

Contents

GRI-1	3
Section 1: Purpose and System of GRI.....	3
1.1 Purpose.....	3
1.2 Users	3
Section 2: Key Concepts Used Throughout GRI Standards	3
2.1 Impact.....	3
2.2 Material Topics.....	4
2.3 Due Diligence	4
2.4 Stakeholders	4
Section 3: Reporting in Accordance with GRI Standards	5
Requirement 1: Applying the Reporting Principles	5
Requirement 2: Reporting the Disclosures	5
Requirement 3: Determine Material Topics	6
Requirement 4: Report the Disclosures in GRI 3	6
Requirement 5: Report Disclosures from the GRI Topic Standards for Each Material Topic....	6
Requirement 6: Provide Reasons for Omission for Disclosures	6
Requirement 8: Publish a GRI Content Index	7
Requirement 8: Provide a Statement of Use	8
Requirement 9: Notify GRI	8
GRI-2	9
Section 1: Organization and its Reporting Practices	9
Disclosure 2.1: Organization Details	9
Disclosure 2.2: Entities Included in the Organization’s Sustainability Reporting	9
Disclosures 2.3: Reporting period, Frequency and Contact Point	9
Disclosures 2.4: Restatements of Information.....	10
Disclosures 2.5: External Assurances	10
Section 2: Activities and Workers.....	10

Disclosure 2.6: Activities, Value Chain and Other Business Relationships	10
Disclosures 2.7: Employees	10
Disclosures 2.8: Workers Not Employees.....	11
Section 3: Governance	11
Disclosures 2.9: Governance Structure and Composition.....	11
Disclosures 2.10: Nomination and Selection of the Highest Governance Body	12
Disclosures 2.11: Chair of the Highest Governance Body	12
Disclosures 2.12: Role of the Highest Governance Body in Overseeing the Management of Impacts	12
Disclosures 2.13: Delegation of Responsibility for Managing Impacts	13
Disclosures 2.14: Role of the Highest Governance Body in Sustainability Reporting.....	13
Disclosure 2.15: Conflict of Interest.....	13
Disclosure 2.16: Communication of Critical Concern	14
Disclosure 2.17: Collective Knowledge of the Highest Governance Body	14
Disclosure 2.18: Evaluation of the Performance of the Highest Governance Body	14
Disclosure 2.19: Remuneration Policies.....	14
Disclosure 2.20: Process to Determine Remuneration	15
Disclosures 2.21: Annual Total Compensation Ratio.....	15
Section 4: Strategy, Policies and Practices	15
Disclosure 2.22: Statement on Sustainable Development Strategy	15
Disclosure 2.23: Policy Commitments.....	15
Disclosure 2.24: Embedding Policy Commitments	16
Disclosures 2.25: Processes to Remediate Negative Impacts	16
Disclosure 2.26: Mechanisms for Seeking Advice and Raising Concerns	17
Disclosure 2.27: Compliance with Laws and Regulations.....	17
Disclosure 2.28: Membership Associations	17
Section 5: Stakeholder Engagement	18
Disclosure 2.29: Approach to Stakeholder Engagement.....	18
Disclosure 2.30: Collective Bargaining Agreements	18
GRI-3	19

Section 1: Guidance to Determine Material Topics	19
Section 2: Disclosures on Material Topics	21
Disclosure 3.1: Process to Determine Material Topics.....	21
Disclosure 3.2: List of Material Topics	21
Disclosure 3.3: Management of Material Topics	21

GRI-1

Section 1: Purpose and System of GRI

1.1 Purpose

Objective: The objective of sustainability reporting using the GRI Sustainability Reporting Standards (GRI Standards) is to provide transparency on how an organization contributes or aims to contribute to sustainable development.

1.2 Users

Stakeholders and other information users can use the GRI Standards to understand what organizations are expected to report about. Stakeholders can also use an organization's reported information to assess how they are affected or how they could be affected by the organizations activities.

Investors, in particular, can use the reported information to assess an organization's impacts and how it integrates sustainable development in its business strategy and model. They can also use this information to identify financial risks and opportunities related to the organization's impacts and to assess its long-term success.

Section 2: Key Concepts Used Throughout GRI Standards

2.1 Impact

1. Impact refers to the effect an organization has or could have on the economy, environment, and people, including effects on their human rights, as a result of the organization's activities or business relationships.

