



STANDARDS



CONSOLIDATED SET OF GRI SUSTAINABILITY REPORTING STANDARDS 2020

Introduction

This document contains the complete set of GRI Sustainability Reporting Standards (GRI Standards) and the GRI Standards Glossary. It includes the most recent versions of the Standards available as of 19 May 2020. The full contents of each Standard have been incorporated, including the original formatting and page numbering.

Users can navigate to specific Standards using the table of contents on the next page or the bookmarks available in most browsers and in Adobe Acrobat Reader.

Note that this document includes internal links and 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.

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Universal Standards

	Effective date
GRI 101: Foundation 2016	1 July 2018
GRI 102: General Disclosures 2016	1 July 2018
GRI 103: Management Approach 2016	1 July 2018

Topic-specific Standards

GRI 200: Economic

GRI 201: Economic Performance 2016	1 July 2018
GRI 202: Market Presence 2016	1 July 2018
GRI 203: Indirect Economic Impacts 2016	1 July 2018
GRI 204: Procurement Practices 2016	1 July 2018
GRI 205: Anti-corruption 2016	1 July 2018
GRI 206: Anti-competitive Behavior 2016	1 July 2018
GRI 207: Tax 2019	1 January 2021

GRI 300: Environmental

GRI 301: Materials 2016	1 July 2018
GRI 302: Energy 2016	1 July 2018
GRI 303: Water and Effluents 2018	1 January 2021
GRI 304: Biodiversity 2016	1 July 2018
GRI 305: Emissions 2016	1 July 2018
GRI 306: Waste 2020	1 January 2022
GRI 307: Environmental Compliance 2016	1 July 2018
GRI 308: Supplier Environmental Assessment 2016	1 July 2018

GRI 400: Social

GRI 401: Employment 2016	1 July 2018
GRI 402: Labor/Management Relations 2016	1 July 2018
GRI 403: Occupational Health and Safety 2018	1 January 2021
GRI 404: Training and Education 2016	1 July 2018
GRI 405: Diversity and Equal Opportunity 2016	1 July 2018
GRI 406: Non-discrimination 2016	1 July 2018
GRI 407: Freedom of Association and Collective Bargaining 2016	1 July 2018
GRI 408: Child Labor 2016	1 July 2018
GRI 409: Forced or Compulsory Labor 2016	1 July 2018
GRI 410: Security Practices 2016	1 July 2018
GRI 411: Rights of Indigenous Peoples 2016	1 July 2018
GRI 412: Human Rights Assessment 2016	1 July 2018
GRI 413: Local Communities 2016	1 July 2018
GRI 414: Supplier Social Assessment 2016	1 July 2018
GRI 415: Public Policy 2016	1 July 2018
GRI 416: Customer Health and Safety 2016	1 July 2018
GRI 417: Marketing and Labeling 2016	1 July 2018
GRI 418: Customer Privacy 2016	1 July 2018
GRI 419: Socioeconomic Compliance 2016	1 July 2018

GRI Standards Glossary

Note: GRI 303: Water 2016, GRI 306: Effluents and Waste 2016, and GRI 403: Occupational Health and Safety 2016 are not included in this document, since they have been updated and will be replaced by GRI 303: Water and Effluents 2018, GRI 306: Waste 2020, and GRI 403: Occupational Health and Safety 2018, respectively. GRI 303: Water and Effluents 2018 and GRI 403: Occupational Health and Safety 2018, included in this document, will be effective for reports or other materials published on or after 1 January 2021. GRI 303: Water 2016, and GRI 403: Occupational Health and Safety 2016 can continue to be used for reports or other materials published on or before 31 December 2020. Earlier adoption is encouraged. GRI 306: Waste 2020 will be effective for reports or other materials published on or after 1 January 2022. GRI 306: Effluents and Waste 2016, can continue to be used for reports or other materials published on or before 31 December 2021. Earlier adoption is encouraged.

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	<p><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:</p> <ul style="list-style-type: none">• 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). <p><i>GRI 101</i> can be used by an organization of any size, type, sector, or geographic location.</p>
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.

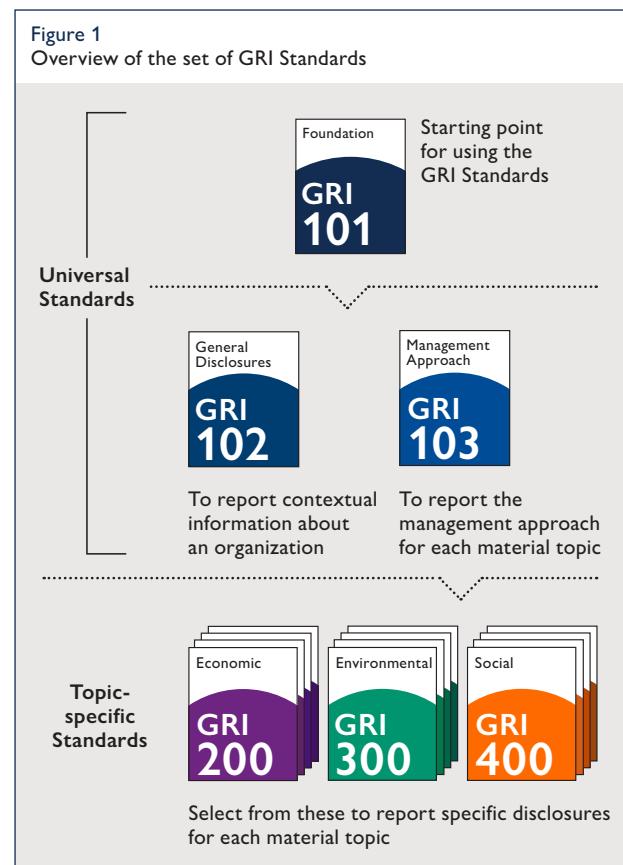
The information made available through sustainability reporting allows internal and external stakeholders to form opinions and to make informed decisions about an organization’s contribution to the goal of sustainable development.

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.



¹ World Commission on Environment and Development. ‘Our Common Future’. Oxford: Oxford University Press, 1987, p. 43

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	<p>The 100 series includes three universal Standards:</p> <p>GRI 101: Foundation is the starting point for using the set of GRI Standards. <i>GRI 101</i> sets out the <u>Reporting Principles</u> 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.</p> <p>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.</p> <p>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.</p> <p>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.</p>
Topic-specific Standards 200 series (Economic topics) 300 series (Environmental topics) 400 series (Social topics)	<p>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).</p> <p>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.</p> <p>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.</p>

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.

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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

Number and title of disclosure

Reporting requirements

- The disclosure itself has the required information to report
- Some disclosures have additional requirements on how to compile this information

Reporting recommendations

Actions that are encouraged, but not required

Guidance

Typically includes background information, explanations and examples

Disclosure 302-4
Reduction of energy consumption

Reporting requirements

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.

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
<ul style="list-style-type: none">• Stakeholder Inclusiveness• Sustainability Context• Materiality• Completeness	<ul style="list-style-type: none">• 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:

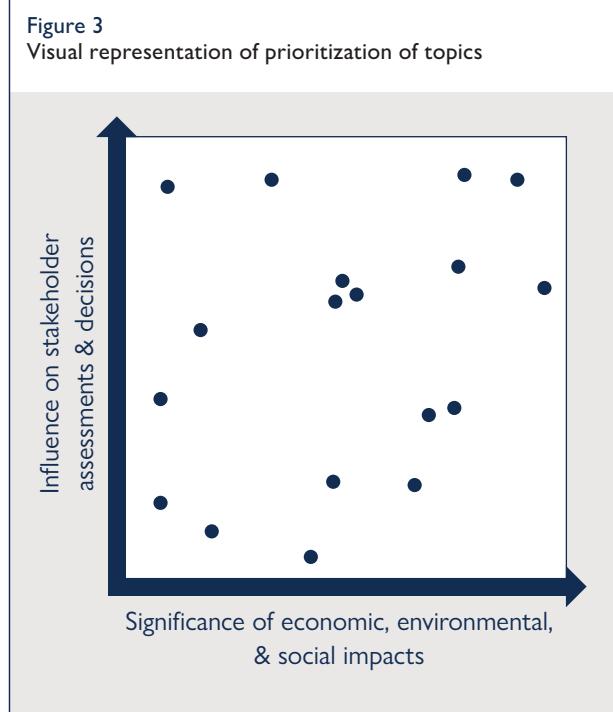
- Reasonably estimable economic, environmental, and/or social impacts (such as climate change, HIV-AIDS, or poverty) identified through sound investigation by people with recognized expertise, or by expert bodies with recognized credentials;
- The interests and expectations of stakeholders specifically 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: ‘This report has been prepared in accordance with the GRI Standards: Core option’	Include the following statement: ‘This report has been prepared in accordance with the GRI Standards: Comprehensive option’
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: <ul style="list-style-type: none"> • 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 <p>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</p>
Use GRI 103: Management Approach to report the management approach and the topic Boundary for all material topics⁵	For each material topic, comply with all reporting requirements from GRI 103: Management Approach <p>Reasons for omission are only permitted for Disclosures 103-2 and 103-3 (see clause 3.2)</p>	[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: <ul style="list-style-type: none"> • 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) <p>Reasons for omission are permitted for all topic-specific disclosures (see clause 3.2)</p>	For each material topic covered by a topic-specific GRI Standard: <ul style="list-style-type: none"> • 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) <p>Reasons for omission are permitted for all topic-specific disclosures (see clause 3.2)</p>
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	<p>Describe the specific steps being taken to obtain the information and the expected timeframe for doing so.</p> <p>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.</p>

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.

Standard Interpretation

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

This section includes definitions for key terms used in the GRI Standards, which apply when using the Standards. These definitions may contain terms that are further defined in the complete *GRI Standards Glossary*.

All defined terms are underlined. If a term is not defined in this section or in the complete *GRI Standards Glossary*, definitions that are commonly used and understood apply.

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

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).

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.



STANDARDS



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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Standard Interpretations

Standard Interpretation 1 to GRI 101: Foundation 2016 on making a GRI-referenced claim

Responsibility

This Standard Interpretation is issued by the [Global Sustainability Standards Board \(GSSB\)](#). Any feedback on the GRI Standards and related Interpretations can be submitted to standards@globalreporting.org for the consideration of the GSSB.

Relevant section

Clause 3.3.2 in *GRI 101: Foundation 2016*

Issue

Organizations can use selected GRI Standards, or parts of their content, to report specific information; this option is referred to as a 'GRI-referenced' claim. The option requires indicating which specific content from each Standard used has been applied, if the Standard has not been used in full (see [clause 3.3.1.2](#) in *GRI 101: Foundation 2016*), and requires complying with all reporting requirements that correspond to the disclosures reported (see [clause 3.3.2](#) in *GRI 101*).

Feedback from users of the GRI Standards indicated that clause 3.3.2 in *GRI 101* ('The reporting organization shall comply with all reporting requirements that correspond to the disclosures reported') seems to conflict with the statement that the organization can report specific information using parts of the content from the Standards (clause 3.3.1.2).

This Standard Interpretation clarifies the reporting requirements for organizations using selected Standards, or parts of their content, with a GRI-referenced claim.

Interpretation Statement

An organization making a GRI-referenced claim is *not* required to comply with [clause 3.3.2](#) in *GRI 101: Foundation 2016* ('The reporting organization shall comply with all reporting requirements that correspond to the disclosures reported').

An organization making a GRI-referenced claim is required to indicate which specific content from each Standard used has been applied, if the Standard has not been used in full (see [clause 3.3.1.2](#) in *GRI 101*).

For example, an organization reporting on requirements a-d and g (but not e and f) of Disclosure 305-1 is required to indicate this in its GRI-referenced claim; e.g., 'This material references Disclosure 305-1 (a-d, and g) from *GRI 305: Emissions 2016*'.

Where possible, an organization is encouraged to comply with all reporting requirements that correspond to the disclosures reported (see clause 3.3.2 in *GRI 101*).

Effective date

This Standard Interpretation is effective for reports or other materials published on or after 1 July 2018.

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 <p>In the text of this Standard, terms defined in the Glossary are <u>underlined</u>.</p>
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

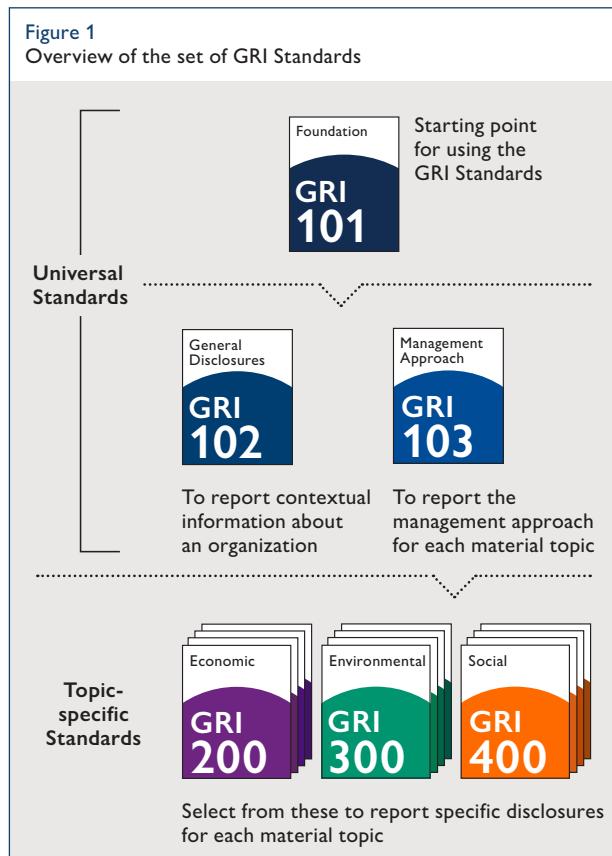
There are two basic approaches for using the GRI Standards. For each way of using the Standards there is a corresponding claim, or statement of use, which an organization is required to include in any published materials.

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.



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.



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.



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.

Core

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.

Core

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.

Core

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.

Core

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.



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.

Core

Disclosure 102-8

Information on employees and other workers

Disclosure
102-8

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.

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](#).

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.

Background

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

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

Core

Disclosure 102-9

Supply chain

Disclosure
102-9

Reporting requirements

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

Disclosure
102-10

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.

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

Disclosure
102-11

Reporting requirements

The reporting organization shall report the following information:

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

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

Disclosure
102-12

Reporting requirements

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

Disclosure
102-13

Reporting requirements

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

Disclosure
102-14

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 102-15

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:

- 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.

Background

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.

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 [Glossary section](#), apply to the disclosures in this section:

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

Core

Disclosure 102-18 Governance structure

Reporting requirements

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
102-18

Disclosure 102-19 Delegating authority

Reporting requirements

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
102-19

Disclosure 102-20

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

Reporting requirements

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
102-20

Disclosure 102-21

Consulting stakeholders on economic, environmental, and social topics

Reporting requirements

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
102-21

Disclosure 102-22

Composition of the highest governance body and its committees

Reporting requirements

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
102-22

Disclosure 102-23

Chair of the highest governance body

Reporting requirements

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
102-23

Disclosure 102-24

Nominating and selecting the highest governance body

Reporting requirements

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
102-24

Disclosure 102-25

Conflicts of interest

Reporting requirements

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.

Disclosure
102-25

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

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
102-26

Disclosure 102-27

Collective knowledge of highest governance body

Reporting requirements

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
102-27

Disclosure 102-28

Evaluating the highest governance body's performance

Reporting requirements

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
102-28

Disclosure 102-29

Identifying and managing economic, environmental, and social impacts

Reporting requirements

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.

Disclosure
102-29

Guidance

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

Disclosure 102-30

Effectiveness of risk management processes

Reporting requirements

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.

Disclosure
102-30

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

Disclosure
102-34

Reporting requirements

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.

Disclosure
102-35

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 102-36

Process for determining remuneration

Reporting requirements

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
102-36

Disclosure 102-37

Stakeholders' involvement in remuneration

Reporting requirements

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
102-37

Disclosure 102-38

Annual total compensation ratio

Reporting requirements

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

Disclosure
102-39

Reporting requirements

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

Core

Disclosure 102-41

Collective bargaining agreements

Disclosure
102-41

Reporting requirements

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

Disclosure
102-42

Reporting requirements

The reporting organization shall report the following information:

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

Reporting recommendations

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

Core

Disclosure 102-43

Approach to stakeholder engagement

Disclosure
102-43

Reporting requirements

The reporting organization shall report the following information:

- 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.

Core

Disclosure 102-44

Key topics and concerns raised

Disclosure
102-44

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.

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.

Core

Disclosure 102-45

Entities included in the consolidated financial statements

Disclosure
102-45

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.

Core

Disclosure 102-46

Defining report content and topic Boundaries

Disclosure
102-46

Reporting requirements

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

Disclosure
102-47

Reporting requirements

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

Disclosure
102-48

Reporting requirements

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

Core

Disclosure 102-49

Changes in reporting

Disclosure
102-49

Reporting requirements

The reporting organization shall report the following information:

- a. Significant changes from previous reporting periods in the list of material topics and topic Boundaries.

Core

Disclosure 102-50

Reporting period

Disclosure
102-50

Reporting requirements

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.

Core

Disclosure 102-51

Date of most recent report

Disclosure
102-51

Reporting requirements

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:
- 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:
- 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:
- The claim made by the organization, if it has prepared a report in accordance with the GRI Standards, either:
 - 'This report has been prepared in accordance with the GRI Standards: Core option'.*
 - '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

Disclosure
102-55

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.

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 context 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

Disclosure
102-56

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.

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.

Glossary

This Glossary includes definitions for terms used in this Standard, which apply when using this Standard. These definitions may contain terms that are further defined in the complete [GRI Standards Glossary](#).

All defined terms are underlined. If a term is not defined in this Glossary or in the complete *GRI Standards Glossary*, definitions that are commonly used and understood apply.

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.

base year

historical datum (such as year) against which a measurement is tracked over time

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 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.

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

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.

employee

individual who is in an employment relationship with the organization, according to national law or its application

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.

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.

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.

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.

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.

product

article or substance that is offered for sale or is part of a service delivered by an organization

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

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

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.

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.

service

action of an organization to meet a demand or need

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).

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.

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.

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.

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.

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.
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4. International Labour Organization (ILO) Convention 154, 'Collective Bargaining Convention', 1981.
5. International Labour Organization (ILO) Declaration, 'Declaration on Fundamental Principles and Rights at Work', 1998.
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13. United Nations (UN) Declaration, 'The Rio Declaration on Environment and Development', 1992.
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15. United Nations (UN), *Protect, Respect and Remedy: a Framework for Business and Human Rights*, 2008.
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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:

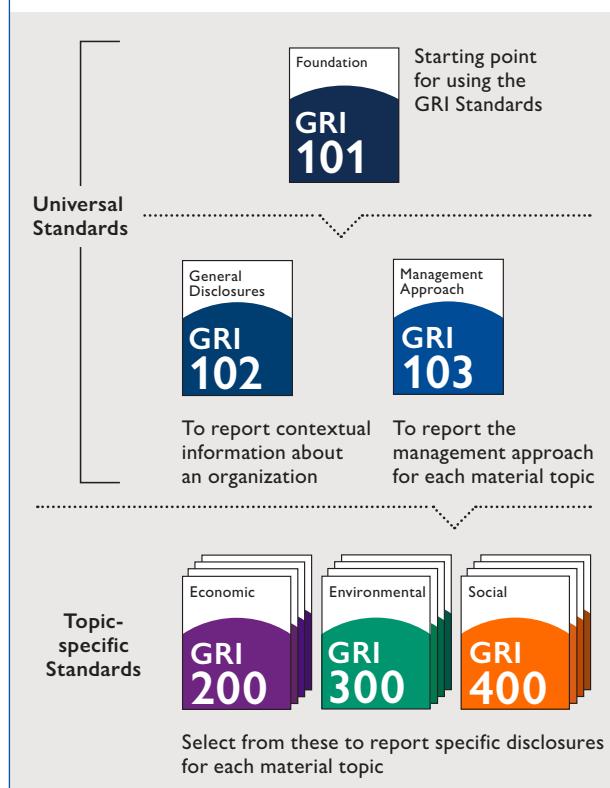
GRI 101: Foundation

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.

Figure 1
Overview of the set of GRI 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.

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.

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

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:
 - i. the mechanisms for evaluating the effectiveness of the management approach;
 - ii. the results of the evaluation of the management approach;
 - iii. any related adjustments to the management approach.

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.

Glossary

This Glossary includes definitions for terms used in this Standard, which apply when using this Standard. These definitions may contain terms that are further defined in the complete [GRI Standards Glossary](#).

All defined terms are underlined. If a term is not defined in this Glossary or in the complete [GRI Standards Glossary](#), definitions that are commonly used and understood apply.

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.

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.

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.

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.

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.

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.



STANDARDS



GSSB



Legal liability

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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:

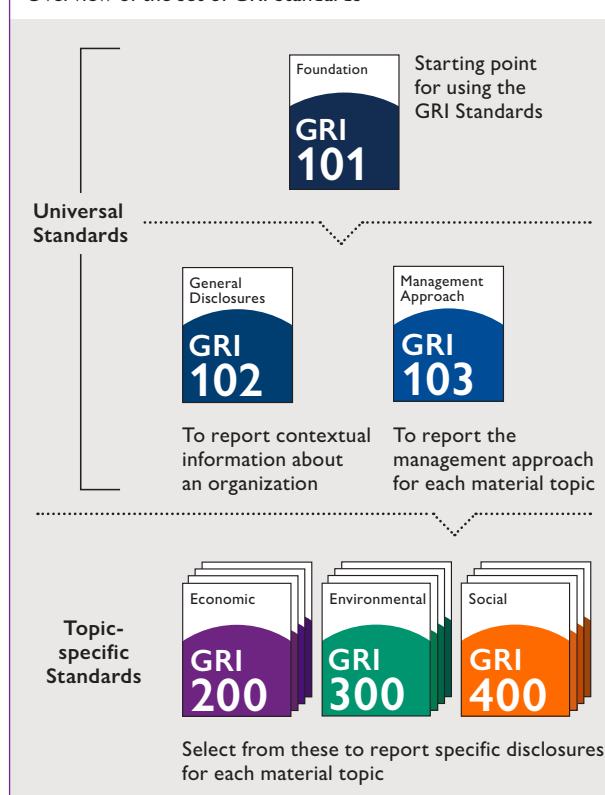
GRI 101: Foundation

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.

Figure 1
Overview of the set of GRI 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.

An organization preparing a report in accordance with the GRI Standards uses this Standard, *GRI 201: Economic Performance*, 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.

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

Disclosure
201-3

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.

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

Disclosure
201-4

Reporting requirements

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](#).

Glossary

This Glossary includes definitions for terms used in this Standard, which apply when using this Standard. These definitions may contain terms that are further defined in the complete [GRI Standards Glossary](#).

All defined terms are underlined. If a term is not defined in this Glossary or in the complete *GRI Standards Glossary*, definitions that are commonly used and understood apply.

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

employee

individual who is in an employment relationship with the organization, according to national law or its application

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.

full coverage

plan assets that meet or exceed plan obligations

greenhouse gas (GHG)

gas that contributes to the greenhouse effect by absorbing infrared radiation

impact

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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.

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.

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:

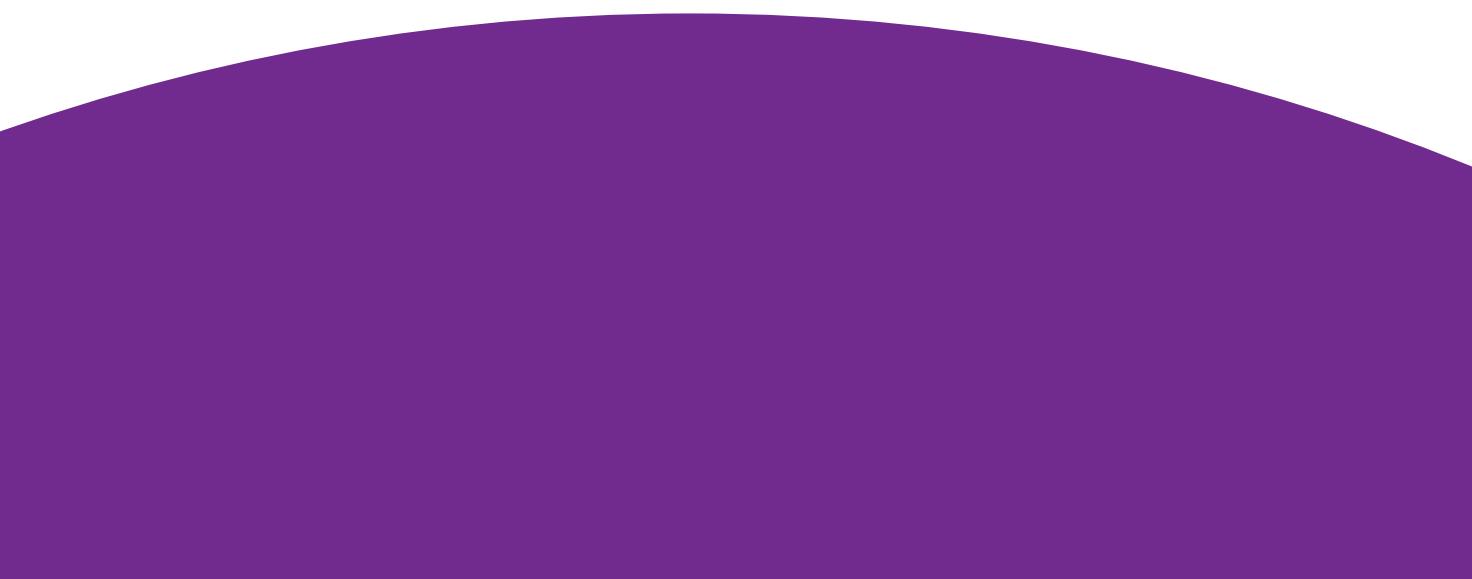
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9. International Accounting Standards Board (IASB), *IFRS 8 Operating Segments*, 2006.



