approach](#).

2. Topic-specific disclosures

Disclosure 402-1

Minimum notice periods regarding operational changes

Reporting requirements

Disclosure
402-1

The reporting organization shall report the following information:

- a. Minimum number of weeks' notice typically provided to employees and their representatives prior to the implementation of significant operational changes that could substantially affect them.
- b. For organizations with collective bargaining agreements, report whether the notice period and provisions for consultation and negotiation are specified in collective agreements.

Guidance

Guidance for Disclosure 402-1

Minimum notice periods can be found in corporate policies and standard employment contracts. Different policy statements can exist at a regional level.

An organization can identify the collective bargaining agreements referred to in [Disclosure 102-41](#) of *GRI 102: General Disclosures*, and review the notice period clauses within these documents.

Background

Organizations are expected to provide reasonable notice of significant operational changes to employees and their representatives, as well as to appropriate government authorities. Minimum notice periods are a measure of an organization's ability to maintain employee satisfaction and motivation while implementing significant changes to operations.

This disclosure provides insight into an organization's practice of ensuring timely discussion of significant operational changes, and engaging with its employees and their representatives to negotiate and implement these changes, which can have positive or negative implications for workers.

This disclosure also allows an assessment of an organization's consultation practices in relation to expectations expressed in relevant international norms.

The essence of consultation is that management takes the views of workers into account when making specific decisions. Therefore, it is important that consultation takes place before a decision is made. Meaningful consultation includes the timely provision of all information needed to make an informed decision to workers or their representatives. Genuine consultation involves dialogue; opinion surveys and questionnaires are not considered consultation.

Timely and meaningful consultation allows the affected parties to understand the impacts of the changes, such as possible loss of employment. It also gives an opportunity for them to work collectively to avoid or mitigate negative impacts as much as possible (see references 11 and 12 in the [References section](#)). Consultative practices that result in good industrial relations help to provide positive working environments, reduce turnover, and minimize operational disruptions.

References

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

Authoritative intergovernmental instruments:

1. International Labour Organization (ILO) Convention 87, 'Freedom of Association and Protection of the Right to Organise Convention', 1948.
2. International Labour Organization (ILO) Convention 98, 'Right to Organise and Collective Bargaining Convention', 1949.
3. International Labour Organization (ILO) Convention 135, 'Workers' Representatives Convention', 1971.
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5. International Labour Organization (ILO) Convention 158, 'Termination of Employment Convention', 1982.
6. International Labour Organization (ILO), *Key Indicators of the Labour Market (KILM)*, <http://www.ilo.org/global/statistics-and-databases/research-and-databases/kilm/lang--en/index.htm>, accessed on 1 September 2016.
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10. International Labour Organization (ILO) Recommendation 163, 'Collective Bargaining Recommendation', 1981.
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ISBN: 978-90-8866-073-3

GRI 403: OCCUPATIONAL HEALTH AND SAFETY

2016



GRI 403

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About this Standard

Responsibility	This Standard is issued by the Global Sustainability Standards Board (GSSB) . Any feedback on the GRI Standards can be submitted to standards@globalreporting.org for the consideration of the GSSB.
Scope	<i>GRI 403: Occupational Health and Safety</i> sets out reporting requirements on the topic of occupational health and safety. This Standard can be used by an organization of any size, type, sector or geographic location that wants to report on its impacts related to this topic.
Normative references	This Standard is to be used together with the most recent versions of the following documents. GRI 101: Foundation GRI 103: Management Approach GRI Standards Glossary In the text of this Standard, terms defined in the Glossary are <u>underlined</u>.
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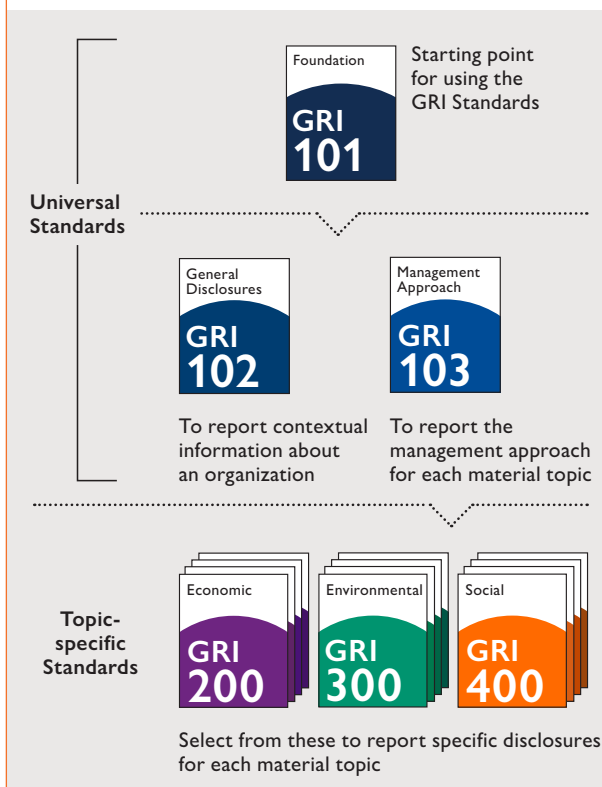
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An organization preparing a report in accordance with the GRI Standards uses this Standard, *GRI 403: Occupational Health and Safety*, if this is one of its material topics.

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

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

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C. Requirements, recommendations and guidance

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

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

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

D. Background context

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

GRI 403 addresses the topic of occupational health and safety.

The right to a healthy and safe workplace is recognized as a human right and is addressed in various authoritative international instruments.

The health and safety of workers can be affected by both the work they perform and the workplace where it is performed. Therefore, an organization is expected to be responsible for the occupational health and safety of:

- all workers performing work that is controlled by the organization;
- all workers whose workplace is controlled by the organization, whether or not their work is under the control of the organization.

The principles of occupational health and safety management systems include developing a policy, analyzing and controlling health and safety risks, providing training, and recording and investigating health and safety incidents.

Health and safety at work involves both the prevention of harm, and the promotion of health and well-being.

The prevention of harm means adhering to high standards and best practices with regards to a safe and healthy working environment. Best practices include following the industrial hygiene hierarchy of controls and its approach of controlling hazards to prevent risk. Best practices also include respect for human capacities and tolerances as described by the sciences of ergonomics and toxicology. They also include the implementation of the principles of Process Safety Management.

Health and safety impacts can arise over the use of unsafe equipment, machinery, processes, and practices. They can also arise with the use of dangerous substances, such as chemical, physical and biological agents.

The promotion of health and well-being is to be tempered by workers' legitimate rights to medical privacy, and limited to an organization's genuine occupational requirements. Within these limits, the active promotion of health and safety can include voluntary programs in areas such as mental health, ergonomics, physical fitness or smoking cessation.

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

The disclosures in this Standard can provide information about an organization's impacts related to occupational health and safety, and how it manages these impacts.

GRI 403: Occupational Health and Safety

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

- Management approach disclosures (this section references *GRI 103*)
- Disclosure 403-1 Workers representation in formal joint management–worker health and safety committees
- Disclosure 403-2 Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities
- Disclosure 403-3 Workers with high incidence or high risk of diseases related to their occupation
- Disclosure 403-4 Health and safety topics covered in formal agreements with trade unions

1. Management approach disclosures

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

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

Reporting requirements

- 1.1 The reporting organization shall report its management approach for occupational health and safety using [GRI 103: Management Approach](#).

Management approach disclosures

Continued

Guidance

When reporting its management approach for occupational health and safety, the reporting organization can also describe assistance programs about serious diseases for:

- workers whose work, or workplace, is controlled by the organization; and their families;
- community members.

This description can also include whether such programs involve education and training, counseling, measures relating to prevention and risk control for diseases, or treatment.

2. Topic-specific disclosures

Disclosure 403-1

Workers representation in formal joint management–worker health and safety committees

Reporting requirements

Disclosure
403-1

The reporting organization shall report the following information:

- a. The level at which each formal joint management-worker health and safety committee typically operates within the organization.
- b. Percentage of workers whose work, or workplace, is controlled by the organization, that are represented by formal joint management-worker health and safety committees.

Reporting recommendations

- 2.1 When compiling the information specified in Disclosure 403-1-b, the reporting organization should explain how the percentage was calculated, including any assumptions made, such as which workers were included in the calculation.

Guidance

Guidance for Disclosure 403-1

This disclosure covers formal health and safety committees that help monitor, collect feedback and advise on occupational safety programs. These committees can exist at the facility level, or at the multi-facility, regional, group or organizational levels.

A formal committee is a committee whose existence and function are integrated in an organization's organizational and authority structure, and that operate according to certain agreed, written rules.

Guidance for Disclosure 403-1-b

This disclosure covers workers performing work that is under the direct control of the reporting organization, as well as workers performing work at a site controlled by the organization, even if the work itself is not controlled by the organization.

This disclosure requires reporting the percentage of workers represented by formal joint management-worker health and safety committees. It does not require reporting the percentage of workers who are members of these committees.

Background

Respect for the rights of workers and their participation in health and safety decisions are key. This includes the right of workers to:

- know fully about the hazard of their work;
- receive all necessary education and training to perform work safely;
- refuse unsafe work without fear of reprisal;
- participate fully in the establishment and implementation of occupational health and safety policies, procedures, investigations and risk assessments.

A health and safety committee with joint representation can facilitate a positive health and safety culture. The use of committees is one way to involve workers in driving the improvement of occupational health and safety in the workplace. Participation can be by means of properly and independently elected worker health and safety representatives, and through worker members of joint management-worker health and safety committees.

This disclosure provides one measure of the extent to which workers whose work, or workplace, is controlled by an organization are actively involved in health and safety.

Disclosure 403-2

Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities

Reporting requirements

The reporting organization shall report the following information:

- a. Types of injury, injury rate (IR), occupational disease rate (ODR), lost day rate (LDR), absentee rate (AR), and work-related fatalities, for all employees, with a breakdown by:
 - i. region;
 - ii. gender.
- b. Types of injury, injury rate (IR), and work-related fatalities, for all workers (excluding employees) whose work, or workplace, is controlled by the organization, with a breakdown by:
 - i. region;
 - ii. gender.
- c. The system of rules applied in recording and reporting accident statistics.

2.2 When compiling the information specified in Disclosure 403-2, the reporting organization shall:

- 2.2.1 indicate whether minor (first-aid level) injuries are included or excluded in the injury rate (IR);
- 2.2.2 include fatalities in the injury rate (IR);
- 2.2.3 in calculating 'lost days', indicate:
 - 2.2.3.1 whether 'days' means 'calendar days' or 'scheduled work days';
 - 2.2.3.2 at what point the 'lost days' count begins (for example, the day after the accident or three days after the accident).

Reporting recommendations

2.3 When compiling the information specified in Disclosure 403-2, the reporting organization should:

- 2.3.1 report the occupational disease rate (ODR), lost day rate (LDR), and absentee rate (AR) for all workers (excluding employees) whose work, or workplace, is controlled by the organization, with a breakdown by:
 - 2.3.1.1 region;
 - 2.3.1.2 gender;
- 2.3.2 explain how the information in Disclosure 403-2-b was calculated, including any assumptions made, such as which workers were included in the calculation;
- 2.3.3 in situations where national law follows the ILO *Code of Practice on Recording and Notification of Occupational Accidents and Diseases (Code of Practice)*, state that fact and that practice follows the law;
- 2.3.4 in situations where national law does not follow the ILO *Code of Practice*, indicate which system of rules it applies and their relationship to the ILO *Code of Practice*.

Disclosure 403-2

Continued

Guidance

Guidance for Disclosure 403-2

See also definitions of ‘absentee’ and ‘occupational disease’ in the *GRI Standards Glossary*.

Guidance for Disclosure 403-2-c

An organization is expected to identify the system used to track and report on health and safety incidents and performance, and to ensure that this system covers all significant operations and geographic locations. In some cases, multiple systems can be used across the organization.

Guidance for clauses 2.3.3 and 2.3.4

The ILO Code of Practice was developed for the reporting, recording, and notification of workplace accidents.

Background

Low injury and absentee rates are generally linked to positive trends in morale and productivity. This disclosure shows whether health and safety management practices are resulting in fewer occupational health and safety incidents. Evaluating trends and patterns can also indicate potential workplace inequity.

Disclosure 403-3

Workers with high incidence or high risk of diseases related to their occupation

Reporting requirements

Disclosure
403-3

The reporting organization shall report the following information:

a. Whether there are workers whose work, or workplace, is controlled by the organization, involved in occupational activities who have a high incidence or high risk of specific diseases.

.....

Guidance

Background

This disclosure has specific relevance for organizations working in countries with a high risk or incidence of communicable diseases, and those in professions that have a high incidence of specific diseases. Preventing serious diseases contributes to health, satisfaction, and low turnover rate.

Disclosure 403-4

Health and safety topics covered in formal agreements with trade unions

Reporting requirements

Disclosure
403-4

The reporting organization shall report the following information:

- a. Whether formal agreements (either local or global) with trade unions cover health and safety.
- b. If so, the extent, as a percentage, to which various health and safety topics are covered by these agreements.

Guidance

Guidance for Disclosure 403-4

Agreements at the local level typically address topics that can include:

- personal protective equipment;
- joint management-worker health and safety committees;
- participation of worker representatives in health and safety inspections, audits, and accident investigations;
- training and education;
- complaints mechanisms;
- the right to refuse unsafe work;
- periodic inspections.

Agreements at the global level typically address topics that can include:

- compliance with the ILO;
- arrangements or structures for resolving problems;
- commitments regarding target performance standards, or levels of practice to apply.

Background

Formal agreements can promote the acceptance of responsibilities by both parties and the development of a positive health and safety culture. This disclosure reveals the extent to which workers are actively involved in formal, labor-management agreements that determine health and safety management arrangements.

References

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

Authoritative intergovernmental instruments:

1. International Labour Organization (ILO), *Code of Practice on Recording and Notification of Occupational Accidents and Diseases*, 1996.
2. International Labour Organization (ILO) Convention 155, 'Occupational Safety and Health Convention' and related Protocol 155, 1981.
3. International Labour Organization (ILO) Convention 161, 'Occupational Health Services Convention', 1985.
4. International Labour Organization (ILO), *Guidelines on Occupational Safety and Health Management Systems (ILO-OSH 2001)*, 2001.
5. International Labour Organization (ILO), 'Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy', 2006.
6. Organisation for Economic Co-operation and Development (OECD), *OECD Guidelines for Multinational Enterprises*, 2011.

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ISBN: 978-90-8866-074-0

GRI 404: TRAINING AND EDUCATION

2016



GRI
404

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About this Standard

Responsibility	This Standard is issued by the Global Sustainability Standards Board (GSSB) . Any feedback on the GRI Standards can be submitted to standards@globalreporting.org for the consideration of the GSSB.
Scope	<i>GRI 404: Training and education</i> sets out reporting requirements on the topic of training and education. This Standard can be used by an organization of any size, type, sector or geographic location that wants to report on its impacts related to this topic.
Normative references	This Standard is to be used together with the most recent versions of the following documents. GRI 101: Foundation GRI 103: Management Approach GRI Standards Glossary In the text of this Standard, terms defined in the Glossary are <u>underlined</u> .
Effective date	This Standard is effective for reports or other materials published on or after 1 July 2018. Earlier adoption is encouraged.

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

Introduction

A. Overview

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

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

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

GRI 101: Foundation

GRI 102: General Disclosures

GRI 103: Management Approach

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

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

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

***GRI 404: Training and Education* is a topic-specific GRI Standard in the 400 series (Social topics).**

B. Using the GRI Standards and making claims

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

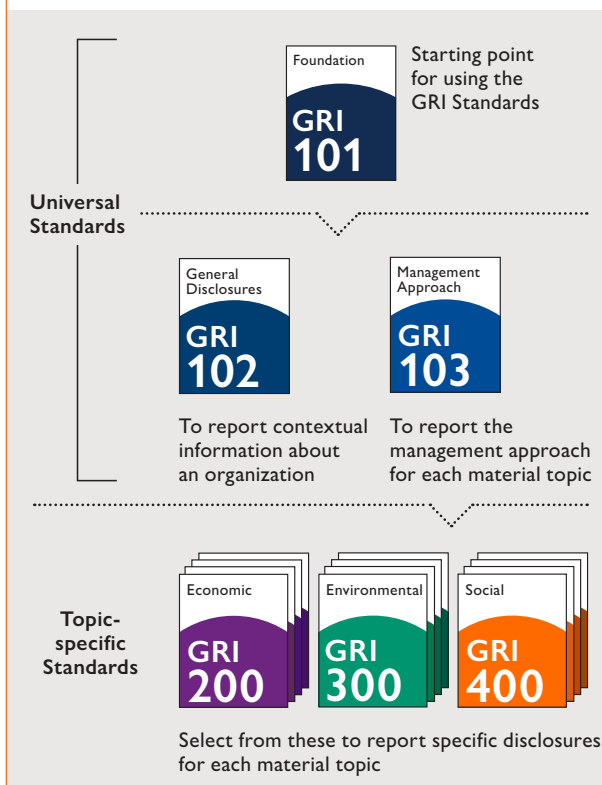
1. The GRI Standards can be used as a set to prepare a sustainability report that is in accordance with the Standards. There are two options for preparing a report in accordance (Core or Comprehensive), depending on the extent of disclosures included in the report.

An organization preparing a report in accordance with the GRI Standards uses this Standard, *GRI 404: Training and Education*, if this is one of its material topics.

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

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

Figure 1
Overview of the set of GRI Standards



C. Requirements, recommendations and guidance

The GRI Standards include:

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

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

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

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

D. Background context

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

GRI 404 addresses the topic of training and education. This includes an organization's approach to training and upgrading employee skills, and performance and career development reviews. It also includes transition assistance programs to facilitate continued employability, and the management of career endings due to retirement or termination.

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

The disclosures in this Standard can provide information about an organization's impacts related to training and education, and how it manages these impacts.

GRI 404: Training and Education

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

- Management approach disclosures (this section references GRI 103)
- Disclosure 404-1 Average hours of training per year per employee
- Disclosure 404-2 Programs for upgrading employee skills and transition assistance programs
- Disclosure 404-3 Percentage of employees receiving regular performance and career development reviews

1. Management approach disclosures

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

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

Reporting requirements

- 1.1** The reporting organization shall report its management approach for training and education using [GRI 103: Management Approach](#).

2. Topic-specific disclosures

Disclosure 404-1

Average hours of training per year per employee

Reporting requirements

Disclosure
404-1

The reporting organization shall report the following information:

- a. Average hours of training that the organization's employees have undertaken during the reporting period, by:
 - i. gender;
 - ii. employee category.

Reporting recommendations

- 2.1 When compiling the information specified in Disclosure 404-1, the reporting organization should:
 - 2.1.1 express employee numbers as either head count or Full Time Equivalent (FTE), and disclose and apply the approach consistently in the period, and between periods;
 - 2.1.2 use data from [Disclosure 102-7](#) in *GRI 102: General Disclosures* to identify the total number of employees;
 - 2.1.3 draw from the information used for [Disclosure 405-1](#) in *GRI 405: Diversity and Equal Opportunity* to identify the total number of employees by employee category.

Guidance

Guidance for Disclosure 404-1

This disclosure provides insight into the scale of an organization's investment in training, and the degree to which the investment is made across the entire employee base.

In the context of this Standard, 'training' refers to:

- all types of vocational training and instruction;
- paid educational leave provided by an organization for its employees;
- training or education pursued externally and paid for in whole or in part by an organization;
- training on specific topics.

Training does not include on-site coaching by supervisors.

To calculate the information in Disclosure 404-1, the reporting organization can use the following formulas:

$$\begin{array}{r} \text{Average training hours per employee} \\ = \\ \frac{\text{Total number of training hours provided to employees}}{\text{Total number of employees}} \\ \\ \text{Average training hours per female} \\ = \\ \frac{\text{Total number of training hours provided to female employees}}{\text{Total number of female employees}} \end{array}$$

Disclosure 404-1

Continued

Average training hours per male

=

Total number of training hours provided to male employees

Total number of male employees

Average training hours per employee category

=

Total number of training hours provided to each category of employees

Total number of employees in category

A number of calculations can be undertaken to report on employee categories. These calculations are specific to each organization.

Disclosure 404-2

Programs for upgrading employee skills and transition assistance programs

Reporting requirements

Disclosure
404-2

The reporting organization shall report the following information:

- a. Type and scope of programs implemented and assistance provided to upgrade employee skills.
- b. Transition assistance programs provided to facilitate continued employability and the management of career endings resulting from retirement or termination of employment.

Guidance

Guidance for Disclosure 404-2

Employee training programs that aim to upgrade skills can include:

- internal training courses;
- funding support for external training or education;
- the provision of sabbatical periods with guaranteed return to employment.

Transition assistance programs provided to support employees who are retiring or who have been terminated can include:

- pre-retirement planning for intended retirees;
- retraining for those intending to continue working;
- severance pay, which can take into account employee age and years of service;
- job placement services;
- assistance (such as training, counselling) on transitioning to a non-working life.

