The GRI Standards
A GUIDE FOR
POLICY MAKERS

GRI

Table of contents

1 The importance of transparency and accountability

GOAL
12.6
SDGs

Transparency on the sustainability impacts of a business is essential for continuous improvement as well as for stakeholder relationships. Without transparency, there is no trust – and without trust it is very complex to do business, markets do not function efficiently, and institutions lose their legitimacy.

Corporate accountability is such an important factor in the efforts to achieve the Sustainable Development Goals (SDGs) that it has been included as one of the 169 goals. Goal 12.6 states that the United Nations member states should *"encourage businesses, especially large corporations, to adopt sustainable practices and integrate sustainability information into their reporting cycle."* This target aims for the private sector's contribution to sustainable development to be accounted for with the same frequency, thoroughness, and importance as an organization's financial performance.

Sustainability reporting began in the 1990s and is relatively recent compared to the mandatory financial reporting that has been in place since the Great Depression. However, reporting on sustainability information is increasingly becoming a legal requirement and less of a voluntary practice. Governments, stock exchanges, market regulators, investors, civil society and other stakeholders are demanding more and better information on organizations' sustainability impacts.

In a rapidly changing environment, corporate accountability becomes imperative. That is why it is important that measuring and reporting are done according to internationally recognized standards such as the GRI Sustainability Reporting Standards (GRI Standards). This ensures data quality and comparability, and contributes to better decision making by allowing access to information that promotes better decisions.

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Companies are increasingly being called on to show that they operate and make decisions in a responsible way.
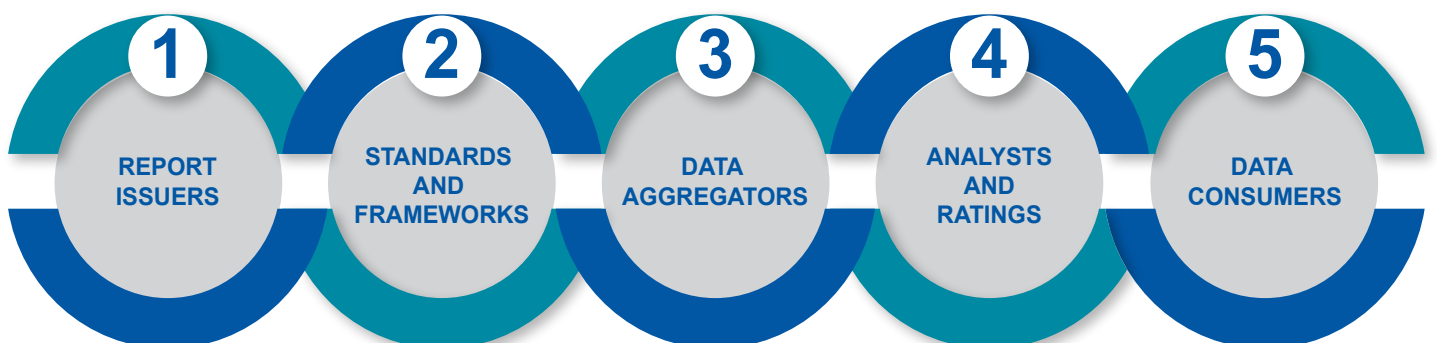
2 The global sustainability reporting landscape

In sustainability reporting there are different types of actors and initiatives that guide organizations. Each one has a different nature and a specific role in the corporate sustainability landscape.