2. The impact can be actual or potential, negative or positive, short-term or long-term, intended or unintended, and reversible or irreversible.
3. The **organization's impact on the economy** relates to the impact on economic systems at local, national, and global levels.
4. The **organization's impact on the environment** refers to the impacts on living organisms and non-living elements, including air, land, water, and ecosystems.
5. The **organization's impact on people** refers to the impacts on individuals and groups, such as communities, vulnerable groups, or society.
6. The **impacts on the economy, environment, and people are interrelated**. For example, an organization's impact on the economy and environment can result in impacts on people and their human rights. Similarly, an organization's positive impact can result in negative impacts and vice versa.

2.2 Material Topics

Objective: The organization prioritizes reporting on those topics that represent its **most significant impact on the economy, environment, and people**, including impacts on their human rights. Examples of material topics include, anti-corruption, occupational health and safety, or water and effluents.

2.3 Due Diligence

Due diligence refers to the process through which an organization **identifies, prevents, mitigates, and accounts** for how it addresses its actual and potential negative impacts on the economy, environment, and people, including impacts on their human rights.

2.4 Stakeholders

Stakeholders are individuals or groups with interests that are affected or could be affected by an organization's activities.

Common Categories Include: employees, customers, business partners, suppliers, investors, civil society groups, governments, local communities, NGOs, trade unions, and vulnerable groups.

Interests and Prioritization: Stakeholders may have multiple interests, but not all are equal. Human rights hold a special legal and ethical status.

Rightholders: These are stakeholders whose human or collective rights (e.g. indigenous peoples) are or could be impacted. They are central to assessing serious impacts.

Affected vs. Potentially Affected Stakeholders

Affected: Currently experiencing negative or positive impact.

Potentially Affected: At risk of future impact (e.g. exposed to a hazard but not yet harmed).

Direct vs. Indirect Relationships: Not all stakeholders are directly linked to the organization (e.g. supply chain workers or distant communities may still be affected).

Stakeholder Engagement helps manage impact. Organizations should identify relevant stakeholders per activity and, if needed, consult credible representatives or experts.

Section 3: Reporting in Accordance with GRI Standards

Requirement 1: Applying the Reporting Principles

Principle	Description
Accuracy	Report information that is correct and sufficiently detailed to allow an assessment of the organization's impacts.
Balance	Report information in an unbiased way and provide a fair representation of the organization's negative and positive impacts.
Clarity	Present information in a way that is accessible and understandable.
Comparability	Select, compile, and report information consistently to enable an analysis of changes in the organization's impacts over time and an analysis of these impacts relative to those of other organizations.
Completeness	Provide sufficient information to enable an assessment of the organization's impacts during the reporting period.
Sustainability context	Report information about its impacts in the wider context of sustainable development.
Timeliness	Report information on a regular schedule and make it available in time for information users to make decisions.
Verifiability	Gather, record, compile, and analyze information in such a way that the information can be examined to establish its quality.

Requirement 2: Reporting the Disclosures

The organization shall report all disclosures in GRI 2: General Disclosures 2021. Organizations are permitted to omit disclosures with reasons except for,

- a. Disclosure 2-1 Organizational details

- b. Disclosure 2-2 Entities included in the organization's sustainability reporting
- c. Disclosure 2-3 Reporting period, frequency and contact point
- d. Disclosure 2-4 Restatements of information
- e. Disclosure 2-5 External assurance

Requirement 3: Determine Material Topics

The organization shall,

- a. Determine its material topics,
- b. Review the GRI sector standards that apply to its sector and,
 - i) Determine whether each topic in the applicable Sector Standard(s) is a material topic for the organization
 - ii) List in the GRI content index any topics from the applicable Sector Standard(s) that the organization has determined as not material and explain why they are not material.

Requirement 4: Report the Disclosures in GRI 3

The organization shall,

- a. Report its process of determining material topics using Disclosures 3-1 (Process to determine material topics)
- b. Report a list of its material topics using Disclosure 3-2 (List of material topics)
- c. Report how it manages each material topic using Disclosure 3-3 (Management of material topics)

Note - Reasons for omissions are only permitted Disclosure 3-3 (Management of material topics)

Requirement 5: Report Disclosures from the GRI Topic Standards for Each Material Topic

The organization shall,

- a. Report disclosures from the GRI Topic Standards for each material topic.
- b. for each material topic covered in the applicable GRI Sector Standard(s), either,
 - i) Report the disclosures from the GRI Topic Standards listed for that topic in the Sector Standard(s), OR;
 - ii) Provide the 'not applicable' reason for omission and the required explanation in the GRI content index.