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

B. Using the GRI Standards and making claims

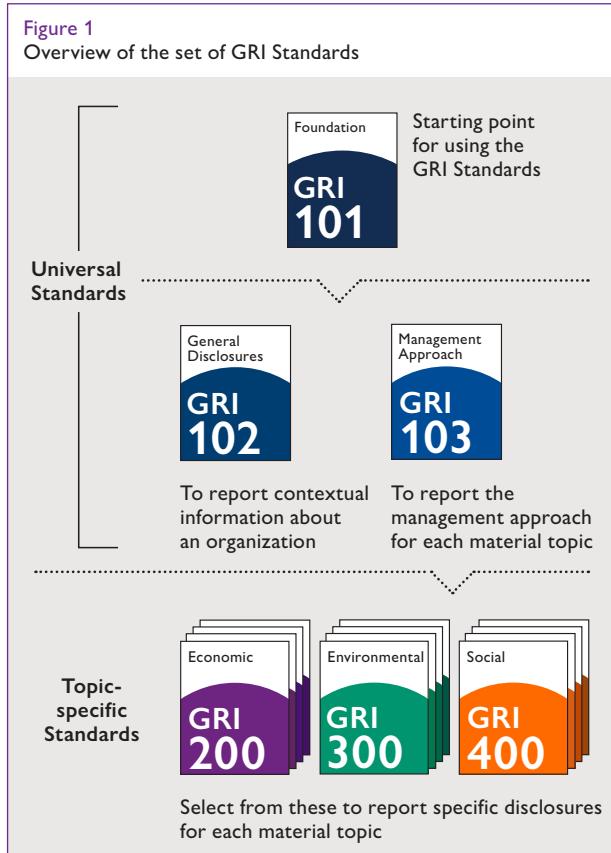
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1. The GRI Standards can be used as a set to prepare a sustainability report that is in accordance with the Standards. There are two options for preparing a report in accordance (Core or Comprehensive), depending on the extent of disclosures included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

An organization preparing a report in accordance with the GRI Standards uses this Standard, *GRI 202: Market Presence*, 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.



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.

Disclosure 202-1

Continued

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

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.

Glossary

This Glossary includes definitions for terms used in this Standard, which apply when using this Standard. These definitions may contain terms that are further defined in the complete [GRI Standards Glossary](#).

All defined terms are underlined. If a term is not defined in this Glossary or in the complete *GRI Standards Glossary*, definitions that are commonly used and understood apply.

employee

individual who is in an employment relationship with the organization, according to national law or its application

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.

entry level wage

full-time wage in the lowest employment category

Note: Intern or apprentice wages are not considered entry level wages.

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.

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.

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.

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.

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.



STANDARDS



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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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STANDARDS



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
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:

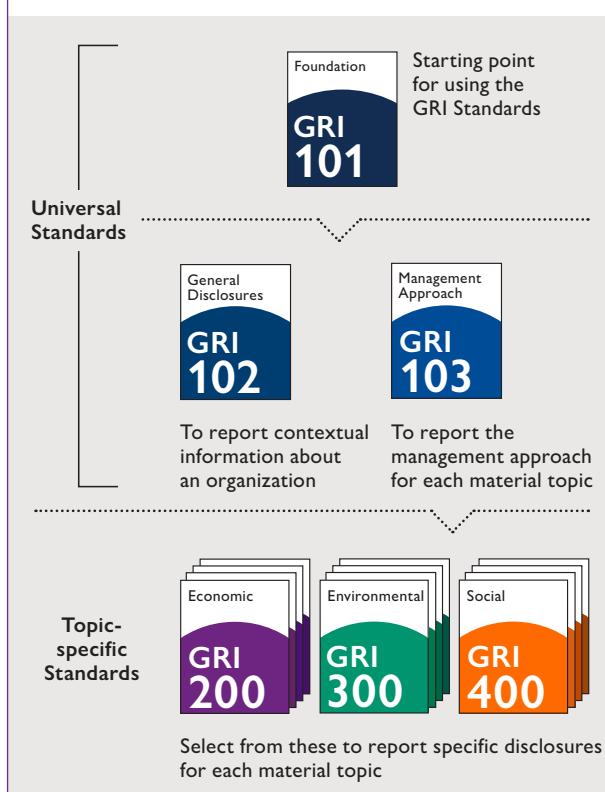
GRI 101: Foundation

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.

Figure 1
Overview of the set of GRI 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.

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.

Disclosure
203-1

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

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).

Glossary

This Glossary includes definitions for terms used in this Standard, which apply when using this Standard. These definitions may contain terms that are further defined in the complete [GRI Standards Glossary](#).

All defined terms are underlined. If a term is not defined in this Glossary or in the complete *GRI Standards Glossary*, definitions that are commonly used and understood apply.

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.

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.

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.

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.

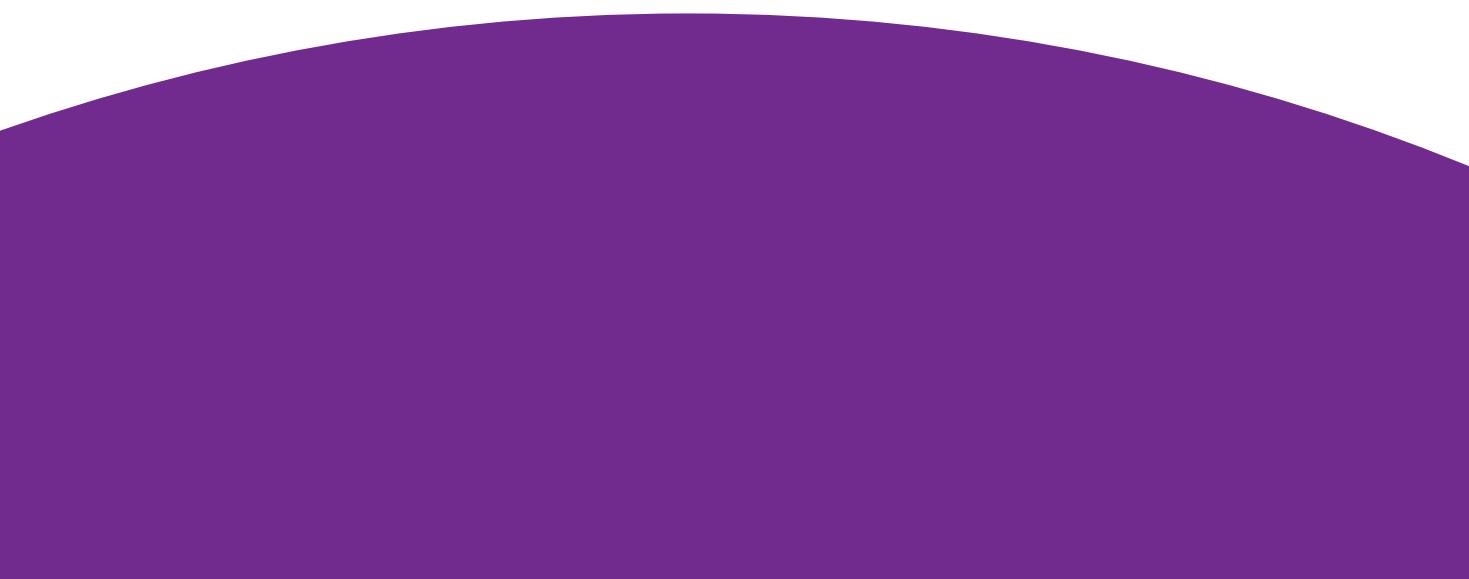
services supported

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.



STANDARDS



Legal liability

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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
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:

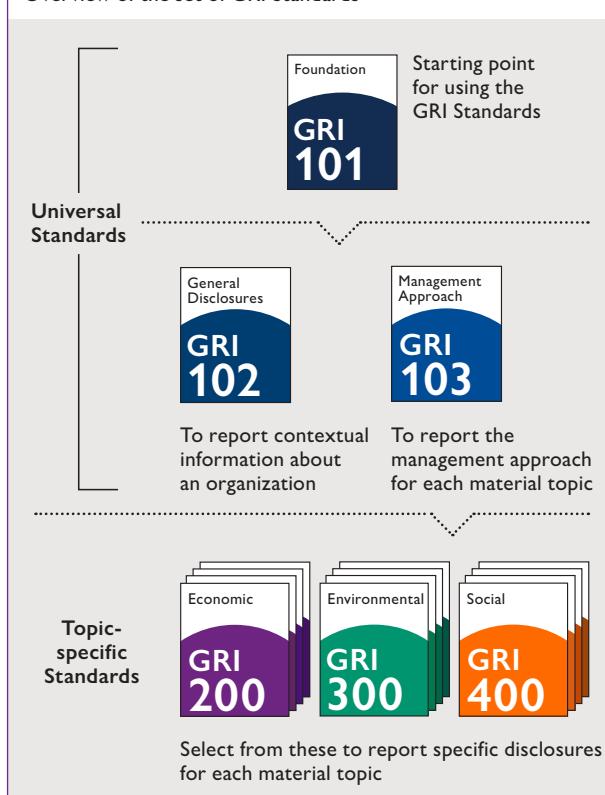
GRI 101: Foundation

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.

Figure 1
Overview of the set of GRI 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 204: Procurement Practices 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 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.

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*.

Management approach disclosures

Continued

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

Disclosure
204-1

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'.

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.

Glossary

This Glossary includes definitions for terms used in this Standard, which apply when using this Standard. These definitions may contain terms that are further defined in the complete [GRI Standards Glossary](#).

All defined terms are underlined. If a term is not defined in this Glossary or in the complete *GRI Standards Glossary*, definitions that are commonly used and understood apply.

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.

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 transnational 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.

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.

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.

supply chain

sequence of activities or parties that provides products or services to an organization



STANDARDS



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GRI 205: ANTI-CORRUPTION

2016

GRI
205

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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 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. <i>GRI 101: Foundation</i> <i>GRI 103: Management Approach</i> <i>GRI Standards Glossary</i>
Effective date	In the text of this Standard, terms defined in the Glossary are <u>underlined</u> .

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:

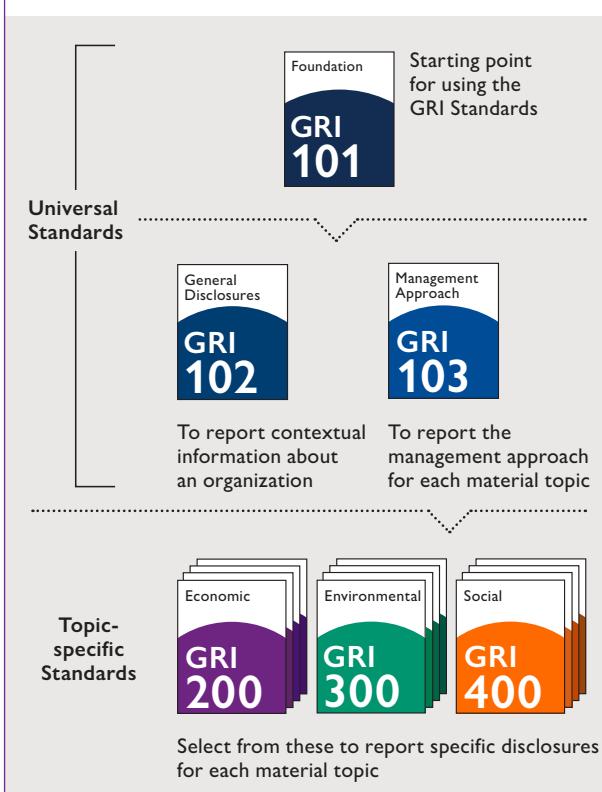
GRI 101: Foundation

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.

Figure 1
Overview of the set of GRI 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.

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*.

Management approach disclosures

Continued

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

Disclosure 205-1

Operations assessed for risks related to corruption

Reporting requirements

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.

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.

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.

Glossary

This Glossary includes definitions for terms used in this Standard, which apply when using this Standard. These definitions may contain terms that are further defined in the complete *GRI Standards Glossary*.

All defined terms are underlined. If a term is not defined in this Glossary or in the complete *GRI Standards Glossary*, definitions that are commonly used and understood apply.

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.

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

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.

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.

¹ Transparency International

² These definitions are based on Transparency International, 'Business Principles for Countering Bribery', 2011.

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.

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.

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.

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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GRI 206: ANTI-COMPETITIVE BEHAVIOR

2016

GRI
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2. Topic-specific disclosures	6
Disclosure 206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	6
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References	8

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 Behavior</i> sets out reporting requirements on the topic of anti-competitive behavior. 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. <i>GRI 101: Foundation</i> <i>GRI 103: Management Approach</i> <i>GRI Standards Glossary</i>
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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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 206: Anti-competitive Behavior is a topic-specific GRI Standard in the 200 series (Economic topics).

B. Using the GRI Standards and making claims

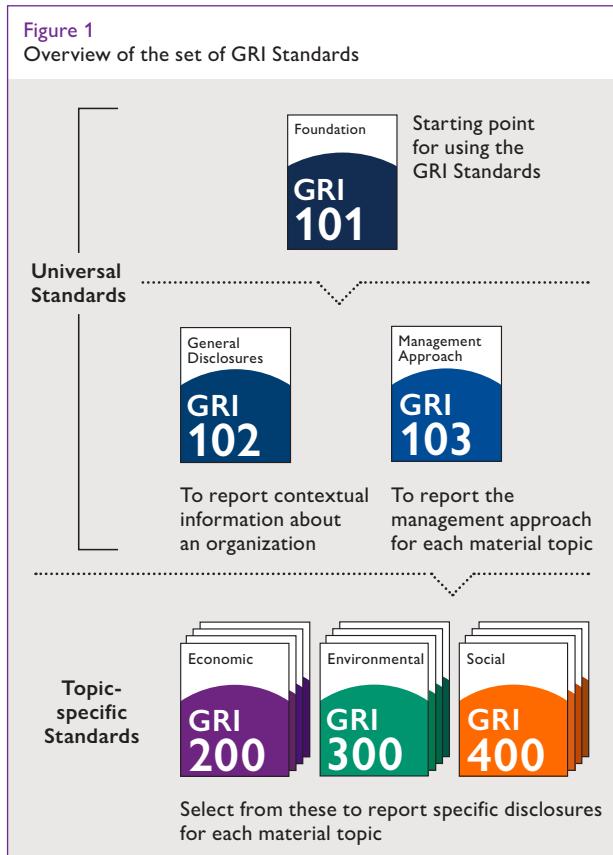
There are two basic approaches for using the GRI Standards. For each way of using the Standards there is a corresponding claim, or statement of use, which an organization is required to include in any published materials.

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 206: Anti-competitive Behavior*, 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.



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

Disclosure
206-1

Reporting requirements

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.

Glossary

This Glossary includes definitions for terms used in this Standard, which apply when using this Standard. These definitions may contain terms that are further defined in the complete [GRI Standards Glossary](#).

All defined terms are underlined. If a term is not defined in this Glossary or in the complete *GRI Standards Glossary*, definitions that are commonly used and understood apply.

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.

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.

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.

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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GRI 207: TAX

2019

**GRI
207**

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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 207: Tax</i> sets out reporting requirements on the topic of tax. 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: <i>GRI 101: Foundation</i> <i>GRI 103: Management Approach</i> <i>GRI Standards Glossary</i> 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 January 2021. 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). The 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:

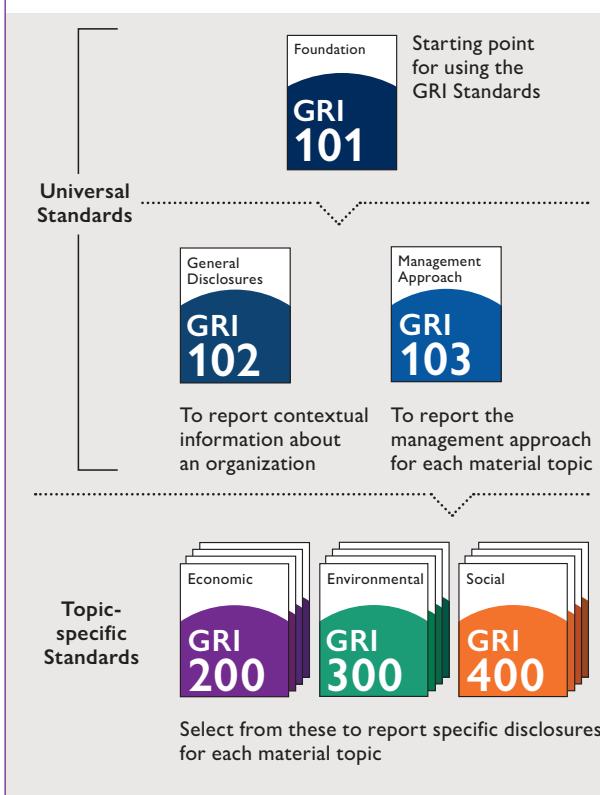
GRI 101: Foundation

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.**

Figure 1
Overview of the set of GRI Standards



An organization then selects from the set of topic-specific GRI Standards for reporting on its material topics.

See the *Reporting Principles for defining report content in GRI 101: Foundation* for more information on how to identify material topics.

The topic-specific GRI Standards are organized into three series: 200 (Economic topics), 300 (Environmental topics), and 400 (Social topics).

Each topic-specific 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 207: Tax* 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 207: Tax*, 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.

Reasons for omission as set out in *GRI 101: Foundation* are applicable to this Standard. See [clause 3.2 in GRI 101](#) for requirements on reasons for omission.

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, the 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 207 addresses the topic of tax.

Taxes are important sources of government revenue and are central to the fiscal policy and macroeconomic stability of countries.

They are acknowledged by the United Nations to play a vital role in achieving the Sustainable Development Goals.¹ They are also a key mechanism by which organizations contribute to the economies of the countries in which they operate.

Taxes paid by an organization reflect that profitability depends on many factors external to the organization,

including access to workers, markets, public infrastructure and services, natural resources, and a public administration.

Organizations have an obligation to comply with tax legislation, and a responsibility to their stakeholders to meet expectations of good tax practices. If organizations seek to minimize their tax obligation in a jurisdiction, they might deprive the government of revenue. This could lead to reduced investment in public infrastructure and services, increase in government debt, or shifting of the tax obligation onto other tax payers.

Perceptions of tax avoidance by an organization could also undermine tax compliance more broadly, by driving other organizations to engage in aggressive tax planning based on the view that they might otherwise be at a competitive disadvantage. This can lead to increasing costs associated with tax regulation and enforcement.

Public reporting on tax increases transparency and promotes trust and credibility in the tax practices of organizations and in the tax systems. It enables stakeholders to make informed judgments about an organization's tax positions. Tax transparency also informs public debate and supports the development of socially desirable tax policy.

The disclosures in this Standard are designed to help an organization understand and communicate its management approach in relation to tax, and to report its revenue, tax, and business activities on a country-by-country basis.

Country-by-country reporting

Country-by-country reporting involves the reporting of financial, economic, and tax-related information for each jurisdiction in which an organization operates. This indicates the organization's scale of activity and the contribution it makes through tax in these jurisdictions.

In combination with the management approach disclosures, country-by-country reporting gives insight into the organization's tax practices in different jurisdictions. It can also signal to stakeholders any potential reputational and financial risks in the organization's tax practices.

¹ United Nations (UN) Resolution, *Transforming our world: the 2030 Agenda for Sustainable Development*, 2015. (See in particular Target 17.1: 'Strengthen domestic resource mobilization, including through international support to developing countries, to improve domestic capacity for tax and other revenue collection,' under Goal 17: 'Strengthen the means of implementation and revitalise the global partnership for sustainable development'.)

GRI 207: Tax

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

- Management approach disclosures
 - Disclosure 207-1 Approach to tax
 - Disclosure 207-2 Tax governance, control, and risk management
 - Disclosure 207-3 Stakeholder engagement and management of concerns related to tax
- Topic-specific disclosures
 - Disclosure 207-4 Country-by-country reporting

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.

An organization that has identified tax as a material topic is required to report its management approach for this topic using both the disclosures in *GRI 103: Management Approach* and the management approach disclosures in this section.

The disclosures in this section focus on how an organization manages tax. This section is therefore designed to supplement – and not to replace – the content in *GRI 103*.

Reporting requirements

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

Disclosure 207-1

Approach to tax

Reporting requirements

The reporting organization shall report the following information:

- a. A description of the approach to tax, including:
 - i. whether the organization has a tax strategy and, if so, a link to this strategy if publicly available;
 - ii. the governance body or executive-level position within the organization that formally reviews and approves the tax strategy, and the frequency of this review;
 - iii. the approach to regulatory compliance;
 - iv. how the approach to tax is linked to the business and sustainable development strategies of the organization.

Guidance

Background

An organization's approach to tax defines how the organization balances tax compliance with business activities and ethical, societal, and sustainable development-related expectations. It can include the organization's tax principles, its attitude to tax planning, the degree of risk the organization is willing to accept, and the organization's approach to engaging with tax authorities.

An organization's approach to tax is often described in a tax strategy, but it could also be described in equivalent documents, such as policies, standards, principles, or codes of conduct.

Guidance for Disclosure 207-1-a

The reporting organization can illustrate its approach to tax by providing examples drawn from its tax practices. For example, the organization can provide an overview of its use of tax havens, the types of tax incentive it uses, or its approach to transfer pricing. These examples help demonstrate the organization's risk appetite and the tax practices deemed acceptable and unacceptable by the organization and its highest governance body.

Guidance for Disclosure 207-1-a-i

If the organization has a tax strategy but the strategy is not publicly available, the organization can provide an abstract or summary of the strategy.

If the organization has a tax strategy that applies to a smaller number of entities or tax jurisdictions than reported in Disclosure 207-4, the organization may report this strategy and list the entities or tax jurisdictions to which the strategy applies.

In addition to the overall strategy, if the organization has tax strategies that apply to individual entities or tax jurisdictions, the organization can explain any relevant differences between these strategies.

Guidance for Disclosure 207-1-a-iii

When describing its approach to regulatory compliance, the organization can describe any statements in its tax strategy or equivalent documents regarding its intention with respect to the tax laws in the jurisdictions in which it operates. For example, the organization can describe whether it seeks to comply with the letter and the spirit of the law. That is, whether the organization takes reasonable steps to determine and follow the intention of the legislature.²

Guidance for Disclosure 207-1-a-iv

When describing how its approach to tax is linked to its business strategy, the organization can explain how its tax planning is aligned with its commercial activities. The description can include any relevant statements from its tax strategy or equivalent documents.

When describing how its approach to tax is linked to its sustainable development strategy, the organization can explain the following:

- Whether it considered the economic and social impacts of its approach to tax when developing its tax strategy.
- Any organizational commitments to sustainable development in the jurisdictions in which it operates and whether its approach to tax is aligned with these commitments.

² Organisation for Economic Co-operation and Development (OECD), 'Taxation', *OECD Guidelines for Multinational Enterprises*, pp. 60-63, 2011.

Disclosure 207-2

Tax governance, control, and risk management

Disclosure
207-2

Reporting requirements

The reporting organization shall report the following information:

- a. A description of the tax governance and control framework, including:
 - i. the governance body or executive-level position within the organization accountable for compliance with the tax strategy;
 - ii. how the approach to tax is embedded within the organization;
 - iii. the approach to tax risks, including how risks are identified, managed, and monitored;
 - iv. how compliance with the tax governance and control framework is evaluated.
- b. A description of the mechanisms for reporting concerns about unethical or unlawful behavior and the organization's integrity in relation to tax.
- c. A description of the assurance process for disclosures on tax and, if applicable, a reference to the assurance report, statement, or opinion.

Guidance

Background

Having robust governance, control, and risk management systems in place for tax can be an indication that the reported approach to tax and tax strategy are well embedded in an organization and that the organization is effectively monitoring its compliance obligations. Reporting this information reassures stakeholders that the organization's practices reflect the statements it has made about its approach to tax in its tax strategy or equivalent documents.

Guidance for Disclosure 207-2-a

When describing the tax governance and control framework, the reporting organization can provide examples of effective implementation of its tax governance, control, and risk management systems.

Guidance for Disclosure 207-2-a-i

If the highest governance body in an organization is accountable for compliance with the tax strategy, the organization can specify the degree to which the highest governance body has oversight of compliance. The organization can also specify any accountability for compliance delegated to executive-level positions within the organization.

Guidance for Disclosure 207-2-a-ii

When reporting how the approach to tax is embedded within the organization, the organization can describe processes, projects, programs, and initiatives that support adherence to the approach to tax and tax strategy.

Examples of such initiatives can include:

- training and guidance provided to relevant employees on the link between tax strategy, business strategy, and sustainable development;
- remuneration or incentive schemes for the person(s) responsible for implementing the tax strategy;
- succession-planning for positions within the organization that are responsible for tax;
- participation in tax transparency initiatives or representative associations that seek to develop best practice around disclosures on tax or educate stakeholders on tax-related issues.

Guidance for Disclosure 207-2-a-iii

Tax risks are risks associated with the organization's tax practices that might lead to a negative effect on the goals of the organization, or to financial or reputational damage. These include compliance risks or risks such as those related to uncertain tax positions, changes in legislation, or a perception of aggressive tax practices.

When reporting on the approach to tax risks, the organization can describe its risk appetite and tolerance and provide examples of tax practices it has avoided because they are misaligned with its approach to tax and tax strategy. Risk appetite and tolerance indicate the degree of risk the organization is willing to accept in determining its tax positions.

Disclosure 207-2

Continued

When reporting how tax risks are identified, managed, and monitored, the organization can:

- describe the role of the highest governance body in the tax risk management process;
- describe how the tax risk management process is communicated and embedded across the organization;
- refer to any internal control frameworks or generally accepted risk management principles that are applied to tax.

Guidance for Disclosure 207-2-a-iv

When reporting how compliance with the tax governance and control framework is evaluated, the organization can describe the process through which the tax governance and control framework is monitored, tested, and maintained. An example of this is giving an internal auditor accountability for undertaking annual reviews of the tax department's compliance with the tax governance and control framework.

The organization can also specify the degree to which the highest governance body has oversight of the design, implementation, and effectiveness of the tax governance and control framework.

Guidance for Disclosure 207-2-b

One example of a mechanism for stakeholders to report concerns about unethical or unlawful behavior, or about activities that compromise the organization's integrity in relation to tax, is whistleblowing.

Disclosure 207-2-b is related to [Disclosure 102-17](#) in *GRI 102: General Disclosures 2016*. If the information reported by the organization in Disclosure 102-17 covers mechanisms used for reporting concerns about unethical or unlawful behavior and the organization's integrity in relation to tax, the organization can provide a reference to this information.

Guidance for Disclosure 207-2-c

Disclosure 207-2-c is related to [Disclosure 102-56](#) in *GRI 102: General Disclosures 2016*. If the assurance process for disclosures on tax has been completed as part of another assurance process, the organization can provide a reference to this information reported in Disclosure 102-56 or elsewhere.