Organizations can use the GRI Standards in combination with other reporting frameworks, including the International Integrated Reporting Framework, the CDP climate change and water questionnaires, and the SASB industry standards.
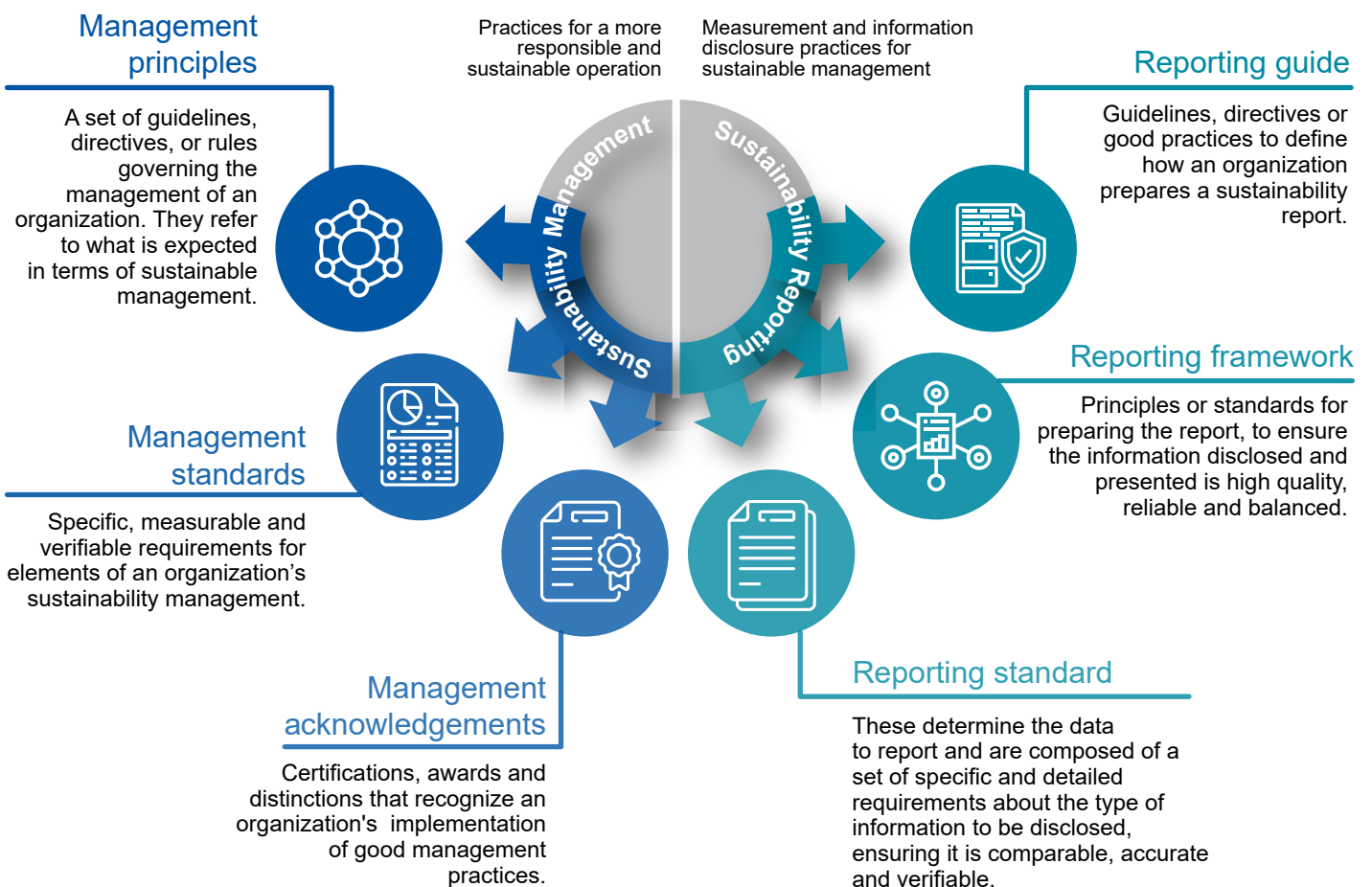
GRI continually works together with other reporting frameworks to avoid duplication of disclosure effort.

Sustainability information is defined, standardized, reported, issued, and used through different links:

1 REPORT ISSUERS

2 STANDARDS AND FRAMEWORKS

3 DATA AGGREGATORS

4 ANALYSTS AND RATINGS

5 DATA CONSUMERS

CORPORATE SUSTAINABILITY INSTRUMENTS

Management principles

A set of guidelines, directives, or rules governing the management of an organization. They refer to what is expected in terms of sustainable management.

Practices for a more responsible and sustainable operation

Measurement and information disclosure practices for sustainable management

Reporting guide

Guidelines, directives or good practices to define how an organization prepares a sustainability report.

Sustainability Management

Sustainability Reporting

Management standards

Specific, measurable and verifiable requirements for elements of an organization's sustainability management.

Reporting framework

Principles or standards for preparing the report, to ensure the information disclosed and presented is high quality, reliable and balanced.

Management acknowledgements

Certifications, awards and distinctions that recognize an organization's implementation of good management practices.

Reporting standard

These determine the data to report and are composed of a set of specific and detailed requirements about the type of information to be disclosed, ensuring it is comparable, accurate and verifiable.