Requirement 6: Provide Reasons for Omission for Disclosures

- a. If the organization cannot comply with a disclosure or with a requirement in a disclosure for which reasons for omission are permitted, the organization shall in the GRI content index:
 - i) Specify the disclosure or the requirement it cannot comply with,

- ii) Provide one of the four reasons for omission included in the table below and the required explanation for that reason.

Reasons	Explanation
Not applicable	Explain why the disclosure or the requirement is considered not applicable
Legal prohibitions	Describe the specific legal prohibitions
Confidentiality constraints	Describe the specific confidentiality constraints
Information unavailable / incomplete	Specify which information is unavailable or incomplete. When the information is incomplete, specify which part is missing (e.g., specify the entities for which the information is missing). Explain why the required information is unavailable or incomplete. Describe the steps being taken and the expected time frame to obtain the information

Requirement 8: Publish a GRI Content Index

The organization shall,

- a) Publish a GRI content index that includes,
 - i) the title: GRI content index;
 - ii) the statement of use;
 - iii) the title of GRI 1 used;
 - iv) the title(s) of the GRI Sector Standard(s) that apply to the organization's sector(s);
 - v) a list of the organization's material topics;
 - vi) a list of the topics in the applicable GRI Sector Standard(s) determined as not material and an explanation for why they are not material;
 - vii) a list of the reported disclosures, including the disclosure titles;
 - viii) the titles of the GRI Standards and other sources that the reported disclosures come from;
 - ix) when the organization does not report GRI Topic Standard disclosures for a material topic from the applicable GRI Sector Standard(s), a list of the disclosures and the required reason for omission;
 - x) the GRI Sector Standard reference numbers for the disclosures from the applicable Sector Standard(s);
 - xi) the location where the information reported for each disclosure can be found;
 - xii) any reasons for omission used.

- b) If it publishes a standalone sustainability report and the GRI content index is not included in the report itself, provide a link or reference to the GRI content index in the report.

Requirement 8: Provide a Statement of Use

The organization shall include the following statement in its GRI content index: [Name of organization] has reported in accordance with the GRI Standards for the period [reporting period start and end dates].

Requirement 9: Notify GRI

The organization shall notify GRI of the use of the GRI Standards and the statement of use.

Section 1: Organization and its Reporting Practices

Disclosure 2.1: Organization Details

The organization shall,

- a) Report its legal name
- b) Report its nature of ownership and legal form
- c) Report the location of its headquarters
- d) Report its countries of operation

Disclosure 2.2: Entities Included in the Organization's Sustainability Reporting

The organization shall,

- a) List all entities included in its sustainability report
- b) If the organization has audited consolidated financial statements or financial information filed on public record, specify the differences between the list of entities included in its financial reporting and the list included in its sustainability reporting; Report the location of its headquarters
- c) If the organization consists of multiple entities, explain the approach used for consolidating the information, including:
 - i) whether the approach involves adjustments to information for minority interests
 - ii) how the approach takes into account mergers, acquisitions, and disposal of entities or parts of entities
 - iii) whether and how the approach differs across the disclosures in this Standard and across material topics

Disclosures 2.3: Reporting period, Frequency and Contact Point

The organization shall,

- a) Specify the reporting period for, and the frequency of its reporting
- b) Specify the reporting period for its financial reporting and, if it does not align with the period for its sustainability reporting, explain the reason for this included in its financial reporting and the list included in its sustainability reporting; Report the location of its headquarters
- c) Report the publication date of the report or reported information

- d) Specify the contact point for questions about the report or reported information

Disclosures 2.4: Restatements of Information

The organization shall,

- a) Report restatements of information made from previous reporting periods and explain,
 - i) the reasons for the restatements
 - ii) the effect of the restatements