Background

Programs for upgrading employee skills allow an organization to plan skills acquisition that equips employees to meet strategic targets in a changing work environment. More skilled employees enhance the organization's human capital and contribute to employee satisfaction, which correlates strongly with improved performance. For those facing retirement, confidence and quality of work relations is improved by the knowledge that they are supported in their transition from work to retirement.

Disclosure 404-3

Percentage of employees receiving regular performance and career development reviews

Reporting requirements

Disclosure
404-3

The reporting organization shall report the following information:

- a. Percentage of total employees by gender and by employee category who received a regular performance and career development review during the reporting period.

Reporting recommendations

- 2.2 When compiling the information specified in Disclosure 404-3, the reporting organization should:
 - 2.2.1 use data from [Disclosure 102-7](#) in *GRI 102: General Disclosures* to identify the total number of employees;
 - 2.2.2 draw from the information used for [Disclosure 405-1](#) in *GRI 405: Diversity and Equal Opportunity* to identify the total number of employees by employee category.

Guidance

Background

This disclosure measures the extent to which an organization regularly appraises employee performance. This aids the personal development of individual employees. It also contributes to skills management and to the development of human capital within the organization. This disclosure also demonstrates the extent to which this system is applied throughout the organization, and whether there is inequity of access to these opportunities.

Regular performance and career development reviews can also enhance employee satisfaction, which correlates with improved organizational performance. This disclosure helps demonstrate how an organization works to monitor and maintain the skill sets of its employees. When reported in conjunction with Disclosure 404-2, the disclosure also helps to illustrate how the organization approaches skills enhancement.

References

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

Authoritative intergovernmental instruments:

1. International Labour Organization (ILO) Convention 140, 'Paid Educational Leave Convention', 1974.
2. International Labour Organization (ILO) Convention 142, 'Human Resources Development Convention', 1975.
3. International Labour Organization (ILO) Convention 155, 'Occupational Safety and Health Convention' and related Protocol 155, 1981.
4. International Labour Organization (ILO) Convention 168, 'Employment Promotion and Protection against Unemployment Convention', 1988.
5. International Labour Organization (ILO), 'Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy', 2006.
6. Organisation for Economic Co-operation and Development (OECD), *OECD Guidelines for Multinational Enterprises*, 2011.

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ISBN: 978-90-8866-075-7

GRI 405: DIVERSITY AND EQUAL OPPORTUNITY

2016



GRI 405

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About this Standard

Responsibility	This Standard is issued by the Global Sustainability Standards Board (GSSB) . Any feedback on the GRI Standards can be submitted to standards@globalreporting.org for the consideration of the GSSB.
Scope	<i>GRI 405: Diversity and Equal Opportunity</i> sets out reporting requirements on the topic of diversity and equal opportunity. This Standard can be used by an organization of any size, type, sector or geographic location that wants to report on its impacts related to this topic.
Normative references	This Standard is to be used together with the most recent versions of the following documents. GRI 101: Foundation GRI 103: Management Approach GRI Standards Glossary In the text of this Standard, terms defined in the Glossary are <u>underlined</u> .
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GRI 102: General Disclosures

GRI 103: Management Approach

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

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

***GRI 405: Diversity and Equal Opportunity* is a topic-specific GRI Standard in the 400 series (Social topics).**

B. Using the GRI Standards and making claims

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

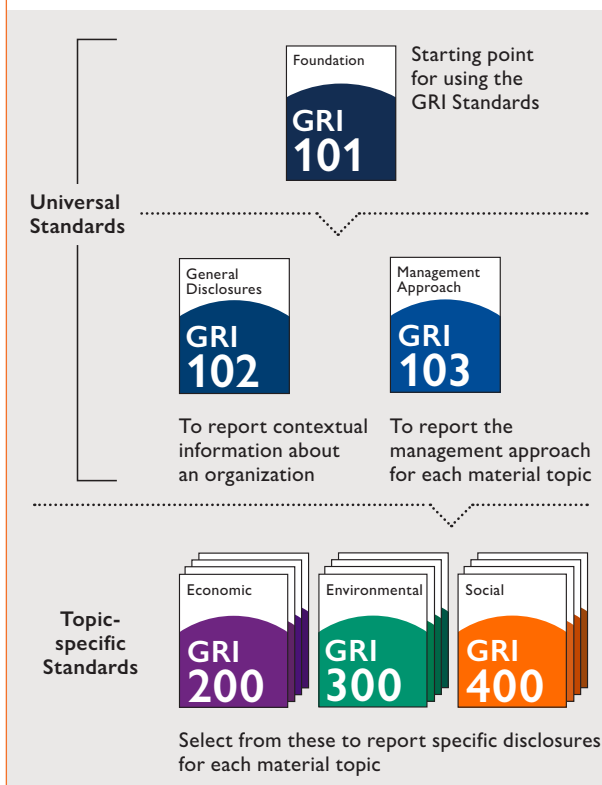
1. The GRI Standards can be used as a set to prepare a sustainability report that is in accordance with the Standards. There are two options for preparing a report in accordance (Core or Comprehensive), depending on the extent of disclosures included in the report.

An organization preparing a report in accordance with the GRI Standards uses this Standard, *GRI 405: Diversity and Equal Opportunity*, if this is one of its material topics.

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

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

Figure 1
Overview of the set of GRI Standards



C. Requirements, recommendations and guidance

The GRI Standards include:

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

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

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

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

D. Background context

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

GRI 405 addresses the topic of an organization's approach to diversity and equal opportunity at work.

When an organization actively promotes diversity and equality at work, it can generate significant benefits for both the organization and workers. For example, the organization can gain access to a larger and more diverse set of potential workers. These benefits also flow through to society in general, as greater equality promotes social stability and supports further economic development.

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

The disclosures in this Standard can provide information about an organization's impacts related to diversity and equality at work, and how it manages these impacts.

Additional disclosures that relate to this topic can also be found in:

- [GRI 404: Training and Education](#)
- [GRI 406: Non-discrimination](#)

GRI 405: Diversity and Equal Opportunity

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

- Management approach disclosures (this section references *GRI 103*)
- Disclosure 405-1 Diversity of governance bodies and employees
- Disclosure 405-2 Ratio of basic salary and remuneration of women to men

1. Management approach disclosures

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

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

Reporting requirements

- 1.1** The reporting organization shall report its management approach for diversity and equal opportunity using [GRI 103: Management Approach](#).

Guidance

When reporting its management approach for diversity and equal opportunity, the reporting organization can also describe the legal and socioeconomic environment that provides opportunities for, and barriers to, gender equity.

This can include the share of female workers performing the organization's activities, their equal remuneration, and their participation at the highest governance level.

2. Topic-specific disclosures

Disclosure 405-1

Diversity of governance bodies and employees

Reporting requirements

The reporting organization shall report the following information:

- a. Percentage of individuals within the organization's governance bodies in each of the following diversity categories:
 - i. Gender;
 - ii. Age group: under 30 years old, 30-50 years old, over 50 years old;
 - iii. Other indicators of diversity where relevant (such as minority or vulnerable groups).
- b. Percentage of employees per employee category in each of the following diversity categories:
 - i. Gender;
 - ii. Age group: under 30 years old, 30-50 years old, over 50 years old;
 - iii. Other indicators of diversity where relevant (such as minority or vulnerable groups).

Disclosure
405-1

Reporting recommendations

- 2.1 When compiling the information specified in Disclosure 405-1, the reporting organization should use data from [Disclosure 102-7](#) in *GRI 102: General Disclosures* to identify the total number of employees.

Guidance

Guidance for Disclosure 405-1

Examples of governance bodies that exist within an organization can be the board of directors, management committee, or a similar body for a non-corporate organization.

An organization can identify any other indicators of diversity used in its own monitoring and recording that are relevant for reporting.

Background

This disclosure provides a quantitative measure of diversity within an organization and can be used in conjunction with sectoral or regional benchmarks. Comparisons between broad employee diversity and management team diversity offer information on equal opportunity. Information reported in this disclosure also helps in assessing which issues can be of particular relevance to certain segments of the governance bodies or employees.

Disclosure 405-2

Ratio of basic salary and remuneration of women to men

Reporting requirements

The reporting organization shall report the following information:

- a. Ratio of the basic salary and remuneration of women to men for each employee category, by significant locations of operation.
- b. The definition used for ‘significant locations of operation’.

Reporting recommendations

- 2.2 When compiling the information specified in Disclosure 405-2, the reporting organization should base remuneration on the average pay of each gender grouping within each employee category.

Guidance

Guidance for Disclosure 405-2

The reporting organization can draw from the information used for Disclosure 405-1 to identify the total number of employees in each employee category by gender.

Background

An organization can take an active role in reviewing its operations and decisions, in order to promote diversity, eliminate gender bias, and support equal opportunity. These principles apply equally to recruitment, opportunities for advancement, and remuneration policies. Equality of remuneration is also an important factor in retaining qualified employees.

References

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

Authoritative intergovernmental instruments:

1. International Labour Organization (ILO) Convention 100, 'Equal Remuneration Convention', 1951.
2. International Labour Organization (ILO) Convention 111, 'Discrimination (Employment and Occupation) Convention', 1958.
3. International Labour Organization (ILO), 'Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy', 2006.
4. Organisation for Economic Co-operation and Development (OECD), *OECD Guidelines for Multinational Enterprises*, 2011.
5. United Nations (UN) Convention, 'Convention on the Elimination of all Forms of Discrimination against Women (CEDAW)', 1979.
6. United Nations (UN) Convention, 'International Convention on the Elimination of All Forms of Racial Discrimination', 1965.
7. United Nations (UN) Declaration, 'Declaration on the Elimination of All Forms of Intolerance and of Discrimination based on Religion and Belief', 1981.
8. United Nations (UN) Declaration, 'Declaration on the Elimination of All Forms of Racial Discrimination', 1963.
9. United Nations (UN) Declaration, 'Declaration on the Rights of Persons Belonging to National or Ethnic, Religious and Linguistic Minorities', 1992.
10. United Nations Educational, Scientific and Cultural Organization (UNESCO) Declaration, 'Declaration on Race and Racial Prejudice', 1978.
11. United Nations Entity for Gender Equality and the Empowerment of Women (UN Women) and United Nations Global Compact, 'Women's Empowerment Principles', 2011.
12. United Nations (UN) Fourth World Conference on Women, 'Beijing Declaration and Platform for Action', 1995.

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ISBN: 978-90-8866-076-4

GRI 406: NON-DISCRIMINATION

2016



GRI

406

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2. Topic-specific disclosures	6
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About this Standard

Responsibility	This Standard is issued by the Global Sustainability Standards Board (GSSB) . Any feedback on the GRI Standards can be submitted to standards@globalreporting.org for the consideration of the GSSB.
Scope	<i>GRI 406: Non-discrimination</i> sets out reporting requirements on the topic of non-discrimination. This Standard can be used by an organization of any size, type, sector or geographic location that wants to report on its impacts related to this topic.
Normative references	This Standard is to be used together with the most recent versions of the following documents. GRI 101: Foundation GRI 103: Management Approach GRI Standards Glossary In the text of this Standard, terms defined in the Glossary are <u>underlined</u>.
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***GRI 406: Non-discrimination* is a topic-specific GRI Standard in the 400 series (Social topics).**

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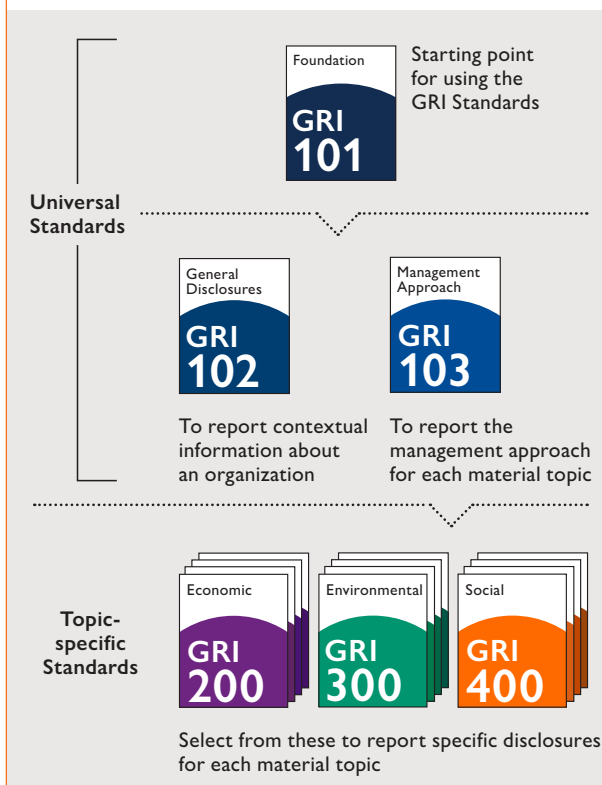
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An organization preparing a report in accordance with the GRI Standards uses this Standard, *GRI 406: Non-discrimination*, if this is one of its material topics.

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

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

Figure 1
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C. Requirements, recommendations and guidance

The GRI Standards include:

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

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

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

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

A number of international conventions and declarations address discrimination against specific groups of people or on specific grounds. Examples include the UN Convention on the Elimination of all Forms of Discrimination against Women (CEDAW) and the UN International Convention on the Elimination of All Forms of Racial Discrimination.

The disclosures in this Standard can provide information about an organization's impacts related to discrimination, and how it manages them.

D. Background context

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

GRI 406 addresses the topic of non-discrimination.

For the purpose of this Standard, discrimination is defined as the act and the result of treating people unequally by imposing unequal burdens or denying benefits, instead of treating each person fairly on the basis of individual merit. Discrimination can also include harassment. This is defined as a course of comments or actions that are unwelcome, or should reasonably be known to be unwelcome, to the person towards whom they are addressed.

An organization is expected to avoid discriminating against any person on any grounds, including avoiding discrimination against workers at work. It is also expected to avoid discriminating against customers with respect to the provision of products and services, or against any other stakeholder, including suppliers or business partners.

These concepts are covered in key instruments of the International Labour Organization, the Organisation for Economic Co-operation and Development, and the United Nations (UN): see [References](#).

GRI 406: Non-discrimination

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

- Management approach disclosures (this section references *GRI 103*)
- Disclosure 406-1 Incidents of discrimination and corrective actions taken

1. Management approach disclosures

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

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

Reporting requirements

- 1.1 The reporting organization shall report its management approach for non-discrimination using *GRI 103: Management Approach*.

2. Topic-specific disclosures

Disclosure 406-1

Incidents of discrimination and corrective actions taken

Reporting requirements

Disclosure
406-1

The reporting organization shall report the following information:

- a. Total number of incidents of discrimination during the reporting period.
- b. Status of the incidents and actions taken with reference to the following:
 - i. Incident reviewed by the organization;
 - ii. Remediation plans being implemented;
 - iii. Remediation plans that have been implemented, with results reviewed through routine internal management review processes;
 - iv. Incident no longer subject to action.

- 2.1** When compiling the information specified in Disclosure 406-1, the reporting organization shall include incidents of discrimination on grounds of race, color, sex, religion, political opinion, national extraction, or social origin as defined by the ILO, or other relevant forms of discrimination involving internal and/or external stakeholders across operations in the reporting period.

Guidance

Guidance for Disclosure 406-1

In the context of this disclosure, an 'incident' refers to a legal action or complaint registered with the reporting organization or competent authorities through a formal process, or an instance of non-compliance identified by the organization through established procedures. Established procedures to identify instances of non-compliance can include management system audits, formal monitoring programs, or grievance mechanisms.

An incident is no longer subject to action if it is resolved, the case is completed, or no further action is required by the organization. For example, an incident for which no further action is required can include cases that were withdrawn or where the underlying circumstances that led to the incident no longer exist.

Background

According to ILO instruments, discrimination can occur on the grounds of race, color, sex, religion, political opinion, national extraction, and social origin. Discrimination can also occur based on factors such as age, disability, migrant status, HIV and AIDS, gender, sexual orientation, genetic predisposition, and lifestyles, among others.¹

The presence and effective implementation of policies to avoid discrimination are a basic expectation of socially responsible conduct.

¹ Source: International Labour Organization (ILO), *Report I(B) - Equality at work: The continuing challenge - Global Report under the follow-up to the ILO Declaration on Fundamental Principles and Rights at Work*, 2011.

References

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

Authoritative intergovernmental instruments:

1. International Labour Organization (ILO) Convention 100, 'Equal Remuneration Convention', 1951.
2. International Labour Organization (ILO) Convention 111, 'Discrimination (Employment and Occupation) Convention', 1958.
3. Organisation for Economic Co-operation and Development (OECD), *OECD Guidelines for Multinational Enterprises*, 2011.
4. United Nations (UN) Convention, 'Convention on the Elimination of all Forms of Discrimination against Women (CEDAW)', 1979.
5. United Nations (UN) Convention, 'International Convention on the Elimination of All Forms of Racial Discrimination', 1965.
6. United Nations (UN) Convention, 'International Covenant on Civil and Political Rights', 1966, and related Protocol.
7. United Nations (UN) Declaration, 'Declaration on the Elimination of All Forms of Intolerance and of Discrimination based on Religion and Belief', 1981.
8. United Nations (UN) Declaration, 'Declaration on the Elimination of All Forms of Racial Discrimination', 1963.
9. United Nations (UN) Declaration, 'Declaration on the Rights of Persons Belonging to National or Ethnic, Religious and Linguistic Minorities', 1992.
10. United Nations Educational, Scientific and Cultural Organization (UNESCO) Declaration, 'Declaration on Race and Racial Prejudice', 1978.
11. United Nations Entity for Gender Equality and the Empowerment of Women (UN Women) and United Nations Global Compact, 'Women's Empowerment Principles', 2011.
12. United Nations (UN) Fourth World Conference on Women, 'Beijing Declaration and Platform for Action', 1995.

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This document, designed to promote sustainability reporting, has been developed by the Global Sustainability Standards Board (GSSB) through a unique multi-stakeholder consultative process involving representatives from organizations and report information users from around the world. While the GRI Board of Directors and GSSB encourage use of the GRI Sustainability Reporting Standards (GRI Standards) and related Interpretations by all organizations, the preparation and publication of reports based fully or partially on the GRI Standards and related Interpretations are the full responsibility of those producing them. Neither the GRI Board of Directors, GSSB nor Stichting Global Reporting Initiative (GRI) can assume responsibility for any consequences or damages resulting directly or indirectly from the use of the GRI Standards and related Interpretations in the preparation of reports, or the use of reports based on the GRI Standards and related Interpretations.

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ISBN: 978-90-8866-077-1

GRI 407: FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING

2016



GRI 407

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- 1. Management approach disclosures 5
- 2. Topic-specific disclosures 6
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About this Standard

Responsibility	This Standard is issued by the Global Sustainability Standards Board (GSSB) . Any feedback on the GRI Standards can be submitted to standards@globalreporting.org for the consideration of the GSSB.
Scope	<i>GRI 407: Freedom of Association and Collective Bargaining</i> sets out reporting requirements on the topic of freedom of association and collective bargaining. This Standard can be used by an organization of any size, type, sector or geographic location that wants to report on its impacts related to this topic.
Normative references	This Standard is to be used together with the most recent versions of the following documents. GRI 101: Foundation GRI 103: Management Approach GRI Standards Glossary In the text of this Standard, terms defined in the Glossary are <u>underlined</u>.
Effective date	This Standard is effective for reports or other materials published on or after 1 July 2018. Earlier adoption is encouraged.

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

Introduction

A. Overview

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

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

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

GRI 101: Foundation

GRI 102: General Disclosures

GRI 103: Management Approach

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

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

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

***GRI 407: Freedom of Association and Collective Bargaining* is a topic-specific GRI Standard in the 400 series (Social topics).**

B. Using the GRI Standards and making claims

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

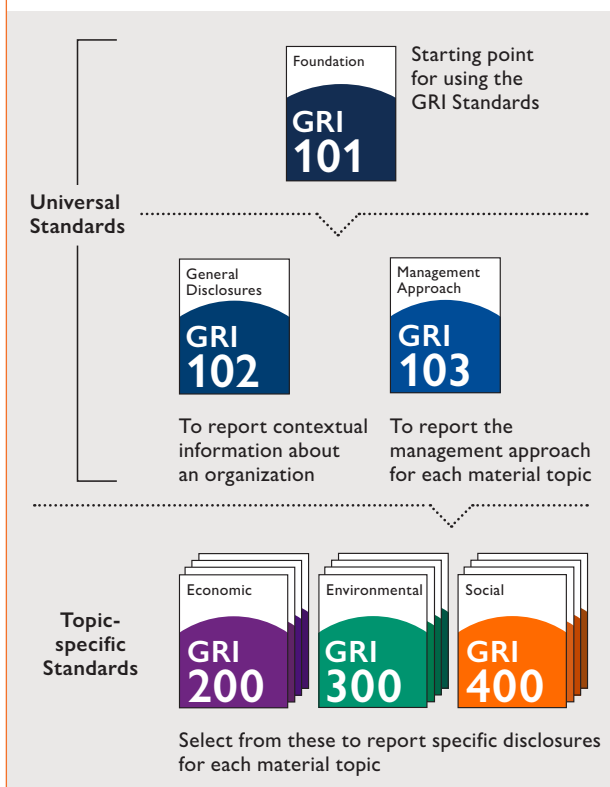
1. The GRI Standards can be used as a set to prepare a sustainability report that is in accordance with the Standards. There are two options for preparing a report in accordance (Core or Comprehensive), depending on the extent of disclosures included in the report.