3 The Global Reporting Initiative (GRI)

GRI

GRI is the independent, international organization that helps businesses and other organizations take responsibility for their impacts, by providing them with the global common language to communicate those impacts. It provides the world's most widely used standards for sustainability reporting – the GRI Standards, which are available as a free public good. Since 1997, the GRI Standards have been continuously developed to represent the world's best practice for reporting on economic, environmental, and social impacts. In addition to developing the GRI Standards, GRI also supports their use and implementation among different types of business actors, civil society, and policy makers.

GRI is a non-profit organization, backed by a wide range of partners who support the organization's work around the world to advance sustainable development through greater transparency and accountability.

GRI has a global presence through Regional Hubs in Johannesburg (Africa), Singapore (ASEAN), São Paulo (Brazil), Hong Kong (Greater China Region), Bogota (Hispanic America), New York (North America), and New Delhi (South Asia). All other regions (including Europe) are supported from GRI's global Secretariat in Amsterdam (The Netherlands).

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For more information on GRI, visit the website *globalreporting.org*

4 The GRI Standards

By better understanding, managing and disclosing their impacts, companies can enhance strategic decision-making, reduce risks, identify business opportunities and strengthen stakeholder relationships.

The GRI Standards help organizations increase their transparency and communicate both their positive and negative impacts on sustainable development. The GRI Standards enable consistent and high quality sustainability reporting, which helps organizations meet the needs of their stakeholders for comparable and reliable data. They are the most widely used standards in the world and are explicitly referenced in 168 reporting requirements in 67 countries.[1]

The GRI Standards are a free public good. Any organization, large or small, private or public, regardless of sector, location, and reporting experience, can use the GRI Standards to report on its impacts in a standardized and comparable way.

Each organization reports on topics that reflect the organization's significant economic, environmental, and social impacts and that are important to its stakeholders. With the GRI Standards, these are the "material topics" that the organization reports on. An organization's material topics are determined based on the organization's activities and business relationships. Data privacy, for instance, might be material for a telecommunications company to report on, while child labor might be material for a garment company with extensive supply chains. The GRI Standards define a set of principles for organizations to define the content of their reports.

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73% of the world's 250 largest companies prepare their sustainability reports using the GRI Standards*

* *Source: The KPMG Survey of Sustainability Reporting 2020*
1 *Carrots & Sticks Report (2020)*

Download the GRI Standards on GRI's website *globalreporting. org/standards/download-the-standards/*

The GRI Standards development process

The GRI Standards are issued by the Global Sustainability Standards Board (GSSB), an independent operating entity of GRI. They are developed according to a formally defined due process overseen by the Due Process Oversight Committee (DPOC).

Experts from different stakeholder groups across the world are involved in developing the GRI Standards using a consensus-seeking approach that builds on their diverse backgrounds and expertise. The GSSB also routinely conducts public comment periods to gather stakeholder feedback on draft Standards.

Transparency lies at the heart of the GSSB's work. All meetings of the GSSB and the documents discussed at these meetings, including drafts of Standards, are publicly accessible via the GRI website.

The GSSB receives independent funding from GRI, sourced from grants, corporate programs, and revenues from GRI's support services. Additionally, launched in 2020, the Global Standards Fund (GSF) provides for the independent, multi-stakeholder development of the GRI Standards as a free public good available to all organizations and is an opportunity for foundations, governments, private sector organizations and individuals to participate in a coalition of likeminded funders who want to see companies integrate transparency and sustainability at the core of their operations.

All of this helps ensure that the GRI Standards serve the public interest and can be applied by any organization worldwide.

For more information on the GSF: *globalreporting.org/ about-gri/how-we- are-funded/global- standards-fund/*

All SDG tools are available on the GRI website: *globalreporting. org/public-policy- partnerships/sustainable- development/ integrating-sdgs-into- sustainability-reporting/*

Alignment of the GRI Standards with intergovernmental instruments

The GRI Standards are aligned with widely recognized international instruments for responsible business behavior. These include instruments such as the UN Guiding Principles on Business and Human Rights, the ILO conventions, and the OECD Guidelines for Multinational Enterprises. Using the GRI Standards, organizations can be transparent about how they apply these instruments.

Organizations can also use the Standards to report on their impacts and progress on the SDGs. Since the adoption of the 2030 Agenda for Sustainable Development, GRI has developed guidance for companies to integrate these Goals into reporting practice, with the GRI Standards at the core.