Disclosure 207-3

Stakeholder engagement and management of concerns related to tax

Disclosure
207-3

Reporting requirements

The reporting organization shall report the following information:

- a. A description of the approach to stakeholder engagement and management of stakeholder concerns related to tax, including:

- i. the approach to engagement with tax authorities;
- ii. the approach to public policy advocacy on tax;
- iii. the processes for collecting and considering the views and concerns of stakeholders, including external stakeholders.

Guidance

Background

Organizations' tax practices are of interest to various stakeholders. The approach an organization takes to engaging with stakeholders has the potential to influence its reputation and position of trust. This includes how the organization engages with tax authorities in the development of tax systems, legislation, and administration.

Stakeholder engagement can enable the organization to understand evolving expectations related to tax. It can give the organization insight into potential future regulatory changes and enable the organization to better manage its risks and impacts.

Guidance for Disclosure 207-3-a-i

The approach to engagement with tax authorities can include participating in cooperative compliance agreements, seeking active real-time audit, seeking clearance for all significant transactions, engaging on tax risks, and seeking advance pricing agreements.

Guidance for Disclosure 207-3-a-ii

When reporting the approach to public policy advocacy on tax, the reporting organization can describe:

- its lobbying activities related to tax;
- its stance on significant issues related to tax that it addresses in its public policy advocacy, and any differences between its advocacy positions and its stated policies, goals, or other public positions;

- whether it is a member of, or contributes to, any representative associations or committees that participate in public policy advocacy on tax, including:
 - the nature of this contribution;
 - any differences between the organization's stated policies, goals, or other public positions on significant issues related to tax, and the positions of the representative associations or committees.

Disclosure 207-3-a-ii is related to the reporting requirements in *GRI 415: Public Policy 2016*. If the organization has identified public policy as a material topic and has reported information in *GRI 415* that covers the organization's public policy advocacy on tax, the organization can provide a reference to this information.

Guidance for Disclosure 207-3-a-iii

When reporting the processes for collecting and considering the views and concerns of stakeholders, the organization can describe how the processes enable stakeholders to participate in this engagement. The organization can also provide examples of how stakeholder feedback has influenced the approach to tax, the tax strategy, or the tax practices of the organization.

2. Topic-specific disclosures

Disclosure 207-4 Country-by-country reporting

Reporting requirements

The reporting organization shall report the following information:

- a. All tax jurisdictions where the entities included in the organization's audited consolidated financial statements, or in the financial information filed on public record, are resident for tax purposes.
- b. For each tax jurisdiction reported in Disclosure 207-4-a:
 - i. Names of the resident entities;
 - ii. Primary activities of the organization;
 - iii. Number of employees, and the basis of calculation of this number;
 - iv. Revenues from third-party sales;
 - v. Revenues from intra-group transactions with other tax jurisdictions;
 - vi. Profit/loss before tax;
 - vii. Tangible assets other than cash and cash equivalents;
 - viii. Corporate income tax paid on a cash basis;
 - ix. Corporate income tax accrued on profit/loss;
 - x. Reasons for the difference between corporate income tax accrued on profit/loss and the tax due if the statutory tax rate is applied to profit/loss before tax.
- c. The time period covered by the information reported in Disclosure 207-4.

Disclosure
207-4

- 2.1 When compiling the information specified in Disclosure 207-4, the reporting organization shall report information for the time period covered by the most recent audited consolidated financial statements or financial information filed on public record. If information is not available for this time period, the organization may report information for the time period covered by the audited consolidated financial statements, or the financial information filed on public record, immediately preceding the most recent ones.
- 2.2 When compiling the information specified in Disclosure 207-4-b, the reporting organization shall:
 - 2.2.1 reconcile the data reported for Disclosures 207-4-b-iv, vi, vii, and viii with the data stated in its audited consolidated financial statements, or the financial information filed on public record, for the time period reported in Disclosure 207-4-c. Where the data reported does not reconcile with the audited consolidated financial statements, or the financial information filed on public record, the organization shall provide an explanation for this difference;
 - 2.2.2 for Disclosure 207-4-b-ix, include corporate income tax accrued in the time period reported in Disclosure 207-4-c and exclude deferred corporate income tax and provisions for uncertain tax positions;
 - 2.2.3 in cases where an entity is deemed not to be resident in any tax jurisdiction, provide the information for this stateless entity separately.

Disclosure 207-4

Continued

Reporting recommendations

2.3 The reporting organization should report the following additional information for each tax jurisdiction reported in Disclosure 207-4-a:

- 2.3.1 Total employee remuneration;
- 2.3.2 Taxes withheld and paid on behalf of employees;
- 2.3.3 Taxes collected from customers on behalf of a tax authority;
- 2.3.4 Industry-related and other taxes or payments to governments;
- 2.3.5 Significant uncertain tax positions;
- 2.3.6 Balance of intra-company debt held by entities in the tax jurisdiction, and the basis of calculation of the interest rate paid on the debt.

Guidance

Background

Country-by-country reporting is the reporting of financial, economic, and tax-related information for each jurisdiction in which the organization operates.

Guidance for Disclosure 207-4-a

In the context of this Standard, tax jurisdictions are identified according to where the entities included in the organization's audited consolidated financial statements, or in the financial information filed on public record, are resident for tax purposes. These entities include permanent establishments and dormant entities.

Guidance for Disclosure 207-4-b

Unless otherwise stated, country-by-country information is to be reported at the level of tax jurisdictions and not at the level of individual entities.

Number of employees, revenues, profit/loss before tax, and tangible assets other than cash and cash equivalents are indicators of the organization's scale of activity within a tax jurisdiction. When considered in conjunction with the other required and recommended information, they can inform assessments about the level of taxes being paid in a jurisdiction.

In addition to this information, the organization can report any other information relevant for understanding the scale of its activity within a jurisdiction.

If the reporting organization cannot report all required information for all the tax jurisdictions reported in Disclosure 207-4-a, it may use reasons for omission as set out in *GRI 101: Foundation 2016*. The organization is required to describe the specific information that has been omitted and provide a reason for this omission as set out in *GRI 101*. See [clause 3.2 in GRI 101](#) for requirements on reasons for omission.

If complete reporting for a tax jurisdiction is not possible because the organization holds a minority shareholding

or is the non-operating joint venture partner in an entity, the organization may specify that this information is unavailable as the reason for omission and provide a reference to the majority shareholder or operating partner.

The organization can also report any contextual information necessary to understand how data has been compiled, such as any standards, methodologies, and assumptions used.

Guidance for Disclosure 207-4-b-i

Disclosure 207-4-b-i is related to [Disclosure 102-45](#) in *GRI 102: General Disclosures 2016*. Disclosure 102-45 requires the organization to report a list of all entities included in its consolidated financial statements or equivalent documents. Disclosure 207-4-b-i requires the organization to report a list of entities by tax jurisdiction.

If the organization's publicly available audited consolidated financial statements, or the financial information filed on public record, include a list of all its entities by tax jurisdiction, the organization can provide a reference to this information.

When reporting the names of the resident entities for a tax jurisdiction, the organization can specify if any of the entities are dormant.

Guidance for Disclosure 207-4-b-ii

When reporting its primary activities in a tax jurisdiction, the organization can provide a general description such that a report reader can clearly identify the organization's main activities in the jurisdiction, for example, sales, marketing, manufacturing, or distribution. The organization is not required to list the activities of each entity in the jurisdiction.

Disclosure 207-4

Continued

Guidance for Disclosure 207-4-b-iii

Employee numbers can be reported using an appropriate calculation, such as head count at the end of the time period reported in Disclosure 207-4-c or a full-time equivalent (FTE) calculation. To enable comparability, it is important that the organization applies the approach consistently across all tax jurisdictions and between time periods.

If the organization is unable to report exact figures, it can report the number of employees to the nearest ten or, where the number of employees is greater than 1000, to the nearest 100.

The number of employees is one indicator of the organization's scale of activity in a tax jurisdiction. In addition to the number of employees, the organization may report the number of workers (excluding employees) performing the organization's activities, if this helps explain the organization's scale of activity in the jurisdiction. It is important that the organization reports the number of employees and/or the number of workers consistently across all jurisdictions and between time periods.

Guidance for Disclosures 207-4-b-iv and 207-4-b-v

These disclosures require the organization to report revenues from third-party sales for each tax jurisdiction and from intra-group transactions between that jurisdiction and other tax jurisdictions. Intra-group transactions within the same tax jurisdiction are not required, but the organization can report this information separately.

Intra-group transactions between jurisdictions can influence the tax bases of the organization in the jurisdictions involved in these transactions. Intra-group transactions within the same tax jurisdiction do not affect the tax base of the organization within that jurisdiction.

For this reason, revenues from third-party sales and intra-group transactions with other jurisdictions are a more appropriate indicator of an organization's scale of activity in a tax jurisdiction than aggregated revenues. Aggregated revenues could result in local revenues being double-counted, which might create a misleading impression about the organization's scale of activity in a jurisdiction.

The organization can also report other sources of revenue, for example, dividends, interest, and royalties, where this is standard practice in the sector of the organization.

Guidance for Disclosure 207-4-b-vi

When reporting profit/loss before tax for a tax jurisdiction, the organization can calculate the consolidated profit/loss before tax for all its resident entities in the jurisdiction.

Guidance for Disclosure 207-4-b-vii

When reporting tangible assets for a tax jurisdiction, the organization can calculate the consolidated total of the net book values of tangible assets for all its resident entities in the jurisdiction.

Guidance for Disclosure 207-4-b-viii

When reporting corporate income tax paid on a cash basis for a tax jurisdiction, the organization can calculate the total actual corporate income tax paid during the time period reported in Disclosure 207-4-c by all its resident entities in the jurisdiction. This includes cash taxes paid by entities to the jurisdiction of residence and to all other jurisdictions (e.g., withholding taxes incurred in other tax jurisdictions).

If the tax paid includes a significant amount of withholding tax, the organization can explain this. If taxes are incurred in other tax jurisdictions, the organization can report the amount of tax paid to the other tax jurisdictions separately and identify the jurisdictions where the tax was paid.

Guidance for Disclosure 207-4-b-x

When reporting the reasons for the difference between corporate income tax accrued on profit/loss and the tax due if the statutory tax rate is applied to profit/loss before tax, the organization can describe items that explain the difference, such as tax reliefs, allowances, incentives, or any special tax provisions where an entity benefits from preferential tax treatment.

The organization can group explanatory items into a generic category, such as 'other', if these items together do not exceed 10% of the difference.

The organization can also report the expiration date, investment requirements, and likely long-term continuity of tax reliefs or incentives for a jurisdiction.

In addition to providing a qualitative explanation as required by this disclosure, the organization can also report a quantitative corporate tax reconciliation.

Guidance for Disclosure 207-4-c and clause 2.1

The principle of Timeliness is described in [clause 1.10 in GRI 101: Foundation 2016](#). The organization is expected to commit to regularly providing a consolidated disclosure of its economic, environmental, and social impacts, at a single point in time. However, the information required in Disclosure 207-4 might not be available for reporting until a later point in time.

If the information required in Disclosure 207-4 is not available for the time period covered by the most recent audited consolidated financial statements or financial information filed on public record, the organization may report information for the time period covered

Disclosure 207-4

Continued

by the audited consolidated financial statements, or the financial information filed on public record, immediately preceding the most recent ones.

Where this time period differs from the reporting period, the organization can specify the reason why.

Guidance for clause 2.2.1

For each of the disclosures specified in clause 2.2.1, the data is considered to be reconciled when the sum of this data for all tax jurisdictions equals the amount reported in the organization's audited consolidated financial statements or in the financial information filed on public record.

Guidance for clause 2.2.3

When providing information for stateless entities, the organization can also include their jurisdiction of incorporation.

Guidance for clause 2.3.1

Total employee remuneration in a tax jurisdiction can reflect the business value provided by the entities in that jurisdiction to the organization as a whole.

Total employee remuneration also represents the basis for calculating taxes withheld and paid on behalf of employees, covered under clause 2.3.2.

Guidance for clause 2.3.2

Taxes withheld and paid on behalf of employees refer to taxes withheld by the organization from employee remuneration to be paid to the tax authorities. These can include income taxes, payroll taxes, and social security contributions.

Guidance for clause 2.3.3

Taxes collected from customers refer to taxes and duties charged on and collected on the sales of certain products and services. These are paid by the organization to the tax authorities on behalf of customers.

Guidance for clause 2.3.4

Examples of industry-related and other taxes or payments to governments include:

- industry taxes (e.g., energy tax, airline tax);
- property taxes (e.g., land tax);
- product taxes (e.g., customs duties, alcohol and tobacco duties);

- taxes and duties levied on the supply, use, or consumption of goods and services considered to be harmful to the environment (e.g., vehicle excise duties).

Guidance for clause 2.3.5

When reporting significant uncertain tax positions for a tax jurisdiction, the organization can report the value of the tax positions in line with its audited consolidated financial statements or the financial information filed on public record.

The organization can provide a description of tax positions that have not been agreed with the relevant tax authorities at the end of the time period reported in Disclosure 207-4-c. The description can include the nature of the disagreement and the reasons for any change in tax positions that occurred during the time period, where relevant.

Glossary

This Glossary includes definitions for terms used in this Standard, which apply when using this Standard. These definitions may contain terms that are further defined in the complete [GRI Standards Glossary](#).

All defined terms are underlined. If a term is not defined in this Glossary or in the complete [GRI Standards Glossary](#), definitions that are commonly used and understood apply.

employee

individual who is in an employment relationship with the organization, according to national law or its application

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

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.

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.

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.

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.

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.

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).

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.

tax jurisdiction

country or territory with autonomous taxing powers similar to a country

Note 1: Territories with autonomous taxing powers similar to a country are those that have a level of autonomy such that they can participate in the Organisation for Economic Co-operation and Development (OECD) and Council of Europe's *The Multilateral Convention on Mutual Administrative Assistance in Tax Matters*. Examples of such territories include Bermuda, Hong Kong, and Jersey.

Note 2: The definition for tax jurisdiction includes those countries or territories that choose not to exercise their fiscal autonomy to charge taxes.

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.

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), *Co-operative Tax Compliance: Building Better Tax Control Frameworks*, 2016.
2. Organisation for Economic Co-operation and Development (OECD), *OECD Guidelines for Multinational Enterprises*, 2011.
3. Organisation for Economic Co-operation and Development (OECD), *Transfer Pricing Documentation and Country-by-Country Reporting, Action 13 - 2015 Final Report*, OECD/G20 Base Erosion and Profit Shifting Project, 2015.
4. Organisation for Economic Co-operation and Development (OECD) and Council of Europe, *The Multilateral Convention on Mutual Administrative Assistance in Tax Matters: Amended by the 2010 Protocol*, 2011.
5. United Nations (UN) Resolution, *Transforming our world: the 2030 Agenda for Sustainable Development*, 2015.

Other relevant references:

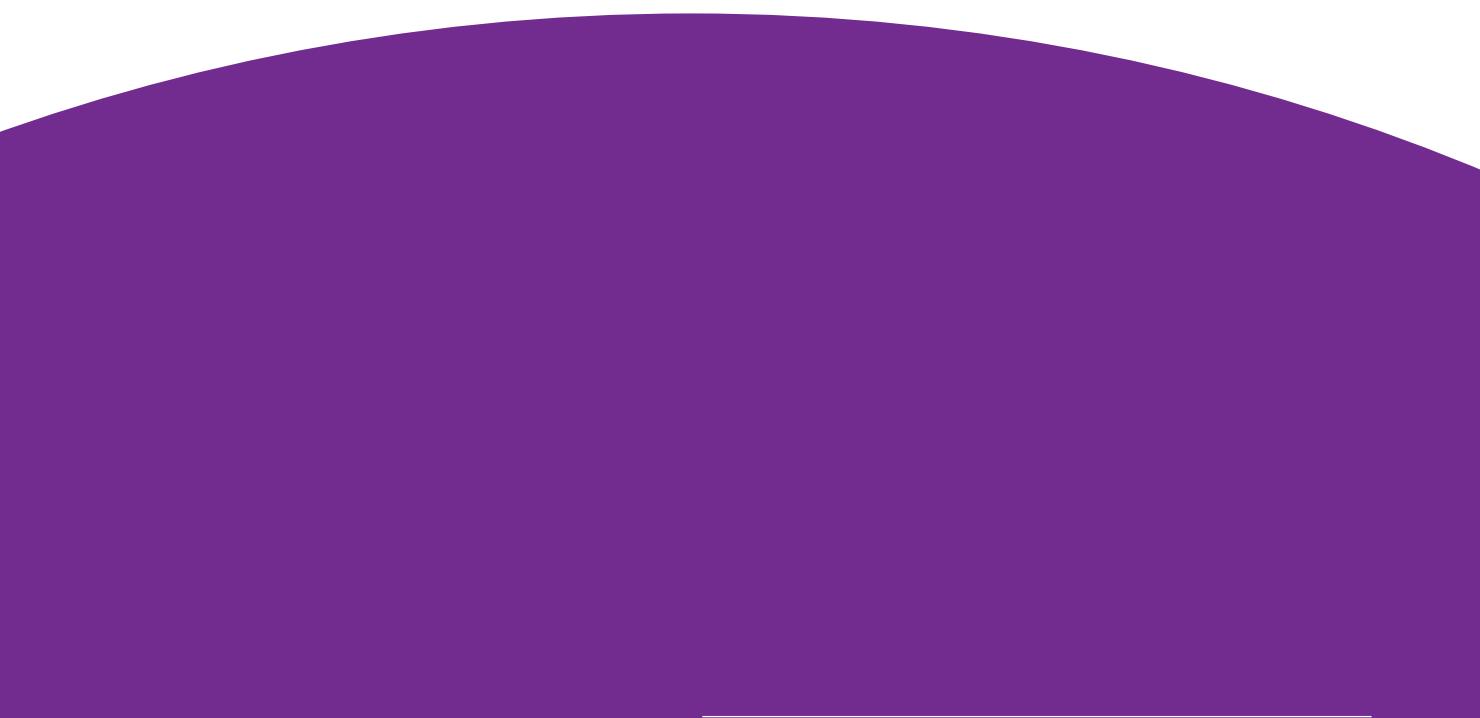
6. International Financial Reporting Standards (IFRS) Foundation, *IAS 12 Income Taxes*, 2016.
7. International Financial Reporting Standards (IFRS) Foundation, *IFRS 12 Disclosure of Interests in Other Entities*, 2019.



STANDARDS



GSSB



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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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
Effective date	In the text of this Standard, terms defined in the Glossary are <u>underlined</u> .

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

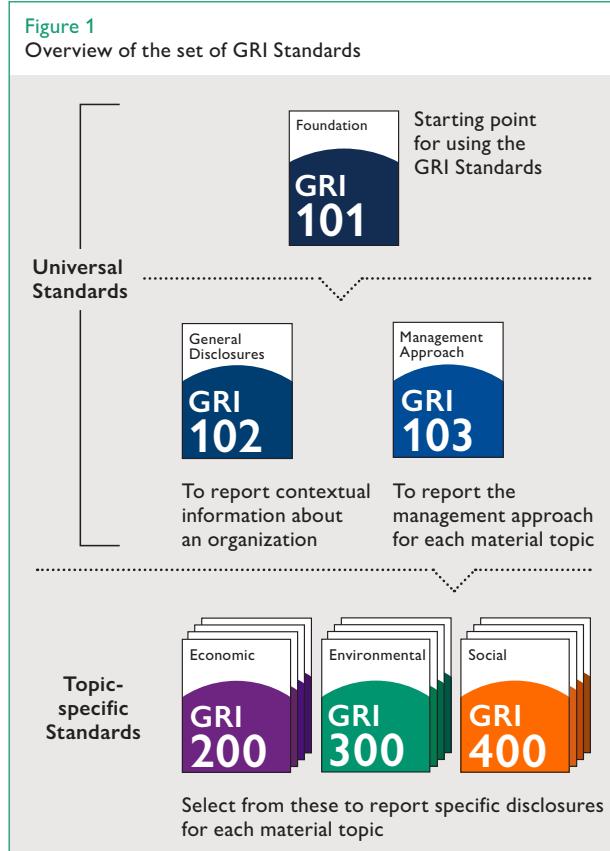
There are two basic approaches for using the GRI Standards. For each way of using the Standards there is a corresponding claim, or statement of use, which an organization is required to include in any published materials.

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.



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

Disclosure
301-1

Reporting requirements

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

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

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:

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

Guidance

Guidance for Disclosure 301-3

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

Glossary

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All defined terms are underlined. If a term is not defined in this Glossary or in the complete *GRI Standards Glossary*, definitions that are commonly used and understood apply.

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.

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 material

resource that does not renew in short time periods

Note: Examples of non-renewable materials can include minerals, metals, oil, gas, or coal.

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

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

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.



STANDARDS



Legal liability

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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. <i>GRI 101: Foundation</i> <i>GRI 103: Management Approach</i> <i>GRI Standards Glossary</i>
Effective date	In the text of this Standard, terms defined in the Glossary are <u>underlined</u> .

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

B. Using the GRI Standards and making claims

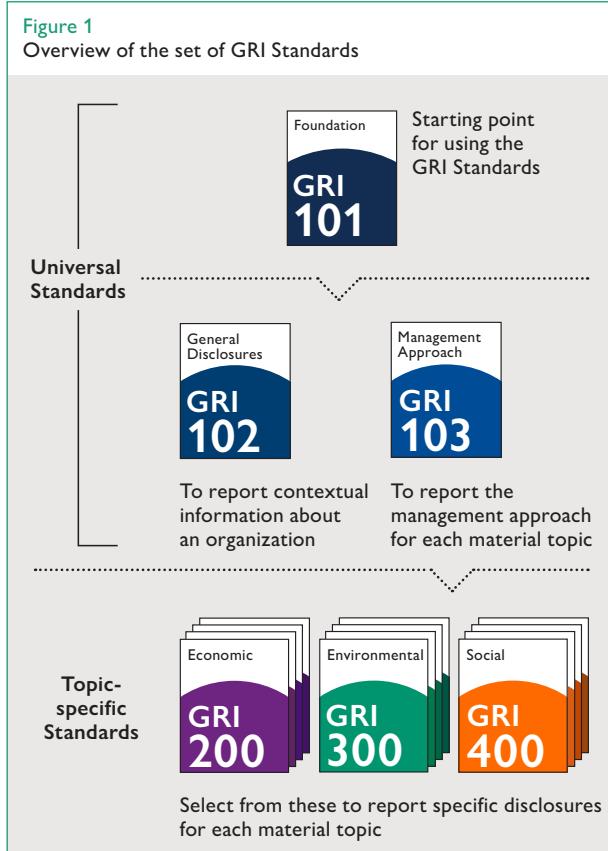
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1. The GRI Standards can be used as a set to prepare a sustainability report that is in accordance with the Standards. There are two options for preparing a report in accordance (Core or Comprehensive), depending on the extent of disclosures included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

An organization preparing a report in accordance with the GRI Standards uses this Standard, *GRI 302: Energy*, 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.



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 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

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 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

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

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

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

Disclosure
302-3

Reporting requirements

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

Disclosure
302-4

Reporting requirements

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

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

- exclude reductions resulting from reduced production capacity or outsourcing;
- 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

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).

Glossary

This Glossary includes definitions for terms used in this Standard, which apply when using this Standard. These definitions may contain terms that are further defined in the complete [GRI Standards Glossary](#).

All defined terms are underlined. If a term is not defined in this Glossary or in the complete *GRI Standards Glossary*, definitions that are commonly used and understood apply.

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.

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.

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.

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.

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.

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.

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.

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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GRI 303: WATER AND EFFLUENTS

2018



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 and Effluents</i> sets out reporting requirements on the topic of water and effluents. 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: <i>GRI 101: Foundation</i> <i>GRI 103: Management Approach</i> <i>GRI Standards Glossary</i> 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 January 2021. 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). The 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.

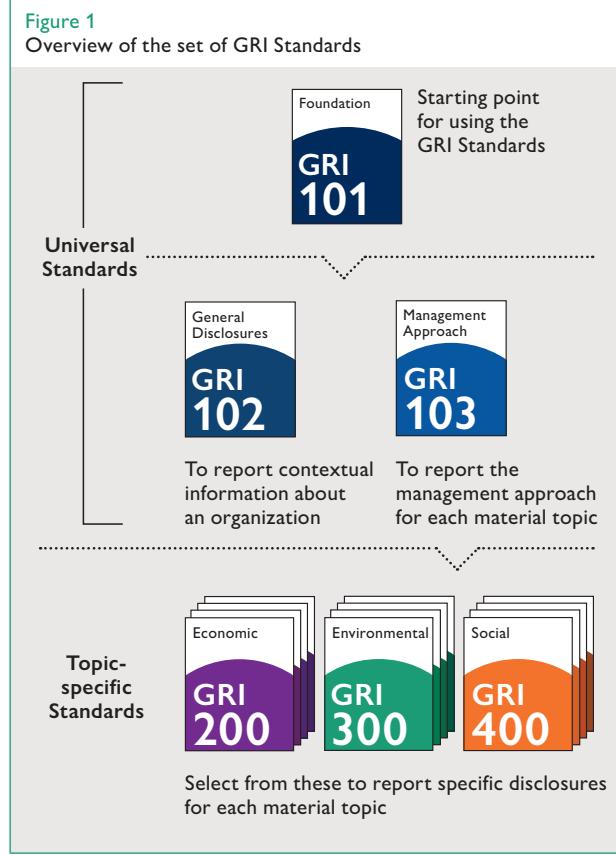
See the *Reporting Principles for defining report content in GRI 101: Foundation* for more information on how to identify material topics.

The topic-specific GRI 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 and Effluents* 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 and Effluents*, 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.

Reasons for omission as set out in *GRI 101: Foundation* are applicable to this Standard. See clause 3.2 in *GRI 101* for requirements on reasons for omission.

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, the 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 and effluents.

Access to fresh water is essential for human life and wellbeing, and is recognized by the United Nations (UN) as a human right. The Sustainable Development Goals, adopted by the UN as part of the 2030 Agenda for Sustainable Development, include key targets related to sustainable water management under Goal 6: 'Ensure availability and sustainable management of water and sanitation for all'. These targets aim, for example, to achieve universal access to safe and affordable drinking water, improve water quality, and address water scarcity.

The amount of water withdrawn and consumed by an organization and the quality of its discharges, can impact the functioning of the ecosystem in numerous ways. Direct impacts on a catchment can have wider impacts on the quality of life in an area, including social and economic consequences for local communities and indigenous peoples.