An organization preparing a report in accordance with the GRI Standards uses this Standard, *GRI 407: Freedom of Association and Collective Bargaining*, if this is one of its material topics.

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

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

Figure 1
Overview of the set of GRI Standards



C. Requirements, recommendations and guidance

The GRI Standards include:

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

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

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

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

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

The disclosures in this Standard can provide information about an organization's impacts related to freedom of association and collective bargaining, and how it manages these impacts.

[Disclosure 102-41](#) in *GRI 102: General Disclosures* requires reporting on the percentage of total employees covered by collective bargaining agreements.

D. Background context

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

GRI 407 addresses the topic of freedom of association and collective bargaining.

Freedom of association is a human right as defined by international declarations and conventions. In this context, freedom of association refers to the right of employers and workers to form, to join and to run their own organizations without prior authorization or interference by the state or any other entity.

The right of workers to collectively bargain the terms and conditions of work is also an internationally recognized human right. Collective bargaining refers to all negotiations which take place between one or more employers or employers' organizations, on the one hand, and one or more workers' organizations (trade unions), on the other, for determining working conditions and terms of employment or for regulating relations between employers and workers.¹

¹ This definition is based on the International Labour Organization (ILO) Convention 154, 'Collective Bargaining Convention', 1981.

GRI 407: Freedom of Association and Collective Bargaining

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

- Management approach disclosures (this section references GRI 103)
- Disclosure 407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk

1. Management approach disclosures

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

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

Reporting requirements

- 1.1** The reporting organization shall report its management approach for freedom of association and collective bargaining using [GRI 103: Management Approach](#).

Reporting recommendations

- 1.2** The reporting organization should describe any policy or policies considered likely to affect workers' decisions to form or join a trade union, to bargain collectively or to engage in trade union activities.

2. Topic-specific disclosures

Disclosure 407-1

Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk

Reporting requirements

The reporting organization shall report the following information:

- a. Operations and suppliers in which workers' rights to exercise freedom of association or collective bargaining may be violated or at significant risk either in terms of:
 - i. type of operation (such as manufacturing plant) and supplier;
 - ii. countries or geographic areas with operations and suppliers considered at risk.
- b. Measures taken by the organization in the reporting period intended to support rights to exercise freedom of association and collective bargaining.

Disclosure
407-1

Guidance

Guidance for Disclosure 407-1

The process for identifying operations and suppliers, as specified in Disclosure 407-1, can reflect the reporting organization's approach to risk assessment on this issue. It can also draw from recognized international data sources, such as the various outcomes of the ILO Supervisory bodies and the recommendations of the ILO Committee of Freedom of Association (see reference 4 in the [References section](#)).

When reporting the measures taken, the organization can refer to the ILO 'Tripartite Declaration of Principles Concerning Multinational Enterprises and Social Policy' and Organisation for Economic Co-operation and Development (OECD) *OECD Guidelines for Multinational Enterprises* for further guidance.

Background

This disclosure concerns an organization's due diligence with respect to any adverse impacts its activities have had on the human rights of workers to form or join trade unions and to bargain collectively. This can include policies and processes with respect to the organization's business relationships, including its suppliers. It can also include the due diligence process to identify operations and suppliers where these rights are at risk.

It also aims to reveal actions that have been taken to support these rights across an organization's range of operations. This disclosure does not require the organization to express a specific opinion on the quality of national legal systems.

Collective agreements can be at the level of the organization; at the industry level, in countries where that is the practice; or at both. Collective agreements can cover specific groups of workers; for example, those performing a specific activity or working at a specific location.

An organization is expected to respect the rights of workers to exercise freedom of association and collective bargaining. It is also expected to not benefit from or contribute to such violations through its business relationships (e.g., suppliers).

References

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

Authoritative intergovernmental instruments:

1. International Labour Organization (ILO) Convention 87, 'Freedom of Association and Protection of the Right to Organise Convention', 1948.
2. International Labour Organization (ILO) Convention 98, 'Right to Organise and Collective Bargaining Convention', 1949.
3. International Labour Organization (ILO) Convention 154, 'Collective Bargaining Convention', 1981.
4. International Labour Organization (ILO), NORMLEX, Freedom of association cases, <http://www.ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:20060:0::NO::>, accessed on 1 September 2016.
5. International Labour Organization (ILO) Recommendation 163, 'Collective Bargaining Recommendation', 1981.
6. International Labour Organization (ILO), 'Tripartite Declaration of Principles Concerning Multinational Enterprises and Social Policy', 2006.
7. Organisation for Economic Co-operation and Development (OECD), *OECD Guidelines for Multinational Enterprises*, 2011.
8. United Nations (UN), 'Guiding Principles on Business and Human Rights, Implementing the United Nations "Protect, Respect and Remedy" Framework', 2011.
9. United Nations (UN) International Bill of Rights:
 - United Nations (UN) Declaration, 'Universal Declaration of Human Rights', 1948.
 - United Nations (UN) Convention, 'International Covenant on Civil and Political Rights', 1966.
 - United Nations (UN) Convention, 'International Covenant on Economic, Social, and Cultural Rights', 1966.
10. United Nations (UN), *Protect, Respect and Remedy: a Framework for Business and Human Rights*, 2008.
11. United Nations (UN), *Report of the Special Representative of the Secretary-General on the Issue of Human Rights and Transnational Corporations and Other Business Enterprises*, John Ruggie, 2011.

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ISBN: 978-90-8866-078-8

GRI 408: CHILD LABOR 2016



GRI 408

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About this Standard

Responsibility	This Standard is issued by the Global Sustainability Standards Board (GSSB) . Any feedback on the GRI Standards can be submitted to standards@globalreporting.org for the consideration of the GSSB.
Scope	<i>GRI 408: Child Labor</i> sets out reporting requirements on the topic of child labor. This Standard can be used by an organization of any size, type, sector or geographic location that wants to report on its impacts related to this topic.
Normative references	This Standard is to be used together with the most recent versions of the following documents. GRI 101: Foundation GRI 103: Management Approach GRI Standards Glossary In the text of this Standard, terms defined in the Glossary are <u>underlined</u>.
Effective date	This Standard is effective for reports or other materials published on or after 1 July 2018. Earlier adoption is encouraged.

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

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

***GRI 408: Child Labor* is a topic-specific GRI Standard in the 400 series (Social topics).**

B. Using the GRI Standards and making claims

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

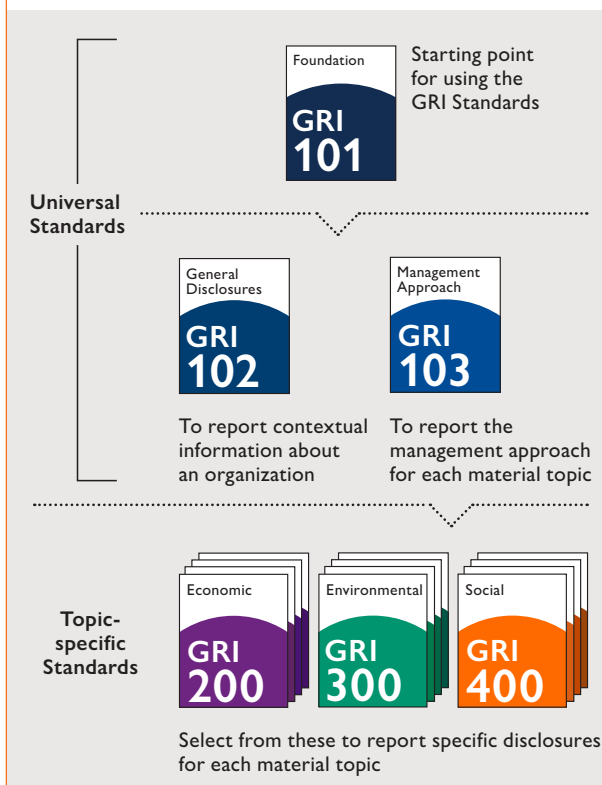
1. The GRI Standards can be used as a set to prepare a sustainability report that is in accordance with the Standards. There are two options for preparing a report in accordance (Core or Comprehensive), depending on the extent of disclosures included in the report.

An organization preparing a report in accordance with the GRI Standards uses this Standard, *GRI 408: Child Labor*, if this is one of its material topics.

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

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

Figure 1
Overview of the set of GRI Standards



C. Requirements, recommendations and guidance

The GRI Standards include:

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

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

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

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

The minimum age for hazardous work is 18 years for all countries. Hazardous child labor is defined by Article 3 (d) of ILO Convention 182 'Worst Forms of Child Labour Convention' as 'work which, by its nature or the circumstances in which it is carried out, is likely to harm the health, safety or morals of children.'

Due diligence is expected of an organization in order to prevent the use of child labor within its activities. It is also expected to avoid contributing to, or becoming complicit in, the use of child labor through its relationships with others (e.g., suppliers, clients).

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

The disclosures in this Standard can provide information about an organization's impacts related to child labor, and how it manages these impacts.

D. Background context

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

GRI 408 addresses the topic of child labor. Abolishing child labor is a key principle and objective of major human rights instruments and legislation, and is the subject of national legislation in almost all countries.

Child labor is work that 'deprives children of their childhood, their potential and their dignity, and that is harmful to their physical or mental development including by interfering with their education. Specifically, it means types of work that are not permitted for children below the relevant minimum age.'¹

Child labor does not refer to youth employment or to children working. It refers to a universally-recognized human rights abuse. The internationally-agreed understanding of the meaning of child labor is set out in the International Labour Organization (ILO) Convention 138 'Minimum Age Convention'.

¹ International Labour Organization (ILO) and International Organisation of Employers (IOE), *How to do business with respect for children's right to be free from child labour: ILO-IOE child labour guidance tool for business*, 2015.

GRI 408: Child Labor

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

- Management approach disclosures (this section references GRI 103)
- Disclosure 408-1 Operations and suppliers at significant risk for incidents of child labor

1. Management approach disclosures

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

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

Reporting requirements

- 1.1** The reporting organization shall report its management approach for child labor using [GRI 103: Management Approach](#).

2. Topic-specific disclosures

Disclosure 408-1

Operations and suppliers at significant risk for incidents of child labor

Reporting requirements

The reporting organization shall report the following information:

- a. Operations and suppliers considered to have significant risk for incidents of:
 - i. child labor;
 - ii. young workers exposed to hazardous work.
- b. Operations and suppliers considered to have significant risk for incidents of child labor either in terms of:
 - i. type of operation (such as manufacturing plant) and supplier;
 - ii. countries or geographic areas with operations and suppliers considered at risk.
- c. Measures taken by the organization in the reporting period intended to contribute to the effective abolition of child labor.

Disclosure
408-1

Guidance

Guidance for Disclosure 408-1

The process for identifying operations and suppliers, as specified in Disclosure 408-1, can reflect the reporting organization's approach to risk assessment on this issue. It can also draw from recognized international data sources, such as the ILO *Information and reports on the application of Conventions and Recommendations* (see reference 1 in the [References section](#)).

When reporting the measures taken, the organization can refer to the ILO 'Tripartite Declaration of Principles Concerning Multinational Enterprises and Social Policy' and Organisation for Economic Co-operation and Development (OECD) *OECD Guidelines for Multinational Enterprises* for further guidance.

In the context of the GRI Standards, a 'young worker' is defined as a person above the applicable minimum working age and younger than 18 years of age. Note that Disclosure 408-1 does not require quantitative reporting on child labor or the number of young workers. Rather, it asks for reporting on the *operations and suppliers* considered to have significant risk for incidents of child labor or young workers exposed to hazardous work.

Background

Child labor is subject to ILO Conventions 138 'Minimum Age Convention' (ILO Convention 138) and 182 'Worst Forms of Child Labour Convention' (ILO Convention 182).

'Child labor' refers to an abuse, which is not to be confused with 'children working' or with 'young persons working', which may not be abuses as stipulated in ILO Convention 138.

The minimum age for working differs by country. ILO Convention 138 specifies a minimum age of 15 years or the age of completion of compulsory schooling (whichever is higher). However, there is an exception for certain countries where economies and educational facilities are insufficiently developed and a minimum age of 14 years might apply. These countries of exception are specified by the ILO in response to special application by the country concerned, and in consultation with representative organizations of employers and workers.

Disclosure 408-1**Continued**

ILO Convention 138 stipulates that 'national laws or regulations may permit the employment or work of persons 13 to 15 years of age on light work which is (a) not likely to be harmful to their health or development; and (b) not such as to prejudice their attendance at school, their participation in vocational orientation or training programmes approved by the competent authority or their capacity to benefit from the instruction received'.

While child labor takes many different forms, a priority is to eliminate without delay the worst forms of child labor as defined by Article 3 of ILO Convention 182. This includes all forms of slavery or practices

similar to slavery (such as sale, trafficking, forced or compulsory labor, serfdom, recruitment for armed conflict); the use, procuring or offering of a child for prostitution or illicit activities and any work that is likely to harm the health, safety or morals of children. ILO Convention 182 is intended to set priorities for states; however, organizations are expected not to use this convention to justify forms of child labor.

Child labor results in under-skilled and unhealthy workers for tomorrow and perpetuates poverty across generations, thus impeding sustainable development. The abolition of child labor is therefore necessary for both economic and human development.

References

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

Authoritative intergovernmental instruments:

1. International Labour Organization (ILO), Committee of Experts on the Application of Conventions and Recommendations, *Report III - Information and reports on the application of Conventions and Recommendations*, updated annually.
2. International Labour Organization (ILO) Convention 138, 'Minimum Age Convention', 1973.
3. International Labour Organization (ILO) Convention 142, 'Human Resources Development Convention', 1975.
4. International Labour Organization (ILO) Convention 182, 'Worst Forms of Child Labour Convention', 1999.
5. International Labour Organization (ILO), 'Tripartite Declaration of Principles Concerning Multinational Enterprises and Social Policy', 2006.
6. Organisation for Economic Co-operation and Development (OECD), *OECD Guidelines for Multinational Enterprises*, 2011.
7. United Nations (UN) Convention, 'Convention on the Rights of the Child', 1989.
8. United Nations (UN), 'Guiding Principles on Business and Human Rights, Implementing the United Nations "Protect, Respect and Remedy" Framework', 2011.
9. United Nations (UN), *Protect, Respect and Remedy: a Framework for Business and Human Rights*, 2008.
10. United Nations (UN), *Report of the Special Representative of the Secretary-General on the Issue of Human Rights and Transnational Corporations and Other Business Enterprises*, John Ruggie, 2011.

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ISBN: 978-90-8866-079-5

GRI 409: FORCED OR COMPULSORY LABOR 2016



GRI
409

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About this Standard

Responsibility	This Standard is issued by the Global Sustainability Standards Board (GSSB) . Any feedback on the GRI Standards can be submitted to standards@globalreporting.org for the consideration of the GSSB.
Scope	<i>GRI 409: Forced or Compulsory Labor</i> sets out reporting requirements on the topic of forced or compulsory labor. This Standard can be used by an organization of any size, type, sector or geographic location that wants to report on its impacts related to this topic.
Normative references	This Standard is to be used together with the most recent versions of the following documents. GRI 101: Foundation GRI 103: Management Approach GRI Standards Glossary In the text of this Standard, terms defined in the Glossary are <u>underlined</u> .
Effective date	This Standard is effective for reports or other materials published on or after 1 July 2018. Earlier adoption is encouraged.

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

Introduction

A. Overview

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

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

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

GRI 101: Foundation

GRI 102: General Disclosures

GRI 103: Management Approach

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

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

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

***GRI 409: Forced or Compulsory Labor* is a topic-specific GRI Standard in the 400 series (Social topics).**

B. Using the GRI Standards and making claims

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

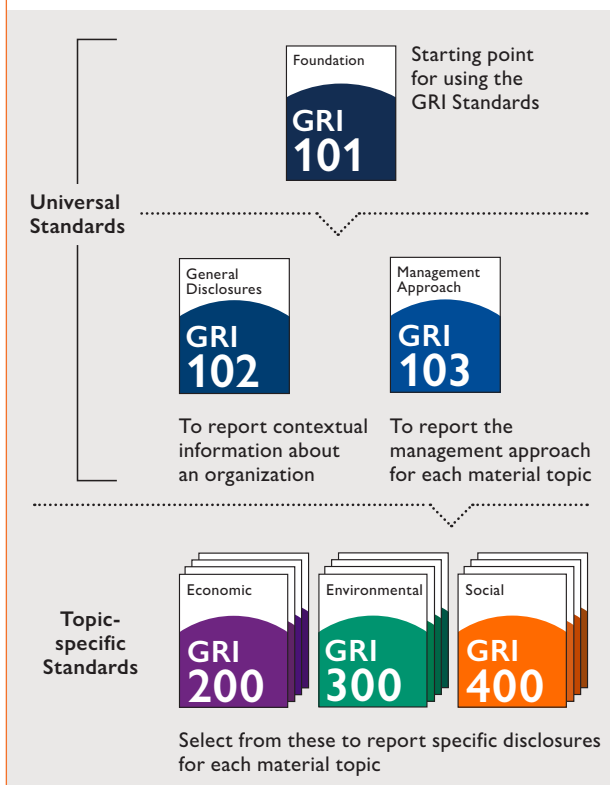
1. The GRI Standards can be used as a set to prepare a sustainability report that is in accordance with the Standards. There are two options for preparing a report in accordance (Core or Comprehensive), depending on the extent of disclosures included in the report.

An organization preparing a report in accordance with the GRI Standards uses this Standard, *GRI 409: Forced or Compulsory Labor*, if this is one of its material topics.

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

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

Figure 1
Overview of the set of GRI Standards



C. Requirements, recommendations and guidance

The GRI Standards include:

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

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

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

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

D. Background context

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

GRI 409 addresses the topic of forced or compulsory labor.

Not to be subjected to forced or compulsory labor is a fundamental human right. According to International Labour Organization (ILO) Convention 29 'Forced Labour Convention', forced or compulsory labor is defined as 'all work or service which is exacted from any person under the menace of any penalty and for which the said person has not offered himself voluntarily.'¹

Forced and compulsory labor affects all world regions, countries, and economic sectors, and includes workers in both formal and informal employment.²

Some of the most common forms of forced labor include forced labor in prisons (except for prisoners that have been convicted in a court of law, and whose labor

is under the supervision and control of a public authority), human trafficking for the purpose of forced labor, coercion in employment, forced labor linked to exploitative labor contract systems, and debt-induced forced labor, also known as 'debt-bondage' or 'bonded labor'.³

The victims are most likely from groups subject to discrimination or performing work on an informal or precarious basis. This can include women and girls forced into prostitution, migrants trapped in debt bondage, and sweatshop or farm workers, among other groups.⁴

Due diligence is expected of an organization in order to prevent and combat all forms of forced or compulsory labor within its activities. It is also expected to avoid contributing to or becoming linked to the use of forced or compulsory labor through its relationships with others (e.g., suppliers, clients).

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

The disclosures in this Standard can provide information about an organization's impacts related to forced or compulsory labor, and how it manages these impacts.

Disclosures on the related topic of child labor can be found in:

- [GRI 408: Child Labor](#)

¹ International Labour Organization (ILO) Convention 29, 'Forced Labour Convention', 1930.

² International Labour Organization (ILO), *Combating Forced Labour. A Handbook for Employers & Business*, 2015.

³ International Labour Organization (ILO), *Combating Forced Labour. A Handbook for Employers & Business*, 2015.

⁴ International Labour Organization (ILO), *Forced labour, human trafficking and slavery*, <http://www.ilo.org/global/topics/forced-labour/lang--en/index.htm>, accessed on 1 September 2016.

GRI 409: Forced or Compulsory Labor

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

- Management approach disclosures (this section references *GRI 103*)
- Disclosure 409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor

1. Management approach disclosures

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

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

Reporting requirements

- 1.1** The reporting organization shall report its management approach for forced or compulsory labor using [GRI 103: Management Approach](#).

2. Topic-specific disclosures

Disclosure 409-1

Operations and suppliers at significant risk for incidents of forced or compulsory labor

Reporting requirements

The reporting organization shall report the following information:

- a. Operations and suppliers considered to have significant risk for incidents of forced or compulsory labor either in terms of:
 - i. type of operation (such as manufacturing plant) and supplier;
 - ii. countries or geographic areas with operations and suppliers considered at risk.
- b. Measures taken by the organization in the reporting period intended to contribute to the elimination of all forms of forced or compulsory labor.