1. **Analysis of the goals and targets** – a handbook of indicators and business actions to make reporting on the SDGs straightforward and simple to execute.

2. **Integrating the SDGs in corporate reporting: A practical guide** – a three-step guide to embed the SDGs in existing business and reporting processes.

3. **Mapping the SDGs against the GRI Standards** – a linkage document to show which GRI Standards can be used to report on specific SDGs.

The GRI Standards provide a flexible framework for reporting

The GRI Standards offer disclosures on a wide range of sustainability topics. From anti-corruption to water, biodiversity to occupational health and safety, the Standards cover relevant topics across the economic, environmental and social dimensions. Organizations select from among these to report on their significant impacts.

The GRI Standards are frequently revised to update existing topics as they evolve and to include new topics.

The GRI Standards are structured as a set of interrelated standards. There are three universal Standards that apply to every organization preparing a sustainability report. An organization then selects from the set of topic-specific GRI Standards for reporting on its material topics. The topic-specific GRI Standards are organized into three series: 200 (Economic topics), 300 (Environmental topics), and 400 (Social topics).

100 series
Universal Standards
The universal Standards support the organization in identifying its material topics, and lay out important principles to use when preparing a report. They also contain disclosures on the organization's specific context, such as its size, activities, governance, and stakeholder engagement, all of which help to better understand its approach towards the different topics it reports on.

200 series
Economic
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.

300 series
Environmental
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.

400 series
Social
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.

Sector Standards

A comprehensive Sector Program is being implemented to complete the set of GRI Standards. The purpose of the GRI Sector Program is to develop Sector Standards that will provide authoritative information on the topics that constitute a sector's most significant impacts from a sustainable development perspective, reflecting stakeholder expectations for a sector's sustainability reporting and focusing reporting on the impacts that matter most.

Used in conjunction with the existing suite of GRI Standards, Sector Standards aim to enhance transparency and accountability, as well as support organizational and stakeholder decision-making, by helping organizations prepare and report information on their material topics and increase consistency of reporting within a sector.

Priority Group 1
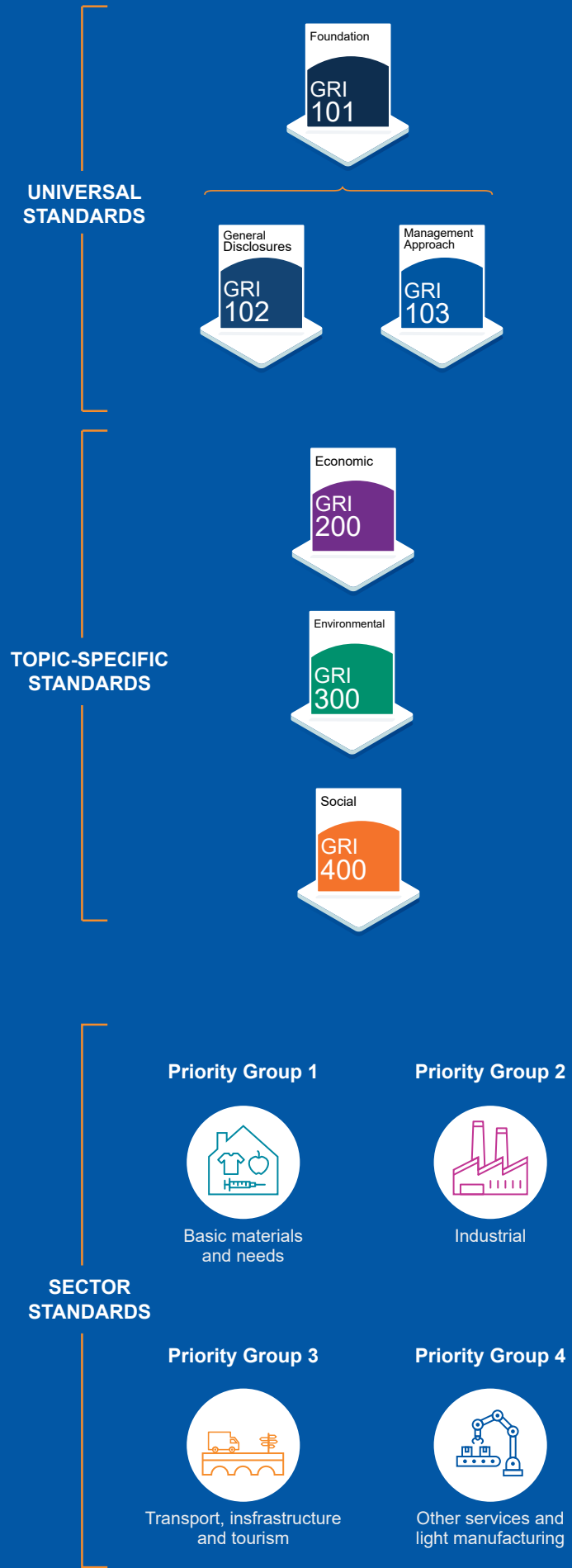Basic materials and needs