Since water is a shared resource, and water-related impacts are localized, organizations are increasingly being encouraged to:

- prioritize action in areas with water stress;
- understand and respond to local contexts, including local social and environmental impacts;
- aim to benefit and respect the needs and priorities of all water users in an area;
- align their approaches and collective actions with other water users and with effective public policy.

Through a comprehensive understanding of its water use, an organization can assess the impacts it has on water resources that benefit the ecosystem, other water users, and the organization itself. An organization, particularly a water-intensive one, can use this information for effective water management.

The disclosures in this Standard are designed to help an organization better understand and communicate its significant water-related impacts, and how it manages them.

Due to the strong relationship between water withdrawal, consumption, and discharge, the reporting organization is expected to report on all three topic-specific disclosures of *GRI 303*. Since water-related impacts are often localized, the organization is encouraged, as much as possible, to support any quantitative aggregate-level information with narrative descriptions of any contextual factors that were considered when compiling the information. This will provide a more comprehensive overview of the organization's water use.

GRI 303: Water and Effluents

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

- Management approach disclosures
 - Disclosure 303-1 Interactions with water as a shared resource
 - Disclosure 303-2 Management of water discharge-related impacts
- Topic-specific disclosures
 - Disclosure 303-3 Water withdrawal
 - Disclosure 303-4 Water discharge
 - Disclosure 303-5 Water consumption

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.

An organization that has identified water and effluents as a material topic is required to report its management approach for this topic using both the disclosures in *GRI 103: Management Approach*, and the management approach disclosures in this section.

The disclosures in this section focus on how an organization identifies and manages its water-related impacts. This section is therefore designed to supplement – and not to replace – the content in *GRI 103*.

Reporting requirements

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

Guidance

Background

The disclosures in this section request essential information to help understand how an organization manages water-related impacts. The reporting organization can report any additional information about its water stewardship efforts and practices.

An effective management approach accounts for the local context of water use, and acknowledges the

importance of stewarding water as a shared resource. An organization can reduce its water withdrawal, consumption, discharge, and associated impacts through efficiency measures, such as water recycling and reuse, and process redesign, as well as through collective actions that extend beyond its operations within the catchment. It can improve water quality through better treatment of water discharge.

Disclosure 303-1

Interactions with water as a shared resource

Reporting requirements

The reporting organization shall report the following information:

- a. A description of how the organization interacts with water, including how and where water is withdrawn, consumed, and discharged, and the water-related impacts caused or contributed to, or directly linked to the organization's activities, products or services by a business relationship (e.g., impacts caused by runoff).
- b. A description of the approach used to identify water-related impacts, including the scope of assessments, their timeframe, and any tools or methodologies used.
- c. A description of how water-related impacts are addressed, including how the organization works with stakeholders to steward water as a shared resource, and how it engages with suppliers or customers with significant water-related impacts.
- d. An explanation of the process for setting any water-related goals and targets that are part of the organization's management approach, and how they relate to public policy and the local context of each area with water stress.

Reporting recommendations

1.2 The reporting organization should report the following additional information:

- 1.2.1 An overview of water use across the organization's value chain;
- 1.2.2 A list of specific catchments where the organization causes significant water-related impacts.

Guidance

Guidance for Disclosure 303-1

Through its value chain, an organization can affect both the quality as well as the availability of water. If the reporting organization has identified significant water-related impacts in the value chain, which 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, it is required to report information about these impacts. For describing where the impacts occur (i.e., topic Boundary), see [Guidance for Disclosure 103-1-b](#).

The description of how the organization interacts with water can include information on specific catchments where water is withdrawn, consumed, and discharged, and information on what the water is used for in direct operations and elsewhere in the value chain (e.g., for cooling, storage, incorporating in products, growing crops).

In the context of this Standard, suppliers with significant water-related impacts may include suppliers of water-intensive commodities or services, suppliers located in areas with water stress, and/or suppliers with significant impacts on the local water environment and the related local communities.

If applicable, the organization can describe its environmental impacts caused by runoff, and how they are addressed. For example, runoff can carry high-nutrient and pollution loads due to the organization's activities, leading to eutrophication and other negative impacts on local waterbodies.

Guidance for Disclosure 303-1-b

When assessing impacts, it is important that the organization consider its future impacts on water quality and availability, as these factors can change over time.

Tools and methodologies for identifying impacts can include life cycle assessments, environmental impact assessments, water footprint assessments, scenario analysis, and stakeholder engagement. If information is estimated or modeled, rather than sourced from direct measurements, the organization can explain its estimation or modeling methods.

Disclosure 303-1

Continued

Guidance for Disclosure 303-1-c

Working with stakeholders is critical for an organization to steward water as a shared resource and account for the needs of other water users of the catchment. An organization's stakeholders can include:

- suppliers with significant water-related impacts;
- users of its products and services;
- local communities and action groups;
- employees and other workers;
- other water users in its sector or industry;
- governments, regulators, and civil society organizations;
- global initiatives, trade associations, and partnerships.

The organization can describe how it participates in discussions with stakeholders, the frequency of this engagement, and its role in these discussions. Outcomes of working with stakeholders can include, for example, collective target-setting for water use, increased investment in infrastructure, policy advocacy, and capacity building and awareness raising.

When reporting on its engagement with suppliers, the organization can describe:

- how the organization engages with its suppliers to help them improve their water management practices;
- the number of suppliers engaged;
- the outcomes of this engagement;
- the amount of procurement that the proportion of engaged suppliers represents;
- why information is not requested from suppliers with significant water-related impacts;
- future plans and goals for working with suppliers to reduce water-related impacts.

Water impacts related to products and services might be addressed by, for example, improving product design, providing information and advice on the responsible use of products and services, and holding regular consultations with users.

Guidance for Disclosure 303-1-d

Meaningful targets for managing water-related impacts:

- account for the local context where water is withdrawn and discharged;
- are scientifically informed by sustainable thresholds and the social context of a given catchment;
- align with public sector efforts, such as the water-related targets of the UN Sustainable Development Goals, in particular Goal 6, or targets set by national and local government institutions;
- are informed by the advocacy of other stakeholders, such as civil society organizations, trade associations, and action groups.

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

The organization can report its progress against goals and targets using clause 1.5 in [GRI 103: Management Approach](#).

Guidance for clause 1.2.1

The organization can present the overview of water use across its value chain as a breakdown, in graphic or written form, showing, for example, parts of the value chain where water consumption is significant and the commodities to which it is related, or the percentage of commodity sourcing that comes from catchments located in areas with water stress. The organization is encouraged to include information about upstream as well as downstream water use (e.g., use of water for consumer products, such as soaps, shampoos, and cleaning solutions).

Guidance for clause 1.2.2

To identify catchments where it causes water-related impacts, the organization can use global catchment data sets. These include the CEO Water Mandate '[Interactive Database of the World's River Basins](#)'¹, and the WWF '[HydroSHEDS](#)'².

¹ CEO Water Mandate, *Interactive Database of the World's River Basins*, riverbasins.wateractionhub.org/, accessed on 1 June 2018.

² WWF, *HydroSHEDS*, <http://www.hydroseds.org/>, accessed on 1 June 2018.

Disclosure 303-2

Management of water discharge-related impacts

Disclosure
303-2

Reporting requirements

The reporting organization shall report the following information:

- a. A description of any minimum standards set for the quality of effluent discharge, and how these minimum standards were determined, including:
 - i. how standards for facilities operating in locations with no local discharge requirements were determined;
 - ii. any internally developed water quality standards or guidelines;
 - iii. any sector-specific standards considered;
 - iv. whether the profile of the receiving waterbody was considered.

Guidance

Guidance for Disclosure 303-2

Minimum standards are those that go beyond regulatory requirements in controlling the quality of effluent discharge.

Water quality refers to the physical, chemical, biological, and taste-related characteristics of water. It is a measure of water suitability for a given purpose or function, including its use as a human right. Water quality standards help uphold water quality in order to protect ecosystems, wildlife, and human health and welfare, and can be based on water properties, such as temperature or pH value.

The specific choice of water quality standards and parameters can vary depending on an organization's products, services, and facility locations, and can depend on national and/or regional regulations, as well as the profile of the receiving waterbody.

2. Topic-specific disclosures

Disclosure 303-3 Water withdrawal

Reporting requirements

The reporting organization shall report the following information:

- a. Total water withdrawal from all areas in megaliters, and a breakdown of this total by the following sources, if applicable:
 - i. Surface water;
 - ii. Groundwater;
 - iii. Seawater;
 - iv. Produced water;
 - v. Third-party water.
- b. Total water withdrawal from all areas with water stress in megaliters, and a breakdown of this total by the following sources, if applicable:
 - i. Surface water;
 - ii. Groundwater;
 - iii. Seawater;
 - iv. Produced water;
 - v. Third-party water, and a breakdown of this total by the withdrawal sources listed in i-iv.
- c. A breakdown of total water withdrawal from each of the sources listed in Disclosures 303-3-a and 303-3-b in megaliters by the following categories:
 - i. Freshwater ($\leq 1,000$ mg/L Total Dissolved Solids);
 - ii. Other water ($> 1,000$ mg/L Total Dissolved Solids).
- d. Any contextual information necessary to understand how the data have been compiled, such as any standards, methodologies, and assumptions used.

Disclosure
303-3

- 2.1 When compiling the information specified in Disclosure 303-3, the reporting organization shall use publicly available and credible tools and methodologies for assessing water stress in an area.

Reporting recommendations

- 2.2 The reporting organization should report the following additional information:
 - 2.2.1 A breakdown of total water withdrawal in megaliters by withdrawal source categories listed in Disclosure 303-3, at each facility in areas with water stress;
 - 2.2.2 Total water withdrawal in megaliters by suppliers with significant water-related impacts in areas with water stress.

Disclosure 303-3

Continued

Guidance

Background

The volume of water withdrawal from areas with water stress can indicate an organization's impacts in sensitive locations.

To learn more about locations where water-related impacts might be significant, and where actions to address them are most needed, the reporting organization can also report the information requested in Disclosure 303-3 for each facility in areas with water stress. This can give stakeholders more confidence in the organization's water stewardship efforts and practices.

Guidance for Disclosure 303-3

For an example of how to present information on requirements in Disclosure 303-3, see [Table 1](#).

Surface water includes collected or harvested rainwater. Third-party water includes water supplied by municipal water networks or other organizations.

Guidance for Disclosure 303-3-b

Water stress refers to the ability, or lack thereof, to meet the human and ecological demand for water. Water stress can refer to the availability, quality, or accessibility of water.

Publicly available and credible tools for assessing areas with water stress include the World Resources Institute '[Aqueduct Water Risk Atlas](#)', and the WWF '[Water Risk Filter](#)'.

Based on these tools, water stress in an area may be assessed using either of the following indicators and their thresholds:

- The ratio of total annual water withdrawal to total available annual renewable water supply (i.e., baseline water stress) is high (40–80%) or extremely high (>80%)³;
- The ratio of water consumption-to-availability (i.e., water depletion) is moderate (dry-year depletion, where for at least 10% of the time, the monthly depletion ratio is >75%), high (seasonal depletion, where for one month of the year on average, the depletion ratio is >75%), or very high (ongoing depletion, where the depletion ratio on average is >75%)⁴.

The organization may use these indicators even though they account only for quantity and not the quality or

accessibility of water as per the inclusive approach to the definition of water stress.

The organization can complement the results from these tools with their own assessments, to provide more granular local-level data. Water stress in an area may be measured at catchment level at a minimum.

Guidance for Disclosure 303-3-b-v

If water is supplied by a third party, the organization is required to request information about its withdrawal sources, listed in Disclosures 303-3-b-i to 303-3-b-iv, from the third-party water supplier. The organization can report any additional information about third-party water, such as who the third-party water suppliers are and the volume of water supplied by them.

Guidance for Disclosure 303-3-c

The organization is required to provide a breakdown of the water withdrawn from each of the sources listed in Disclosures 303-3-a and 303-3-b (surface water, groundwater, seawater, produced water, third-party water) by the categories freshwater and other water. The organization is only required to provide this breakdown for the sources it has withdrawn water from. If all water withdrawn from a source belongs only to one category (i.e., to freshwater or to other water), the organization can report the volume for the remaining category as zero. For example, if all the withdrawn seawater belongs to the other water category, the organization can report the volume of freshwater under this source as zero.

Other water constitutes any water that has a concentration of total dissolved solids higher than 1,000 mg/L. Other water is therefore all water that does not fall into the freshwater category.

The organization is, at a minimum, required to report a figure for other water withdrawal for each of the sources listed in Disclosures 303-3-a and 303-3-b. The organization can additionally report any further breakdowns for other water withdrawal based on its water management and reporting practices, as long as it explains the approach used to define water quality using Disclosure 303-3-d. The organization can report additional information on how water quality has been determined, including consideration of the potential value of water to its users, as well as any absolute physical and/or chemical criteria used.

³ Indicator used in the World Resources Institute, Aqueduct Water Risk Atlas, www.wri.org/our-work/project/aqueduct/, accessed on 1 June 2018.

⁴ Indicator used in WWF, Water Risk Filter, waternriskfilter.panda.org, accessed on 1 June 2018.

Disclosure 303-3

Continued

Guidance for clause 2.2.1

To compile this information, the organization can use the following approach: (a) determine which facilities are located in areas with water stress, (b) for each of these facilities, report a breakdown of the total water withdrawal by surface water, groundwater, seawater, produced water, and third-party water. For an example of how to present this information, see [Table 2](#).

Guidance for clause 2.2.2

To compile this information, the organization can use the following approach: (a) determine which suppliers are located in areas with water stress, (b) determine which of these suppliers cause significant water-related impacts, (c) add up the total water withdrawal of each of these suppliers, (d) report the sum. For an example of how to present this information, see [Table 3](#).

Disclosure 303-4

Water discharge

Reporting requirements

The reporting organization shall report the following information:

- a. Total water discharge to all areas in megaliters, and a breakdown of this total by the following types of destination, if applicable:
 - i. Surface water;
 - ii. Groundwater;
 - iii. Seawater;
 - iv. Third-party water, and the volume of this total sent for use to other organizations, if applicable.
- b. A breakdown of total water discharge to all areas in megaliters by the following categories:
 - i. Freshwater ($\leq 1,000$ mg/L Total Dissolved Solids);
 - ii. Other water ($>1,000$ mg/L Total Dissolved Solids).
- c. Total water discharge to all areas with water stress in megaliters, and a breakdown of this total by the following categories:
 - i. Freshwater ($\leq 1,000$ mg/L Total Dissolved Solids);
 - ii. Other water ($>1,000$ mg/L Total Dissolved Solids).
- d. Priority substances of concern for which discharges are treated, including:
 - i. how priority substances of concern were defined, and any international standard, authoritative list, or criteria used;
 - ii. the approach for setting discharge limits for priority substances of concern;
 - iii. number of incidents of non-compliance with discharge limits.
- e. Any contextual information necessary to understand how the data have been compiled, such as any standards, methodologies, and assumptions used.

Disclosure
303-4

2.3 When compiling the information specified in Disclosure 303-4, the reporting organization shall use publicly available and credible tools and methodologies for assessing water stress in an area.

Reporting recommendations

- 2.4 The reporting organization should report the following additional information:
 - 2.4.1 The number of occasions on which discharge limits were exceeded;
 - 2.4.2 A breakdown of total water discharge to all areas in megaliters by level of treatment, and how the treatment levels were determined;
 - 2.4.3 Percentage of suppliers with significant water-related impacts from water discharge that have set minimum standards for the quality of their effluent discharge.

Disclosure 303-4

Continued

Guidance

Background

Quantifying the volume of water discharge can help an organization understand its negative impacts on the receiving waterbody.

The relationship between water discharge and negative impacts is not linear. An increase in the total volume of water discharge does not necessarily correspond to greater negative impacts, since these impacts depend on the quality of the water discharge and the sensitivity of the receiving waterbody. An organization with a high volume of water discharge, but also a high level of treatment and strict quality standards, can have positive impacts on the receiving waterbody.

To learn more about locations where water-related impacts might be significant, and where actions to address them are most needed, the reporting organization can also report the information requested in Disclosure 303-4 for each facility in areas with water stress.

Guidance for Disclosure 303-4

For an example of how to present information on requirements in Disclosure 303-4, see [Table 1](#).

See [Guidance for Disclosure 303-3-b](#) for how to assess areas with water stress.

Guidance for Disclosure 303-4-a-iv

An example of third-party water discharge is when an organization sends water and effluents to other organizations for use. In these instances, the organization is required to report the volume of this water discharge separately.

Guidance for Disclosures 303-4-b and 303-4-c

The organization is required to provide a breakdown of the water discharged to all areas and to all areas with water stress by the categories freshwater and other water. Other water constitutes any water that has a concentration of total dissolved solids higher than 1,000 mg/L. Other water is therefore all water that does not fall into the freshwater category.

The organization is, at a minimum, required to report a figure for other water discharged. The organization can additionally report any further breakdowns for other water discharge based on its water management and reporting practices, as long as it explains the approach used to define water quality using Disclosure 303-4-e. The organization can report additional information

on how water quality has been determined, including consideration of the potential value of water to its users, as well as any absolute physical and/or chemical criteria used.

Guidance for Disclosure 303-4-d

In the context of this Standard, substances of concern are those that cause irreversible damage to the waterbody, ecosystem, or human health.

Discharge limits for substances of concern can be based on regulation and/or other factors determined by an organization. In countries where no regulations for discharge limits are available, the organization can develop its own discharge limits.

'Discharge consent' is the permission granted to an organization, allowing it to discharge a set amount of a substance. The organization can report any unauthorized discharges that exceed these limits using Disclosure 303-4-d. The organization can also describe any plans to reduce unauthorized discharges in the future.

Guidance for clause 2.4.2

Reporting water discharge by level of treatment can provide insight into the effort an organization is making to improve the quality of its water discharge. When reporting how the treatment levels were determined, the organization is expected to include the reasons why a certain level of treatment was set.

The level of treatment can be reported for any water or effluents at the point of discharge, whether treated by the organization onsite or sent to a third party for treatment.

Water treatment involves physical, chemical or biological processes that improve water quality by removing solids, pollutants, and organic matter from water and effluents. Minimum requirements for treatment might be specified in national, state, or local legislation; however, the organization is expected to consider its overall water discharge impacts and the needs of other water users in setting treatment levels.

Disclosure 303-4

Continued

The organization can break down its water discharge by the following treatment levels:

- Primary treatment, which aims to remove solid substances that settle or float on the water surface;
- Secondary treatment, which aims to remove substances and materials that have remained in the water, or are dissolved or suspended in it;
- Tertiary treatment, which aims to upgrade water to a higher level of quality before it is discharged. It includes processes that remove, for example, heavy metals, nitrogen, and phosphorus.

An organization might withdraw and discharge water of good quality that does not require treatment. If so, the organization can explain this in its report.

Guidance for clause 2.4.3

Minimum standards are those that go beyond regulatory requirements in controlling the quality of effluent discharge. For more information on water quality standards, see [Disclosure 303-2](#) in the Management approach disclosures section.

To compile this information, the organization can use the following approach: (a) determine the number of suppliers with significant water-related impacts from water discharge, (b) determine how many of these suppliers have set minimum standards for the quality of their effluent discharge, (c) calculate the percentage using the following formula:

$$\frac{\text{Percentage of suppliers with significant water-related impacts from water discharge that have set minimum standards for the quality of their effluent discharge}}{\text{Number of suppliers with significant water-related impacts from water discharge}} \times 100$$

For an example of how to present this information, see [Table 3](#).

Disclosure 303-5

Water consumption

Disclosure
303-5

Reporting requirements

The reporting organization shall report the following information:

- a. Total water consumption from all areas in megaliters.
- b. Total water consumption from all areas with water stress in megaliters.
- c. Change in water storage in megaliters, if water storage has been identified as having a significant water-related impact.
- d. Any contextual information necessary to understand how the data have been compiled, such as any standards, methodologies, and assumptions used, including whether the information is calculated, estimated, modeled, or sourced from direct measurements, and the approach taken for this, such as the use of any sector-specific factors.

Reporting recommendations

2.5 The reporting organization should report the following additional information:

- 2.5.1 Total water consumption in megaliters at each facility in areas with water stress;
- 2.5.2 Total water consumption in megaliters by suppliers with significant water-related impacts in areas with water stress.

Guidance

Background

Water consumption measures water used by an organization such that it is no longer available for use by the ecosystem or local community in the reporting period. Reporting the volume of water consumption can help the organization understand the overall scale of its impact due to water withdrawal on downstream water availability.

Guidance for Disclosure 303-5

For an example of how to present information on requirements in Disclosure 303-5, see [Table 1](#).

See [Guidance for Disclosure 303-3-b](#) for how to assess areas with water stress.

If the reporting organization cannot directly measure water consumption, it may calculate this using the following formula:

$$\begin{aligned} \text{Water consumption} &= \\ &\text{Total water withdrawal} \\ &- \\ &\text{Total water discharge} \end{aligned}$$

Guidance for Disclosure 303-5-c

If the water in storage has been identified as having

a significant water-related impact, the organization is required to report change in water storage. The organization may calculate change in water storage using the following formula:

$$\begin{aligned} \text{Change in water storage} &= \\ &\text{Total water storage at the end of the reporting period} \\ &- \\ &\text{Total water storage at the beginning} \\ &\text{of the reporting period} \end{aligned}$$

Guidance for clause 2.5.1

To compile this information, the organization can use the following approach: (a) determine which facilities are located in areas with water stress, (b) for each of these facilities, report the total water consumption. For an example of how to present this information, see [Table 2](#).

Guidance for clause 2.5.2

To compile this information, the organization can use the following approach: (a) determine which suppliers are located in areas with water stress, (b) determine which of these suppliers cause significant water-related impacts, (c) add up the total water consumption of each of these suppliers, (d) report the sum. For an example of how to present this information, see [Table 3](#).

Table 1. Example template for presenting information for Disclosures 303-3, 303-4, and 303-5

Table 1 offers an example of how to present information for Disclosures 303-3, 303-4, and 303-5. The reporting organization can amend the table according to its practices, for example by reporting additional information.

Water withdrawal (303-3)			
		All areas	Areas with water stress
Water withdrawal by source	Surface water (total)	ML (303-3-a-i)	ML (303-3-b-i)
	Freshwater ($\leq 1,000$ mg/L Total Dissolved Solids)	ML (303-3-c-i)	ML (303-3-c-i)
	Other water ($> 1,000$ mg/L Total Dissolved Solids)	ML (303-3-c-ii)	ML (303-3-c-ii)
	Groundwater (total)	ML (303-3-a-ii)	ML (303-3-b-ii)
	Freshwater ($\leq 1,000$ mg/L Total Dissolved Solids)	ML (303-3-c-i)	ML (303-3-c-i)
	Other water ($> 1,000$ mg/L Total Dissolved Solids)	ML (303-3-c-ii)	ML (303-3-c-ii)
	Seawater (total)	ML (303-3-a-iii)	ML (303-3-b-iii)
	Freshwater ($\leq 1,000$ mg/L Total Dissolved Solids)	ML (303-3-c-i)	ML (303-3-c-i)
	Other water ($> 1,000$ mg/L Total Dissolved Solids)	ML (303-3-c-ii)	ML (303-3-c-ii)
	Produced water (total)	ML (303-3-a-iv)	ML (303-3-b-iv)
	Freshwater ($\leq 1,000$ mg/L Total Dissolved Solids)	ML (303-3-c-i)	ML (303-3-c-i)
	Other water ($> 1,000$ mg/L Total Dissolved Solids)	ML (303-3-c-ii)	ML (303-3-c-ii)
	Third-party water (total)	ML (303-3-a-v)	ML (303-3-b-v)
	Freshwater ($\leq 1,000$ mg/L Total Dissolved Solids)	ML (303-3-c-i)	ML (303-3-c-i)
	Other water ($> 1,000$ mg/L Total Dissolved Solids)	ML (303-3-c-ii)	ML (303-3-c-ii)
Total third-party water withdrawal by withdrawal source	Surface water	X	ML (303-3-b-v)
	Groundwater	X	ML (303-3-b-v)
	Seawater	X	ML (303-3-b-v)
	Produced water	X	ML (303-3-b-v)
Total water withdrawal	Surface water (total) + groundwater (total) + seawater (total) + produced water (total) + third-party water (total)	ML (303-3-a)	ML (303-3-b)
Water discharge (303-4)			
		All areas	Areas with water stress
Water discharge by destination	Surface water	ML (303-4-a-i)	X
	Groundwater	ML (303-4-a-ii)	X
	Seawater	ML (303-4-a-iii)	X
	Third-party water (total)	ML (303-4-a-iv)	X
	Third-party water sent for use to other organizations	ML (303-4-a-iv)	X
Total water discharge	Surface water + groundwater + seawater + third-party water (total)	ML (303-4-a)	ML (303-4-c)
Water discharge by freshwater and other water	Freshwater ($\leq 1,000$ mg/L Total Dissolved Solids)	ML (303-4-b-i)	ML (303-4-c-i)
	Other water ($> 1,000$ mg/L Total Dissolved Solids)	ML (303-4-b-ii)	ML (303-4-c-ii)
Water discharge by level of treatment Note that this is recommended, but not required	No treatment	ML (clause 2.4.2)	X
	Treatment level [Provide the title for treatment level]	ML (clause 2.4.2)	X
	Treatment level [Provide the title for treatment level]	ML (clause 2.4.2)	X
	Treatment level [Provide the title for treatment level]	ML (clause 2.4.2)	X
Water consumption (303-5)			
		All areas	Areas with water stress
Water consumption	Total water consumption	ML (303-5-a)	ML (303-5-b)
	Change in water storage, if water storage has been identified as having a significant water-related impact	ML (303-5-c)	X

Table 2. Example template for presenting facility-level information

Table 2 offers an example of how to present information on facilities located in areas with water stress as per the reporting recommendations specified in Disclosures 303-3 (clause 2.2.1) and 303-5 (clause 2.5.1). The reporting organization can amend the table according to its practices, for example by reporting water discharge information.

Facilities in areas with water stress		Facility A	Facility B	[Facility X]
Water withdrawal (clause 2.2.1)	Surface water	ML	ML	ML
	Groundwater	ML	ML	ML
	Seawater	ML	ML	ML
	Produced water	ML	ML	ML
	Third-party water	ML	ML	ML
Water consumption (clause 2.5.1)	Total water consumption	ML	ML	ML

Table 3. Example template for presenting supply chain information

Table 3 offers an example of how to present information on the organization's suppliers as per the reporting recommendations specified in Disclosures 303-3 (clause 2.2.2), 303-4 (clause 2.4.3), and 303-5 (clause 2.5.2). The reporting organization can amend the table according to its practices, for example by reporting the location of suppliers.