Disclosure
409-1

Guidance

Guidance for Disclosure 409-1

The process for identifying operations and suppliers, as specified in Disclosure 409-1, can reflect the reporting organization's approach to risk assessment on this issue. It can also draw from recognized international data sources, such as the ILO *Information and reports on the application of Conventions and Recommendations* (see reference 1 in the [References section](#)).

When reporting the measures taken, the organization can refer to the ILO 'Tripartite Declaration of Principles Concerning Multinational Enterprises and Social Policy' and Organisation for Economic Co-operation and Development (OECD) *OECD Guidelines for Multinational Enterprises* for further guidance.

Background

Forced or compulsory labor exists globally in a variety of forms. The most extreme examples are slave labor and bonded labor, but debts can also be used as a means of maintaining workers in a state of forced labor. Indicators of forced labor can also include withholding identity papers, requiring compulsory deposits, and compelling workers, under threat of firing, to work extra hours to which they have not previously agreed.

Eliminating forced labor remains an important challenge. Forced labor is not only a serious violation of a fundamental human right, it also perpetuates poverty and is a hindrance to economic and human development.⁵

The presence and effective implementation of policies for eliminating all forms of forced or compulsory labor are a basic expectation of socially responsible conduct. Organizations with multinational operations are required by law in some countries to provide information on their efforts to eradicate forced labor in their supply chains.

⁵ International Labour Organization (ILO), *International Labour Standards on Forced labour*. http://www.ilo.org/global/standards/subjects-covered-by-international-labour-standards/forced-labour/lang--en/index.htm#P23_4987, accessed on 1 September 2016.

References

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

Authoritative intergovernmental instruments:

1. International Labour Organization (ILO), Committee of Experts on the Application of Conventions and Recommendations, *Report III - Information and reports on the application of Conventions and Recommendations*, updated annually.
2. International Labour Organization (ILO) Convention 29, 'Forced Labour Convention', 1930.
3. International Labour Organization (ILO) Convention 105, 'Abolition of Forced Labour Convention', 1957.
4. International Labour Organization (ILO), 'Protocol to Convention 29', 2014.
5. International Labour Organization (ILO) Recommendation 203, 'Forced Labour (Supplementary Measures) Recommendation', 2014.
6. International Labour Organization (ILO), 'Tripartite Declaration of Principles Concerning Multinational Enterprises and Social Policy', 2006.
7. League of Nations Convention, 'Convention to Suppress the Slave Trade and Slavery', 1926.
8. Organisation for Economic Co-operation and Development (OECD), *OECD Guidelines for Multinational Enterprises*, 2011.
9. United Nations (UN) Declaration, 'Universal Declaration of Human Rights', 1948.
10. United Nations (UN), 'Guiding Principles on Business and Human Rights, Implementing the United Nations "Protect, Respect and Remedy" Framework', 2011.
11. United Nations (UN), *Protect, Respect and Remedy: a Framework for Business and Human Rights*, 2008.
12. United Nations (UN), *Report of the Special Representative of the Secretary-General on the Issue of Human Rights and Transnational Corporations and Other Business Enterprises, John Ruggie*, 2011.
13. United Nations (UN) Supplementary Convention, 'Supplementary Convention on the Abolition of Slavery, the Slave Trade, and Institutions and Practices Similar to Slavery', 1956.

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ISBN: 978-90-8866-080-1

GRI 410: SECURITY PRACTICES

2016



GRI

410

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About this Standard

Responsibility	This Standard is issued by the Global Sustainability Standards Board (GSSB) . Any feedback on the GRI Standards can be submitted to standards@globalreporting.org for the consideration of the GSSB.
Scope	<i>GRI 410: Security Practices</i> sets out reporting requirements on the topic of security practices. This Standard can be used by an organization of any size, type, sector or geographic location that wants to report on its impacts related to this topic.
Normative references	This Standard is to be used together with the most recent versions of the following documents. GRI 101: Foundation GRI 103: Management Approach GRI Standards Glossary In the text of this Standard, terms defined in the Glossary are <u>underlined</u>.
Effective date	This Standard is effective for reports or other materials published on or after 1 July 2018. Earlier adoption is encouraged.

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Introduction

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GRI 102: General Disclosures

GRI 103: Management Approach

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

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

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

***GRI 410: Security Practices* is a topic-specific GRI Standard in the 400 series (Social topics).**

B. Using the GRI Standards and making claims

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

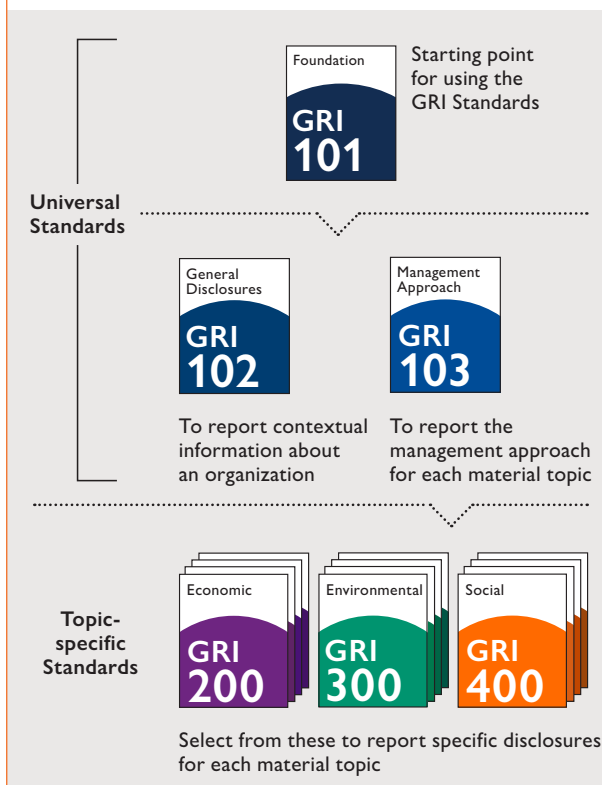
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An organization preparing a report in accordance with the GRI Standards uses this Standard, *GRI 410: Security Practices*, if this is one of its material topics.

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

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

Figure 1
Overview of the set of GRI Standards



C. Requirements, recommendations and guidance

The GRI Standards include:

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

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

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

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

D. Background context

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

GRI 410 addresses the topic of security practices. It focuses on the conduct of security personnel towards third parties, and the potential risk for excessive use of force or other violations of human rights. Security personnel can refer to employees of the reporting organization or employees of third-party organizations that provide security forces.

The use of security personnel can have potentially negative impacts on local populations, and on the upholding of human rights and the rule of law. Providing effective training in human rights therefore helps to make sure that security personnel understand when to use force in an appropriate way, and how to ensure respect for human rights.

The disclosures in this Standard can provide information about an organization's impacts related to security practices, and how it manages these impacts.

GRI 410: Security Practices

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

- Management approach disclosures (this section references *GRI 103*)
- Disclosure 410-1 Security personnel trained in human rights policies or procedures

1. Management approach disclosures

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

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

Reporting requirements

- 1.1** The reporting organization shall report its management approach for security practices using *GRI 103: Management Approach*.

2. Topic-specific disclosures

Disclosure 410-1

Security personnel trained in human rights policies or procedures

Reporting requirements

Disclosure
410-1

The reporting organization shall report the following information:

- a. Percentage of security personnel who have received formal training in the organization's human rights policies or specific procedures and their application to security.
- b. Whether training requirements also apply to third-party organizations providing security personnel.

Reporting recommendations

- 2.1 When compiling the information specified in Disclosure 410-1-a, the reporting organization should:
 - 2.1.1 calculate the percentage using the total number of security personnel, whether they are employees of the organization or employees of third-party organizations;
 - 2.1.2 state whether employees of third-party organizations are also included in the calculation.

Guidance

Guidance for Disclosure 410-1

The training can refer either to training dedicated to the subject of human rights or to a human rights module within a general training program. Training can cover issues such as the use of force, inhuman or degrading treatment or discrimination, or identification and registering.

Background

The use of security personnel can play an essential role in allowing an organization to operate in a safe and productive manner, and can contribute to the security of local communities and populations.

However, as set out in the International Code of Conduct for Private Security Service Providers, the use of security personnel can also have potentially negative impacts on local populations and on the upholding of human rights and the rule of law.

According to the UN Human Rights Office of the High Commissioner, 'human rights education constitutes an essential contribution to the long-term prevention of human rights abuses and represents an important investment in the endeavor to achieve a just society in which all human rights of all persons are valued and respected.'¹

Training security personnel in human rights can therefore help to ensure their appropriate conduct towards third parties, particularly regarding the use of force. This disclosure indicates the proportion of the security force that can reasonably be assumed to be aware of an organization's expectations of human rights performance. Information provided under this disclosure can demonstrate the extent to which management systems pertaining to human rights are implemented.

¹ United Nations Human Rights Office of the High Commissioner (OHCHR), <http://www.ohchr.org/EN/Issues/Education/Training/Pages/HREducationTrainingIndex.aspx>, accessed on 1 September 2016.

References

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

Relevant references:

1. International Code of Conduct for Private Security Service Providers, 2010.
2. Voluntary Principles on Security and Human Rights, <http://voluntaryprinciples.org/>, accessed on 1 September 2016.

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ISBN: 978-90-8866-081-8

GRI 411: RIGHTS OF INDIGENOUS PEOPLES

2016



GRI

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About this Standard

Responsibility	This Standard is issued by the Global Sustainability Standards Board (GSSB) . Any feedback on the GRI Standards can be submitted to standards@globalreporting.org for the consideration of the GSSB.
Scope	<i>GRI 411: Rights of Indigenous Peoples</i> sets out reporting requirements on the topic of rights of indigenous peoples. This Standard can be used by an organization of any size, type, sector or geographic location that wants to report on its impacts related to this topic.
Normative references	This Standard is to be used together with the most recent versions of the following documents. GRI 101: Foundation GRI 103: Management Approach GRI Standards Glossary In the text of this Standard, terms defined in the Glossary are <u>underlined</u> .
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***GRI 411: Rights of Indigenous Peoples* is a topic-specific GRI Standard in the 400 series (Social topics).**

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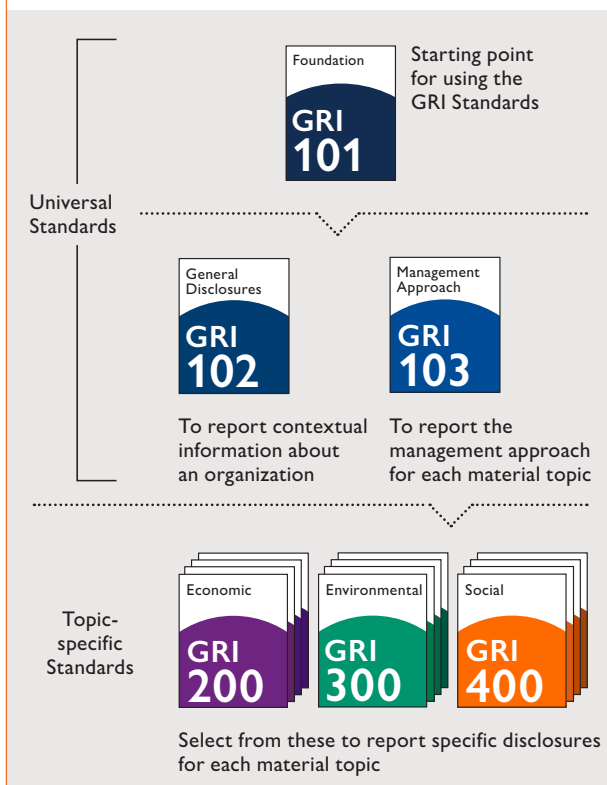
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An organization preparing a report in accordance with the GRI Standards uses this Standard, *GRI 411: Rights of Indigenous Peoples*, if this is one of its material topics.

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

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

Many indigenous peoples have suffered from historic injustices and therefore are considered a vulnerable group. Such a group is at a higher risk of suffering a disproportionate burden of the economic, environmental and/or social impacts of an organization's activities.²

In addition to their collective rights, each person belonging to indigenous peoples shares universal human rights.

These concepts are covered in key instruments of the International Labour Organization and the United Nations: see [References](#).

The disclosures in this Standard can provide information about an organization's impacts related to the rights of indigenous peoples, and how it manages these impacts.

D. Background context

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

GRI 411 addresses the rights of indigenous peoples. While there is no universal definition of indigenous peoples, they are generally identified as:¹

- tribal peoples in independent countries whose social, cultural and economic conditions distinguish them from other sections of the national community, and whose status is regulated wholly or partially by their own customs or traditions or by special laws or regulations;
- peoples in independent countries who are regarded as indigenous on account of their descent from the populations which inhabited the country, or a geographical region to which the country belongs, at the time of conquest or colonization or the establishment of present state boundaries and who, irrespective of their legal status, retain some or all of their own social, economic, cultural and political institutions.

¹ Source: International Labour Organization (ILO) Convention ¹⁶⁹, 'Indigenous and Tribal Peoples Convention', 1991.

² Source: United Nations (UN) Declaration, 'United Nations Declaration on the Rights of Indigenous Peoples', 2007.

GRI 411: Rights of Indigenous Peoples

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

- Management approach disclosures (this section references GRI 103)
- Disclosure 411-1 Incidents of violations involving rights of indigenous peoples

1. Management approach disclosures

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

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

Reporting requirements

- 1.1** The reporting organization shall report its management approach for the rights of indigenous peoples using [GRI 103: Management Approach](#).

Guidance

The United Nations (UN) Declaration on the Rights of Indigenous Peoples and the International Labour Organization Convention 169 'Indigenous and Tribal Peoples' address the rights of indigenous peoples. Indigenous peoples have both collective and individual rights, as set out in these instruments.

The collective rights of indigenous peoples include, for example, the right to retain their own customs and institutions, and the right to self-determination. According to the UN Declaration on the Rights of Indigenous Peoples, the right to self-determination enables indigenous peoples to 'freely determine their political status and freely pursue their economic, social and cultural development' and have the right to 'autonomy or self-government in matters relating to their internal and local affairs, as well as ways and means for financing their autonomous functions.'

Management approach disclosures

Continued

Indigenous peoples also have the right to occupy and use their lands or territories, including those who hold or use land pursuant to informal or customary rights. Indigenous peoples cannot be relocated without free, prior, and informed consent. They also have the right to redress in cases where their lands or resources have been occupied or damaged without their free, prior, and informed consent.

Due diligence is expected of an organization in order to avoid infringing on the rights of indigenous peoples through its activities and decisions. An organization is also expected to respect the rights of indigenous peoples to free, prior, and informed consent in certain matters affecting them. This is the case when, for example, an organization intends to start operations on land that is inhabited or owned by indigenous peoples.

2. Topic-specific disclosures

Disclosure 411-1

Incidents of violations involving rights of indigenous peoples

Reporting requirements

The reporting organization shall report the following information:

- a. Total number of identified incidents of violations involving the rights of indigenous peoples during the reporting period.
- b. Status of the incidents and actions taken with reference to the following:
 - i. Incident reviewed by the organization;
 - ii. Remediation plans being implemented;
 - iii. Remediation plans that have been implemented, with results reviewed through routine internal management review processes;
 - iv. Incident no longer subject to action.

Disclosure
411-1

Reporting recommendations

- 2.1 When compiling the information specified in Disclosure 411-1, the reporting organization should include incidents involving the rights of indigenous peoples among:
 - 2.1.1 workers performing the organization's activities;
 - 2.1.2 communities likely to be impacted by existing or planned activities of the organization.

Guidance

Guidance for Disclosure 411-1

In the context of this disclosure, an 'incident' refers to a legal action or complaint registered with the reporting organization or competent authorities through a formal process, or an instance of non-compliance identified by the organization through established procedures. Established procedures to identify instances of non-compliance can include management system audits, formal monitoring programs, or grievance mechanisms.

Background

The number of recorded incidents involving the rights of indigenous peoples provides information about the implementation of an organization's policies relating to indigenous peoples. This information helps to indicate the state of relations with stakeholder communities. This is particularly important in regions where indigenous peoples reside, or have interests near operations of the organization.

References

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

Authoritative intergovernmental instruments:

1. International Labour Organization (ILO) Convention 169, 'Indigenous and Tribal Peoples Convention', 1991.
2. United Nations (UN) Convention, 'International Covenant on Civil and Political Rights', 1966.
3. United Nations (UN) Convention, 'International Covenant on Economic, Social, and Cultural Rights', 1966.
4. United Nations (UN) Declaration, 'Declaration on the Right to Development', 1986.
5. United Nations (UN) Declaration, 'United Nations Declaration on the Rights of Indigenous Peoples', 2007.
6. United Nations (UN) Declaration, 'Universal Declaration of Human Rights', 1948.

Other relevant references:

7. International Finance Corporation (IFC), 'Performance Standards on Environmental and Social Sustainability', 2012.

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ISBN: 978-90-8866-082-5

GRI 412: HUMAN RIGHTS ASSESSMENT 2016



GRI
412

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About this Standard

Responsibility	This Standard is issued by the Global Sustainability Standards Board (GSSB) . Any feedback on the GRI Standards can be submitted to standards@globalreporting.org for the consideration of the GSSB.
Scope	<i>GRI 412: Human Rights Assessment</i> sets out reporting requirements on the topic of human rights assessment. This Standard can be used by an organization of any size, type, sector or geographic location that wants to report on its impacts related to this topic.
Normative references	This Standard is to be used together with the most recent versions of the following documents. GRI 101: Foundation GRI 103: Management Approach GRI Standards Glossary In the text of this Standard, terms defined in the Glossary are <u>underlined</u>.
Effective date	This Standard is effective for reports or other materials published on or after 1 July 2018. Earlier adoption is encouraged.

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

Introduction

A. Overview

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

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

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

GRI 101: Foundation

GRI 102: General Disclosures

GRI 103: Management Approach

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

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

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

***GRI 412: Human Rights Assessment* is a topic-specific GRI Standard in the 400 series (Social topics).**

B. Using the GRI Standards and making claims

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

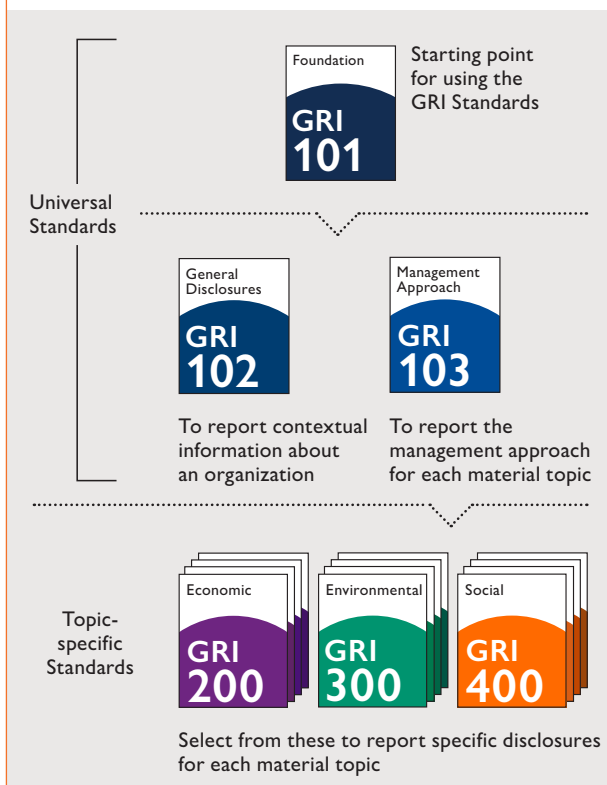
1. The GRI Standards can be used as a set to prepare a sustainability report that is in accordance with the Standards. There are two options for preparing a report in accordance (Core or Comprehensive), depending on the extent of disclosures included in the report.

An organization preparing a report in accordance with the GRI Standards uses this Standard, *GRI 412: Human Rights Assessment*, if this is one of its material topics.

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

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

Figure 1
Overview of the set of GRI Standards



C. Requirements, recommendations and guidance

The GRI Standards include:

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

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

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

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

D. Background context

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

GRI 412 addresses the topic of human rights assessment. The international standard that establishes the expectations of responsible conduct for organizations with respect to human rights is the United Nations (UN) 'Guiding Principles on Business and Human Rights', endorsed by the UN Human Rights Council in 2011.

An organization can impact human rights directly, through its own actions and operations. It can also impact human rights indirectly, through its interactions and relationships with others, including governments, local communities and suppliers, and through its investments.