Disclosures 2.5: External Assurances

The organization shall,

- a) Describe its policy and practice for seeking external assurance, including whether and how the highest governance body and senior executives are involved
- b) If the organization's sustainability reporting has been externally assured,
 - i) provide a link or reference to the external assurance report(s) or assurance statement(s);
 - ii) describe what has been assured and on what basis, including the assurance standards used, the level of assurance obtained, and any limitations of the assurance process;
 - iii) describe the relationship between the organization and the assurance provider

Section 2: Activities and Workers

Disclosure 2.6: Activities, Value Chain and Other Business Relationships

The organization shall,

- a) Report the sector(s) in which it is active
- b) Describe its value chain, including,
 - i) the organization's activities, products, services, and markets served
 - ii) organizational supply chain
 - iii) the entities downstream from the organization and their activities
- b) Report other relevant business relationships
- c) Describe significant changes in 2-6-a, 2-6-b, and 2-6-c compared to the previous reporting period.

Disclosures 2.7: Employees

The organization shall,

- a) Report the total number of employees, and a breakdown of this total by gender and by region
- b) Report total number of,

- i) permanent employees, and a breakdown by gender and by region
- ii) temporary employees, and a breakdown by gender and by region
- iii) non-guaranteed hours employees, and a breakdown by gender and by region
- iv) full-time employees, and a breakdown by gender and by region
- v) part-time employees, and a breakdown by gender and by region
- b) Describe the methodologies and assumptions used to compile the data, including whether the numbers are reported,
 - i) in head count, full-time equivalent (FTE), or using another methodology
 - ii) at the end of the reporting period, as an average across the reporting period, or using another methodology
- c) Report contextual information necessary to understand the data reported under 2-7-a and 2-7-b (Report total number of)
- d) Describe significant fluctuations in the number of employees during the reporting period and between reporting periods

Disclosures 2.8: Workers Not Employees

The organization shall,

- a) Report the total number of workers who are not employees and whose work is controlled by the organization and describe,
 - i) the most common types of worker and their contractual relationship with the organization
 - ii) type of work they perform
- b) Describe the methodologies and assumptions used to compile the data, including whether the number of workers who are not employees is reported,
 - i) in head count, full-time equivalent (FTE), or using another methodology
 - ii) at the end of the reporting period, as an average across the reporting period, or using another methodology
- c) Describe significant fluctuations in the number of workers who are not employees during the reporting period and between reporting periods

Section 3: Governance

Disclosures 2.9: Governance Structure and Composition

The organization shall,

- a) Describe its governance structure, including committees of the highest governance body
- b) List the committees of the highest governance body that are responsible for decision making on and overseeing the management of the organization's impacts on the economy, environment, and people

- c) Describe the composition of the highest governance body and its committees by,
 - i) executive and non-executive members
 - ii) independence
 - iii) tenure of members on the governance body
 - iv) number of other significant positions and commitments held by each member, and the nature of the commitments
 - v) gender
 - vi) under-represented social groups
 - vii) competencies relevant to the impact of the organization
 - viii) stakeholder representation

Disclosures 2.10: Nomination and Selection of the Highest Governance Body

The organization shall,

- a) Describe the nomination and selection processes for the highest governance body and its committees
- b) Describe the criteria used for nominating and selecting highest governance body members, including whether and how the following are taken into consideration.
 - i) stakeholder views
 - ii) diversity
 - iii) independence
 - iv) competencies relevant to the impact of the organization

Disclosures 2.11: Chair of the Highest Governance Body

The organization shall,

- a) Report whether the chair of the highest governance body is also a senior executive in the organization
- b) If the chair is also a senior executive, explain their function within the organization's management, the reasons for this arrangement, and how conflicts of interest are prevented and mitigated

Disclosures 2.12: Role of the Highest Governance Body in Overseeing the Management of Impacts

The organization shall,

- a) Describe the role of the highest governance body and of senior executives in developing, approving, and updating the organization's purpose, value or mission statements, strategies, policies, and goals related to sustainable development

- b) Describe the role of the highest governance body in overseeing the organization's due diligence and other processes to identify and manage the organization's impacts on the economy, environment, and people, including,
 - i) whether and how the highest governance body engages with stakeholders to support these processes
 - ii) how the highest governance body considers the outcomes of these processes
- b) Describe the role of the highest governance body in reviewing the effectiveness of the organization's processes as described in 2-12-b, and report the frequency of this review