Priority Group 2
Industrial

Priority Group 3
Transport, infrastructure and tourism

Priority Group 4
Other services and light manufacturing

**Structure and content
of the Standards**

GRI STANDARDS

**UNIVERSAL
STANDARDS**

Foundation

GRI
101

General
Disclosures

GRI
102

Management
Approach

GRI
103

**TOPIC-SPECIFIC
STANDARDS**

Economic

GRI
200

Environmental

GRI
300

Social

GRI
400

**SECTOR
STANDARDS**

Priority Group 1

Basic materials
and needs

Priority Group 2

Industrial

Priority Group 3

Transport, insfrastructure
and tourism

Priority Group 4

Other services and
light manufacturing

Tax

Economic
Performance

Market
Presence

Anti-corruption

Indirect
Economic
Impacts

Anti-competitive
Behavior

Procurement
Practices

Supplier
Environmental
Assessment

Materials

Energy

Environmental
Compliance

Waste

Emissions

Biodiversity

Water &
Effluents

GRI
200

Economic

GRI
300

Environmental

TOPICS

GRI
400

Social

Employment

Labor/Management
Relations

Occupational
Health & Safety

Training &
Education

Diversity & Equal
Opportunity

Non-discrimination

Freedom of Association
& Collective
Bargaining

Child Labor

Forced or Compulsory
Labor

Security Practices

Rights of Indigenous
Peoples

Human Rights
Assessment

Local Communities

Supplier Social
Assessment

Public Policy, Customer
Health & Safety

Marketing &
Labeling

Customer Privacy

Socioeconomic
Compliance

5 The reliability of sustainability reports

Organizations report on their sustainability impacts in response to stakeholder information requirements. The use of the GRI Standards is self-declarative, meaning that each organization must indicate whether the report has been prepared in accordance with the GRI Standards following the criteria stipulated in GRI 101: Foundation.

Reporting organizations are required to comply with the Reporting Principles for defining report quality contained in GRI 101: Foundation on reporting reliable and quality information.

They can use a variety of approaches to enhance the credibility of the 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. Many organizations engage in this process to make their report more legitimate and credible, or to respond to a specific requirement by their stakeholders in this regard. If the report has been externally assured, the assurance report must be included, stating the information that has been assured, as stipulated in GRI 102-56.

To maintain its neutrality and impartiality as a standard setter, GRI does not verify or certify the content of a report. However, it does offer services to review a report's alignment with the GRI Standards and with frameworks such as the SDGs.

For more information on GRI's services:
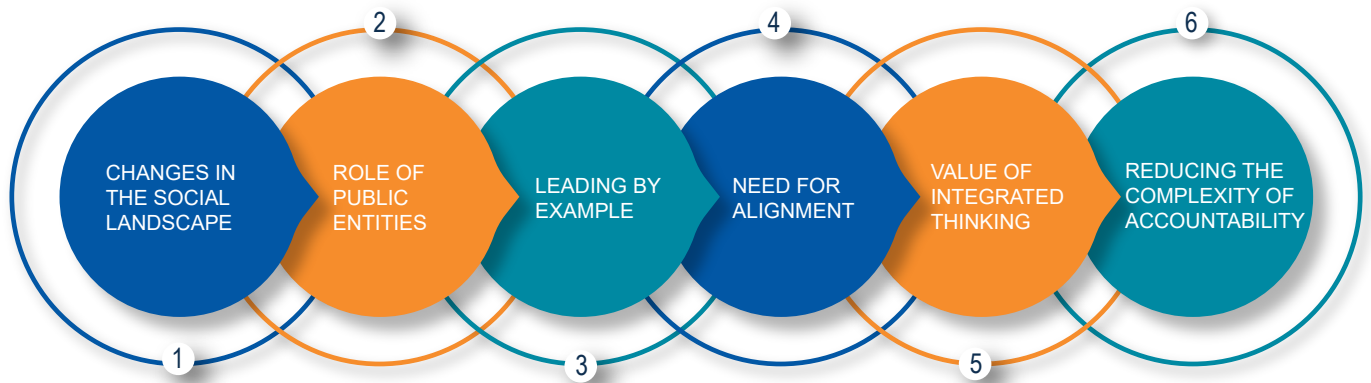*globalreporting.org/ reporting-support/ services/*