Organizations are responsible for their impacts on the entire range of internationally recognized human rights. These rights include, at a minimum, all rights set out in the International Bill of Rights and the principles set out in the International Labour Organization (ILO) 'Declaration on Fundamental Principles and Rights at Work'. The International Bill of Rights includes the following three instruments:

- the UN Declaration, 'Universal Declaration of Human Rights', 1948;
- the UN Convention, 'International Covenant on Civil and Political Rights', 1966;
- the UN Convention, 'International Covenant on Economic, Social, and Cultural Rights', 1966.

In addition to these three key instruments, the international legal framework for human rights includes more than 80 other instruments, from declarations and guiding principles to binding treaties and conventions. They also range from universal to regional instruments.

In order to identify, prevent and mitigate negative human rights impacts, an organization can undertake human rights reviews or impact assessments of its operations. It can also implement specialized training that equips employees to address human rights in the course of their regular work.

In addition, an organization can integrate human rights criteria in screening, or include human rights criteria in performance requirements when making contracts and agreements with other parties, such as joint ventures and subsidiaries.

The disclosures in this Standard can provide information about an organization's approach to preventing and mitigating negative human rights impacts.

Other GRI Standards deal with specific human rights (such as [GRI 408: Child Labor](#) or [GRI 411: Rights of Indigenous Peoples](#)). In addition, the assessment of suppliers for human rights-related impacts can be reported with [GRI 414: Supplier Social Assessment](#).

GRI 412: Human Rights Assessment

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

- Management approach disclosures (this section references *GRI 103*)
- Disclosure 412-1 Operations that have been subject to human rights reviews or impact assessments
- Disclosure 412-2 Employee training on human rights policies or procedures
- Disclosure 412-3 Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening

1. Management approach disclosures

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

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

Reporting requirements

- 1.1** The reporting organization shall report its management approach for human rights assessment using [*GRI 103: Management Approach*](#).

Management approach disclosures

Continued

Guidance

When reporting its management approach for human rights assessment, the reporting organization can also explain:

- its strategies for extending applicable policies and procedures to external parties, such as joint ventures and subsidiaries;
- the use of human rights criteria or clauses in contracts, including the types of clauses and the types of contracts and agreements in which they are commonly applied, such as investments and joint ventures.

2. Topic-specific disclosures

Disclosure 412-1

Operations that have been subject to human rights reviews or impact assessments

Reporting requirements

Disclosure
412-1

The reporting organization shall report the following information:

- a. Total number and percentage of operations that have been subject to human rights reviews or human rights impact assessments, by country.

Guidance

Background

Information reported for this disclosure can show the extent to which an organization considers human rights when making decisions on its locations of operations. It can also provide information to assess the organization's potential to be associated with, or to be considered complicit in, human rights abuse.

Disclosure 412-2

Employee training on human rights policies or procedures

Reporting requirements

Disclosure
412-2

The reporting organization shall report the following information:

- a. 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. Percentage of employees trained during the reporting period in human rights policies or procedures concerning aspects of human rights that are relevant to operations.

Reporting recommendations

- 2.1 When compiling the information specified in Disclosure 412-2, the reporting organization should use data from [Disclosure 102-7](#) in *GRI 102: General Disclosures* to identify the total number of employees.

Guidance

Guidance for Disclosure 412-2

The disclosure covers employee training on 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.

The training can refer either to training dedicated to the subject of human rights or to a human rights module within a general training program.

Reporting the total number of hours of employee training is covered by [GRI 404: Training and Education](#).

Background

Information generated from this disclosure offers insight into an organization's capacity to implement its human rights policies and procedures.

Human rights are 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.

Disclosure 412-3

Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening

Reporting requirements

Disclosure
412-3

The reporting organization shall report the following information:

- a. Total number and percentage of significant investment agreements and contracts that include human rights clauses or that underwent human rights screening.
- b. The definition used for 'significant investment agreements'.

Reporting recommendations

- 2.2 When compiling the information specified in Disclosure 412-3, the reporting organization should:
- 2.2.1 include the total number of significant investment agreements and contracts finalized during the reporting period that either moved the organization into a position of ownership in another entity, or initiated a capital investment project that was material to financial accounts;
 - 2.2.2 include only the agreements and contracts that are significant in terms of size or strategic importance.

Guidance

Guidance for Disclosure 412-3

Human rights screening refers to a formal or documented process that applies a set of human rights performance criteria as one of the factors to determine whether to proceed with a business relationship.

Significant agreements and contracts can be determined by the level of approval required within an organization for the investment. Other criteria can also be used to determine significance if they can be consistently applied to all agreements.

If multiple significant investment agreements are undertaken and contracts signed with the same partner, the total number of agreements reflects the total number of separate projects undertaken or entities created.

Background

This disclosure is one measure of the extent to which human rights considerations are integrated into an organization's economic decisions. This is particularly relevant for organizations that operate within, or are partners in ventures in regions where the protection of human rights is of significant concern.

References

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

Authoritative intergovernmental instruments:

1. International Labour Organization (ILO) Declaration, 'Declaration on Fundamental Principles and Rights at Work', 1998.
2. United Nations (UN) International Bill of Rights:
 - United Nations (UN) Declaration, 'Universal Declaration of Human Rights', 1948.
 - United Nations (UN) Convention, 'International Covenant on Civil and Political Rights', 1966.
 - United Nations (UN) Convention, 'International Covenant on Economic, Social, and Cultural Rights', 1966.

The ILO 'Declaration on Fundamental Principles and Rights at Work' builds upon the eight core Conventions of the ILO¹:

3. International Labour Organization (ILO) Convention 29, 'Forced Labour Convention', 1930.
4. International Labour Organization (ILO) Convention 87, 'Freedom of Association and Protection of the Right to Organise Convention', 1948.
5. International Labour Organization (ILO) Convention 98, 'Right to Organise and Collective Bargaining Convention', 1949.
6. International Labour Organization (ILO) Convention 100, 'Equal Remuneration Convention', 1951.
7. International Labour Organization (ILO) Convention 105, 'Abolition of Forced Labour Convention', 1957.
8. International Labour Organization (ILO) Convention 111, 'Discrimination (Employment and Occupation) Convention', 1958.
9. International Labour Organization (ILO) Convention 138, 'Minimum Age Convention', 1973.
10. International Labour Organization (ILO) Convention 182, 'Worst Forms of Child Labour Convention', 1999.

Regional conventions, adhering to the principle of universality in the International Bill of Rights, for areas where the reporting organization operates, including:

11. African Union Charter, 'African Charter on Human and Peoples' Rights', 1981.
12. European Court of Human Rights, 'European Convention for the Protection of Human Rights and Fundamental Freedoms', 1950.
13. League of Arab States, 'Arab Charter on Human Rights', 1994.
14. Organization of American States (OAS), 'American Convention on Human Rights', 1969.

Conventions protecting the rights of individuals who can be impacted by the organization's work, including but not limited to:

15. International Labour Organization (ILO) Convention 107, 'Indigenous and Tribal Populations Convention', 1957.
16. International Labour Organization (ILO) Convention 169, 'Indigenous and Tribal Peoples Convention', 1991.

¹ Conventions 100 and 111 pertain to non-discrimination; Conventions 87 and 98 pertain to freedom of association and collective bargaining; Conventions 138 and 182 pertain to the elimination of child labor; and Conventions 29 and 105 pertain to the prevention of forced or compulsory labor.

17. United Nations (UN) Convention, 'Convention on the Elimination of all Forms of Discrimination against Women (CEDAW)', 1979.
18. United Nations (UN) Convention, 'Convention on the Rights of Persons with Disabilities', 2006.
19. United Nations (UN) Convention, 'Convention on the Rights of the Child', 1989.
20. United Nations (UN) Convention, 'International Convention on the Elimination of All Forms of Racial Discrimination', 1965.
21. United Nations (UN) Declaration, 'United Nations Declaration of the Rights of Indigenous Peoples', 2007.

Additional references include:

22. International Labour Organization (ILO), Committee of Experts on the Application of Conventions and Recommendations, *Report III - Information and reports on the application of Conventions and Recommendations*, updated annually.
23. International Labour Organization (ILO), 'Tripartite Declaration of Principles Concerning Multinational Enterprises and Social Policy', 2006.
24. United Nations (UN) Convention, 'International Convention on the Protection of the Rights of All Migrant Workers and Members of Their Families', 1990.
25. United Nations (UN) Declaration, 'Declaration on the Elimination of All Forms of Racial Discrimination', 1963.
26. United Nations (UN) Declaration, 'Declaration on the Right to Development', 1986.
27. United Nations (UN) Declaration, 'United Nations Millennium Declaration', 2000.
28. United Nations (UN) Declaration, 'Vienna Declaration and Programme of Action', 1993.
29. United Nations (UN), 'Guiding Principles on Business and Human Rights, Implementing the United Nations "Protect, Respect and Remedy" Framework', 2011.
30. United Nations (UN), *Protect, Respect and Remedy: a Framework for Business and Human Rights*, 2008.
31. United Nations (UN), *Report of the Special Representative of the Secretary-General on the Issue of Human Rights and Transnational Corporations and Other Business Enterprises*, John Ruggie, 2011.

Other relevant references:

32. United Nations Global Compact, *Global Compact Business Guide for Conflict Impact Assessment and Risk Management*, 2002.
33. United Nations Global Compact and Principles for Responsible Investment (PRI), *Guidance on Responsible Business in Conflict-Affected and High-Risk Areas: A Resource for Companies and Investors*, 2010.

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ISBN: 978-90-8866-084-9

GRI 413: LOCAL COMMUNITIES

2016



GRI
413

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About this Standard

Responsibility	This Standard is issued by the Global Sustainability Standards Board (GSSB) . Any feedback on the GRI Standards can be submitted to standards@globalreporting.org for the consideration of the GSSB.
Scope	<i>GRI 413: Local Communities</i> sets out reporting requirements on the topic of local communities. This Standard can be used by an organization of any size, type, sector or geographic location that wants to report on its impacts related to this topic.
Normative references	This Standard is to be used together with the most recent versions of the following documents. GRI 101: Foundation GRI 103: Management Approach GRI Standards Glossary In the text of this Standard, terms defined in the Glossary are <u>underlined</u> .
Effective date	This Standard is effective for reports or other materials published on or after 1 July 2018. Earlier adoption is encouraged.

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

Introduction

A. Overview

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

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

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

GRI 101: Foundation

GRI 102: General Disclosures

GRI 103: Management Approach

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

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

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

***GRI 413: Local Communities* is a topic-specific GRI Standard in the 400 series (Social topics).**

B. Using the GRI Standards and making claims

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

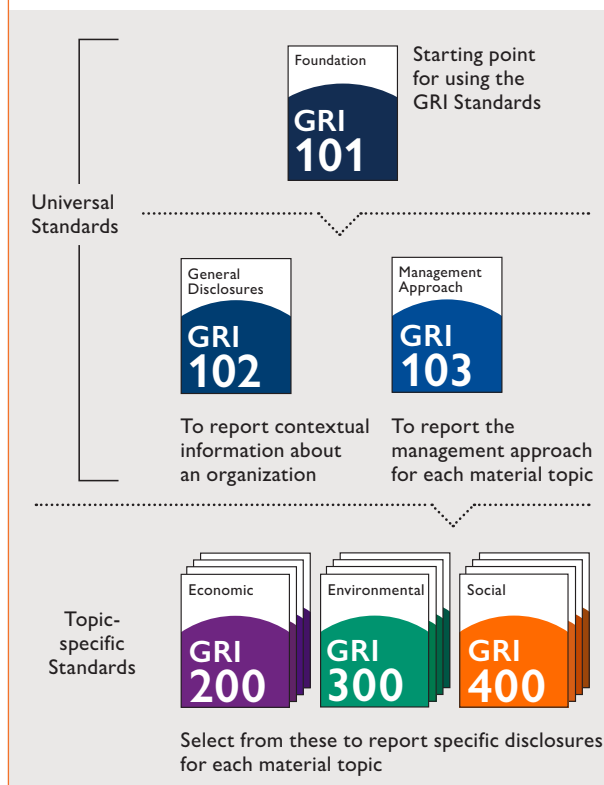
1. The GRI Standards can be used as a set to prepare a sustainability report that is in accordance with the Standards. There are two options for preparing a report in accordance (Core or Comprehensive), depending on the extent of disclosures included in the report.

An organization preparing a report in accordance with the GRI Standards uses this Standard, *GRI 413: Local Communities*, if this is one of its material topics.

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

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

Figure 1
Overview of the set of GRI Standards



C. Requirements, recommendations and guidance

The GRI Standards include:

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

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

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

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

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

The disclosures in this Standard can provide information about an organization's impacts related to local communities, and how it manages these impacts.

D. Background context

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

GRI 413 addresses the topic of local communities. In the GRI Standards, local communities are defined as persons or groups of persons living and/or working in any areas that are economically, socially or environmentally impacted (positively or negatively) by an organization's operations. The local community can range from persons living adjacent to an organization's operations, to those living at a distance who are still likely to be impacted by these operations.

An organization's activities and infrastructure can have significant economic, social, cultural, and/or environmental impacts on local communities. Where possible, organizations are expected to anticipate and avoid negative impacts on local communities. Establishing a timely and effective stakeholder identification and engagement process is important to help organizations understand the vulnerability of local communities and how these might be affected by the organization's activities.

Due to the heterogeneous nature of local communities, an organization is expected to consider the differentiated nature of communities and the distinct and specific vulnerabilities these groups can suffer as a result of the organization's activities.

GRI 413: Local Communities

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

- Management approach disclosures (this section references *GRI 103*)
- Disclosure 413-1 Operations with local community engagement, impact assessments, and development programs
- Disclosure 413-2 Operations with significant actual and potential negative impacts on local communities

1. Management approach disclosures

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

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

Reporting requirements

- 1.1** The reporting organization shall report its management approach for local communities using *GRI 103: Management Approach*.

Guidance

When reporting its management approach for local communities, the reporting organization can also describe:

- the means by which stakeholders are identified and engaged with;
- which vulnerable groups have been identified;
- any collective or individual rights that have been identified that are of particular concern for the community in question;
- how it engages with stakeholder groups that are particular to the community (for example, groups defined by age, indigenous background, ethnicity or migration status);
- the means by which its departments and other bodies address risks and impacts, or support independent third parties to engage with stakeholders and address risks and impacts.

Other standards such as the International Finance Corporation's (IFC) Performance Standards (PS) also provide widely-accepted good practice approaches for organizational assessment, engagement and treatment of community-related impact issues (see IFC PS1 – Assessment and Management of Environmental and Social Risks and Impacts, and PS4 – Community Health, Safety, and Security).

Background

Communities have individual and collective rights deriving from, among others, international declarations and conventions such as:

- the United Nations (UN) Declaration, 'Universal Declaration of Human Rights', 1948;
- the United Nations (UN) Convention, 'International Covenant on Civil and Political Rights', 1966;
- the United Nations (UN) Convention, 'International Covenant on Economic, Social, and Cultural Rights', 1966;
- the United Nations (UN) Declaration, 'Declaration on the Right to Development', 1986.

2. Topic-specific disclosures

Disclosure 413-1

Operations with local community engagement, impact assessments, and development programs

Reporting requirements

The reporting organization shall report the following information:

- a. Percentage of operations with implemented local community engagement, impact assessments, and/or development programs, including the use of:
 - i. social impact assessments, including gender impact assessments, based on participatory processes;
 - ii. environmental impact assessments and ongoing monitoring;
 - iii. public disclosure of results of environmental and social impact assessments;
 - iv. local community development programs based on local communities' needs;
 - v. stakeholder engagement plans based on stakeholder mapping;
 - vi. broad based local community consultation committees and processes that include vulnerable groups;
 - vii. works councils, occupational health and safety committees and other worker representation bodies to deal with impacts;
 - viii. formal local community grievance processes.

Disclosure
413-1

Reporting recommendations

- 2.1 When compiling the information specified in Disclosure 413-1, the reporting organization should use data from [Disclosure 102-7](#) in *GRI 102: General Disclosures* to identify the total number of operations.

Guidance

Background

A key element in managing impacts on people in local communities is assessment and planning in order to understand the actual and potential impacts, and strong engagement with local communities to understand their expectations and needs. There are many elements that can be incorporated into local community engagement, impact assessments, and development programs. This disclosure seeks to identify which elements have been consistently applied, organization-wide.

Where possible, organizations are expected to anticipate and avoid negative impacts on local communities. Where this is not possible, or where residual impacts remain, organizations are expected to manage those impacts appropriately, including grievances, and to compensate local communities for negative impacts.

Disclosure 413-1**Continued**

Establishing a timely and effective stakeholder identification and engagement process is important to help organizations understand the vulnerability of local communities and how these might be affected by the organization's activities. A stakeholder engagement process both in early planning stages as well as during operations, can help establish lines of communication between an organization's various departments (planning, finance, environment, production, etc.) and key stakeholder interest groups in the community. This enables an organization to consider the views of community stakeholders in its decisions, and to address its potential impacts on local communities in a timely manner.

Organizations can utilize a number of useful tools to engage communities, including social and human rights impact assessments, which include a diverse set of approaches for proper identification of stakeholders and community characteristics. These can be based on issues such as ethnic background, indigenous descent, gender, age, migrant status, socioeconomic status, literacy levels, disabilities, income level, infrastructure availability or specific human health vulnerabilities which may exist within stakeholder communities.

An organization is expected to consider the differentiated nature of local communities and to take specific action to identify and engage vulnerable groups. This might require adopting differentiated measures to allow the effective participation of vulnerable groups, such as making information available in alternate languages or format for those who are not literate or who do not have access to printed materials. Where necessary, organizations are expected to establish additional or separate processes so that negative impacts on vulnerable or disadvantaged groups are avoided, minimized, mitigated or compensated.¹

¹ International Finance Corporation (IFC), *Guidance Notes: Performance Standards on Environmental and Social Sustainability*, 2012.

Disclosure 413-2

Operations with significant actual and potential negative impacts on local communities

Reporting requirements

Disclosure
413-2

The reporting organization shall report the following information:

- a. Operations with significant actual and potential negative impacts on local communities, including:
 - i. the location of the operations;
 - ii. the significant actual and potential negative impacts of operations.

Reporting recommendations

- 2.2 When compiling the information specified in Disclosure 413-2, the reporting organization should:
 - 2.2.1 report the vulnerability and risk to local communities from potential negative impacts due to factors including:
 - 2.2.1.1 the degree of physical or economic isolation of the local community;
 - 2.2.1.2 the level of socioeconomic development, including the degree of gender equality within the community;
 - 2.2.1.3 the state of socioeconomic infrastructure, including health and education infrastructure;
 - 2.2.1.4 the proximity to operations;
 - 2.2.1.5 the level of social organization;
 - 2.2.1.6 the strength and quality of the governance of local and national institutions around local communities;
 - 2.2.2 report the exposure of the local community to its operations due to higher than average use of shared resources or impact on shared resources, including:
 - 2.2.2.1 the use of hazardous substances that impact the environment and human health in general, and specifically impact reproductive health;
 - 2.2.2.2 the volume and type of pollution released;
 - 2.2.2.3 the status as major employer in the local community;
 - 2.2.2.4 land conversion and resettlement;
 - 2.2.2.5 natural resource consumption;
 - 2.2.3 for each of the significant actual and potential negative economic, social, cultural, and/or environmental impacts on local communities and their rights, describe:
 - 2.2.3.1 the intensity or severity of the impact;
 - 2.2.3.2 the likely duration of the impact;
 - 2.2.3.3 the reversibility of the impact;
 - 2.2.3.4 the scale of the impact.

Disclosure 413-2

Continued

Guidance for Disclosure 413-2

Internal sources of information about actual and potential negative impacts of operations on local communities can include:

- actual performance data;
- internal investment plans and associated risk assessments;
- all data collected with topic-specific disclosures as they relate to individual communities. For example: [GRI 203: Indirect Economic Impacts](#), [GRI 301: Materials](#), [GRI 302: Energy](#), [GRI 303: Water](#), [GRI 304: Biodiversity](#), [GRI 305: Emissions](#), [GRI 306: Effluents and Waste](#), [GRI 403: Occupational Health and Safety](#), [GRI 408: Child Labor](#), [GRI 409: Forced or Compulsory Labor](#), [GRI 410: Security Practices](#), [GRI 411: Rights of Indigenous Peoples](#), and [GRI 416: Customer Health and Safety](#).

Background

This disclosure is focused on significant actual and potential negative impacts related to an organization's operations and not on community investments or donations, which are addressed by [GRI 201: Economic Performance](#).

This disclosure informs stakeholders about an organization's awareness of its negative impacts on local communities. It also enables the organization to better prioritize and improve its organization-wide attention to local communities.

References

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

Authoritative intergovernmental instruments:

1. Organisation for Economic Co-operation and Development (OECD), *OECD Guidelines for Multinational Enterprises*, 2011.
2. Organisation for Economic Co-operation and Development (OECD), *Risk Awareness Tool for Multinational Enterprises in Weak Governance Zones*, 2006.
3. United Nations (UN) Convention, 'International Covenant on Civil and Political Rights', 1966.
4. United Nations (UN) Convention, 'International Covenant on Economic, Social, and Cultural Rights', 1966.
5. United Nations (UN) Declaration, 'Declaration on the Right to Development', 1986.
6. United Nations (UN) Declaration, 'Universal Declaration of Human Rights', 1948.