Water withdrawal (clause 2.2.2)	Total water withdrawal in megaliters by suppliers with significant water-related impacts in areas with water stress	ML
Water discharge (clause 2.4.3)	Percentage of suppliers with significant water-related impacts from water discharge that have set minimum standards for the quality of their effluent discharge	%
Water consumption (clause 2.5.2)	Total water consumption in megaliters by suppliers with significant water-related impacts in areas with water stress	ML

Glossary

This Glossary includes definitions for terms used in this Standard, which apply when using this Standard. These definitions may contain terms that are further defined in the complete *GRI Standards Glossary*.

All defined terms are underlined. If a term is not defined in this Glossary or in the complete *GRI Standards Glossary*, definitions that are commonly used and understood apply.

catchment

area of land from which all surface runoff and subsurface water, flows through a sequence of streams, rivers, aquifers, and lakes into the sea or another outlet at a single river mouth, estuary, or delta

Note 1: Catchments include associated groundwater areas and might include portions of waterbodies (such as lakes or rivers). In different parts of the world, catchments are also referred to as 'watersheds' or 'basins' (or sub-basins).

Note 2: This definition is based on the Alliance for Water Stewardship (AWS), *AWS International Water Stewardship Standard, Version 1.0*, 2014.

effluent

treated or untreated wastewater that is discharged

Note: This definition is based on the Alliance for Water Stewardship (AWS), *AWS International Water Stewardship Standard, Version 1.0*, 2014.

freshwater

water with concentration of total dissolved solids equal to or below 1,000 mg/L

Note: This definition is based on ISO 14046:2014; the United States Geological Survey (USGS), *Water Science Glossary of Terms*, water.usgs.gov/edu/dictionary.html, accessed on 1 June 2018; and the World Health Organization (WHO), *Guidelines for Drinking-water Quality*, 2017.

groundwater

water that is being held in, and that can be recovered from, an underground formation

Note: This definition comes from ISO 14046:2014.

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.

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', 1989.

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.

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.

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.

produced water

water that enters an organization's boundary as a result of extraction (e.g., crude oil), processing (e.g., sugar cane crushing), or use of any raw material, and has to consequently be managed by the organization

Note: This definition is based on CDP, *CDP Water Security Reporting Guidance*, 2018.

product

article or substance that is offered for sale or is part of a service delivered by an organization

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.

runoff

part of precipitation that flows towards a river on the ground surface (i.e., surface runoff) or within the soil (i.e., subsurface flow)

Note: This definition is based on the United Nations Educational, Scientific and Cultural Organization (UNESCO), *UNESCO International Glossary of Hydrology*, 2012.

seawater

water in a sea or in an ocean

Note: This definition comes from ISO 14046:2014.

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.

service

action of an organization to meet a demand or need

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).

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.

surface water

water that occurs naturally on the Earth's surface in ice sheets, ice caps, glaciers, icebergs, bogs, ponds, lakes, rivers, and streams

Note: This definition is based on CDP, *CDP Water Security Reporting Guidance*, 2018.

third-party water

municipal water suppliers and municipal wastewater treatment plants, public or private utilities, and other organizations involved in the provision, transport, treatment, disposal, or use of water and effluent

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.

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.

water consumption

sum of all water that has been withdrawn and incorporated into products, used in the production of crops or generated as waste, has evaporated, transpired, or been consumed by humans or livestock, or is polluted to the point of being unusable by other users, and is therefore not released back to surface water, groundwater, seawater, or a third party over the course of the reporting period

Note 1: Water consumption includes water that has been stored during the reporting period for use or discharge in a subsequent reporting period.

Note 2: This definition is based on CDP, *CDP Water Security Reporting Guidance*, 2018.

water discharge

sum of effluents, used water, and unused water released to surface water, groundwater, seawater, or a third party, for which the organization has no further use, over the course of the reporting period

Note 1: Water can be released into the receiving waterbody either at a defined discharge point (point-source discharge) or dispersed over land in an undefined manner (non-point-source discharge).

Note 2: Water discharge can be authorized (in accordance with discharge consent) or unauthorized (if discharge consent is exceeded).

water stewardship

use of water that is socially equitable, environmentally sustainable, and economically beneficial, achieved through a stakeholder-inclusive process that involves facility- and catchment-based actions

Note 1: Good water stewards understand their own water use; catchment context; and shared risk in terms of water governance, water balance, and water quality; and engage in meaningful individual and collective actions that benefit people and nature. Further:

- Socially equitable water use recognizes and implements the human right to water and sanitation and helps ensure human wellbeing and equity;
- Environmentally sustainable water use maintains or improves biodiversity and ecological and hydrological processes at the catchment level;
- Economically beneficial water use contributes to long-term efficiency, and development and poverty alleviation for water users, local communities, and society at large.

Note 2: This definition is based on the Alliance for Water Stewardship (AWS), *AWS International Water Stewardship Standard, Version 1.0*, 2014.

water storage

water held in water storage facilities or reservoirs

water stress

ability, or lack thereof, to meet the human and ecological demand for water

Note 1: Water stress can refer to the availability, quality, or accessibility of water.

Note 2: Water stress is based on subjective elements and is assessed differently depending on societal values, such as the suitability of water for drinking or the requirements to be afforded to ecosystems.

Note 3: Water stress in an area may be measured at catchment level at a minimum.

Note 4: This definition comes from the CEO Water Mandate, *Corporate Water Disclosure Guidelines*, 2014.

water withdrawal

sum of all water drawn from surface water, groundwater, seawater, or a third party for any use over the course of the reporting period

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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) Resolution A/RES/64/292, 'The human right to water and sanitation', 2010.
2. United Nations (UN), 'Transforming our world: the 2030 Agenda for Sustainable Development', 2015.

Other relevant references:

3. Alliance for Water Stewardship (AWS), *AWS International Water Stewardship Standard, Version 1.0*, 2014.
4. CDP, The CEO Water Mandate, The Nature Conservancy, Pacific Institute, World Resources Institute (WRI), and WWF International, *Exploring the Case for Corporate Context-based Water Targets*, 2017.
5. Minerals Council of Australia (MCA), *Water Accounting Framework for the Minerals Industry, User Guide*, v1.3, 2014.
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7. World Resources Institute, *Aqueduct Water Risk Atlas*, [www.wri.org/our-work/project/aqueduct/](http://www.wri.org/our-work/project/aqueduct), accessed on 1 June 2018.
8. WWF, *Water Risk Filter*, waterriskfilter.panda.org, accessed on 1 June 2018.



STANDARDS



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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. <i>GRI 101: Foundation</i> <i>GRI 103: Management Approach</i> <i>GRI Standards Glossary</i>
	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:

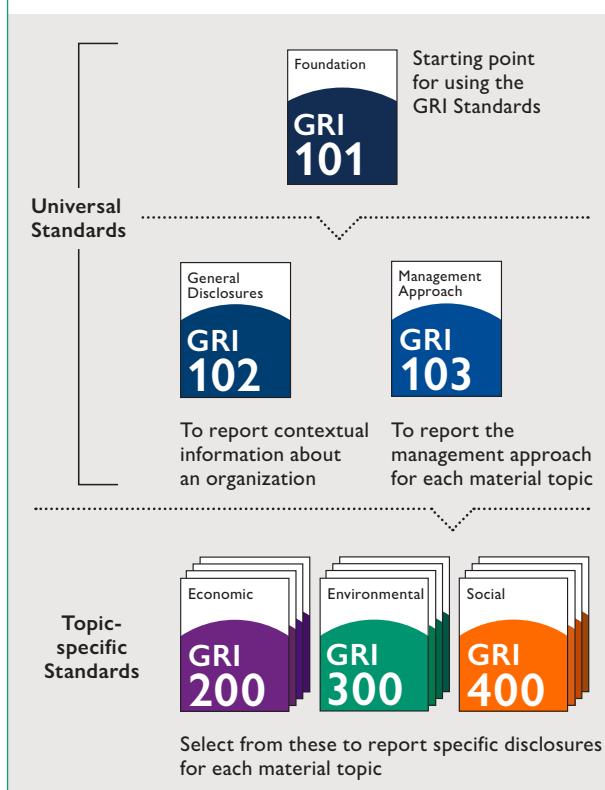
GRI 101: Foundation

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.

Figure 1
Overview of the set of GRI 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 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.

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 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

Disclosure
304-2

Reporting requirements

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.

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

Disclosure
304-4

Reporting requirements

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](#).

Glossary

This Glossary includes definitions for terms used in this Standard, which apply when using this Standard. These definitions may contain terms that are further defined in the complete [GRI Standards Glossary](#).

All defined terms are underlined. If a term is not defined in this Glossary or in the complete *GRI Standards Glossary*, definitions that are commonly used and understood apply.

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

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.

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.

protected area

geographic area that is designated, regulated, or managed to achieve specific conservation objectives

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.

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.
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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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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. <i>GRI 101: Foundation</i> <i>GRI 103: Management Approach</i> <i>GRI Standards Glossary</i>
	In the text of this Standard, terms defined in the Glossary are <u>underlined</u> .
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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.

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

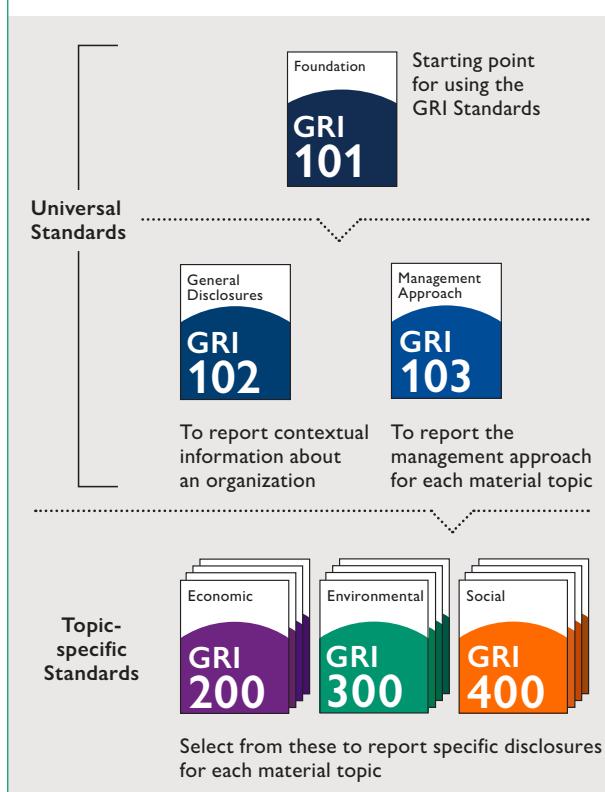
GRI 101: Foundation

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.

Figure 1
Overview of the set of GRI 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.

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.

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 [Glossary section](#):

- 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

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

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

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;

$$\begin{aligned} \text{Production of ODS} \\ = \\ \text{ODS produced} \\ - \\ \text{ODS destroyed by approved technologies} \\ - \\ \text{ODS entirely used as feedstock in the manufacture} \\ \text{of other chemicals} \end{aligned}$$

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.

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.

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](#).

Disclosure 305-7

Nitrogen oxides (NO_x), sulfur oxides (SO_x), and other significant air emissions

Reporting requirements

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](#).

Glossary

This Glossary includes definitions for terms used in this Standard, which apply when using this Standard. These definitions may contain terms that are further defined in the complete [GRI Standards Glossary](#).

All defined terms are underlined. If a term is not defined in this Glossary or in the complete *GRI Standards Glossary*, definitions that are commonly used and understood apply.

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.

biogenic carbon dioxide (CO₂) emission

emission of CO₂ from the combustion or biodegradation of biomass

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.

CFC11 (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.

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.

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

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.

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

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.

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.

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.

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).

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.

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.

References

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

Authoritative intergovernmental instruments:

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12. United Nations (UN) Protocol, 'Kyoto Protocol to the United Nations Framework Convention on Climate Change', 1997.

Other relevant references:

13. 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.
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GRI 306: WASTE

2020



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: Waste 2020</i> sets out reporting requirements on the topic of 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. <i>GRI 101: Foundation</i> <i>GRI 103: Management Approach</i> <i>GRI Standards Glossary</i>
Effective date	This Standard is effective for reports or other materials published on or after 1 January 2022. 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). The 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.

See the *Reporting Principles for defining report content in GRI 101: Foundation* for more information on how to identify material topics.

The topic-specific GRI Standards are organized into three series: 200 (Economic topics), 300 (Environmental topics), and 400 (Social topics).

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

B. Using the GRI Standards and making claims

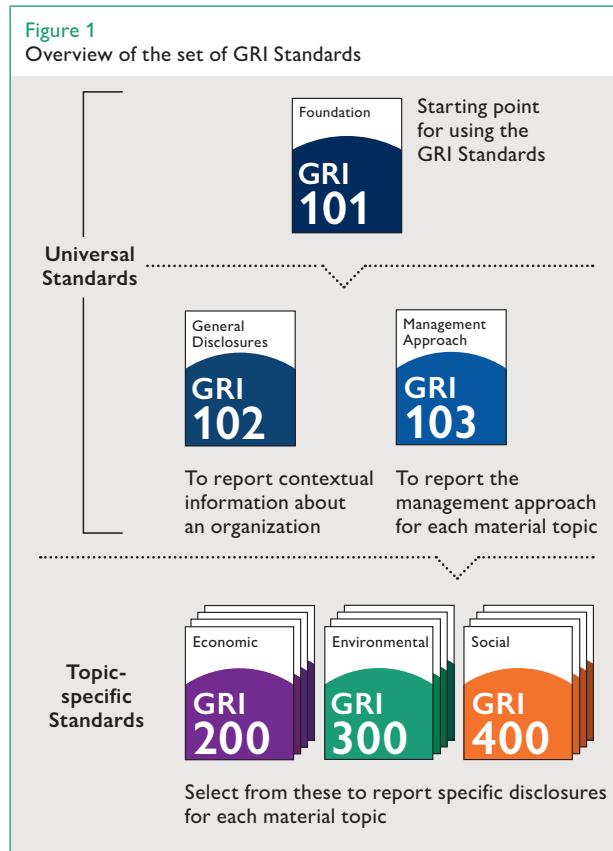
There are two basic approaches for using the GRI Standards. For each way of using the Standards there is a corresponding claim, or statement of use, which an organization is required to include in any published materials.

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: 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.



Reasons for omission as set out in *GRI 101: Foundation* are applicable to this Standard. See [clause 3.2 in GRI 101](#) for requirements on reasons for omission.

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, the 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 306 addresses the topic of waste.

Waste can be generated in the organization's own activities, for example, during the production of its products and delivery of services. It can also be generated by entities upstream and downstream in the organization's value chain, for example, when suppliers process materials that are later used or procured by the organization, or when consumers use the services or discard the products that the organization sells to them.

Waste can have significant negative impacts on the environment and human health when inadequately managed. These impacts often extend beyond locations where waste is generated and discarded. The resources and materials contained in waste that is incinerated or landfilled are lost to future use, which accelerates their depletion.

The United Nations recognizes the role of responsible consumption and production in achieving the Sustainable

Development Goals¹. The targets under Goal 12, in particular, call on organizations to implement environmentally sound waste management and prevent and reduce waste through reuse and recycling.

The disclosures in this Standard are designed to help an organization better understand and communicate its waste-related impacts, and how it manages these impacts. The disclosures require information on how the organization prevents waste generation and how it manages waste that cannot be prevented, in its own activities and upstream and downstream in its value chain.

The disclosures may also be used by organizations that manage waste generated by other organizations, such as public and private waste management organizations. In addition to this Standard, disclosures that relate to this topic can be found in:

- [GRI 301: Materials 2016](#)

¹ United Nations (UN) Resolution, *Transforming our world: the 2030 Agenda for Sustainable Development*, 2015. (See in particular Goal 12: 'Ensure sustainable consumption and production patterns').

GRI 306: 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
 - Disclosure 306-1 Waste generation and significant waste-related impacts
 - Disclosure 306-2 Management of significant waste-related impacts
- Topic-specific disclosures
 - Disclosure 306-3 Waste generated
 - Disclosure 306-4 Waste diverted from disposal
 - Disclosure 306-5 Waste directed to disposal

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.

An organization that has identified waste as a material topic is required to report its management approach for this topic using both the disclosures in *GRI 103: Management Approach* and the management approach disclosures in this section.

The disclosures in this section focus on how an organization identifies and manages its waste-related impacts. This section is therefore designed to supplement – and not to replace – the content in *GRI 103*.

Reporting requirements

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

Disclosure 306-1

Waste generation and significant waste-related impacts

Disclosure
306-1

Reporting requirements

The reporting organization shall report the following information:

- a. For the organization's significant actual and potential waste-related impacts, a description of:
 - i. the inputs, activities, and outputs that lead or could lead to these impacts;
 - ii. whether these impacts relate to waste generated in the organization's own activities or to waste generated upstream or downstream in its value chain.

Reporting recommendations

- 1.2 The reporting organization should report a process flow of inputs, activities, and outputs that lead or could lead to significant waste-related impacts.

Guidance

Background

The quantity, type, and quality of waste generated by an organization is a consequence of the activities involved in the production of its products and services (e.g., extraction, processing, procurement of materials, product or service design, production, distribution) and their subsequent consumption. An assessment of how materials move into, through, and out of the organization can help understand where in the organization's value chain these materials eventually become waste. This provides a holistic overview of waste generation and its causes, which in turn can support the organization in identifying opportunities for waste prevention and for adopting circularity measures. In this way, the organization can go beyond mitigating and remediating negative impacts once waste has been generated and move towards managing waste as a resource.

Guidance for Disclosure 306-1

When reporting on this disclosure, the organization can specify the types of inputs and outputs. The types of inputs and outputs can include raw materials, process and manufacturing materials, leaks and losses, waste, by-products, products, or packaging.

The organization can assess and report whether inputs, activities, and outputs lead or could lead to significant waste-related impacts using the following criteria:

- Quantity of inputs used to produce the organization's products or services, which will become waste after they are used for production.
- Quantity of waste outputs generated in the organization's own activities, or quantity of outputs it provides to entities downstream that will eventually become waste when they reach their end of life.

- Hazardous characteristics of inputs and outputs.
- Properties of input materials or design characteristics of outputs that limit or prevent their recovery or limit the length of their life.
- Known potential negative threats associated with specific materials when they are discarded. For example, the potential threat of marine pollution resulting from leakage of discarded plastic packaging into waterbodies.
- Types of activities that lead to significant quantities of waste generation or to generation of hazardous waste.

The organization is required to report on inputs that it receives from entities upstream in its value chain, as well as outputs it provides to entities downstream in its value chain. For example, if an organization procures components with hazardous characteristics from a supplier and uses these in a product that will continue to carry these components and their hazardous characteristics, the organization is required to report these components under inputs that lead or could lead to significant waste-related impacts. Similarly, if an organization sells to consumers products that generate large quantities of packaging waste, it is required to report this packaging under outputs that lead or could lead to significant waste-related impacts.

If the organization has identified many inputs and outputs or many activities that lead or could lead to significant waste-related impacts, it may group these by:

- product or service category that the inputs and outputs relate to;
- business units or facilities that procure the inputs, or whose activities produce the outputs;

Disclosure 306-1

continued

- categories of upstream and downstream activities that produce the outputs (for examples of upstream and downstream categories, see the guidance for Disclosure 302-2 in *GRI 302: Energy 2016*).

Guidance for clause 1.2

A process flow is a tool to visualize the information required to be reported under Disclosure 306-1. A graphic illustration of the process flow can help the organization and its stakeholders understand how inputs and outputs move through the organization's own activities as well as through the activities of entities upstream and downstream in its value chain. It shows where waste is generated in the value chain or where outputs become waste.

The organization can also use the process flow to illustrate information that is required under other disclosures of this Standard, such as:

- actions taken to prevent waste generation (Disclosure 306-2);
- composition of waste generated (Disclosure 306-3);
- recovery operations used to divert waste from disposal (Disclosure 306-4);
- disposal operations (Disclosure 306-5).

The organization can include estimates of the weight of inputs and the weight of outputs in metric tons or the ratio of inputs to outputs.

For examples of process flow illustrations, see the [Appendix](#).

Disclosure 306-2

Management of significant waste-related impacts

Disclosure
306-2

Reporting requirements

The reporting organization shall report the following information:

- a. Actions, including circularity measures, taken to prevent waste generation in the organization's own activities and upstream and downstream in its value chain, and to manage significant impacts from waste generated.
- b. If the waste generated by the organization in its own activities is managed by a third party, a description of the processes used to determine whether the third party manages the waste in line with contractual or legislative obligations.
- c. The processes used to collect and monitor waste-related data.

Guidance

Background

An organization can cause waste-related impacts through its own activities. For example, when its operations generate waste outputs. It can also contribute to waste-related impacts through activities carried out in its value chain upstream or downstream. For example, through criteria in its procurement policies that lead to waste generation upstream, or through management decisions that limit the life of its products and therefore contribute to waste generation downstream.

Even when the organization has not contributed to waste-related impacts upstream or downstream in its value chain, its operations, products, or services could be directly linked to waste-related impacts through its business relationships with the entities in its value chain. For example, when third parties hired by the organization carry out inadequate recovery or disposal operations.

The way an organization is involved with negative impacts is important for determining the organization's response to an impact.

Guidance for Disclosure 306-2-a

Actions, including circularity measures, to prevent waste generation and to manage significant impacts from waste generated can include:

- Input material choices and product design:
 - Improving materials selection and product design through consideration for longevity and durability, repairability, modularity and disassembly, and recyclability.
 - Reducing the use of raw and finite materials
- Substituting inputs that have hazardous characteristics with inputs that are non-hazardous.
- Collaboration in the value chain and business model innovation:
 - Setting policies for procurement from suppliers that have sound waste prevention and waste management criteria.
 - Engaging in or setting up industrial symbiosis as a result of which the organization's waste or other outputs (e.g., by-products from production) become inputs for another organization.
 - Participating in a collective or individual extended producer responsibility scheme or applying product stewardship, which extends the producer's responsibility for a product or service to its end of life.
 - Transitioning to and applying new business models, such as product service systems that use services instead of products to meet consumer demand.
 - Engaging in or setting up product take-back schemes and reverse logistics processes to divert products and materials from disposal.
- End-of-life interventions:
 - Establishing and improving facilities for waste management, including facilities for the collection and sorting of waste.

Disclosure 306-2

continued

- Recovering products, components, and materials from waste through preparation for reuse and recycling.
- Engaging with consumers to raise awareness about sustainable consumption practices, such as reduced purchasing of products, product sharing, exchange, reuse, and recycling.

See references 9 and 11 in the [References](#) section.

Guidance for Disclosure 306-2-b

This disclosure can provide insight into the level of control the organization assumes for waste management outsourced to a third party. In the context of this Standard, a third party includes a public or private waste management organization, or any other entity or group of individuals formally or informally involved in handling the reporting organization's waste. Waste management by third parties can include the collection, transportation, recovery, and disposal of waste, as well as the supervision of such operations and the aftercare of disposal sites. The organization may specify agreements in a contract for the third party to follow when managing its waste, or rely on existing legislative obligations, such as local environmental laws and regulations, to ensure that the third party manages the waste adequately.

Guidance for Disclosure 306-2-c

The processes that the organization has in place for collecting and monitoring waste-related data can reflect its commitment to managing waste-related impacts. Such processes can include online data entry, maintaining a centralized database, real-time weighbridge measurement, and annual external data validation.

The organization can specify whether the data collection and monitoring processes extend beyond waste generated in its own activities to include waste generated upstream and downstream in its value chain.

2. Topic-specific disclosures

Disclosure 306-3 Waste generated

Disclosure
306-3

Reporting requirements

The reporting organization shall report the following information:

- a. Total weight of waste generated in metric tons, and a breakdown of this total by composition of the waste.
- b. Contextual information necessary to understand the data and how the data has been compiled.

2.1 When compiling the information specified in Disclosure 306-3-a, the reporting organization shall:

- 2.1.1 exclude effluent, unless required by national legislation to be reported under total waste;
- 2.1.2 use 1000 kilograms as the measure for a metric ton.

Guidance

Background

The total weight of waste generated, when contrasted with the weight of waste that the organization directs to recovery and disposal, can show the extent to which the organization manages its waste-related impacts.

The composition of the waste generated can help identify recovery or disposal operations appropriate to the type of waste and to the specific materials present in the waste.

Guidance for Disclosure 306-3

This disclosure covers waste generated in the organization's own activities. The organization can separately report waste generated upstream and downstream in its value chain, if this information is available.

Guidance for Disclosure 306-3-a

When reporting composition of the waste, the organization can describe:

- the type of waste, such as hazardous waste or non-hazardous waste;
- the waste streams, relevant to its sector or activities (e.g., tailings for an organization in the mining sector, electronic waste for an organization in the consumer electronics sector, or food waste for an organization in the agriculture or in the hospitality sector);

- the materials that are present in the waste (e.g., biomass, metals, non-metallic minerals, plastics, textiles).

Templates for how to present information under this disclosure can be found in the Appendix [Tables](#).

Guidance for Disclosure 306-3-b

To help understand the data, the organization can explain the reasons for the difference between the weight of waste generated and the weight of waste directed to recovery or disposal. This difference can be a result of precipitation or evaporation, leaks or losses, or other modifications to the waste. In the context of this Standard, leaks result from physical or technical failures (e.g., a trail of waste from a waste collection truck), while losses result from inadequate security measures or administrative failures (e.g., theft or lost records).

To help understand how the data has been compiled, the organization can specify whether the data has been modeled or sourced from direct measurements, such as waste transfer notes from contracted waste collectors, external assurance, or audits of waste-related data.

See references 1, 4, 10, and 11 in the [References](#).

Disclosure 306-4

Waste diverted from disposal

Reporting requirements

The reporting organization shall report the following information:

- a. Total weight of waste diverted from disposal in metric tons, and a breakdown of this total by composition of the waste.
- b. Total weight of hazardous waste diverted from disposal in metric tons, and a breakdown of this total by the following recovery operations:
 - i. Preparation for reuse;
 - ii. Recycling;
 - iii. Other recovery operations.
- c. Total weight of non-hazardous waste diverted from disposal in metric tons, and a breakdown of this total by the following recovery operations:
 - i. Preparation for reuse;
 - ii. Recycling;
 - iii. Other recovery operations.
- d. For each recovery operation listed in Disclosures 306-4-b and 306-4-c, a breakdown of the total weight in metric tons of hazardous waste and of non-hazardous waste diverted from disposal:
 - i. onsite;
 - ii. offsite.
- e. Contextual information necessary to understand the data and how the data has been compiled.