6 Public sector reporting and accountability

Leading by example

The GRI Standards can be used by any type of organization to publicly report on its sustainability impacts. This also includes organizations from the public sector as they, due to the nature of their function, must be transparent, must maintain constant and open communication and can be held accountable.

Public entities can use one of two approaches to report on their sustainability impacts:

1. **From the mission perspective**: How have the sustainable development objectives assigned to the entity been fulfilled?

2. **From the organizational perspective**: Are its operations carried out in a way that considers its impact on sustainable development, and how?

Circles labeled:
1. CHANGES IN THE SOCIAL LANDSCAPE
2. ROLE OF PUBLIC ENTITIES
3. LEADING BY EXAMPLE
4. NEED FOR ALIGNMENT
5. VALUE OF INTEGRATED THINKING
6. REDUCING THE COMPLEXITY OF ACCOUNTABILITY

Public entities complete sustainability reports for several reasons:

1. Public entities are facing increasingly informed stakeholders, with more immediate access to information and with increasingly greater expectations and requirements.

2. The responsibility to manage public goods and resources results in an obligation of accountability and transparent management.

3. Promoting sustainable development by providing an example of a sustainable and responsible reporting process.

4. Measuring and reporting on the management of organizations based on international standards helps stay aligned with the national agenda and allows to compare how each entity is working to reach the objectives set.

5. Measuring and reporting on sustainability performance allows access to information, creating a more complete and comprehensive image of an entity's sustainability impacts.

6. The purpose is not to make the list of information the entity must report longer, but rather to make more holistic connections on what the entity should report on and to whom.

Examples of public entities that have produced GRI sustainability reports:

→ Gobierno de la Provincia de Córdoba, Argentina

→ DevelopmentWA, Australia

→ Canada Post, Canada

→ Autoridad Nacional de Licencias Ambientales, Colombia

→ Bremenports GmbH & Co. KG, Germany

→ Maritime And Port Authority Of Singapore, Singapore

→ Auditor General of South Africa, South Africa

→ European Union Intellectual Property Office (EUIPO), Spain

→ State-owned companies, Sweden

→ Bureau Of Labor Funds, Ministry Of Labor, Taiwan

→ Dubai Customs, United Arab Emirates
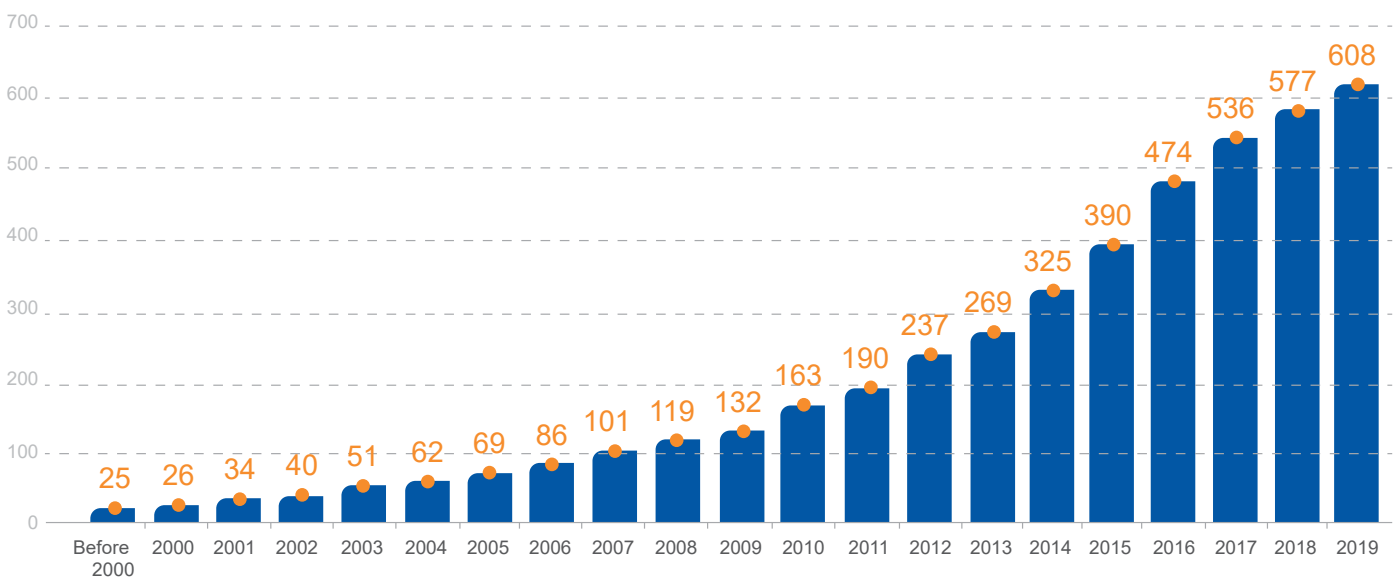
→ CalSTRS, United States of America