Other relevant references:

7. International Finance Corporation (IFC), *Performance Standards on Environmental and Social Sustainability*, 2012.
8. International Finance Corporation (IFC), *Stakeholder Engagement: A Good Practice Handbook for Companies Doing Business in Emerging Markets*, 2007.

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ISBN: 978-90-8866-085-6

GRI 414: SUPPLIER SOCIAL ASSESSMENT

2016



GRI
414

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About this Standard

Responsibility	This Standard is issued by the Global Sustainability Standards Board (GSSB) . Any feedback on the GRI Standards can be submitted to standards@globalreporting.org for the consideration of the GSSB.
Scope	<i>GRI 414: Supplier Social Assessment</i> sets out reporting requirements on the topic of supplier social assessment. This Standard can be used by an organization of any size, type, sector or geographic location that wants to report on its impacts related to this topic.
Normative references	This Standard is to be used together with the most recent versions of the following documents. GRI 101: Foundation GRI 103: Management Approach GRI Standards Glossary In the text of this Standard, terms defined in the Glossary are <u>underlined</u> .
Effective date	This Standard is effective for reports or other materials published on or after 1 July 2018. Earlier adoption is encouraged.

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

Introduction

A. Overview

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

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

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

GRI 101: Foundation

GRI 102: General Disclosures

GRI 103: Management Approach

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

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

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

GRI 414: Supplier Social Assessment is a topic-specific GRI Standard in the 400 series (Social topics).

B. Using the GRI Standards and making claims

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

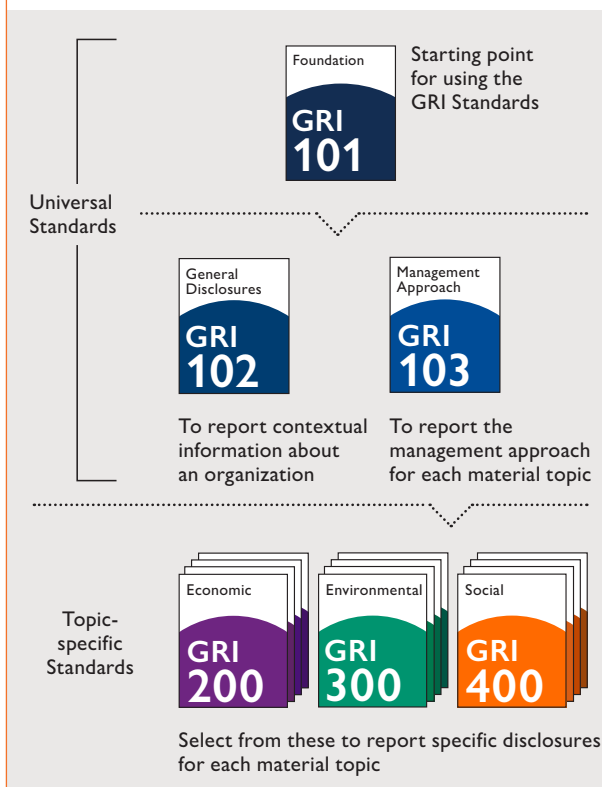
1. The GRI Standards can be used as a set to prepare a sustainability report that is in accordance with the Standards. There are two options for preparing a report in accordance (Core or Comprehensive), depending on the extent of disclosures included in the report.

An organization preparing a report in accordance with the GRI Standards uses this Standard, *GRI 414: Supplier Social Assessment*, if this is one of its material topics.

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

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

Figure 1
Overview of the set of GRI Standards



C. Requirements, recommendations and guidance

The GRI Standards include:

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

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

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

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

Additional disclosures that relate to this topic can also be found in:

- [GRI 308: Supplier Environmental Assessment](#)

If the reporting organization has identified both topics as material, it can combine its disclosures for *GRI 308* and *GRI 414*. For example, if the organization uses the same approach for managing both topics, it can provide one combined explanation of its management approach.

D. Background context

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

GRI 414 addresses the topic of supplier social assessment.

An organization might be involved with impacts either through its own activities or as a result of its business relationships with other parties. Due diligence is expected of an organization in order to prevent and mitigate negative social impacts in the supply chain. These include impacts the organization either causes or contributes to, or that are directly linked to its activities, products, or services by its relationship with a supplier.

These concepts are covered in key instruments of the United Nations: see [References](#).

The disclosures in this Standard can provide information about an organization's approach to preventing and mitigating negative social impacts in its supply chain. Suppliers can be assessed for a range of social criteria, including human rights (such as child labor and forced or compulsory labor); employment practices; health and safety practices; industrial relations; incidents (such as of abuse, coercion or harassment); wages and compensation; and working hours. Some of these criteria are covered in other GRI Standards in the 400 series (Social topics).

GRI 414: Supplier Social Assessment

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

- Management approach disclosures (this section references *GRI 103*)
- Disclosure 414-1 New suppliers that were screened using social criteria
- Disclosure 414-2 Negative social impacts in the supply chain and actions taken

1. Management approach disclosures

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

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

Reporting requirements

- 1.1** The reporting organization shall report its management approach for supplier social assessment using [GRI 103: Management Approach](#).

Guidance

When reporting its management approach for supplier social assessment, the reporting organization can also disclose:

- the systems used to screen new suppliers using social criteria, and a list of the social criteria used to screen new suppliers;
- processes used, such as due diligence, to identify and assess significant actual and potential negative social impacts in the supply chain;
- how the organization identifies and prioritizes suppliers for assessment of social impacts;

Management approach disclosures

Continued

- actions taken to address the significant actual and potential negative social impacts identified in the supply chain and whether the actions are intended to prevent, mitigate, or remediate the impacts;
- how expectations are established and defined in contracts with suppliers to promote the prevention, mitigation, and remediation of significant actual and potential negative social impacts, including targets and objectives;
- whether suppliers are incentivized and rewarded for the prevention, mitigation, and remediation of significant actual and potential negative social impacts;
- practices for assessing and auditing suppliers and their products and services using social criteria;
- a list of the type, system, scope, frequency, current implementation of assessment and audit, and which parts of the supply chain have been certified and audited;
- the systems in place to assess the potential negative impacts of terminating a relationship with a supplier as a result of assessing the supplier for social impacts, and the organization's strategy to mitigate those impacts.

Social criteria or assessments of suppliers for social impacts can include the topics in the 400 series (Social topics).

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

Assessments can be informed by audits, contractual reviews, two-way engagement, and complaint and [grievance mechanisms](#).

Actions taken to address social impacts can include changing an organization's procurement practices, adjusting performance expectations, capacity building, training, changes to processes, as well as terminating supplier relationships.

Assessments and audits of suppliers and their products and services using social criteria can be undertaken by an organization, by a second party, or by a third party.

2. Topic-specific disclosures

Disclosure 414-1

New suppliers that were screened using social criteria

Reporting requirements

Disclosure
414-1

The reporting organization shall report the following information:

- a. Percentage of new suppliers that were screened using social criteria.

Guidance

Guidance for Disclosure 414-1

Social criteria can include the topics in the 400 series (Social topics).

Background

This disclosure informs stakeholders about the percentage of suppliers selected or contracted subject to due diligence processes for social impacts.

An organization is expected to initiate due diligence as early as possible in the development of a new relationship with a supplier.

Impacts may be prevented or mitigated at the stage of structuring contracts or other agreements, as well as via ongoing collaboration with suppliers.

Disclosure 414-2

Negative social impacts in the supply chain and actions taken

Reporting requirements

The reporting organization shall report the following information:

- a. Number of suppliers assessed for social impacts.
- b. Number of suppliers identified as having significant actual and potential negative social impacts.
- c. Significant actual and potential negative social impacts identified in the supply chain.
- d. Percentage of suppliers identified as having significant actual and potential negative social impacts with which improvements were agreed upon as a result of assessment.
- e. Percentage of suppliers identified as having significant actual and potential negative social impacts with which relationships were terminated as a result of assessment, and why.

Disclosure
414-2

Reporting recommendations

- 2.1 When compiling the information specified in Disclosure 414-2, the reporting organization should, where it provides appropriate context on significant impacts, provide a breakdown of the information by:
 - 2.1.1 the location of the supplier;
 - 2.1.2 the significant actual and potential negative social impact.

Guidance

Guidance for Disclosure 414-2

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

Assessments for social impacts can include the topics in the 400 series (Social topics).

Assessments can be made against agreed performance expectations that are set and communicated to the suppliers prior to the assessment.

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

Improvements can include changing an organization's procurement practices, the adjustment of performance expectations, capacity building, training, and changes to processes.

Background

This disclosure informs stakeholders about an organization's awareness of significant actual and potential negative social impacts in the supply chain.

References

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

Authoritative intergovernmental instruments:

1. United Nations (UN), 'Guiding Principles on Business and Human Rights, Implementing the United Nations "Protect, Respect and Remedy" Framework', 2011.
2. United Nations (UN), *Protect, Respect and Remedy: a Framework for Business and Human Rights*, 2008.
3. United Nations (UN), *Report of the Special Representative of the Secretary-General on the Issue of Human Rights and Transnational Corporations and Other Business Enterprises*, John Ruggie, 2011.

Other relevant references:

4. United Nations Global Compact, *Global Compact Business Guide for Conflict Impact Assessment and Risk Management*, 2002.
5. United Nations Global Compact and Principles for Responsible Investment (PRI), *Guidance on Responsible Business in Conflict-Affected and High-Risk Areas: A Resource for Companies and Investors*, 2010.

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ISBN: 978-90-8866-086-3

GRI 415: PUBLIC POLICY 2016



GRI 415

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About this Standard

Responsibility	This Standard is issued by the Global Sustainability Standards Board (GSSB) . Any feedback on the GRI Standards can be submitted to standards@globalreporting.org for the consideration of the GSSB.
Scope	<i>GRI 415: Public Policy</i> sets out reporting requirements on the topic of public policy. This Standard can be used by an organization of any size, type, sector or geographic location that wants to report on its impacts related to this topic.
Normative references	This Standard is to be used together with the most recent versions of the following documents. GRI 101: Foundation GRI 103: Management Approach GRI Standards Glossary In the text of this Standard, terms defined in the Glossary are <u>underlined</u>.
Effective date	This Standard is effective for reports or other materials published on or after 1 July 2018. Earlier adoption is encouraged.

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Introduction

A. Overview

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

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

GRI 101: Foundation

GRI 102: General Disclosures

GRI 103: Management Approach

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

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

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

***GRI 415: Public Policy* is a topic-specific GRI Standard in the 400 series (Social topics).**

B. Using the GRI Standards and making claims

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

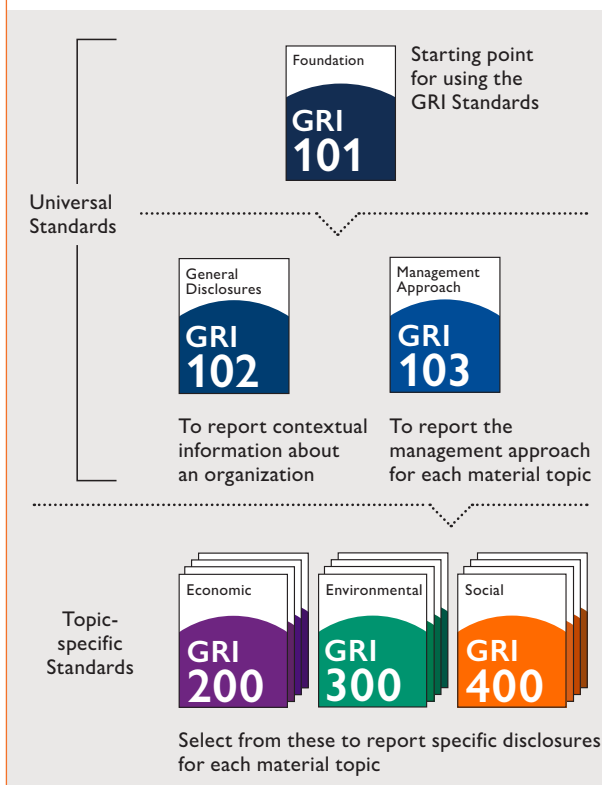
1. The GRI Standards can be used as a set to prepare a sustainability report that is in accordance with the Standards. There are two options for preparing a report in accordance (Core or Comprehensive), depending on the extent of disclosures included in the report.

An organization preparing a report in accordance with the GRI Standards uses this Standard, *GRI 415: Public Policy*, if this is one of its material topics.

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

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

Figure 1
Overview of the set of GRI Standards



C. Requirements, recommendations and guidance

The GRI Standards include:

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

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

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

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

D. Background context

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

GRI 415 addresses the topic of public policy. This includes an organization's participation in the development of public policy, through activities such as lobbying and making financial or in-kind contributions to political parties, politicians, or causes.

While an organization can positively support the public political process and encourage the development of public policy that benefits society at large, this can also bring risks associated with corruption, bribery, and undue influence, among others.

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

The disclosures in this Standard can provide information about an organization's impacts related to public policy, and how it manages them.

GRI 415: Public Policy

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

- Management approach disclosures (this section references GRI 103)
- Disclosure 415-1 Political contributions

1. Management approach disclosures

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

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

Reporting requirements

- 1.1** The reporting organization shall report its management approach for public policy using [GRI 103: Management Approach](#).

Reporting recommendations

- 1.2** The reporting organization should report:
- 1.2.1** the significant issues that are the focus of its participation in public policy development and lobbying;
 - 1.2.2** its stance on these issues, and any differences between its lobbying positions and any stated policies, goals, or other public positions.

2. Topic-specific disclosures

Disclosure 415-1 Political contributions

Reporting requirements

Disclosure
415-1

The reporting organization shall report the following information:

- a. Total monetary value of financial and in-kind political contributions made directly and indirectly by the organization by country and recipient/beneficiary.
- b. If applicable, how the monetary value of in-kind contributions was estimated.

- 2.1 When compiling the information specified in Disclosure 415-1, the reporting organization shall calculate financial political contributions in compliance with national accounting rules, where these exist.

Guidance

Background

The purpose of this disclosure is to identify an organization's support for political causes.

This disclosure can provide an indication of the extent to which an organization's political contributions are in line with its stated policies, goals, or other public positions.

Direct or indirect contributions to political causes can also present corruption risks, because they can be used to exert undue influence on the political process. Many countries have legislation that limits the amount an organization can spend on political parties and candidates for campaigning purposes. If an organization channels contributions indirectly through intermediaries, such as lobbyists or organizations linked to political causes, it can improperly circumvent such legislation.

References

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

Authoritative intergovernmental instruments:

1. Organisation for Economic Co-operation and Development (OECD), *OECD Guidelines for Multinational Enterprises*, 2011.
2. Organisation for Economic Co-operation and Development (OECD) Principles, 'G20/OECD Principles of Corporate Governance', 2015.
3. Organisation for Economic Co-operation and Development (OECD) Recommendation, 'Recommendation of the Council on Principles for Transparency and Integrity in Lobbying', 2010.

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ISBN: 978-90-8866-087-0

GRI 416: CUSTOMER HEALTH AND SAFETY

2016



GRI

416

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About this Standard

Responsibility	This Standard is issued by the Global Sustainability Standards Board (GSSB) . Any feedback on the GRI Standards can be submitted to standards@globalreporting.org for the consideration of the GSSB.
Scope	<i>GRI 416: Customer Health and Safety</i> sets out reporting requirements on the topic of customer health and safety. This Standard can be used by an organization of any size, type, sector or geographic location that wants to report on its impacts related to this topic.
Normative references	This Standard is to be used together with the most recent versions of the following documents. GRI 101: Foundation GRI 103: Management Approach GRI Standards Glossary In the text of this Standard, terms defined in the Glossary are <u>underlined</u> .
Effective date	This Standard is effective for reports or other materials published on or after 1 July 2018. Earlier adoption is encouraged.

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

Introduction

A. Overview

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

GRI 101: Foundation

GRI 102: General Disclosures

GRI 103: Management Approach

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

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

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

GRI 416: Customer Health and Safety is a topic-specific GRI Standard in the 400 series (Social topics).

B. Using the GRI Standards and making claims

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

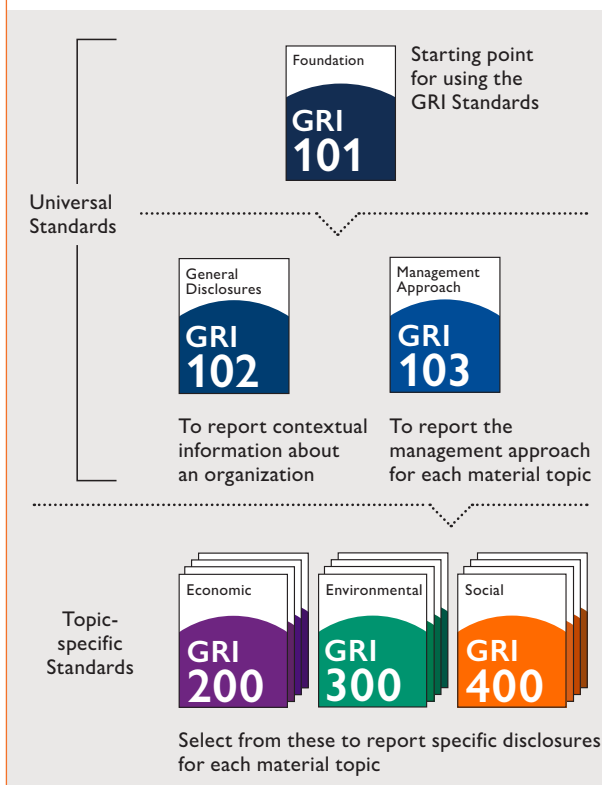
1. The GRI Standards can be used as a set to prepare a sustainability report that is in accordance with the Standards. There are two options for preparing a report in accordance (Core or Comprehensive), depending on the extent of disclosures included in the report.

An organization preparing a report in accordance with the GRI Standards uses this Standard, *GRI 416: Customer Health and Safety*, if this is one of its material topics.

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

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

Figure 1
Overview of the set of GRI Standards



C. Requirements, recommendations and guidance

The GRI Standards include:

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

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

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

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

D. Background context

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

GRI 416 addresses the topic of customer health and safety, including an organization's systematic efforts to address health and safety across the life cycle of a product or service, and its adherence to customer health and safety regulations and voluntary codes.

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

The disclosures in this Standard can provide information on an organization's impacts related to customer health and safety, and how it manages these impacts.

Additional disclosures that relate to this topic can also be found in:

- [GRI 417: Marketing and Labeling](#)

GRI 416: Customer Health and Safety

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

- Management approach disclosures (this section references *GRI 103*)
- Disclosure 416-1 Assessment of the health and safety impacts of product and service categories
- Disclosure 416-2 Incidents of non-compliance concerning the health and safety impacts of products and services

1. Management approach disclosures

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

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

Reporting requirements

- 1.1** The reporting organization shall report its management approach for customer health and safety using [GRI 103: Management Approach](#).

Guidance

When reporting its management approach for customer health and safety, the reporting organization can also disclose whether the health and safety impacts of products and services are assessed for improvement in each of the following life cycle stages:

- Development of product concept
- Research and development
- Certification
- Manufacturing and production
- Marketing and promotion
- Storage, distribution, and supply
- Use and service
- Disposal, reuse, or recycling

2. Topic-specific disclosures

Disclosure 416-1

Assessment of the health and safety impacts of product and service categories

Reporting requirements

Disclosure
416-1

The reporting organization shall report the following information:

- a. Percentage of significant product and service categories for which health and safety impacts are assessed for improvement.

Guidance

Guidance for Disclosure 416-1

This measure helps to identify the existence and range of systematic efforts to address health and safety across the life cycle of a product or service. In reporting the information in Disclosure 416-1, the reporting organization can also describe the criteria used for the assessment.

Disclosure 416-2

Incidents of non-compliance concerning the health and safety impacts of products and services

Reporting requirements

The reporting organization shall report the following information:

- a. Total number of incidents of non-compliance with regulations and/or voluntary codes concerning the health and safety impacts of products and services within the reporting period, by:
 - i. incidents of non-compliance with regulations resulting in a fine or penalty;
 - ii. incidents of non-compliance with regulations resulting in a warning;
 - iii. incidents of non-compliance with voluntary codes.
- b. If the organization has not identified any non-compliance with regulations and/or voluntary codes, a brief statement of this fact is sufficient.

Disclosure
416-2

2.1 When compiling the information specified in Disclosure 416-2, the reporting organization shall:

- 2.1.1 exclude incidents of non-compliance in which the organization was determined not to be at fault;
- 2.1.2 exclude incidents of non-compliance related to labeling. Incidents related to labeling are reported in [Disclosure 417-2](#) of *GRI 417: Marketing and Labeling*;
- 2.1.3 if applicable, identify any incidents of non-compliance that relate to events in periods prior to the reporting period.