Disclosure
306-4

2.2 When compiling the information specified in Disclosure 306-4, the reporting organization shall:

- 2.2.1 exclude effluent, unless required by national legislation to be reported under total waste;
- 2.2.2 use 1000 kilograms as the measure for a metric ton.

Reporting recommendations

2.3 The reporting organization should report the total weight of waste prevented, and the baseline and methodology for this calculation.

Guidance

Background

An organization's choice of operations to manage waste shows how it addresses significant waste-related impacts. The options to manage waste can be informed by the waste management hierarchy, which orders operations to manage waste from the most preferable to the least preferable. The waste management hierarchy prioritizes waste prevention, followed by recovery operations that divert waste from being sent to disposal, such as preparation for reuse, recycling, and other recovery operations.

Guidance for Disclosure 306-4

Templates for how to present information under this disclosure can be found in the Appendix [Tables](#).

Guidance for Disclosure 306-4-a

When reporting composition of the waste, the organization can describe:

- the type of waste, such as hazardous waste or non-hazardous waste;

Disclosure 306-4

continued

- the waste streams, relevant to its sector or activities (e.g., tailings for an organization in the mining sector, electronic waste for an organization in the consumer electronics sector, or food waste for an organization in the agriculture or in the hospitality sector);
- the materials that are present in the waste (e.g., biomass, metals, non-metallic minerals, plastics, textiles).

Guidance for Disclosures 306-4-b and 306-4-c

When reporting on Disclosures 306-4-b-ii and 306-4-c-ii, the organization can specify the type of recycling operations, such as downcycling, upcycling, composting, or anaerobic digestion.

Besides preparation for reuse and recycling, the organization can report the other types of recovery operations it uses under Disclosures 306-4-b-iii and 306-4-c-iii, such as repurposing or refurbishment.

Guidance for Disclosure 306-4-d

Reporting on the quantity and type of waste diverted from disposal onsite and offsite shows the extent to which the organization knows how its waste is managed. In the context of this Standard, 'onsite' means within the physical boundary or administrative control of the reporting organization, and 'offsite' means outside the physical boundary or administrative control of the reporting organization.

Guidance for Disclosure 306-4-e

To help understand the data, the organization can explain the reasons for the difference between the weights of waste diverted from disposal onsite and offsite (e.g., lack of infrastructure onsite to recover materials from waste). It can also describe sector practices, sector standards, or external regulations that mandate a specific recovery operation.

To help understand how the data has been compiled, the organization can specify whether the data has been modeled or sourced from direct measurements, such as waste transfer notes from contracted waste collectors, external assurance, or audits of waste-related data.

Guidance for clause 2.3

Waste prevention is the most preferable option in the waste management hierarchy, as it prevents the resulting impacts on the environment and human health. The organization can calculate waste prevented as the reduction in waste generation resulting from the actions reported under [Disclosure 306-2-a](#). Reductions in waste generation resulting from reduced production capacity are not considered waste prevention. The organization can report waste prevented in its own activities as well as waste prevented in its value chain.

See reference 1 in the [References](#).

Disclosure 306-5

Waste directed to disposal

Reporting requirements

The reporting organization shall report the following information:

- a. Total weight of waste directed to disposal in metric tons, and a breakdown of this total by composition of the waste.
- b. Total weight of hazardous waste directed to disposal in metric tons, and a breakdown of this total by the following disposal operations:
 - i. Incineration (with energy recovery);
 - ii. Incineration (without energy recovery);
 - iii. Landfilling;
 - iv. Other disposal operations.
- c. Total weight of non-hazardous waste directed to disposal in metric tons, and a breakdown of this total by the following disposal operations:
 - i. Incineration (with energy recovery);
 - ii. Incineration (without energy recovery);
 - iii. Landfilling;
 - iv. Other disposal operations.
- d. For each disposal operation listed in Disclosures 306-5-b and 306-5-c, a breakdown of the total weight in metric tons of hazardous waste and of non-hazardous waste directed to disposal:
 - i. onsite;
 - ii. offsite.
- e. Contextual information necessary to understand the data and how the data has been compiled.

Disclosure
306-5

2.4 When compiling the information specified in Disclosure 306-5, the reporting organization shall:

- 2.4.1 exclude effluent, unless required by national legislation to be reported under total waste;
- 2.4.2 use 1000 kilograms as the measure for a metric ton.

Guidance

Background

Disposal is the least preferable option in the waste management hierarchy because of its negative impacts on the environment and human health. Leachate from landfills can contaminate land and water; methane released from the decay of organic waste in landfills contributes to climate change, and uncontrolled burning of waste contributes to air pollution. Disposal prevents the materials present in the waste from being recirculated in the environment and economy, making them unavailable for future use.

Guidance for Disclosure 306-5

Templates for how to present information under this disclosure can be found in the Appendix [Tables](#).

Guidance for Disclosure 306-5-a

When reporting composition of the waste, the organization can describe:

- the type of waste, such as hazardous waste or non-hazardous waste;
- the waste streams, relevant to its sector or activities (e.g., tailings for an organization in the mining sector, electronic waste for an organization in the consumer electronics sector, or food waste for an organization in the agriculture or in the hospitality sector);
- the materials that are present in the waste (e.g., biomass, metals, non-metallic minerals, plastics, textiles).

Disclosure 306-5

continued

Guidance for Disclosures 306-5-b and 306-5-c

Besides incineration and landfilling, the organization can specify the other types of disposal operations it uses under Disclosures 306-5-b-iv and 306-5-c-iv, such as dumping, open burning, or deep well injection.

Guidance for Disclosure 306-5-d

Reporting the quantity and type of waste directed to disposal onsite and offsite shows the extent to which the organization knows how its waste is managed. In the context of this Standard, 'onsite' means within the physical boundary or administrative control of the reporting organization, and 'offsite' means outside the physical boundary or administrative control of the reporting organization.

Guidance for Disclosure 306-5-e

To help understand the data, the organization can explain the reasons for the difference between the weights of waste directed to disposal onsite and offsite (e.g., local regulations that prohibit landfilling of specific types of waste). It can also describe sector practices, sector standards, or external regulations that mandate a specific disposal operation.

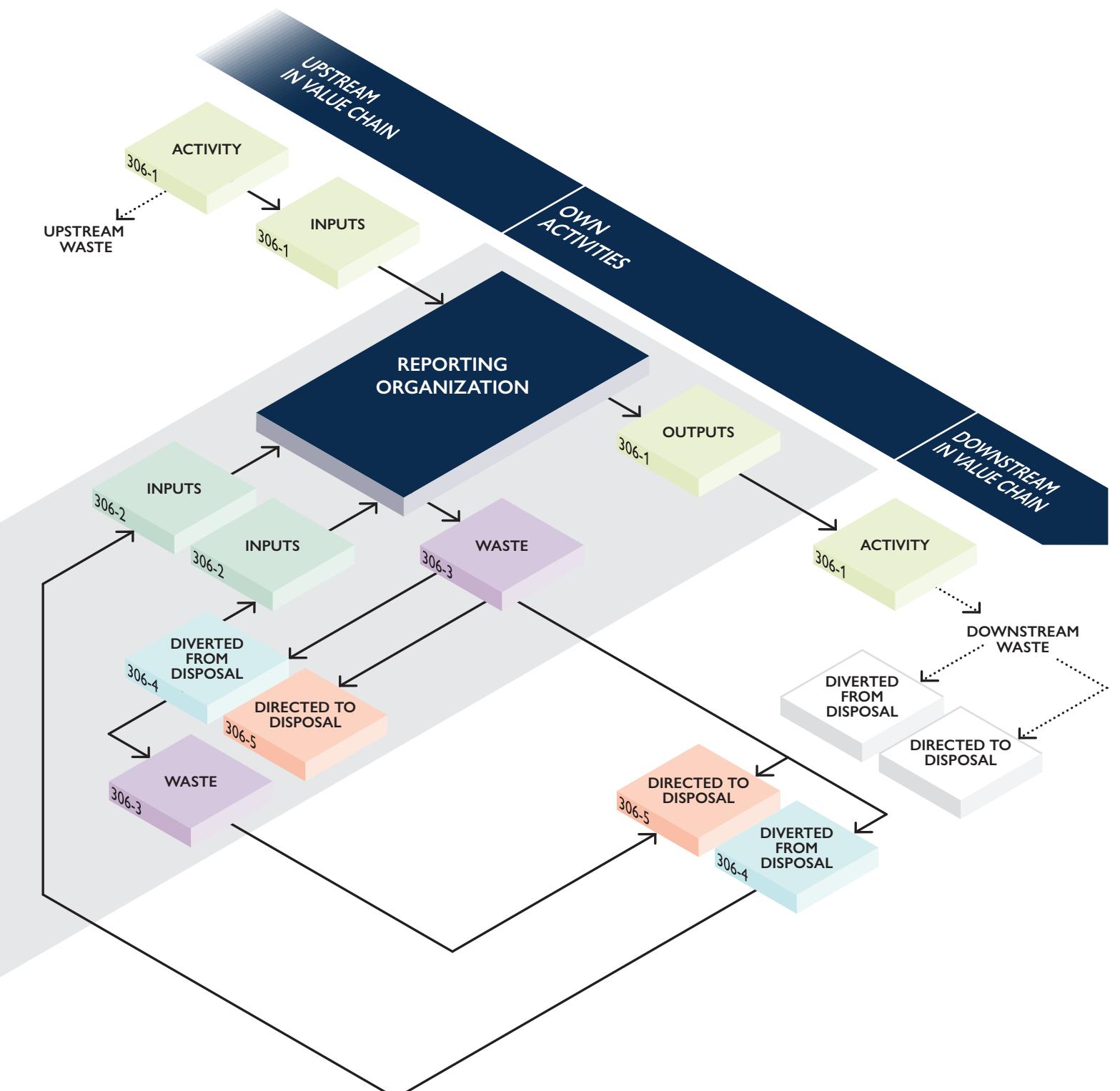
To help understand how the data has been compiled, the organization can specify whether the data has been modeled or sourced from direct measurements, such as waste transfer notes from contracted waste collectors, external assurance, or audits of waste-related data.

Appendix

Process flow examples (clause 1.2)

**Template examples for presenting information for
Disclosures 306-3, 306-4, and 306-5**

Process flow A. Generic example



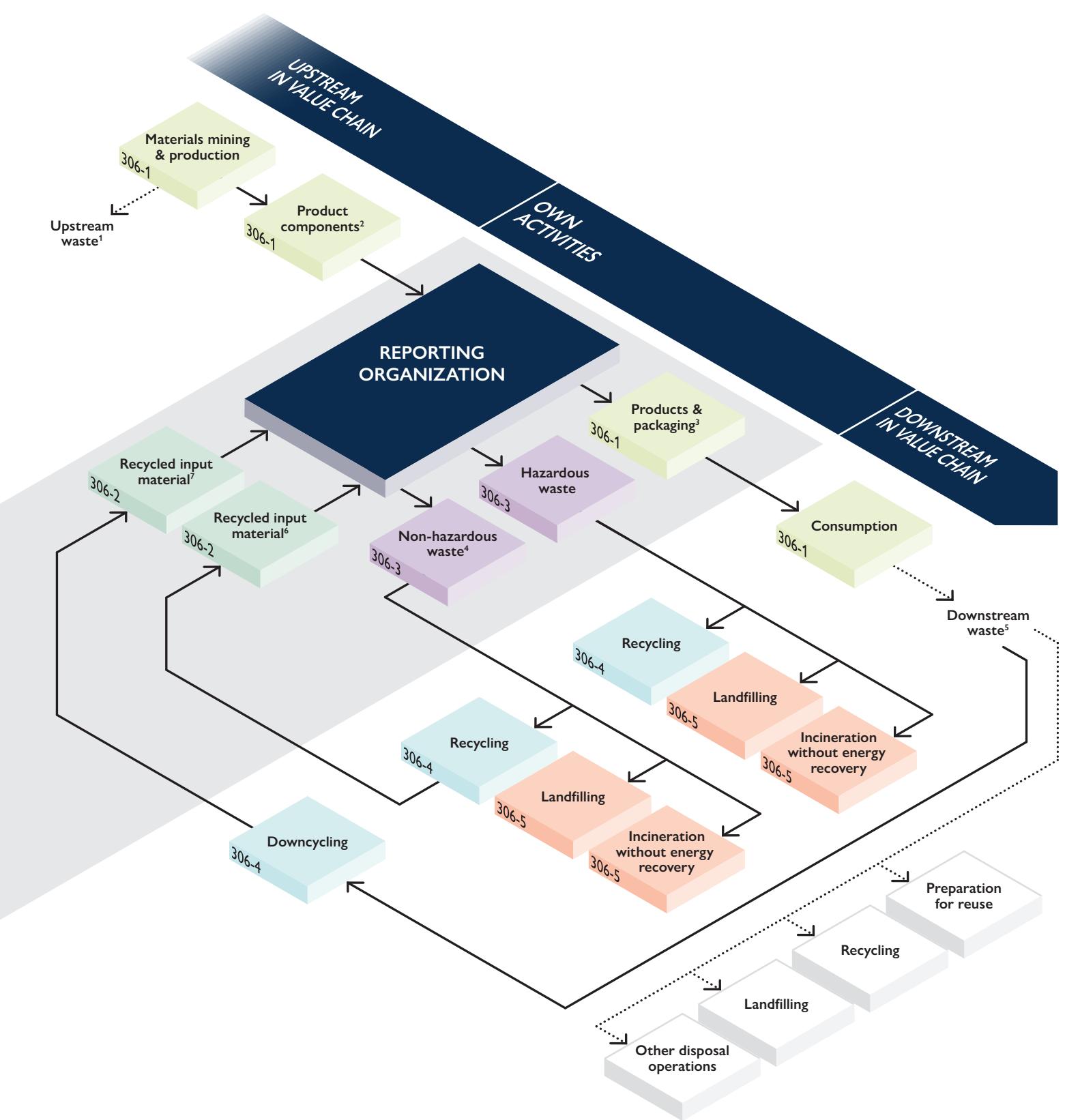
Movement of inputs and outputs through the organization's value chain

Numbers refer to respective disclosures with specific reporting requirements

Box titles can refer to reporting requirements in the disclosures

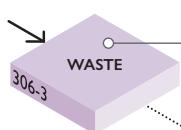
Limited information available to the organization

Process flow B. Electronic consumer goods manufacturer



Movement of inputs and outputs through the organization's value chain

Numbers refer to respective disclosures with specific reporting requirements

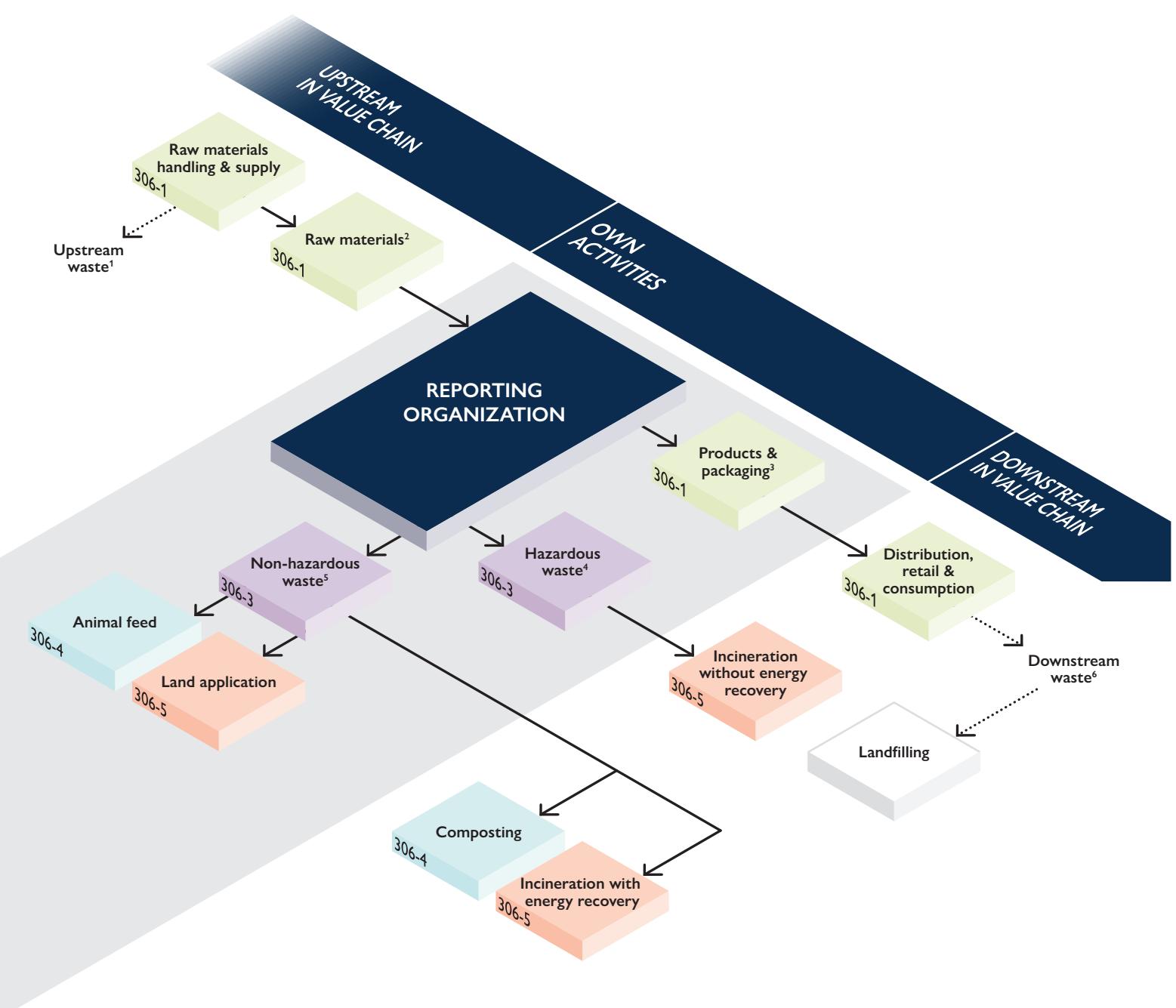


Box titles can refer to reporting requirements in the disclosures

Limited information available to the organization

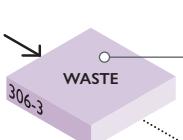
1 bauxite residue
2 aluminium, lead, copper
3 electronic product, paper box
4 metal scrap, silicon
5 WEEE
6 recycled copper
7 recycled plastic

Process flow C. Food products manufacturer



Movement of inputs and outputs through the organization's value chain

Numbers refer to respective disclosures with specific reporting requirements

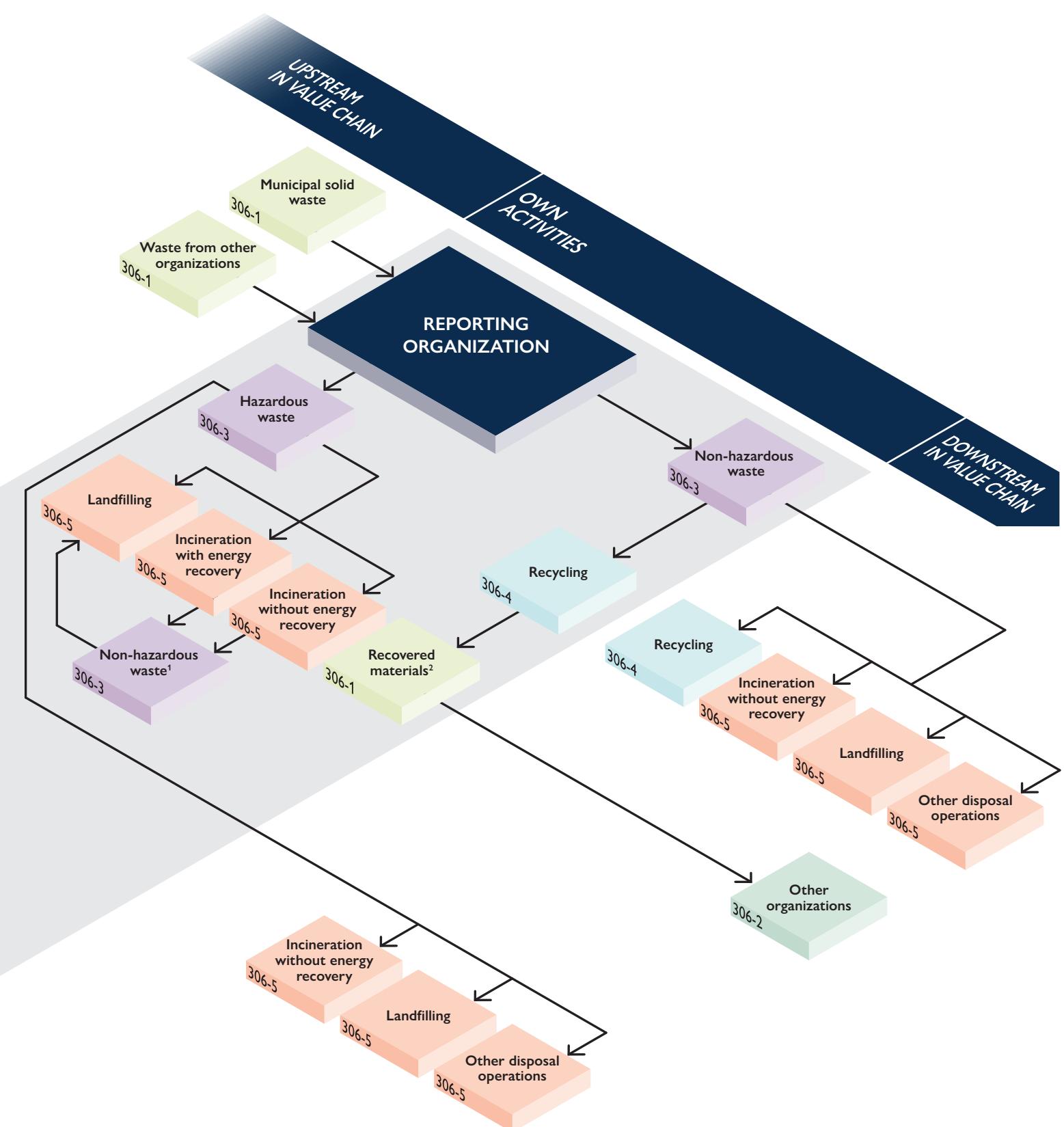


Box titles can refer to reporting requirements in the disclosures

Limited information available to the organization

1 spoiled fruit
2 fresh fruit
3 food product, plastic wrap
4 spoiled fruit
5 inedible parts
6 food waste and packaging waste

Process flow D. Waste management organization

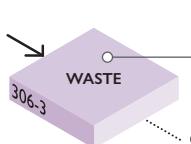


Movement of inputs and outputs through the organization's value chain

Numbers refer to respective disclosures with specific reporting requirements

Box titles can refer to reporting requirements in the disclosures

1 bottom ash residue
2 glass shards, baled paper, plastic granulate, metal scrap, high quality wood, mineral granulates



Limited information available to the organization

Template examples for presenting information for Disclosures 306-3, 306-4, and 306-5

Tables 1, 2, and 3 offer templates for presenting the information required under Disclosure 306-3 Waste generated, Disclosure 306-4 Waste diverted from disposal, and Disclosure 306-5 Waste directed to disposal. The organization can amend the tables according to its practices.

Table 1. Waste by composition, in metric tons (t)

	Waste generated	Waste diverted from disposal	Waste directed to disposal
Waste composition			
Category 1	t (306-3-a)	t (306-4-a)	t (306-5-a)
Category 2	t (306-3-a)	t (306-4-a)	t (306-5-a)
Category 3	t (306-3-a)	t (306-4-a)	t (306-5-a)
Etc.	t (306-3-a)	t (306-4-a)	t (306-5-a)
Total waste	t (306-3-a)	t (306-4-a)	t (306-5-a)

Table 2. Waste diverted from disposal by recovery operation, in metric tons (t)

	Onsite	Offsite	Total
Hazardous waste			
Preparation for reuse	t (306-4-d-i)	t (306-4-d-ii)	t (306-4-b-i)
Recycling	t (306-4-d-i)	t (306-4-d-ii)	t (306-4-b-ii)
Other recovery operations	t (306-4-d-i)	t (306-4-d-ii)	t (306-4-b-iii)
Total			t (306-4-b)
Non-hazardous waste			
Preparation for reuse	t (306-4-d-i)	t (306-4-d-ii)	t (306-4-c-i)
Recycling	t (306-4-d-i)	t (306-4-d-ii)	t (306-4-c-ii)
Other recovery operations	t (306-4-d-i)	t (306-4-d-ii)	t (306-4-c-iii)
Total			t (306-4-c)
Waste prevented			
Waste prevented			t (clause 2.3)

Table 3. Waste directed to disposal by disposal operation, in metric tons (t)

	Onsite	Offsite	Total
Hazardous waste			
Incineration (with energy recovery)	t (306-5-d-i)	t (306-5-d-ii)	t (306-5-b-i)
Incineration (without energy recovery)	t (306-5-d-i)	t (306-5-d-ii)	t (306-5-b-ii)
Landfilling	t (306-5-d-i)	t (306-5-d-ii)	t (306-5-b-iii)
Other disposal operations	t (306-5-d-i)	t (306-5-d-ii)	t (306-5-b-iv)
Total			t (306-5-b)
Non-hazardous waste			
Incineration (with energy recovery)	t (306-5-d-i)	t (306-5-d-ii)	t (306-5-c-i)
Incineration (without energy recovery)	t (306-5-d-i)	t (306-5-d-ii)	t (306-5-c-ii)
Landfilling	t (306-5-d-i)	t (306-5-d-ii)	t (306-5-c-iii)
Other disposal operations	t (306-5-d-i)	t (306-5-d-ii)	t (306-5-c-iv)
Total			t (306-5-c)

Glossary

This Glossary includes definitions for terms used in this Standard, which apply when using this Standard. These definitions may contain terms that are further defined in the complete [GRI Standards Glossary](#).