Disclosures 2.13: Delegation of Responsibility for Managing Impacts

The organization shall,

- a) Describe how the highest governance body delegates responsibility for managing the organization's impacts on the economy, environment, and people, including
 - i) whether it has appointed any senior executives with responsibility for the management of impacts
 - ii) whether it has delegated responsibility for the management of impacts to other employees
- b) Describe the process and frequency for senior executives or other employees to report back to the highest governance body on the management of the organization's impacts on the economy, environment, and people

Disclosures 2.14: Role of the Highest Governance Body in Sustainability Reporting

The organization shall,

- a) Report whether the highest governance body is responsible for reviewing and approving the reported information, including the organization's material topics, and if so, describe the process for reviewing and approving the information
- b) If the highest governance body is not responsible for reviewing and approving the reported information, including the organization's material topics, explain the reason for this

Disclosure 2.15: Conflict of Interest

The organization shall,

- a) Describe the processes for the highest governance body to ensure that conflicts of interest are prevented and mitigated
- b) Report whether conflicts of interest are disclosed to stakeholders, including, at a minimum, conflicts of interest relating to,
 - i) cross-board membership
 - ii) cross-shareholding with suppliers and other stakeholders

- iii) existence of controlling shareholders
- iv) related parties, their relationships, transactions, and outstanding balances

Disclosure 2.16: Communication of Critical Concern

The organization shall,

- a) Describe whether and how critical concerns are communicated to the highest governance body
- b) report the total number and the nature of critical concerns that were communicated to the highest governance body during the reporting period

Disclosure 2.17: Collective Knowledge of the Highest Governance Body

The organization shall,

- a) Report measures taken to advance the collective knowledge, skills, and experience of the highest governance body on sustainable development

Disclosure 2.18: Evaluation of the Performance of the Highest Governance Body

The organization shall,

- a) Describe the processes for evaluating the performance of the highest governance body in overseeing the management of the organization's impacts on the economy, environment, and people of the highest governance body on sustainable development
- b) Report whether the evaluations are independent or not, and the frequency of the evaluations
- c) Describe actions taken in response to the evaluations, including changes to the composition of the highest governance body and organizational practices

Disclosure 2.19: Remuneration Policies

The organization shall,

- a) Describe the remuneration policies for members of the highest governance body and senior executives, including,
 - i) fixed pay and variable pay
 - ii) sign-on bonuses or recruitment incentive payments
 - iii) termination payments
 - iv) clawbacks
 - v) retirement benefits
- b) Describe how the remuneration policies for members of the highest governance body and senior executives relate to their objectives and performance in relation to the management of the organization's impacts on the economy, environment, and people

Disclosure 2.20: Process to Determine Remuneration

The organization shall,

- a) Describe the process for designing its remuneration policies and for determining remuneration, including,
 - i) whether independent highest governance body members or an independent remuneration committee oversees the process for determining remuneration
 - ii) how the views of stakeholders (including shareholders) regarding remuneration are sought and taken into consideration
 - iii) whether remuneration consultants are involved in determining remuneration and, if so, whether they are independent of the organization, its highest governance body and senior executives
- b) Report the results of votes of stakeholders (including shareholders) on remuneration policies and proposals, if applicable

Disclosures 2.21: Annual Total Compensation Ratio

The organization shall,

- a) Report the ratio of the annual total compensation for the organization's highest-paid individual to the median annual total compensation for all employees(excluding the highest-paid individual)
- b) report the ratio of the percentage increase in annual total compensation for the organization's highest-paid individual to the median percentage increase in annual total compensation for all employees (excluding the highest-paid individual)
- c) report contextual information necessary to understand the data and how the data has been compiled

Section 4: Strategy, Policies and Practices

Disclosure 2.22: Statement on Sustainable Development Strategy

The organization shall,

- a) Report a statement from the highest governance body or most senior executive of the organization about the relevance of sustainable development to the organization and its strategy for contributing to sustainable development