Guidance

Guidance for Disclosure 416-2

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

Background

Protection of health and safety is a recognized goal of many national and international regulations. Customers expect products and services to perform

their intended functions satisfactorily, and not pose a risk to health and safety. Customers have a right to non-hazardous products. Where their health and safety is affected, customers also have the right to seek redress.

This disclosure 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.

References

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

Authoritative intergovernmental instruments:

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

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ISBN: 978-90-8866-088-7

GRI 417: MARKETING AND LABELING

2016



GRI
417

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About this Standard

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Scope	<i>GRI 417: Marketing and Labeling</i> sets out reporting requirements on the topic of marketing and labeling. This Standard can be used by an organization of any size, type, sector or geographic location that wants to report on its impacts related to this topic.
Normative references	This Standard is to be used together with the most recent versions of the following documents. GRI 101: Foundation GRI 103: Management Approach GRI Standards Glossary In the text of this Standard, terms defined in the Glossary are <u>underlined</u>.
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***GRI 417: Marketing and Labeling* is a topic-specific GRI Standard in the 400 series (Social topics).**

B. Using the GRI Standards and making claims

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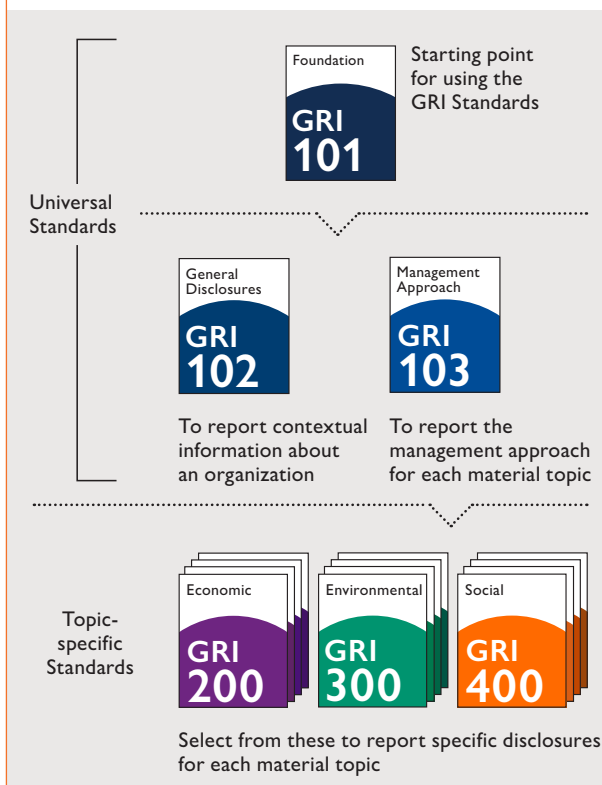
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An organization preparing a report in accordance with the GRI Standards uses this Standard, *GRI 417: Marketing and Labeling*, if this is one of its material topics.

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

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

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

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

D. Background context

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

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

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

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

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

GRI 417: Marketing and Labeling

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

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

1. Management approach disclosures

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

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

Reporting requirements

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

2. Topic-specific disclosures

Disclosure 417-1

Requirements for product and service information and labeling

Reporting requirements

The reporting organization shall report the following information:

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

Disclosure
417-1

Guidance

Background

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

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

Disclosure 417-2

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

Reporting requirements

The reporting organization shall report the following information:

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

Disclosure
417-2

2.1 When compiling the information specified in Disclosure 417-2, the reporting organization shall:

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

Guidance

Guidance for Disclosure 417-2

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

Background

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

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

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

Disclosure 417-3

Incidents of non-compliance concerning marketing communications

Reporting requirements

The reporting organization shall report the following information:

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

Disclosure
417-3

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

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

Guidance

Guidance for Disclosure 417-3

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

Background

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

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

References

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

Authoritative intergovernmental instruments:

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

Other relevant references:

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

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ISBN: 978-90-8866-089-4

GRI 418: CUSTOMER PRIVACY

2016



GRI

418

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About this Standard

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

***GRI 418: Customer Privacy* is a topic-specific GRI Standard in the 400 series (Social topics).**

B. Using the GRI Standards and making claims

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

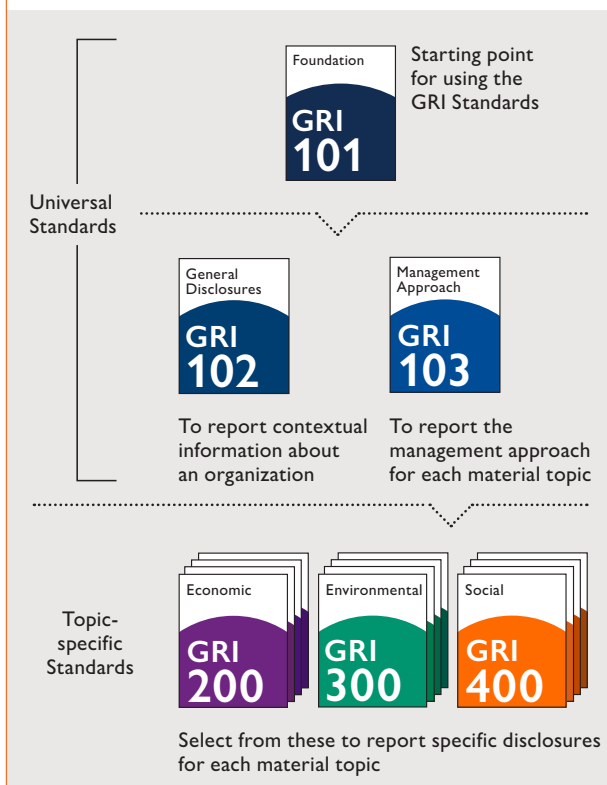
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An organization preparing a report in accordance with the GRI Standards uses this Standard, *GRI 418: Customer Privacy*, if this is one of its material topics.

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

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

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The GRI Standards include:

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

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

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

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

D. Background context

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

GRI 418 addresses the topic of customer privacy, including losses of customer data and breaches of customer privacy. These can result from non-compliance with existing laws, regulations and/or other voluntary standards regarding the protection of customer privacy.

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

The disclosures in this Standard can provide information about an organization's impacts related to customer privacy, and how it manages them.

GRI 418: Customer Privacy

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

- Management approach disclosures (this section references *GRI 103*)
- Disclosure 418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data

1. Management approach disclosures

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

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

Reporting requirements

- 1.1** The reporting organization shall report its management approach for customer privacy using [GRI 103: Management Approach](#).

2. Topic-specific disclosures

Disclosure 418-1

Substantiated complaints concerning breaches of customer privacy and losses of customer data

Reporting requirements

The reporting organization shall report the following information:

- a. Total number of substantiated complaints received concerning breaches of customer privacy, categorized by:
 - i. complaints received from outside parties and substantiated by the organization;
 - ii. complaints from regulatory bodies.
- b. 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.

2.1 When compiling the information specified in Disclosure 418-1, the reporting organization shall indicate if a substantial number of these breaches relate to events in preceding years.

Guidance

Background

Protection of customer privacy is a generally recognized goal in national regulations and organizational policies. As set out in the Organisation for Economic Co-operation and Development (OECD) *OECD Guidelines for Multinational Enterprises*, organizations are expected to 'respect consumer privacy and take reasonable measures to ensure the security of personal data that they collect, store, process or disseminate'.

To protect customer privacy, an organization is expected to limit its collection of personal data, to collect data by lawful means, and to be transparent

about how data are gathered, used, and secured.

The organization is also expected to not disclose or use personal customer information for any purposes other than those agreed upon, and to communicate any changes in data protection policies or measures to customers directly.

This disclosure provides an evaluation of the success of management systems and procedures relating to customer privacy protection.

References

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

Authoritative intergovernmental instruments:

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

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ISBN: 978-90-8866-090-0

GRI 419: SOCIOECONOMIC COMPLIANCE 2016



GRI
419

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About this Standard

Responsibility	This Standard is issued by the Global Sustainability Standards Board (GSSB) . Any feedback on the GRI Standards can be submitted to standards@globalreporting.org for the consideration of the GSSB.
Scope	<i>GRI 419: Socioeconomic Compliance</i> sets out reporting requirements on the topic of socioeconomic compliance. This Standard can be used by an organization of any size, type, sector or geographic location that wants to report on its impacts related to this topic.
Normative references	This Standard is to be used together with the most recent versions of the following documents. GRI 101: Foundation GRI 103: Management Approach GRI Standards Glossary In the text of this Standard, terms defined in the Glossary are <u>underlined</u> .
Effective date	This Standard is effective for reports or other materials published on or after 1 July 2018. Earlier adoption is encouraged.

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

Introduction

A. Overview

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

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

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

GRI 101: Foundation

GRI 102: General Disclosures

GRI 103: Management Approach

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

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

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

GRI 419: Socioeconomic Compliance is a topic-specific GRI Standard in the 400 series (Social topics).

B. Using the GRI Standards and making claims

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

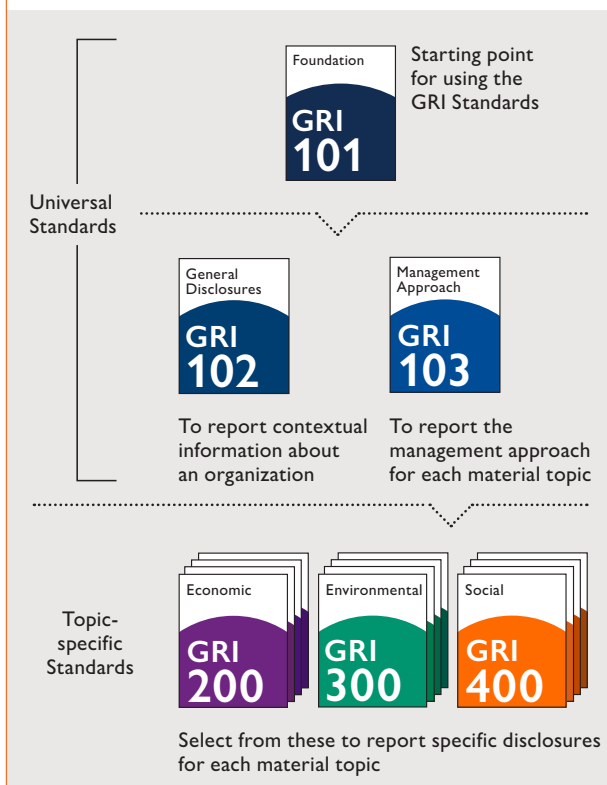
1. The GRI Standards can be used as a set to prepare a sustainability report that is in accordance with the Standards. There are two options for preparing a report in accordance (Core or Comprehensive), depending on the extent of disclosures included in the report.

An organization preparing a report in accordance with the GRI Standards uses this Standard, *GRI 419: Socioeconomic Compliance*, if this is one of its material topics.

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

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

Figure 1
Overview of the set of GRI Standards



C. Requirements, recommendations and guidance

The GRI Standards include:

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

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

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

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

Additional disclosures that relate to this topic can also be found in:

- [GRI 307: Environmental Compliance](#)

If the reporting organization has identified both topics as material, it can combine its disclosures for *GRI 307* and *GRI 419*. For example, if the organization uses the same approach for managing both topics, it can provide one combined explanation of its management approach.

D. Background context

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

GRI 419 addresses the topic of socioeconomic compliance. This includes an organization's overall compliance record, as well as compliance with specific laws or regulations in the social and economic area. Compliance can relate to accounting and tax fraud, corruption, bribery, competition, the provision of products and services, or labor issues, such as workplace discrimination, among others. This includes compliance with international declarations, conventions, and treaties, as well as national, sub-national, regional, and local regulations.

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

The disclosures in this Standard can provide information on an organization's compliance with applicable laws and regulations, and with other instruments.

GRI 419: Socioeconomic Compliance

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

- Management approach disclosures (this section references *GRI 103*)
- Disclosure 419-1 Non-compliance with laws and regulations in the social and economic area

1. Management approach disclosures

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

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

Reporting requirements

- 1.1** The reporting organization shall report its management approach for socioeconomic compliance using [GRI 103: Management Approach](#).

2. Topic-specific disclosures

Disclosure 419-1

Non-compliance with laws and regulations in the social and economic area

Reporting requirements

The reporting organization shall report the following information:

- a. Significant fines and non-monetary sanctions for non-compliance with laws and/or regulations in the social and economic area in terms of:
 - i. total monetary value of significant fines;
 - ii. total number of non-monetary sanctions;
 - iii. cases brought through dispute resolution mechanisms.
- b. If the organization has not identified any non-compliance with laws and/or regulations, a brief statement of this fact is sufficient.
- c. The context against which significant fines and non-monetary sanctions were incurred.

Disclosure
419-1

Reporting recommendations

- 2.1 When compiling the information specified in Disclosure 419-1, the reporting organization should include administrative and judicial sanctions for failure to comply with laws and/or regulations in the social and economic area, including:
 - 2.1.1 international declarations, conventions, and treaties;
 - 2.1.2 national, sub-national, regional, and local regulations;
 - 2.1.3 cases brought against the organization through the use of international dispute mechanisms or national dispute mechanisms supervised by government authorities.

Guidance

Guidance for Disclosure 419-1

Relevant information for this disclosure can include data as reported with [GRI 416: Customer Health and Safety](#) and [GRI 417: Marketing and Labeling](#).

Background

Non-compliance within an organization can indicate the ability of management to ensure that operations conform to certain performance parameters. In some circumstances, non-compliance can lead to remediation obligations or other costly liabilities. The strength of an organization's compliance record can also affect its ability to expand operations or gain permits.

References

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

Authoritative intergovernmental instruments:

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

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ISBN: 978-90-8866-091-7



GRI STANDARDS GLOSSARY 2016

GRI Standards Glossary

Notes for use of the *GRI Standards Glossary*

The following terms and definitions apply in the context of using the GRI Standards for sustainability reporting.

Where a term is not defined in the *GRI Standards Glossary*, definitions that are commonly used and understood apply.

About the GRI Standards Glossary

Responsibility	This <i>GRI Standards Glossary</i> is issued by the Global Sustainability Standards Board (GSSB) to be used together with the GRI Sustainability Reporting Standards (GRI Standards), which can be downloaded at www.globalreporting.org/standards . Any feedback on the <i>GRI Standards Glossary</i> can be submitted to standards@globalreporting.org for the consideration of the GSSB.
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absentee

worker absent from work because of incapacity of any kind, not just as the result of work-related injury or disease

Note: Absentee excludes permitted leave absences such as holidays, study, maternity or paternity leave, and compassionate leave.

absentee rate

measure of actual absentee days lost, expressed as a percentage of total days scheduled to be worked by workers for the same period

Note: Absentee rate can be calculated for a specific category of workers (e.g., employees). This is specified in the respective disclosure in the GRI Standards.

annual total compensation

compensation provided over the course of a year

Note: Annual total compensation can include compensation such as salary, bonus, stock awards, option awards, non-equity incentive plan compensation, change in pension value and nonqualified deferred compensation earnings, and all other compensation.

anti-competitive behavior

action of the organization or employees that can result in collusion with potential competitors, with the purpose of limiting the effects of market competition

Note: Examples of anti-competitive behavior actions can include fixing prices, coordinating bids, creating market or output restrictions, imposing geographic quotas, or allocating customers, suppliers, geographic areas, and product lines.

anti-trust and monopoly practice

action of the organization that can result in collusion to erect barriers for entry to the sector, or another collusive action that prevents competition

Note: Examples of collusive actions can include unfair business practices, abuse of market position, cartels, anti-competitive mergers, and price-fixing.

area of high biodiversity value

area not subject to legal protection, but recognized for important biodiversity features by a number of governmental and non-governmental organizations

Note 1: Areas of high biodiversity value include habitats that are a priority for conservation, which are often defined in National Biodiversity Strategies and Action Plans prepared under the United Nations (UN) Convention, 'Convention on Biological Diversity', 1992.

Note 2: Several international conservation organizations have identified particular areas of high biodiversity value.

area protected

area that is protected from any harm during operational activities, and where the environment remains in its original state with a healthy and functioning ecosystem

area restored

area that was used during or affected by operational activities, and where remediation measures have either restored the environment to its original state, or to a state where it has a healthy and functioning ecosystem

base year

historical datum (such as year) against which a measurement is tracked over time

baseline

starting point used for comparisons

Note: In the context of energy and emissions reporting, the baseline is the projected energy consumption or emissions in the absence of any reduction activity.

basic salary

fixed, minimum amount paid to an employee for performing his or her duties, excluding any additional remuneration, such as payments for overtime working or bonuses

benefit

direct benefit provided in the form of financial contributions, care paid for by the organization, or the reimbursement of expenses borne by the employee

Note: Redundancy payments over and above legal minimums, lay-off pay, extra employment injury benefit, survivors' benefits, and extra paid holiday entitlements can also be included as a benefit.

biogenic carbon dioxide (CO₂) emission

emission of CO₂ from the combustion or biodegradation of biomass

breach of customer privacy

non-compliance with existing legal regulations and (voluntary) standards regarding the protection of customer privacy

carbon dioxide (CO₂) equivalent

measure used to compare the emissions from various types of greenhouse gas (GHG) based on their global warming potential (GWP)

Note: The CO₂ equivalent for a gas is determined by multiplying the metric tons of the gas by the associated GWP.

CFC-11 (trichlorofluoromethane) equivalent

measure used to compare various substances based on their relative ozone depletion potential (ODP)

Note: The reference level of 1 is the potential of CFC-11 (trichlorofluoromethane) and CFC-12 (dichlorodifluoromethane) to cause ozone depletion.

child

person under the age of 15 years, or under the age of completion of compulsory schooling, whichever is higher

Note 1: Exceptions can occur in certain countries where economies and educational facilities are insufficiently developed and a minimum age of 14 years applies. These countries of exception are specified by the International Labour Organization (ILO) in response to a special application by the country concerned and in consultation with representative organizations of employers and workers.

Note 2: The ILO Convention 138, 'Minimum Age Convention', 1973, refers to both child labor and young workers.

clawback

repayment of previously received compensation required to be made by an executive to his or her employer in the event certain conditions of employment or goals are not met

collective action to combat corruption

voluntary engagement with initiatives and stakeholders to improve the broader operating environment and culture, in order to combat corruption

Note: Collective action to combat corruption can include proactive collaboration with peers, governments and the wider public sector, trade unions and civil society organizations.

collective bargaining

all negotiations which take place between one or more employers or employers' organizations, on the one hand, and one or more workers' organizations (trade unions), on the other, for determining working conditions and terms of employment or for regulating relations between employers and workers

Note 1: Collective agreements can be at the level of the organization; at the industry level, in countries where that is the practice; or at both.

Note 2: Collective agreements can cover specific groups of workers; for example, those performing a specific activity or working at a specific location.

Note 3: This definition is based on the International Labour Organization (ILO) Convention 154, 'Collective Bargaining Convention', 1981.

community development program

plan that details actions to minimize, mitigate, or compensate for adverse social and/or economic impacts, and/or to identify opportunities or actions to enhance positive impacts of a project on the community

confirmed incident of corruption

incident of corruption that has been found to be substantiated

Note: Confirmed incidents of corruption do not include incidents of corruption that are still under investigation in the reporting period.

conflict of interest

situation where an individual is confronted with choosing between the requirements of his or her function and his or her own private interests

conservation and efficiency initiative

organizational or technological modification that allows a defined process or task to be carried out using less energy

Note: Conservation and efficiency initiatives include process redesign, the conversion and retrofitting of equipment such as energy-efficient lighting, or the elimination of unnecessary energy use due to changes in behavior.

continued employability

adaptation to the changing demands of the workplace through the acquisition of new skills

corruption

'abuse of entrusted power for private gain',¹ which can be instigated by individuals or organizations

Note: In the GRI Standards, corruption includes practices such as bribery, facilitation payments, fraud, extortion, collusion, and money laundering. It also includes an offer or receipt of any gift, loan, fee, reward, or other advantage to or from any person as an inducement to do something that is dishonest, illegal, or a breach of trust in the conduct of the enterprise's business.² This can include cash or in-kind benefits, such as free goods, gifts, and holidays, or special personal services provided for the purpose of an improper advantage, or that can result in moral pressure to receive such an advantage.

customer privacy

right of the customer to privacy and personal refuge

Note 1: Customer privacy includes matters such as the protection of data; the use of information or data for their original intended purpose only, unless specifically agreed otherwise; the obligation to observe confidentiality; and the protection of information or data from misuse or theft.

Note 2: Customers are understood to include end-customers (consumers) as well as business-to-business customers.

defined benefit plan

post-employment benefit plan other than a defined contribution plan

defined contribution plan

post-employment benefit plan under which an entity pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods

direct (Scope 1) GHG emissions

GHG emissions from sources that are owned or controlled by an organization

Note 1: A GHG source is any physical unit or process that releases GHG into the atmosphere.