All defined terms are underlined. If a term is not defined in this Glossary or in the complete *GRI Standards Glossary*, definitions that are commonly used and understood apply.

baseline

starting point used for comparisons

Note 1: In the context of energy and emissions reporting, the baseline is the projected energy consumption or emissions in the absence of any reduction activity.

circularity measures

measures taken to retain the value of products, materials, and resources and redirect them back to use for as long as possible with the lowest carbon and resource footprint possible, such that fewer raw materials and resources are extracted and waste generation is prevented

disposal

any operation which is not recovery, even where the operation has as a secondary consequence the recovery of energy

Note 1: Disposal is the end-of-life management of discarded products, materials, and resources in a sink or through a chemical or thermal transformation that makes these products, materials, and resources unavailable for further use.

Note 2: This definition comes from the European Union (EU), *Waste Framework Directive*, 2008 (Directive 2008/98/EC).

effluent

treated or untreated wastewater that is discharged

Note: This definition is based on the Alliance for Water Stewardship (AWS), *AWS International Water Stewardship Standard, Version 1.0*, 2014.

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.

hazardous waste

waste that possesses any of the characteristics contained in Annex III of the Basel Convention, or that is considered to be hazardous by national legislation

Note: This definition comes from the United Nations Environment Programme (UNEP), *Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and Their Disposal*, 1989.

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.

incineration

controlled burning of waste at high temperatures

Note 1: Incineration of waste can be carried out with or without energy recovery. Incineration with energy recovery is also known as waste to energy. In the context of waste reporting, incineration with energy recovery is considered a disposal operation.

Note 2: This definition comes from the United Nations (UN), *Glossary of Environment Statistics, Studies in Methods*, Series F, No. 67, 1997.

landfilling

final depositing of solid waste at, below, or above ground level at engineered disposal sites

Note 1: In the context of waste reporting, landfilling refers to depositing of solid waste in sanitary landfills, and excludes uncontrolled waste disposal such as open burning and dumping.

Note 2: This definition comes from the United Nations (UN), *Glossary of Environment Statistics, Studies in Methods*, Series F, No. 67, 1997.

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.

preparation for reuse

checking, cleaning, or repairing operations, by which products or components of products that have become waste are prepared to be put to use for the same purpose for which they were conceived

Note: This definition is based on the European Union (EU), *Waste Framework Directive*, 2008 (Directive 2008/98/EC).

product

article or substance that is offered for sale or is part of a service delivered by an organization

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

recovery

any operation wherein products, components of products, or materials that have become waste are prepared to fulfill a purpose in place of new products, components, or materials that would otherwise have been used for that purpose

Note 1: Preparation for reuse and recycling are examples of recovery operations.

Note 2: In the context of waste reporting, recovery operations do not include energy recovery.

Note 3: This definition is based on the United Nations Environment Programme (UNEP), *Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and Their Disposal*, 1989.

recycling

reprocessing of products or components of products that have become waste, to make new materials

Note: This definition is based on the United Nations Environment Programme (UNEP), *Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and Their Disposal*, 1989.

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.

service

action of an organization to meet a demand or need

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).

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.

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.

waste

anything that the holder discards, intends to discard, or is required to discard

Note 1: Waste can be defined according to the national legislation at the point of generation.

Note 2: A holder can be the reporting organization, an entity in the organization's value chain upstream or downstream (e.g., supplier or consumer), or a waste management organization, among others.

Note 3: This definition is based on the United Nations Environment Programme (UNEP), *Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and Their Disposal*, 1989.

References

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

Authoritative intergovernmental instruments:

1. European Union (EU), *Waste Framework Directive*, 2008 (Directive 2008/98/EC).
2. International Maritime Organization (IMO), *Convention on the Prevention of Marine Pollution by Dumping of Wastes and Other Matter* (London Convention), 1972.
3. International Maritime Organization (IMO), *International Convention for the Prevention of Pollution from Ships* (Marpol), 1973, as modified by the Protocol of 1978.
4. United Nations Environment Programme (UNEP), *Ban Amendment to the Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and Their Disposal*, 1995.
5. United Nations Environment Programme (UNEP), *Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and Their Disposal* (Basel Convention), 1989.
6. United Nations Environment Programme (UNEP), *Rotterdam Convention on the Prior Informed Consent (PIC) Procedure for Certain Hazardous Chemicals and Pesticides in International Trade* (Rotterdam Convention), 1998.
7. United Nations Environment Programme (UNEP), *Stockholm Convention on Persistent Organic Pollutants* (Stockholm Convention), 2001.
8. United Nations (UN) Resolution, *Transforming our world: the 2030 Agenda for Sustainable Development*, 2015.

Other relevant references:

9. United Nations Environment Programme (UNEP), *Global Waste Management Outlook*, 2015.
10. United Nations Environment Programme (UNEP), *Guidelines for National Waste Management Strategies: Moving from Challenges to Opportunities*, 2013.
11. World Resources Institute (WRI), Food Loss and Waste Protocol, <https://flwprotocol.org/>, accessed 19 May 2020.



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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
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:

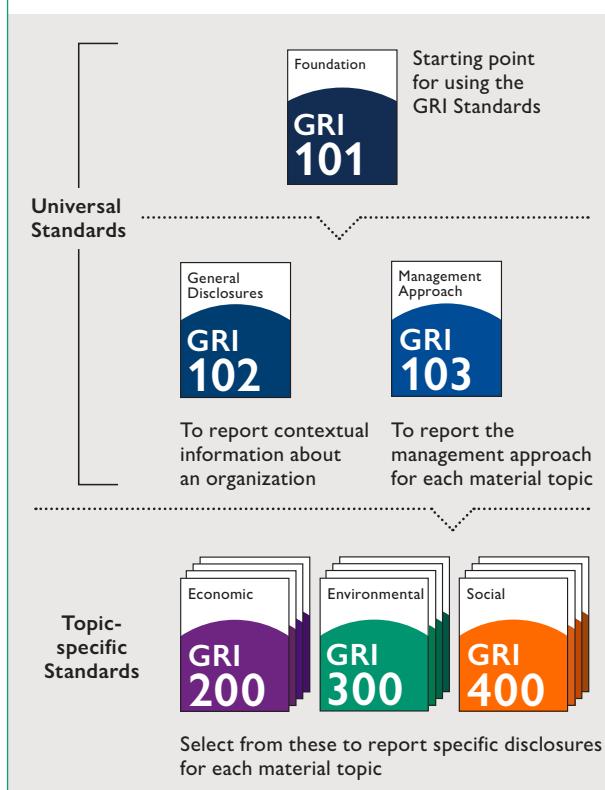
GRI 101: Foundation

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.

Figure 1
Overview of the set of GRI 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.

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

Disclosure
307-1

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.

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.

Glossary

This Glossary includes definitions for terms used in this Standard, which apply when using this Standard. These definitions may contain terms that are further defined in the complete [GRI Standards Glossary](#).

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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.

impact

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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.



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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
Effective date	In the text of this Standard, terms defined in the Glossary are <u>underlined</u> . 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:

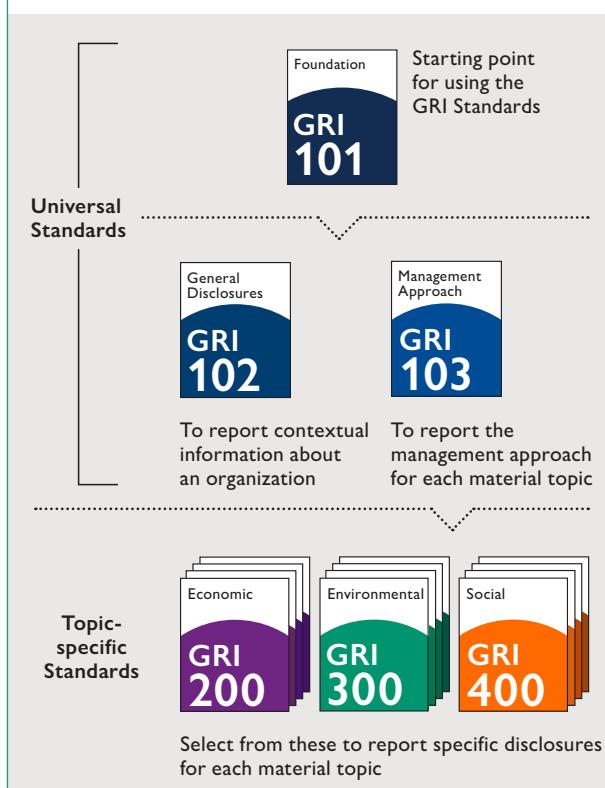
GRI 101: Foundation

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.

Figure 1
Overview of the set of GRI 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.

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.

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.

Glossary

This Glossary includes definitions for terms used in this Standard, which apply when using this Standard. These definitions may contain terms that are further defined in the complete [GRI Standards Glossary](#).

All defined terms are underlined. If a term is not defined in this Glossary or in the complete *GRI Standards Glossary*, definitions that are commonly used and understood apply.

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.

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.

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.

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.

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

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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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
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:

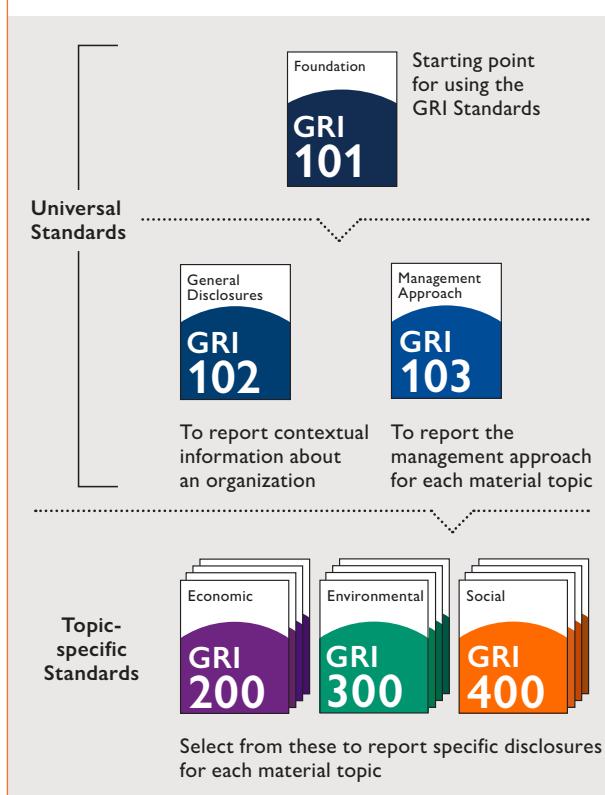
GRI 101: Foundation

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.

Figure 1
Overview of the set of GRI 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.

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.

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.

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.

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*.

Management approach disclosures

Continued

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

Disclosure
401-1

Reporting requirements

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.

Standard
Interpretation

- 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

Disclosure
401-2

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

Disclosure
401-3

Reporting requirements

The reporting organization shall report the following information:

- a. Total number of employees that were entitled to parental leave, by gender.
- b. Total number of employees that took parental leave, by gender.
- c. Total number of employees that returned to work in the reporting period after parental leave ended, by gender.
- d. 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.
- e. Return to work and retention rates of employees that took parental leave, by gender.

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.

Glossary

This Glossary includes definitions for terms used in this Standard, which apply when using this Standard. These definitions may contain terms that are further defined in the complete [GRI Standards Glossary](#).

All defined terms are underlined. If a term is not defined in this Glossary or in the complete [GRI Standards Glossary](#), definitions that are commonly used and understood apply.

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.

employee

individual who is in an employment relationship with the organization, according to national law or its application

employee turnover

employees who leave the organization voluntarily or due to dismissal, retirement, or death in service

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.

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.

parental leave

leave granted to men and women employees on the grounds of the birth of a child

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.

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.

supply chain

sequence of activities or parties that provides products or services to an organization

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.

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.
7. International Labour Organization (ILO) Convention 156, 'Workers with Family Responsibilities Convention', 1981.
8. International Labour Organization (ILO) Convention 157, 'Maintenance of Social Security Rights Convention', 1982.
9. International Labour Organization (ILO) Convention 168, 'Employment Promotion and Protection against Unemployment Convention', 1988.
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.



STANDARDS



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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Standard Interpretations

Standard Interpretation 1 to GRI 401: Employment 2016 on calculating the rates of new employee hires and employee turnover

Responsibility

This Standard Interpretation is issued by the [Global Sustainability Standards Board \(GSSB\)](#). Any feedback on the GRI Standards and related Interpretations can be submitted to standards@globalreporting.org for the consideration of the GSSB.

Relevant section

Clause 2.1 in *GRI 401: Employment 2016*

Issue

Disclosure 401-1 New employee hires and employee turnover in *GRI 401: Employment 2016* requires organizations to report the total numbers and rates of new employee hires and employee turnover during the reporting period, by age group, gender and region.

[Clause 2.1](#) in *GRI 401* further requires organizations to use the total employee numbers at the end of the reporting period to calculate the rates of new employee hires and employee turnover.

Feedback from users of the GRI Standards indicated that the required methodology in clause 2.1 is incorrect.

Interpretation Statement

An organization is *not* required to comply with [clause 2.1](#) in *GRI 401: Employment 2016* ('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').

The organization is free to choose the methodology for calculating these rates.

Where the basis of measurement/calculation for a disclosure is not apparent, the organization is recommended to explain the basis of measurement/calculation used (see [clause 2.7.2](#) in *GRI 101: Foundation 2016*). When using ratios or normalized data, the organization is recommended to provide absolute data and explanatory notes (see [clause 2.7.3](#) in *GRI 101*).

Effective date

This Standard Interpretation is effective for reports or other materials published on or after 1 July 2018.

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. <i>GRI 101: Foundation</i> <i>GRI 103: Management Approach</i> <i>GRI Standards Glossary</i>
Effective date	In the text of this Standard, terms defined in the Glossary are <u>underlined</u> . 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:

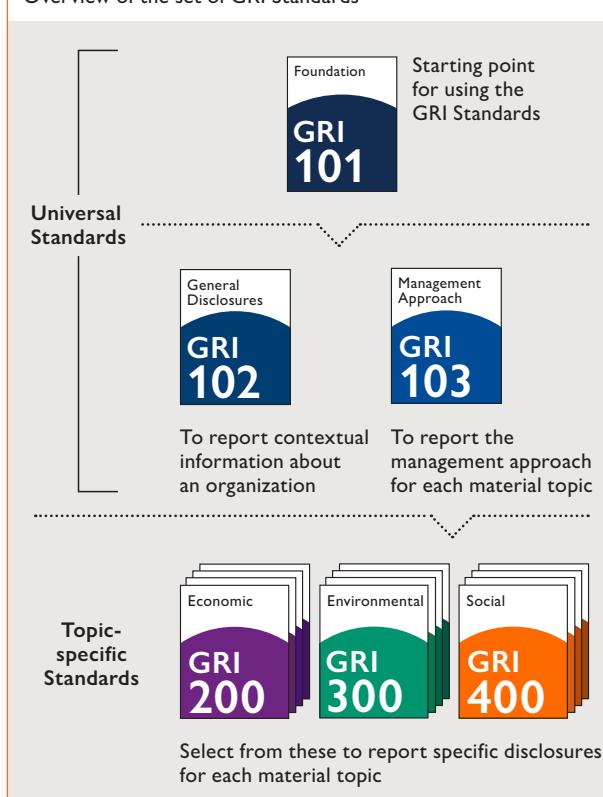
GRI 101: Foundation

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.

Figure 1
Overview of the set of GRI 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.

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

Disclosure
402-1

Reporting requirements

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.

Glossary

This Glossary includes definitions for terms used in this Standard, which apply when using this Standard. These definitions may contain terms that are further defined in the complete [GRI Standards Glossary](#).

All defined terms are underlined. If a term is not defined in this Glossary or in the complete [GRI Standards Glossary](#), definitions that are commonly used and understood apply.

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.

employee

individual who is in an employment relationship with the organization, according to national law or its application

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.

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.

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.

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.
4. International Labour Organization (ILO) Convention 154, 'Collective Bargaining Convention', 1981.
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.
7. International Labour Organization (ILO), LABORSTA Internet, <http://laborsta.ilo.org/>, accessed on 1 September 2016.
8. International Labour Organization (ILO) Recommendation 91, 'Collective Agreements Recommendation', 1951.
9. International Labour Organization (ILO) Recommendation 94, 'Co-operation at the Level of the Undertaking Recommendation', 1952.
10. International Labour Organization (ILO) Recommendation 163, 'Collective Bargaining Recommendation', 1981.
11. International Labour Organization (ILO), 'Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy', 2006.
12. Organisation for Economic Co-operation and Development (OECD), *OECD Guidelines for Multinational Enterprises*, 2011.



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STANDARDS



GRI 403: OCCUPATIONAL HEALTH AND SAFETY

2018

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
Effective date	In the text of this Standard, terms defined in the Glossary are <u>underlined</u> .

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). The 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.

See the *Reporting Principles for defining report content in GRI 101: Foundation* for more information on how to identify material topics.

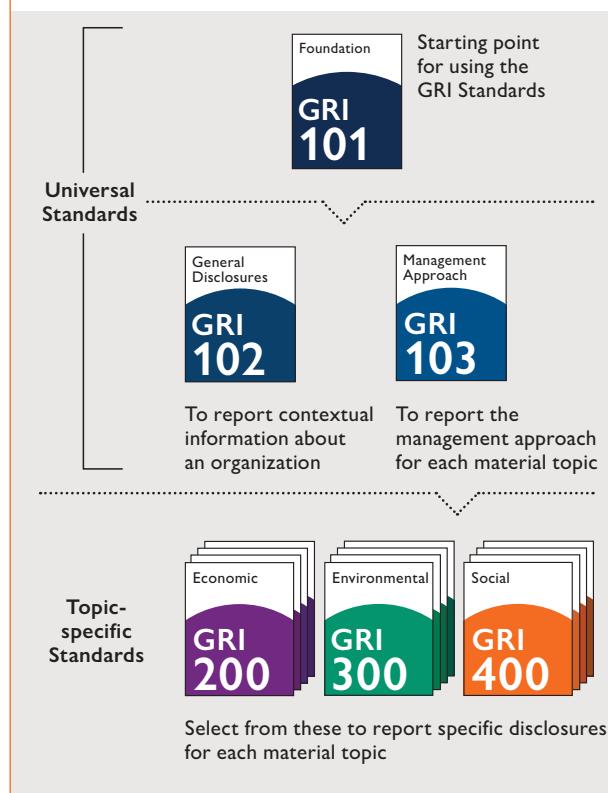
The topic-specific GRI Standards are organized into three series: 200 (Economic topics), 300 (Environmental topics), and 400 (Social topics).

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 403: Occupational Health and Safety* is a topic-specific GRI Standard in the 400 series (Social topics).**

B. Using the GRI Standards and making claims

Figure 1
Overview of the set of GRI Standards



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 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.

Reasons for omission as set out in *GRI 101: Foundation* are applicable to this Standard. See [clause 3.2 in GRI 101](#) for requirements on reasons for omission.

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, the 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 403 addresses the topic of occupational health and safety.

Healthy and safe work conditions are recognized as a human right and addressed in authoritative intergovernmental instruments, including those of the International Labour Organization (ILO), the Organisation for Economic Co-operation and Development (OECD), and the World Health Organization (WHO): see [References](#).

Healthy and safe work conditions are also a target of the Sustainable Development Goals, adopted by the United Nations (UN) as part of the 2030 Agenda for Sustainable Development.¹

Healthy and safe work conditions involve both prevention of physical and mental harm, and promotion of workers' health.

Prevention of harm and promotion of health require an organization to demonstrate commitment to workers' health and safety. They also require the organization to engage workers in the development, implementation, and performance evaluation of an occupational health and safety policy, management system and programs that are appropriate to the organization's size and activities.

It is essential that workers are consulted in the development of an organization's occupational health and safety policy, and participate in the processes necessary to plan, support, operate, and continually evaluate the effectiveness of the occupational health and safety management system and programs.

Hazard identification and risk assessment, worker training, and incident identification and investigation are also key to planning, supporting, operating, and evaluating the occupational health and safety management system.

In addition to preventing harm, an organization can promote workers' health by offering healthcare services or voluntary health promotion services and programs, which, for example, help workers improve their diet or quit smoking. These additional services and programs cannot serve as a substitute for occupational health and safety programs, services and systems that prevent harm and protect workers from work-related injuries and ill health.

All services and programs that aim to prevent harm and promote workers' health are expected to respect workers' right to privacy. Organizations are expected not to use workers' participation in such services and programs, or the health data derived therefrom, as criteria for their decisions regarding employment or engagement of workers, including termination, demotion, promotion or offering of prospects, compensation, or any other favorable or unfavorable treatment.

¹ See Target 8.8: 'Protect labour rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment', within Goal 8: 'Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all'. Other Sustainable Development Goals are also relevant to the topic of occupational health and safety, for example Goal 3: 'Ensure healthy lives and promote well-being for all at all ages'.

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
 - Disclosure 403-1 Occupational health and safety management system
 - Disclosure 403-2 Hazard identification, risk assessment, and incident investigation
 - Disclosure 403-3 Occupational health services
 - Disclosure 403-4 Worker participation, consultation, and communication on occupational health and safety
 - Disclosure 403-5 Worker training on occupational health and safety
 - Disclosure 403-6 Promotion of worker health
 - Disclosure 403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships
- Topic-specific disclosures
 - Disclosure 403-8 Workers covered by an occupational health and safety management system
 - Disclosure 403-9 Work-related injuries
 - Disclosure 403-10 Work-related ill health

Scope of ‘workers’ in this Standard

In the context of the GRI Standards, the term ‘worker’ is defined as a person that performs work. Some GRI Standards specify the use of a particular subset of workers.

This Standard covers the following subset of workers, for whose occupational health and safety an organization is expected to be responsible:

- All workers who are employees (i.e., those workers who are in an employment relationship with the organization according to national law or its application);
- All workers who are not employees but whose work and/or workplace is controlled by the organization;
- All workers who are not employees and whose work and workplace are not controlled by the organization, but the organization’s operations, products or services are directly linked to significant occupational health and safety impacts on those workers by its business relationships.

See [Table 1](#) for examples of employees and workers who are not employees according to the criteria of ‘control of work’ and ‘control of workplace’.

When the reporting organization does not have data available for all the workers specified in a disclosure, the organization is required to identify the types of worker excluded from the disclosures and explain why they have been excluded. See also [clause 3.2](#) in *GRI 101: Foundation* for requirements on reasons for omission.

Workers who are employees

All employees are to be included by the organization in its reported data, regardless of whether the organization controls their work and/or workplace.

For employees, the organization is required to report the management approach disclosures (except Disclosure 403-7) and the topic-specific disclosures.

Workers who are not employees but whose work and/or workplace is controlled by the organization

Workers who are not employees might include volunteers, contractors, individuals or self-employed persons, and agency workers, among other types of worker. Workers who are not employees might include those working for the organization, or for the organization’s suppliers, customers, or other business partners.

Note that the worker type does not determine whether the worker is to be included by the organization in its reported data. Workers, of any type, are to be included if the organization controls their work and/or workplace, because these forms of control position the organization to take action to eliminate hazards and minimize risks, to protect workers from harm.

Control of work implies that the organization has control over the means or methods, or directs the work performed with respect to its occupational health and safety performance. Control of workplace implies that the organization has control over the physical aspects of the workplace (e.g., access to the workplace), and/or the type of activities that can be performed in the workplace.

The organization might have sole control of the work and/or workplace, or share control with one or more organizations (e.g., suppliers, customers, or other business partners, such as in joint ventures). In cases of shared control, workers of the organization’s business partner are to be included in the reported data when there is a contractual obligation between the organization and the partner, and the organization shares control over the means or methods, or shares direction of the work performed, and/or over the workplace. In such cases, through contractual obligation, the organization can require the partner to, for example, use a less harmful chemical in its products or production process.

For workers who are not employees but whose work and/or workplace is controlled by the organization, the organization is required to report the management approach disclosures (except Disclosure 403-7) and the topic-specific disclosures.

Workers who are not employees and whose work and workplace are not controlled by the organization, but the organization's operations, products or services are directly linked to significant occupational health and safety impacts on those workers by its business relationships

An organization is expected to be responsible for the occupational health and safety of employees and of workers who are not employees but whose work and/or workplace it controls. Beyond that, an organization might also be involved with occupational health and safety impacts as a result of its business relationships with other entities, such as entities in its value chain.

In cases where an organization has no control over both the work and workplace, it still has a responsibility to make efforts, including exercising any leverage it might have, to prevent and mitigate negative occupational health and safety impacts that are directly linked to its operations, products or services by its business relationships.

In these cases, the organization is required, at a minimum, to describe its approach to preventing and mitigating significant negative occupational health and safety impacts and the related hazards and risks, using [Disclosure 403-7](#) in the Management approach disclosures section.

Table 1 Examples of employees and workers who are not employees according to the criteria of 'control of work' and 'control of workplace'		
	Control of work <i>The organization has sole control of the work, or shares control with one or more organizations</i>	No control of work <i>The organization has no control of the work</i>
Control of workplace <i>The organization has sole control of the workplace, or shares control with one or more organizations</i>	Examples: Employees of the reporting organization working at a workplace controlled by the organization. Contractor hired by the reporting organization to perform work that would otherwise be carried out by an employee, at a workplace controlled by the organization. Volunteers performing work for the reporting organization, at a workplace controlled by the organization.	Example: Workers of an equipment supplier to the reporting organization who, at a workplace controlled by the organization, perform regular maintenance on the supplier's equipment (e.g., photocopier) as stipulated in the contract between the equipment supplier and the organization. In this case, the organization has control over the workplace but not over the work done by the equipment supplier's workers in its workplace.
No control of workplace <i>The organization has no control of the workplace</i>	Examples: Employees of the reporting organization working at sites other than those controlled by the organization (e.g., at home or in a public area, on domestic or international temporary work assignments, or on business travels organized by the organization). Contractors hired by the reporting organization to perform work in a public area (e.g., on a road, on the street). Contractors hired by the reporting organization to deliver the work/service directly at the workplace of a client of the organization. Workers of a supplier to the reporting organization who work on the supplier's premises, and where the organization instructs the supplier to use particular materials or work methods in manufacturing/delivering the required goods or services.	Example: Workers of a supplier contracted by the reporting organization who work on the supplier's premises using the supplier's work methods. For instance, the reporting organization sources buttons and thread from a supplier, which are standard products of the supplier. The supplier's workers make the buttons and thread at the supplier's workplace. The organization, however, learns that the buttons are coated with a sealant that releases toxic gases when being applied by workers, thereby affecting their health. In this case, the organization has no control over both the work and workplace of the supplier's workers, but its products are directly linked to significant occupational health and safety impacts on those workers by its business relationship with the supplier.