*Note: These are some examples of public entities that perform sustainability reporting using the GRI Standards in an illustrative manner. It does not in any way constitute an exhaustive list or an acknowledgement or validation of the reports produced by these organizations.

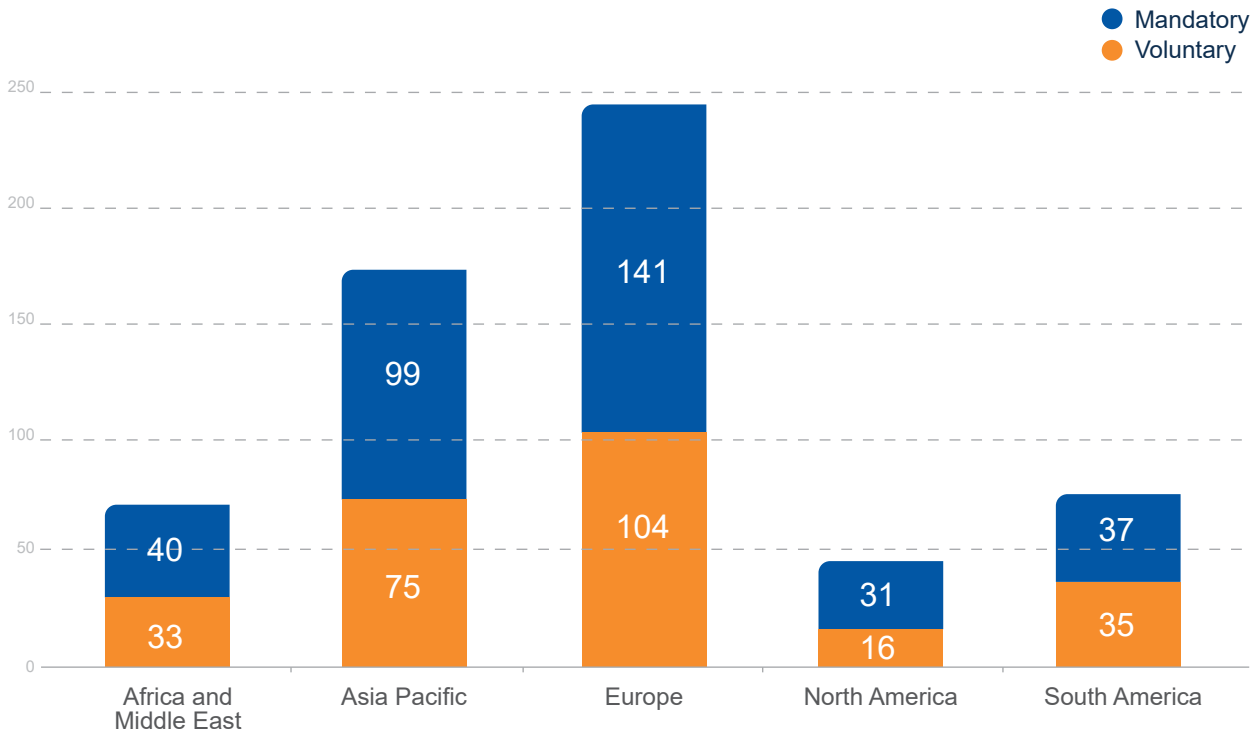# 7 Promoting transparency through public policy

In the last decade, regulations and policies on corporate reporting and accountability have evolved very rapidly, recognizing the central role of transparency in advancing the adoption of more responsible business conduct, improving competitiveness and building greater market trust.