Disclosure 2.23: Policy Commitments

The organization shall,

- a) Describe its policy commitments for responsible business conduct, including,
 - i) the authoritative intergovernmental instruments that the commitments reference
 - ii) whether the commitments stipulate conducting due diligence
 - iii) whether the commitments stipulate applying the precautionary principle
 - iv) whether the commitments stipulate respecting human rights
- b) Describe its specific policy commitment to respect human rights, including,
 - i) the internationally recognized human rights that the commitment covers
 - ii) the categories of stakeholders, including at-risk or vulnerable groups, that the organization gives particular attention to in the commitment
- c) Provide links to the policy commitments if publicly available, or, if the policy commitments are not publicly available, explain the reason for this
- d) Report the level at which each of the policy commitments was approved within the organization, including whether this is the most senior level
- e) Report the extent to which the policy commitments apply to the organization's activities and to its business relationships
- f) Describe how the policy commitments are communicated to workers, business partners, and other relevant parties

Disclosure 2.24: Embedding Policy Commitments

The organization shall,

- a) Describe how it embeds each of its policy commitments for responsible business conduct throughout its activities and business relationships, including,
 - i) how it allocates responsibility to implement the commitments across different levels within the organization
 - ii) how it integrates the commitments into organizational strategies, operational policies, and operational procedures
 - iii) how it implements its commitments with and through its business relationships
 - iv) training that the organization provides on implementing the commitments

Disclosures 2.25: Processes to Remediate Negative Impacts

The organization shall,

- a) Describe its commitments to provide for or cooperate in the remediation of negative impacts that the organization identifies it has caused or contributed to
- b) Describe its approach to identify and address grievances, including the grievance mechanisms that the organization has established or participates in
- c) Describe other processes by which the organization provides for or cooperates in the remediation of negative impacts that it identifies it has caused or contributed to
- d) Describe how the stakeholders who are the intended users of the grievance mechanisms are involved in the design, review, operation, and improvement of these mechanisms

- e) Describe how the organization tracks the effectiveness of the grievance mechanisms and other remediation processes, and report examples of their effectiveness, including stakeholder feedback

Disclosure 2.26: Mechanisms for Seeking Advice and Raising Concerns

The organization shall,

- a) Describe the mechanisms for individuals to,
 - i) seek advice on implementing the organization's policies and practices for responsible business conduct
 - ii) raise concerns about the organization's business conduct

Disclosure 2.27: Compliance with Laws and Regulations

The organization shall,

- a) Report the total number of significant instances of non-compliance with laws and regulations during the reporting period, and a breakdown of this total by
 - i) instances for which fines were incurred
 - ii) instances for which non-monetary sanctions were incurred
- b) Report the total number and the monetary value of fines for instances of non-compliance with laws and regulations that were paid during the reporting period, and a breakdown of this total by
 - i) fines for instances of non-compliance with laws and regulations that occurred in the current reporting period
 - ii) fines for instances of non-compliance with laws and regulations that occurred in previous reporting periods
- c) Describe the significant instances of non-compliance
- d) Describe how it has determined significant instances of non-compliance

Disclosure 2.28: Membership Associations

The organization shall,

- a) Report industry associations, other membership associations, and national or international advocacy organizations in which it participates in a significant role

Section 5: Stakeholder Engagement

Disclosure 2.29: Approach to Stakeholder Engagement

The organization shall,

- a) Describe its approach to engaging with stakeholders, including,
 - i) the categories of stakeholders it engages with, and how they are identified
 - ii) the purpose of the stakeholder engagement
 - iii) how the organization seeks to ensure meaningful engagement with stakeholders

Disclosure 2.30: Collective Bargaining Agreements

The organization shall,

- a) Report the percentage of total employees covered by collective bargaining agreements
- b) For employees not covered by collective bargaining agreements, report whether the organization determines their working conditions and terms of employment based on collective bargaining agreements that cover its other employees or based on collective bargaining agreements from other organizations

Section 1: Guidance to Determine Material Topics

Step 1: Understanding the Organization's Context

During this stage, the organization develops a preliminary high-level summary of its **Activities** and **Business Relationships**, outlines the relevant **Sustainability Context**, and provides an overview of its **Stakeholders**.

Activities:

The organization should consider the following in relation to its activities.