Note 2: Direct (Scope 1) GHG emissions can include the CO₂ emissions from fuel consumption.

discrimination

act and result of treating persons unequally by imposing unequal burdens or denying benefits instead of treating each person fairly on the basis of individual merit

Note: Discrimination can also include harassment, defined as a course of comments or actions that are unwelcome, or should reasonably be known to be unwelcome, to the person towards whom they are addressed.

due diligence

In the context of the GRI Standards, 'due diligence' refers to a process to identify, prevent, mitigate and account for how an organization addresses its actual and potential negative impacts.

Note: This definition is based on the Organisation for Economic Co-operation and Development (OECD), *OECD Guidelines for Multinational Enterprises*, 2011, and the United Nations (UN), 'Guiding Principles on Business and Human Rights, Implementing the United Nations "Protect, Respect and Remedy" Framework', 2011.

¹ Transparency International

² These definitions are based on Transparency International, 'Business Principles for Countering Bribery', 2011.

employee

individual who is in an employment relationship with the organization, according to national law or its application

employee category

breakdown of employees by level (such as senior management, middle management) and function (such as technical, administrative, production)

Note: This information is derived from the organization's own human resources system.

employee turnover

employees who leave the organization voluntarily or due to dismissal, retirement, or death in service

employment contract

contract as recognized under national law or practice that can be written, verbal, or implicit (that is, when all the characteristics of employment are present but without a written or witnessed verbal contract)

Indefinite or permanent contract: A permanent employment contract is a contract with an employee, for full-time or part-time work, for an indeterminate period.

Fixed term or temporary contract: A fixed term employment contract is an employment contract as defined above that ends when a specific time period expires, or when a specific task that has a time estimate attached is completed. A temporary employment contract is of limited duration, and is terminated by a specific event, including the end of a project or work phase or return of replaced employees.

employment type

Full-time: A 'full-time employee' is an employee whose working hours per week, month, or year are defined according to national legislation and practice regarding working time (such as national legislation which defines that 'full-time' means a minimum of nine months per year and a minimum of 30 hours per week).

Part-time: A 'part-time employee' is an employee whose working hours per week, month, or year are less than 'full-time' as defined above.

energy indirect (Scope 2) GHG emissions

GHG emissions that result from the generation of purchased or acquired electricity, heating, cooling, and steam consumed by an organization

energy reduction

amount of energy no longer used or needed to carry out the same processes or tasks

Note: Energy reduction does not include overall reduction in energy consumption from reducing production capacity or outsourcing organizational activities.

entry level wage

full-time wage in the lowest employment category

Note: Intern or apprentice wages are not considered entry level wages.

environmental laws and regulations

laws and regulations related to all types of environmental issues applicable to the organization

Note 1: Environmental issues can include those such as emissions, effluents, and waste, as well as material use, energy, water, and biodiversity.

Note 2: Environmental laws and regulations can include binding voluntary agreements that are made with regulatory authorities and developed as a substitute for implementing a new regulation.

Note 3: 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.

environmental protection expenditure

expenditure on environmental protection by the organization, or on its behalf, to prevent, reduce, control, and document environmental aspects, impacts, and hazards

Note: Environmental protection expenditures also include expenditures on disposal, treatment, sanitation, and clean-up.

financial assistance

direct or indirect financial benefits that do not represent a transaction of goods and services, but which are an incentive or compensation for actions taken, the cost of an asset, or expenses incurred

Note: The provider of financial assistance does not expect a direct financial return from the assistance offered.

forced or compulsory labor

all work and service that is exacted from any person under the menace of any penalty and for which the said person has not offered herself or himself voluntarily

Note 1: The most extreme examples of forced or compulsory labor are slave labor and bonded labor, but debts can also be used as a means of maintaining workers in a state of forced labor.

Note 2: Indicators of forced labor include withholding identity papers, requiring compulsory deposits, and compelling workers, under threat of firing, to work extra hours to which they have not previously agreed.

Note 3: This definition is based on International Labour Organization (ILO) Convention 29, 'Forced Labour Convention', 1930.

formal agreement

written document signed by both parties declaring a mutual intention to abide by what is contained in the documents

Note: A formal agreement can include, for example, a local collective bargaining agreement, or a national or international framework agreement.

freedom of association

right of employers and workers to form, to join and to run their own organizations without prior authorization or interference by the state or any other entity

full coverage

plan assets that meet or exceed plan obligations

global warming potential (GWP)

value describing the radiative forcing impact of one unit of a given GHG relative to one unit of CO₂ over a given period of time

Note: GWP values convert GHG emissions data for non-CO₂ gases into units of CO₂ equivalent.

governance body

committee or board responsible for the strategic guidance of the organization, the effective monitoring of management, and the accountability of management to the broader organization and its stakeholders

greenhouse gas (GHG)

gas that contributes to the greenhouse effect by absorbing infrared radiation

greenhouse gas (GHG) trade

purchase, sale or transfer of GHG emission offsets or allowances

grievance mechanism

system consisting of procedures, roles and rules for receiving complaints and providing remedy

Note: Effective grievance mechanisms are expected to be legitimate, accessible, predictable, equitable, transparent, rights-compatible, and a source of continuous learning. For operational-level mechanisms to be effective, they are expected to be based on engagement and dialogue. For a description of each of these criteria, see Guiding Principle 31 in the United Nations (UN), 'Guiding Principles on Business and Human Rights, Implementing the United Nations "Protect, Respect and Remedy" Framework', 2011.

highest governance body

formalized group of persons charged with ultimate authority in an organization

Note: In instances where the highest governance body consists of two tiers, both tiers are to be included.

human rights clause

specific term in a written agreement that defines minimum expectations of performance with respect to human rights as a requirement for investment

human rights review

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

impact

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

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

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

indicator of diversity

indicator of diversity for which the organization gathers data

Note: Examples of indicators of diversity can include age, ancestry and ethnic origin, citizenship, creed, disability, and gender.

indigenous peoples

indigenous peoples are generally identified as:

- tribal peoples in independent countries whose social, cultural and economic conditions distinguish them from other sections of the national community, and whose status is regulated wholly or partially by their own customs or traditions or by special laws or regulations;
- peoples in independent countries who are regarded as indigenous on account of their descent from the populations which inhabited the country, or a geographical region to which the country belongs, at the time of conquest or colonization or the establishment of present state boundaries and who, irrespective of their legal status, retain some or all of their own social, economic, cultural and political institutions.

Note: This definition comes from the International Labour Organization (ILO) Convention 169, 'Indigenous and Tribal Peoples Convention', 1991.

indirect political contribution

financial or in-kind support to political parties, their representatives, or candidates for office made through an intermediary organization such as a lobbyist or charity, or support given to an organization such as a think tank or trade association linked to or supporting particular political parties or causes

infrastructure

facilities built primarily to provide a public service or good rather than a commercial purpose, and from which an organization does not seek to gain direct economic benefit

Note: Examples of facilities can include water supply facilities, roads, schools, and hospitals, among others.

injury

non-fatal or fatal injury arising out of, or in the course of, work

injury rate

frequency of injuries, relative to the total time worked by all workers during the reporting period

Note: Injury rate can be calculated for a specific category of workers (e.g., employees). This is specified in the respective disclosure in the GRI Standards.

local community

persons or groups of persons living and/or working in any areas that are economically, socially or environmentally impacted (positively or negatively) by an organization's operations

Note: The local community can range from persons living adjacent to an organization's operations, to those living at a distance who are still likely to be impacted by these operations.

local minimum wage

minimum compensation for employment per hour, or other unit of time, allowed under law

Note: Some countries have numerous minimum wages, such as by state or province or by employment category.

local supplier

organization or person that provides a product or service to the reporting organization, and that is based in the same geographic market as the reporting organization (that is, no trans-national payments are made to a local supplier)

Note: The geographic definition of 'local' can include the community surrounding operations, a region within a country or a country.

lost day

time ('days') that cannot be worked (and are thus 'lost') as a consequence of a worker or workers being unable to perform their usual work because of an occupational disease or accident

Note: A return to limited duty or alternative work for the same organization does not count as lost days.

lost day rate

impact of occupational diseases and accidents as reflected in time off work by the affected workers

Note 1: The lost day rate is expressed by comparing the total lost days to the total number of hours scheduled to be worked by workers in the reporting period.

Note 2: Lost day rate can be calculated for a specific category of workers (e.g., employees). This is specified in the respective disclosure in the GRI Standards.

management approach disclosure

narrative description about how an organization manages its material topics and their related impacts

Note: Disclosures about an organization's management approach also provide context for the information reported using topic-specific Standards (series 200, 300, and 400).

marketing communication

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

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

material topic

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

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

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

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

non-renewable energy source

energy source that cannot be replenished, reproduced, grown or generated in a short time period through ecological cycles or agricultural processes

Note: Non-renewable energy sources can include fuel distilled from petroleum or crude oil, such as gasoline, diesel fuel, jet fuel, and heating oil; natural gas, such as compressed natural gas (CNG), and liquefied natural gas (LNG); fuels extracted from natural gas processing and petroleum refining, such as butane, propane, and liquefied petroleum gas (LPG); coal; and nuclear power.

non-renewable material

resource that does not renew in short time periods

Note: Examples of non-renewable materials can include minerals, metals, oil, gas, or coal.

occupational disease

disease arising from a work situation or activity, or from a work-related injury

Note: Examples of work situations or activities that can cause occupational diseases can include stress or regular exposure to harmful chemicals.

occupational disease rate

frequency of occupational diseases relative to the total time worked by all workers during the reporting period

Note: Occupational disease rate can be calculated for a specific category of workers (e.g., employees). This is specified in the respective disclosure in the GRI Standards.

operation with significant actual or potential negative impacts on local communities

an operation, considered alone or in combination with the characteristics of local communities, that has a higher than average potential of negative impacts, or actual negative impacts, on the social, economic or environmental well-being of local communities

Note: Examples of negative impacts on local communities can include impacts to local community health and safety.

other indirect (Scope 3) GHG emissions

indirect GHG emissions not included in energy indirect (Scope 2) GHG emissions that occur outside of the organization, including both upstream and downstream emissions

ozone-depleting substance (ODS)

substance with an ozone depletion potential (ODP) greater than 0 that can deplete the stratospheric ozone layer

Note: Most ODS are controlled under the United Nations Environment Programme (UNEP), 'Montreal Protocol on Substances that Deplete the Ozone Layer', 1987, and its amendments, and include chlorofluorocarbons (CFCs), hydrochlorofluorocarbons (HCFCs), halons, and methyl bromide.

parental leave

leave granted to men and women employees on the grounds of the birth of a child

political contribution

financial or in-kind support given directly or indirectly to political parties, their elected representatives, or persons seeking political office

Note 1: Financial contributions can include donations, loans, sponsorships, retainers, or the purchase of tickets for fundraising events.

Note 2: In-kind contributions can include advertising, use of facilities, design and printing, donation of equipment, or the provision of board membership, employment or consultancy work for elected politicians or candidates for office.

product

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

product and service information and labeling

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

product or service category

group of related products or services sharing a common, managed set of features that satisfy the specific needs of a selected market

protected area

geographic area that is designated, regulated, or managed to achieve specific conservation objectives

reclaimed

refers to collecting, reusing, or recycling products and their packaging materials at the end of their useful lives

Note 1: Collection and treatment can be carried out by the manufacturer of the product or by a contractor.

Note 2: Reclaimed items can include products and their packaging materials that are collected by or on behalf of the organization; separated into raw materials (such as steel, glass, paper, some kinds of plastic) or components; and/or used by the organization or other users.

recycled input material

material that replaces virgin materials, which are purchased or obtained from internal or external sources, and that are not by-products and non-product outputs (NPO) produced by the organization

reduction of greenhouse gas (GHG) emissions

decrease in GHG emissions or increase in removal or storage of GHG from the atmosphere, relative to baseline emissions

Note: Primary effects will result in GHG reductions, as will some secondary effects. An initiative's total GHG reductions are quantified as the sum of its associated primary effect(s) and any significant secondary effects (which may involve decreases or countervailing increases in GHG emissions).

regular performance and career development review

review based on criteria known to the employee and his or her superior

Note 1: The review is undertaken with the knowledge of the employee at least once per year.

Note 2: The review can include an evaluation by the employee's direct superior, peers, or a wider range of employees. The review can also involve the human resources department.

remuneration

basic salary plus additional amounts paid to a worker

Note: Examples of additional amounts paid to a worker can include those based on years of service, bonuses including cash and equity such as stocks and shares, benefit payments, overtime, time owed, and any additional allowances, such as transportation, living and childcare allowances.

renewable energy source

energy source that is capable of being replenished in a short time through ecological cycles or agricultural processes

Note: Renewable energy sources can include geothermal, wind, solar, hydro, and biomass.

renewable material

material that is derived from plentiful resources that are quickly replenished by ecological cycles or agricultural processes, so that the services provided by these and other linked resources are not endangered and remain available for the next generation

Note: The following references informed the definition of renewable material:

- European Environment Information and Observation Network (EIONET), *GEMET Thesaurus – Renewable Raw Material*, <http://www.eionet.europa.eu/gemet/concept?ns=1&cp=7084>, accessed on 1 September 2016.
- National Non-Food Crops Centre (NNFCC), *Glossary - Renewable Materials*, <http://www.nnfcc.co.uk/glossary>, accessed on 1 September 2016.
- Organisation for Economic Co-operation and Development (OECD), *Resource Productivity in the G8 and the OECD – A report in the Framework of the Kobe 3R Action Plan*, <http://www.oecd.org/env/waste/47944428.pdf>, accessed on 1 September 2016.
- United Nations (UN), European Commission (EC), International Monetary Fund (IMF), Organisation for Economic and Co-operation and Development (OECD), and World Bank, *Integrated Environmental and Economic Accounting – Handbook of National Accounting*, 2003.

reporting period

specific time span covered by the information reported

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

Reporting Principle

concept that describes the outcomes a report is expected to achieve, and that guides decisions made throughout the reporting process around report content or quality

risk control for diseases

practice that seeks to limit exposure to and transmission of diseases

Scope of GHG emissions

classification of the operational boundaries where GHG emissions occur

Note 1: Scope classifies whether GHG emissions are created by an organization itself, or are created by other related organizations, for example electricity suppliers or logistics companies.

Note 2: There are three classifications of Scope: Scope 1, Scope 2 and Scope 3.

Note 3: The classification of Scope derives from the World Resources Institute (WRI) and World Business Council for Sustainable Development (WBCSD), 'GHG Protocol Corporate Accounting and Reporting Standard', Revised Edition, 2004.

sector

subdivision of an economy, society or sphere of activity, defined on the basis of some common characteristic

Note: Sector types can include classifications such as the public or private sector, and industry specific categories such as the education, technology, or financial sectors.

security personnel

individuals employed for the purposes of guarding property of the organization; crowd control; loss prevention; and escorting persons, goods, and valuables

senior executive

top ranking member of the management of an organization that includes a Chief Executive Officer (CEO) and individuals reporting directly to the CEO or the highest governance body

Note: Each organization defines which members of its management teams are senior executives.

serious disease

occupational or non-occupational related impairment of health with serious consequences for workers

Note 1: Serious diseases can also impact workers' families and their communities.

Note 2: Serious diseases can include HIV/AIDS, diabetes, repetitive strain injuries (RSI), malaria and stress.

Note 3: Serious diseases can be reported for a specific category of workers (e.g., employees). This is specified in the respective disclosure in the GRI Standards.

service

action of an organization to meet a demand or need

services supported

services that provide a public benefit either through direct payment of operating costs or through staffing the facility or service with an organization's own employees

Note: Public benefit can also include public services.

significant air emission

air emission regulated under international conventions and/or national laws or regulations

Note: Significant air emissions include those listed on environmental permits for an organization's operations.

significant impact on biodiversity

impact that can adversely affect the integrity of a geographic area or region, either directly or indirectly, by substantially changing its ecological features, structures, and functions across its whole area, and over the long term, so that habitat, its population levels, and the particular species that make the habitat important cannot be sustained

Note 1: On a species level, a significant impact causes a population decline or change in distribution so that natural recruitment (reproduction or immigration from unaffected areas) cannot return to former levels within a limited number of generations.

Note 2: A significant impact can also affect subsistence or commercial resource use to the degree that the well-being of users is affected over the long term.

significant operational change

alteration to the organization's pattern of operations that can potentially have significant positive or negative impacts on workers performing the organization's activities

Note: Significant operational change can include restructuring, outsourcing of operations, closures, expansions, new openings, takeovers, sale of all or part of the organization, or mergers.

significant spill

spill that is included in the organization's financial statements, for example due to resulting liabilities, or is recorded as a spill by the organization

spill

accidental release of a hazardous substance that can affect human health, land, vegetation, water bodies, and ground water

stakeholder

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

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

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

standard benefit:

benefit typically offered to the majority of full-time employees

Note: Standard benefits do not need to be offered to every single full-time employee of the organization. The intention of reporting on standard benefits is to disclose what full-time employees can reasonably expect.

substantiated complaint

written statement by regulatory or similar official body addressed to the organization that identifies breaches of customer privacy, 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

Note 1: A supplier is further characterized by a genuine direct or indirect commercial relationship with the organization.

Note 2: Examples of suppliers can include, but are not limited to:

- 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. A contractor can contract their own workers directly, or contract sub-contractors or independent contractors.
- Distributors: Persons or organizations 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.
- 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 can contract their own workers directly or contract independent contractors.
- Wholesalers: Persons or organizations that sell products in large quantities to be retailed by others.

supplier screening

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

supply chain

sequence of activities or parties that provides products or services to an organization

sustainable development/sustainability

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

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

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

Note 3: In the GRI Standards, the terms 'sustainability' and 'sustainable development' are used interchangeably.

termination payment

all payments made and benefits given to a departing executive or member of the highest governance body whose appointment is terminated

Note: Termination payments extend beyond monetary payments to the giving of property and the automatic or accelerated vesting of incentives given in connection with a person's departure from office.

topic

economic, environmental or social subject

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

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

topic Boundary

description of where the impacts occur for a material topic, and the organization's involvement with those impacts

Note: Topic Boundaries vary based on the topics reported.

total water withdrawal

the sum of all water drawn into the boundaries of the organization from all sources for any use over the course of the reporting period

Note: Sources of water withdrawal can include surface water, ground water, rainwater, and municipal water supply.

two-tier board system

governance system found in some jurisdictions where supervision and management are separated or where local law provides for a supervisory board drawn from non-executives to oversee an executive management board

under-represented social group

population that, relative to its numbers in a given society, has less opportunity to express its economic, social, or political needs and views

Note: Specific groups included under this definition are not uniform for every organization. An organization identifies relevant groups based on its operating context.

value chain

An organization's value chain encompasses the activities that convert input into output by adding value. It includes entities with which the organization has a direct or indirect business relationship and which either (a) supply products or services that contribute to the organization's own products or services, or (b) receive products or services from the organization.

Note 1: This definition is based on United Nations (UN), *The Corporate Responsibility to Respect Human Rights: An Interpretive Guide*, 2012.

Note 2: The value chain covers the full range of an organization's upstream and downstream activities, which encompass the full life cycle of a product or service, from its conception to its end use.

vulnerable group

set or subset of persons with some specific physical, social, political, or economic condition or characteristic that places the group at a higher risk of suffering a burden, or at a risk of suffering a disproportionate burden of the social, economic or environmental impacts of the organization's operations

Note 1: Vulnerable groups can include children and youth, the elderly, people with disabilities, ex-combatants, the internally displaced, refugees or returning refugees, HIV/AIDS-affected households, indigenous peoples, and ethnic minorities.

Note 2: Vulnerabilities and impacts can differ by gender.

waste disposal method

method by which waste is treated or disposed of

Note: Waste disposal methods can include composting, reuse, recycling, recovery, incineration, landfill, deep well injection, and on-site storage.

water recycling and reuse

act of processing used water and wastewater through another cycle before discharge to final treatment and discharge to the environment

Note: Water recycling and reuse can include wastewater recycled back in the same process or higher use of recycled water in the process cycle; wastewater recycled and reused in a different process, but within the same facility; and wastewater reused at another of the organization's facilities.

worker

person that performs work

Note 1: The term 'workers' includes, but is not limited to, employees.

Note 2: Further examples of workers include interns, apprentices, self-employed persons, and persons working for organizations other than the reporting organization, e.g., for suppliers.

Note 3: In the context of the GRI Standards, in some cases it is specified whether a particular subset of workers is to be used.

work-related fatality

death of a worker occurring in the current reporting period, arising from an occupational disease or injury sustained or contracted while performing work that is controlled by the organization or that is being performed in workplaces that the organization controls

Note: Work-related fatalities can be reported for a specific category of workers (e.g., employees). This is specified in the respective disclosure in the GRI Standards.

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ISBN: 978-90-8866-083-2