The field of sustainability reporting has expanded not only in quantity but also in the type of information required. According to the 2020 edition of the Carrots & Sticks report, by 2020 there were over 600 sustainability reporting instruments in 87 countries worldwide.

Number of global sustainability reporting instruments (cumulative)[2]

Year	Value
Before 2000	25
2000	26
2001	34
2002	40
2003	51
2004	62
2005	69
2006	86
2007	101
2008	119
2009	132
2010	163
2011	190
2012	237
2013	269
2014	325
2015	390
2016	474
2017	536
2018	577
2019	608

Voluntary vs mandatory instruments by region (2020)[3]

● Mandatory
● Voluntary

GRI strongly supports mandatory disclosure requirements for reporting information on material topics. In many countries, early voluntary efforts by companies to report on their sustainability impacts have been followed by the introduction of mandated disclosure requirements.

Mandating specific reporting requirements helps address the concerns from companies on confusion about what to report and reporting burden. Mandates help standardize and professionalize non-financial reporting thus improving access and comparability of the underlying data. Despite these benefits, there is still no consensus on whether these instruments should be binding, and the regulatory landscape reflects a combination of both mandatory and voluntary instruments.

Referencing the GRI Standards within reporting instruments allows for the standardization of the information that companies report, aligning it with best reporting practice. It also reduces any reporting burden by aligning the different information requirements to stakeholder needs.

There are different ways to reference the GRI Standards in public policy:

A. Request accountability from State-owned companies

The State as a shareholder of State-owned companies (or companies with State participation) may ask those companies to report on their sustainability impacts using the GRI Standards. The State has the ability to directly influence a more sustainable and transparent management of these companies and make them a reference for other companies to adopt more sustainable practices and more accountability.

B. Request full sustainability reporting

Many policy instruments seek to generate a culture of reporting and accountability where organizations are transparent about their sustainability impacts. In these cases, regulation may require organizations to use the GRI Standards for sustainability reporting.

C. Request reporting on specific topics

For some public entities, it is important to request information on specific topics, depending on the economic sector and the priority of the topics. In these cases, policy makers have two options:

1) Require organizations to use the GRI Standards by selecting disclosures that allow them to measure and report on their impacts on a particular topic.

2) Require organizations to use specific GRI Standards, indicating the disclosures that the organization should use to report on its impacts on a particular topic.

Sometimes organization are required to report specific information, and the GRI Standards are used as a reference for designing the questions and indicators that they must disclose. In this case, the GRI Standards can be referenced in policy, rules, and regulations to build instruments tailored to informational needs. This ensures that a company provides an accurate report of the required information, framed in the language and logic of business measurement and reporting.

For example, in Colombia, the national government (National Planning Department) in collaboration with GRI and the UNDP created the SDG Corporate Tracker initiative to measure the business sector's contribution to the SDGs. The GRI Standards were used as a reference for developing a questionnaire for companies based on national indicators and measurements of the SDGs.

For more information on the global regulatory landscape, see the **Carrots & Sticks 2020 report**: *carrotsandsticks.net*

8 How does GRI support policy makers?

GRI supports policy makers in their work to promote trust and transparency through corporate accountability, which allows for more informed policy decisions. To this end, GRI works to:

➜ Raise awareness among policy makers about the value of transparency and accountability;

➜ Build capacity on reporting and accountability so that public entities can prepare their own report or develop regulations and reporting requirements for other organizations;

➜ Advise on the use and referencing of the GRI Standards;

➜ Support, strengthen, and comment on the development of global policies and regulations regarding transparency and sustainability reporting.

GRI has a global policy team as well as local teams in the regions that work to support policy makers to enable smart policy.

In addition, in 2008, GRI established a Governmental Advisory Group which provides high-level advice and feedback to GRI's Board and Executive Management, as well as a direct source for strategic governmental relationship building. It allows members to stay up to date on the latest developments around sustainability reporting, to provide insights to the development of GRI's activities and Standards, and to engage with other policy makers to further drive their agenda on responsible business conduct in a collaborative manner. For more than 10 years, this group has championed the role of governments in advancing transparency. It is instrumental to GRI's leadership and strategic direction on policy and regulation on sustainability reporting, the development of the GRI Standards, and thematic work such as the SDGs.

![GRI logo]