1. The organization's purpose
2. The types of activities it carries out
3. The type of product and service it offers and market it serves
4. The sector in which the organization is active and their characteristics
5. The number of employees including full-time, part-time, non-guaranteed hours, permanent or temporary and their demographic characteristics
6. The number of workers who are not employees and whose work is controlled by the organization, including the types of worker

Business Relationships:

Business relationships include relationships with business partners, entities in its value chain, and any other entities linked to its operations, product or services. It should consider the following,

1. The types of business relationships it has
2. The types of activities undertaken
3. The nature of business relationships
4. The geographic locations where activities of business relationship takes place

Sustainability Context:

The organization should consider the following to understand the sustainability context of its activities,

1. Economic, environmental, human rights, and other societal challenges at local, regional, and global levels related to the organization's sectors and the geographic location of its activities and business relationships

2. The organization's responsibility regarding the authoritative intergovernmental instruments with which it is expected to comply
3. The organization's responsibility regarding the laws and regulations with which it is expected to comply

Stakeholders:

1. The organization should identify who its stakeholders are across its activities and business relationships and engage with them to help identify its impacts.
2. The organization should identify all stakeholders, including people or groups it does not directly interact with, such as supply chain workers, distant communities, or future generations whose interests may be affected by its activities.

Step 2: Identify Actual and Potential Impacts

In this step, the organization systematically identifies both its **actual** and **potential** impacts on the economy, the environment, and people, including considerations related to human rights. **Actual impacts** refer to effects that have already taken place as a result of the organization's activities. In contrast, **potential impacts** are those that could occur in the future but have not yet materialized.

When resources for identifying impacts are limited, the organization should prioritize the identification of negative impacts before positive ones. This approach helps ensure compliance with all relevant laws, regulations, and authoritative intergovernmental instruments.

Step 3: Assess significance of the impacts

In this step, the organization assesses the **significance of the impacts** it has identified. This assessment is essential for determining which impacts should be prioritized. The process of prioritization allows the organization to focus its efforts on addressing the most significant impacts first, particularly in situations where it is not practical to address all impacts simultaneously. Additionally, the outcome of this prioritization process helps the organization determine the material topics that will be included in its reporting.

The significance of an impact is not uniform across all organizations; rather, it is influenced by factors such as the sectors in which the organization operates and its specific business relationships. Therefore, the organization must carefully assess the **significance of both negative and positive impacts**, taking into account its unique context and circumstances.

Step 4: Prioritizing the most significant impact for reporting

To determine the material topics that will be included in its reporting, the organization must prioritize its identified impacts according to their significance. This process involves arranging all recognized impacts in order, from the most to the least significant. The organization then

establishes a clear threshold or cut-off point, which serves to identify which impacts will be the focus of its reporting efforts.

The sole criterion for determining whether a topic is considered material for reporting is the significance of the impact. In some instances, certain topics may encompass both negative and positive impacts; however, these cannot always be directly compared.

Moreover, it is important to note that negative impacts should not be considered offset by positive impacts. Therefore, the organization is expected to prioritize negative impacts separately from positive ones, ensuring that each is evaluated and reported on according to its own significance.

Section 2: Disclosures on Material Topics

Disclosure 3.1: Process to Determine Material Topics

The organization shall,

- a) Describe the process it has followed to determine its material topics, including,
 - i) how it has identified actual and potential, negative and positive impacts on the economy, environment, and people, including impacts on their human rights, across its activities and business relationships,
 - ii) how it has prioritized the impacts for reporting based on their significance
- b) Specify the stakeholders and experts whose views have informed the process of determining its material topics

Disclosure 3.2: List of Material Topics

The organization shall,

- a) List its material topics
- b) Report changes to the list of material topics compared to the previous reporting period

Disclosure 3.3: Management of Material Topics

The organization shall,

- a) Describe the actual and potential, negative and positive impacts on the economy, environment, and people, including impacts on their human rights
- b) Report whether the organization is involved with the negative impacts through its activities or as a result of its business relationships, and describe the activities or business relationships
- c) Describe its policies or commitments regarding the material topic
- d) Describe actions taken to manage the topic and related impacts, including,
 - i) actions to prevent or mitigate potential negative impacts

- ii) actions to address actual negative impacts, including actions to provide for or cooperate in their remediation
 - iii) actions to manage actual and potential positive impacts
- e) Report the following information about tracking the effectiveness of the actions taken,
 - i) processes used to track the effectiveness of the actions
 - ii) goals, targets, and indicators used to evaluate progress
 - iii) the effectiveness of the actions, including progress toward the goals and targets
 - iv) lessons learned and how these have been incorporated into the organization's operational policies and procedures
- f) Describe how engagement with stakeholders has informed the actions taken (3-3-d) and how it has informed whether the actions have been effective (3-3-e)