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.

An organization that has identified occupational health and safety as a material topic is required to report its management approach for this topic using both the disclosures in *GRI 103: Management Approach*, and the management approach disclosures in this section.

The disclosures in this section focus on how an organization identifies and manages its occupational health and safety impacts. This section is therefore designed to supplement – and not to replace – the content in *GRI 103*.

Reporting requirements

- 1.1 The reporting organization shall report its management approach for occupational health and safety using *GRI 103: Management Approach*.

Reporting recommendations

- 1.2 The reporting organization should report any other leading indicators or measures used to inform the management and evaluation of the occupational health and safety performance.

Guidance

If the operations of the reporting organization span a large number of countries or sites, it may group the management approach disclosures across countries or sites by relevant categories. For example, the organization may group information required in Disclosure 403-4-b on formal joint management–worker health and safety committees across sites with similar characteristics together; it does not have to report on each committee separately.

Guidance for clause 1.2

Leading indicators measure an organization's performance in relation to the actions it takes to prevent work-related injuries and ill health. They are important because organizations cannot rely solely on lagging indicators, which might not give a true picture of their occupational health and safety performance due to issues such as long-latency ill health and underreporting.

Leading indicators are often unique or tailored to a specific organization. Examples of such indicators include the number of workers trained in hazard identification and incident reporting, the increase in reporting of hazards and incidents after implementation of reporting policy and processes and worker training, the frequency of health and safety inspections or audits, the average time it takes to implement the recommendations of an inspection or audit, and response times for the investigation and elimination of hazards.

References

See references 2, 4, 7, 8, 11, and 12 in the [References section](#).

Disclosure 403-1

Occupational health and safety management system

Reporting requirements

The reporting organization shall report the following information for employees and for workers who are not employees but whose work and/or workplace is controlled by the organization:

- a. A statement of whether an occupational health and safety management system has been implemented, including whether:
 - i. the system has been implemented because of legal requirements and, if so, a list of the requirements;
 - ii. the system has been implemented based on recognized risk management and/or management system standards/guidelines and, if so, a list of the standards/guidelines.
- b. A description of the scope of workers, activities, and workplaces covered by the occupational health and safety management system, and an explanation of whether and, if so, why any workers, activities, or workplaces are not covered.

Disclosure
403-1

Guidance

Guidance for Disclosure 403-1

Disclosure 403-1 requires the reporting organization to list any legal requirements it has followed in implementing the occupational health and safety management system.

Recognized standards/guidelines for occupational health and safety management systems include international, national, and industry-specific standards.

When reporting on the occupational health and safety management system, the organization can also describe:

- the type of occupational health and safety professionals responsible for the management system, and whether these individuals are employed by the organization or engaged as consultants;
- how the continual improvement of the management system is achieved, i.e., the iterative process of enhancing the management system to achieve improvements in overall occupational health and safety performance.²

² International Labour Organization (ILO), *Guidelines on Occupational Safety and Health Management Systems*, ILO-OSH 2001, 2001.

Disclosure 403-2

Hazard identification, risk assessment, and incident investigation

Reporting requirements

The reporting organization shall report the following information for employees and for workers who are not employees but whose work and/or workplace is controlled by the organization:

- a. A description of the processes used to identify work-related hazards and assess risks on a routine and non-routine basis, and to apply the hierarchy of controls in order to eliminate hazards and minimize risks, including:
 - i. how the organization ensures the quality of these processes, including the competency of persons who carry them out;
 - ii. how the results of these processes are used to evaluate and continually improve the occupational health and safety management system.
- b. A description of the processes for workers to report work-related hazards and hazardous situations, and an explanation of how workers are protected against reprisals.
- c. A description of the policies and processes for workers to remove themselves from work situations that they believe could cause injury or ill health, and an explanation of how workers are protected against reprisals.
- d. A description of the processes used to investigate work-related incidents, including the processes to identify hazards and assess risks relating to the incidents, to determine corrective actions using the hierarchy of controls, and to determine improvements needed in the occupational health and safety management system.

Disclosure
403-2

Guidance

Guidance for Disclosure 403-2-a

When describing the processes used to identify hazards and assess risks on a routine and non-routine basis, and to apply the hierarchy of controls, the reporting organization can:

- specify whether these processes are based on legal requirements and/or recognized standards/guidelines;
- describe the frequency and scope of processes undertaken on a routine basis;
- describe the triggers for processes undertaken on a non-routine basis, such as changes in operating procedures or equipment; incident investigations; worker complaints or referrals; changes in workers or workflow; results of surveillance of work environment and worker health, including exposure monitoring (e.g., exposure to noise, vibration, dust);
- explain how obstacles to the implementation of these processes are removed for workers who might be more vulnerable to the risk of work-related injury or ill health, such as workers facing language barriers or having visual or hearing impairments (e.g., by providing occupational health and safety training and information in a language easily understood by workers).

Guidance for Disclosures 403-2-b and 403-2-c

Protecting workers against reprisals involves putting policies and processes in place that provide them with protection against intimidation, threats, or acts that could have a negative impact on their employment or work engagement, including termination, demotion, loss of compensation, discipline, and any other unfavorable treatment. Workers might face reprisals on account of their decision to either remove themselves from work situations that they believe could cause injury or ill health, or for reporting hazards or hazardous situations to their workers' representatives, to their employer, or to regulatory authorities.

Disclosure 403-2-c covers the right of workers to refuse or stop unsafe or unhealthy work. Workers have the right to remove themselves from work situations that they believe could cause them or another person injury or ill health.

Disclosure 403-3

Occupational health services

Reporting requirements

The reporting organization shall report the following information for employees and for workers who are not employees but whose work and/or workplace is controlled by the organization:

- a. A description of the occupational health services' functions that contribute to the identification and elimination of hazards and minimization of risks, and an explanation of how the organization ensures the quality of these services and facilitates workers' access to them.

Reporting recommendations

- 1.3 The reporting organization should report the following additional information:

- 1.3.1 How the organization maintains the confidentiality of workers' personal health-related information;
 - 1.3.2 How the organization ensures that workers' personal health-related information and their participation in any occupational health services is not used for any favorable or unfavorable treatment of workers.

Guidance

Guidance for Disclosure 403-3

Occupational health services aim to protect the health of workers in relation to their work environment.

When describing how the quality of occupational health services is ensured, the reporting organization can explain whether the services are provided by competent individuals with recognized qualifications and accreditations, and whether it complies with legal requirements and/or recognized standards/guidelines.

When describing how it facilitates workers' access to occupational health services, the organization can describe whether it provides these services at the workplace and during working hours; whether it arranges transport to health clinics or expedites service there; whether it provides information about the services, including in a language easily understood by workers; and whether it adjusts workloads to allow workers to make use of these services.

The organization can also report the metrics used to evaluate the effectiveness of these services, and the approaches used to raise awareness about them and encourage participation.

Guidance for clauses 1.3.1 and 1.3.2

Occupational health services are expected to respect workers' right to privacy. Organizations are expected not to use workers' participation in such services and programs, or the health data derived therefrom, as criteria for their decisions regarding the employment or engagement of workers, including termination, demotion, promotion or offering of prospects, compensation, or any other favorable or unfavorable treatment. See reference 6 in the [References section](#).

References

See references 3 and 9 in the [References section](#).

Disclosure 403-4

Worker participation, consultation, and communication on occupational health and safety

Disclosure
403-4

Reporting requirements

The reporting organization shall report the following information for employees and for workers who are not employees but whose work and/or workplace is controlled by the organization:

- a. A description of the processes for worker participation and consultation in the development, implementation, and evaluation of the occupational health and safety management system, and for providing access to and communicating relevant information on occupational health and safety to workers.
- b. Where formal joint management–worker health and safety committees exist, a description of their responsibilities, meeting frequency, decision-making authority, and whether and, if so, why any workers are not represented by these committees.

Reporting recommendations

- 1.4 The reporting organization should report whether and, if so, which occupational health and safety topics are covered in local or global formal agreements with trade unions.

Guidance

Guidance for Disclosure 403-4-a

When describing the processes for worker participation in occupational health and safety, the reporting organization can include information on:

- formal participation, based on legal requirements;
- participation through engagement with formally recognized workers' representatives;
- direct participation, particularly by affected workers (e.g., the direct involvement of all workers in occupational health and safety decisions in small organizations);
- the use of committees, and how these committees are established and operated;
- participation in the occupational health and safety management system (e.g., participation in identification of hazards, assessment of risks, application of the hierarchy of controls, investigation of incidents, audits, decision-making about the use of contractors and outsourcing);
- how obstacles to participation are identified and removed (e.g., by providing training, by protecting workers against reprisals).

When describing the processes for providing access to and communicating relevant information on occupational health and safety to workers, the organization can report whether it provides information about work-related incidents and the actions taken in response.

Guidance for Disclosure 403-4-b

A common form of worker participation in occupational health and safety is through joint management-worker health and safety committees. In addition to direct participation of workers from all job levels in these committees, workers' representatives, where they exist, might also be involved in these joint activities, as they might be authorized to make decisions about occupational health and safety, among other workplace decisions.

Where formal joint management-worker health and safety committees exist, the organization can also describe the level at which each committee operates within the organization, its dispute resolution mechanism, its chairing responsibilities, and how the committee members are protected against reprisals.

Disclosure 403-4-b requires a description of whether and, if so, why any workers are not represented by these committees. It does not require information on which workers are or are not members of such committees.

Guidance for clause 1.4

Agreements at the local level typically include topics such as provision of personal protective equipment; participation of workers' representatives in health and safety inspections, audits, and incident investigations; provision of training and education; and protection against reprisals.

Agreements at the global level typically include topics such as compliance with the ILO's International Labour Standards; arrangements or structures for resolving problems; and commitments regarding occupational health and safety standards and levels of performance.

Disclosure 403-5

Worker training on occupational health and safety

Reporting requirements

The reporting organization shall report the following information for employees and for workers who are not employees but whose work and/or workplace is controlled by the organization:

- a. A description of any occupational health and safety training provided to workers, including generic training as well as training on specific work-related hazards, hazardous activities, or hazardous situations.

Guidance

Guidance for Disclosure 403-5

When describing the occupational health and safety training provided, the reporting organization can include information on:

- how training needs are assessed;
- how the training is designed and delivered, including the content or topics addressed, the competency of trainers, which workers receive the training, the frequency of the training, and whether the training is provided in a language easily understood by workers;
- whether the training is provided free of charge and during paid working hours – if not, whether it is mandatory for workers to attend, and whether they are compensated for this;
- how the effectiveness of the training is evaluated.

Disclosure 403-6

Promotion of worker health

Reporting requirements

The reporting organization shall report the following information for employees and for workers who are not employees but whose work and/or workplace is controlled by the organization:

- a. An explanation of how the organization facilitates workers' access to non-occupational medical and healthcare services, and the scope of access provided.
- b. A description of any voluntary health promotion services and programs offered to workers to address major non-work-related health risks, including the specific health risks addressed, and how the organization facilitates workers' access to these services and programs.

Disclosure
403-6

Reporting recommendations

1.5 The reporting organization should report the following additional information:

- 1.5.1 How the organization maintains the confidentiality of workers' personal health-related information;
- 1.5.2 How the organization ensures that workers' personal health-related information and their participation in any services or programs is not used for any favorable or unfavorable treatment of workers.

Guidance

Guidance for Disclosure 403-6-a

Achieving universal health coverage, including financial risk protection; access to quality essential healthcare services; and access to safe, effective, quality and affordable essential medicines and vaccines for all, is one of the targets of the UN Sustainable Development Goals (Target 3.8).

Workers' access to non-occupational medical and healthcare services might be facilitated, for example, through company clinics or disease treatment programs, referral systems, or health insurance or financial contributions.

When describing the scope of access to non-occupational medical and healthcare services provided, the reporting organization can specify the types of service to which access is facilitated and the types of worker that have access to them.

If the organization does not facilitate workers' access to non-occupational medical and healthcare services because it operates in a country where the population already has access to high-quality and accessible services (e.g., through financial or other support), the organization can state this in the report.

If the organization does not facilitate access to non-occupational medical and healthcare services for workers who are not employees because the employer of those workers facilitates their access to these services, the organization can state this in the report.

Guidance for Disclosure 403-6-b

Ensuring healthy lives and promoting wellbeing for all at all ages is one of the UN Sustainable Development Goals (Goal 3). This goal includes targets such as reducing premature mortality from non-communicable diseases through prevention and treatment, and promoting mental health and wellbeing; strengthening the prevention and treatment of substance abuse, including narcotic drug abuse and harmful consumption of alcohol; ensuring universal access to sexual and reproductive healthcare services; and ending epidemics of AIDS, tuberculosis, malaria, and neglected tropical diseases, and combating hepatitis, water-borne diseases, and other communicable diseases.

Disclosure 403-6-b covers voluntary services and programs aimed at addressing major non-work-related health risks among workers, including both physical and mental health-related risks. Examples of these risks include smoking, drug and alcohol abuse, physical inactivity, unhealthy diets, HIV, and psychosocial factors.

Voluntary health promotion programs and services might include smoking cessation programs, dietary advice, offering of healthy food in the canteen, stress-reducing programs, provision of a gym, or fitness programs. A program or service is voluntary when it does not set mandatory personal targets, and if incentives are provided, these are not associated with the organization's decisions regarding employment or engagement of workers.

Disclosure 403-6

Continued

Voluntary health promotion services and programs complement but cannot be a substitute for occupational health and safety services, programs and systems that prevent harm and protect workers from work-related injuries and ill health. Voluntary health promotion and occupational health and safety may be managed jointly by the organization, as part of an overall approach to ensuring the health and safety of workers.

When describing how it facilitates workers' access to voluntary health promotion services and programs, the organization can explain whether it allows workers to make use of these during paid working hours. The organization can also report if these services and programs are available for family members of workers.

When describing its voluntary health promotion services and programs, the organization can also report:

- how the topics covered in these services and programs are selected, including how workers are engaged in the selection of topics;
- the extent to which these services and programs include proven effective interventions (see reference 19 in the [References section](#));

- the metrics used to evaluate the effectiveness of these services and programs;
- the approaches used to raise awareness about these services and programs and encourage participation.

Guidance for clauses 1.5.1 and 1.5.2

Non-occupational health services and programs are expected to respect workers' right to privacy. Organizations are expected not to use workers' participation in such services and programs, or the health data derived therefrom, as criteria for their decisions regarding the employment or engagement of workers, including termination, demotion, promotion or offering of prospects, compensation, or any other favorable or unfavorable treatment. See reference 6 in the [References section](#).

References

See references 1, 14, and 15 in the [References section](#).

Disclosure 403-7

Prevention and mitigation of occupational health and safety impacts directly linked by business relationships

Reporting requirements

The reporting organization shall report the following information:

- a. A description of the organization's approach to preventing or mitigating significant negative occupational health and safety impacts that are directly linked to its operations, products or services by its business relationships, and the related hazards and risks.

Disclosure
403-7

Guidance

Background

In cases where an organization has no control over both the work and workplace, it still has a responsibility to make efforts, including exercising any leverage it might have, to prevent and mitigate negative occupational health and safety impacts that are directly linked to its operations, products or services by its business relationships. For more guidance, see the [Scope of 'workers' in this Standard](#) section.

References

See reference 13 in the [References section](#).

2. Topic-specific disclosures

Disclosure 403-8

Workers covered by an occupational health and safety management system

Reporting requirements

The reporting organization shall report the following information:

- a. If the organization has implemented an occupational health and safety management system based on legal requirements and/or recognized standards/guidelines:
 - i. the number and percentage of all employees and workers who are not employees but whose work and/or workplace is controlled by the organization, who are covered by such a system;
 - ii. the number and percentage of all employees and workers who are not employees but whose work and/or workplace is controlled by the organization, who are covered by such a system that has been internally audited;
 - iii. the number and percentage of all employees and workers who are not employees but whose work and/or workplace is controlled by the organization, who are covered by such a system that has been audited or certified by an external party.
- b. Whether and, if so, why any workers have been excluded from this disclosure, including the types of worker excluded.
- c. Any contextual information necessary to understand how the data have been compiled, such as any standards, methodologies, and assumptions used.

Disclosure
403-8

Guidance

Background

Occupational health and safety management systems can serve as an effective approach to managing and continually eliminating hazards and minimizing risks. It is a systems-based approach that seeks to integrate occupational health and safety management into overall business processes. A system typically moves through a 'plan-do-check-act' cycle, promoting leadership and practice through meaningful consultation and participation of workers from all job levels in the organization.

A systems-based approach, which encompasses fully integrated processes, can be a significant advancement over an approach that considers hazard identification, risk assessment, and incident investigation as isolated activities. Focusing on system deficiencies can enable an organization to identify deficiencies in its overall

management of occupational health and safety; address resources, policy, and operational controls; and ensure continual improvement.

Guidance for Disclosure 403-8

This disclosure indicates what proportion of an organization's employees, and workers who are not employees but whose work and/or workplace is controlled by the organization, are covered by an occupational health and safety management system based on legal requirements and/or recognized standards/guidelines. The list of legal requirements and/or recognized standards/guidelines used by the reporting organization in its occupational health and safety management system are reported using [Disclosures 403-1-a-i](#) and [403-1-a-ii](#) in the Management approach disclosures section.

Disclosure 403-8

Continued

If not all workers are covered by the occupational health and safety management system, the organization can report whether any of the workers not covered are at high risk of work-related injury or ill health.

In addition to the information required by this disclosure, the organization can report the number and percentage of sites covered by an occupational health and safety management system based on legal requirements and/or recognized standards/guidelines.

The organization can also describe:

- the approach used for internal audits (e.g., whether they are carried out following an internally-developed audit standard or a recognized audit standard, what is the qualification of the auditors);
- whether any processes or functions have been excluded from the scope of the audit or certification, and how occupational health and safety performance is being monitored in those areas;
- the audit or certification standard used.

Audits by external parties may include both second-party and third-party audits. Second-party audits are usually performed by customers or others on behalf of customers, or by any other external parties that have a formal interest in the organization. Third-party audits are performed by independent organizations such as registrars (i.e., certification bodies) or regulators.

Guidance for Disclosure 403-8-b

Types of worker can be based on criteria such as employment type (full-time or part-time), employment contract (permanent or temporary), type or degree of control (e.g., control of work or workplace, sole or shared control), and location, among others.

Disclosure 403-9

Work-related injuries

Reporting requirements

The reporting organization shall report the following information:

- a. For all employees:
 - i. The number and rate of fatalities as a result of work-related injury;
 - ii. The number and rate of high-consequence work-related injuries (excluding fatalities);
 - iii. The number and rate of recordable work-related injuries;
 - iv. The main types of work-related injury;
 - v. The number of hours worked.
- b. For all workers who are not employees but whose work and/or workplace is controlled by the organization:
 - i. The number and rate of fatalities as a result of work-related injury;
 - ii. The number and rate of high-consequence work-related injuries (excluding fatalities);
 - iii. The number and rate of recordable work-related injuries;
 - iv. The main types of work-related injury;
 - v. The number of hours worked.
- c. The work-related hazards that pose a risk of high-consequence injury, including:
 - i. how these hazards have been determined;
 - ii. which of these hazards have caused or contributed to high-consequence injuries during the reporting period;
 - iii. actions taken or underway to eliminate these hazards and minimize risks using the hierarchy of controls.
- d. Any actions taken or underway to eliminate other work-related hazards and minimize risks using the hierarchy of controls.
- e. Whether the rates have been calculated based on 200,000 or 1,000,000 hours worked.
- f. Whether and, if so, why any workers have been excluded from this disclosure, including the types of worker excluded.
- g. Any contextual information necessary to understand how the data have been compiled, such as any standards, methodologies, and assumptions used.

Disclosure
403-9

2.1 When compiling the information specified in Disclosure 403-9, the reporting organization shall:

- 2.1.1 exclude fatalities in the calculation of the number and rate of high-consequence work-related injuries;
- 2.1.2 include fatalities as a result of work-related injury in the calculation of the number and rate of recordable work-related injuries;
- 2.1.3 include injuries as a result of commuting incidents only where the transport has been organized by the organization;

Disclosure 403-9

Continued

- 2.1.4 calculate the rates based on either 200,000 or 1,000,000 hours worked, using the following formulas:

$$\text{Rate of fatalities as a result of work-related injury} = \frac{\text{Number of fatalities as a result of work-related injury}}{\text{Number of hours worked}} \times [200,000 \text{ or } 1,000,000]$$

$$\text{Rate of high-consequence work-related injuries (excluding fatalities)} = \frac{\text{Number of high-consequence work-related injuries (excluding fatalities)}}{\text{Number of hours worked}} \times [200,000 \text{ or } 1,000,000]$$

$$\text{Rate of recordable work-related injuries} = \frac{\text{Number of recordable work-related injuries}}{\text{Number of hours worked}} \times [200,000 \text{ or } 1,000,000]$$

Reporting recommendations

- 2.2 The reporting organization should report the following additional information:

- 2.2.1 If the numbers and rates reported are significantly higher for certain types of injury, countries, business lines, or workers' demographics (e.g., sex, gender, migrant status, age, or worker type), a breakdown of these data;
- 2.2.2 A breakdown of the number of recordable work-related injuries by type of incident;
- 2.2.3 If chemical hazards have been identified in Disclosure 403-9-c, a list of the chemicals;
- 2.2.4 The number of high-potential work-related incidents identified;
- 2.2.5 The number of close calls identified.

Guidance

Guidance for Disclosure 403-9

This disclosure covers work-related injuries. Data on work-related injuries are a measure of the extent of harm suffered by workers; they are not a measure of safety.

An increase in the number or rate of reported incidents does not necessarily mean that there have been a greater number of incidents than before; it can indicate an improvement in the recording and reporting of incidents.

If an increase in the number or rate of reported incidents is the result of the organization's actions to improve the reporting and recording of fatalities, injuries, and ill health, or its actions to expand the scope of its management system to cover more workers or workplaces, the reporting organization can explain this and report on these actions and their results.

Disclosure 403-9

Continued

Types of work-related injury can include death, amputation of a limb, laceration, fracture, hernia, burns, loss of consciousness, and paralysis, among others.

In the context of this Standard, work-related musculoskeletal disorders are covered under ill health (and not injuries) and are to be reported using Disclosure 403-10. If the organization operates in a jurisdiction where worker compensation systems classify musculoskeletal disorders as injuries, the organization can explain this and report these disorders using Disclosure 403-9. See references 5 and 16 in the [References section](#) for a list of musculoskeletal disorders.

Injuries involving members of the public as a result of a work-related incident are not included in this disclosure, but the organization can report this information separately. For example, the organization can report incidents where a vehicle driven by a worker causes the deaths of other road users or incidents where visitors are injured during their visit to the organization's workplace.

Guidance for reporting on high-consequence work-related injuries

As per the definition of recordable work-related injury, the organization is required to report all work-related injuries as part of the 'number and rate of recordable work-related injuries'. In addition, the organization is required to separately report high-consequence work-related injuries, with a breakdown by:

- fatalities, to be reported using Disclosures 403-9-a-i and 403-9-b-i.
- other injuries from which the worker cannot recover (e.g., amputation of a limb), or does not or is not expected to recover fully to pre-injury health status within 6 months (e.g., fracture with complications), to be reported using Disclosures 403-9-a-ii and 403-9-b-ii.

The definition of 'high-consequence work-related injury' uses 'recovery time', instead of 'lost time', as the criterion for determining the severity of an injury. Lost time is an indicator of the loss of productivity for an organization as a result of a work-related injury; it does not necessarily indicate the extent of harm suffered by a worker.

'Recovery time', in contrast, refers to the time needed for a worker to recover fully to pre-injury health status; it does not refer to the time needed for a worker to return to work. In some cases, a worker might return to work before full recovery.

In addition to reporting information on high-consequence work-related injuries based on recovery time as required by this disclosure, the organization can also report the number and rate of work-related injuries that resulted in lost-workday cases, the average number of lost days per lost-workday case, the number of lost workdays, and the absentee rate.

Guidance for Disclosure 403-9-c

This disclosure covers work-related hazards that pose a risk of high-consequence injury if not controlled, even when there are control measures in place. The hazards might have been identified proactively through risk assessment, or reactively as a result of either a high-potential incident or a high-consequence injury.

Examples of work-related hazards causing or contributing to high-consequence injuries include excessive workload demands, tripping hazards, or exposure to flammable materials.

If the identified work-related hazards vary significantly across different locations, the organization may group or disaggregate these by relevant categories, such as by geographical area or business line. Similarly, if there are a high number of hazards, the organization may group or categorize them to facilitate reporting.

When reporting how it has determined which work-related hazards pose a risk of high-consequence injury using Disclosure 403-9-c-i, the organization can describe the criteria or threshold used to determine which hazards pose such a risk and which do not. The processes to identify hazards and assess risks, and to apply the hierarchy of controls, are reported using Disclosure 403-2-a.

Disclosure 403-9-c-ii does not require reporting which work-related hazards have caused or contributed to which high-consequence injuries during the reporting period; it requires the aggregate analysis of all work-related hazards that resulted in high-consequence injuries.

If a work-related incident resulting in a high-consequence injury is still under investigation at the end of the reporting period, the organization can state this in the report. The organization can report on actions taken during the reporting period to eliminate hazards and minimize risks that were identified, or to address work-related incidents that took place, in prior reporting periods.

Disclosure 403-9

Continued

Guidance for Disclosure 403-9-d

This disclosure covers any actions taken or underway to eliminate other work-related hazards and minimize risks (i.e., not covered in Disclosure 403-9-c) using the hierarchy of controls. This disclosure can include actions taken in response to non-high-consequence work-related injuries, and work-related incidents with low probability of causing high-consequence injuries.

Guidance for Disclosure 403-9-f

Types of worker can be based on criteria such as employment type (full-time or part-time), employment contract (permanent or temporary), type or degree of control (e.g., control of work or workplace, sole or shared control), and location, among others.

Guidance for Disclosure 403-9-g

If the organization follows the ILO code of practice on *Recording and notification of occupational accidents and diseases*, it can state this in response to Disclosure 403-9-g.

If the organization does not follow the ILO code of practice, it can indicate which system of rules it applies in recording and reporting work-related injuries and its relationship to the ILO code of practice.

If the organization cannot directly calculate the number of hours worked, it may estimate this on the basis of normal or standard hours of work, taking into account entitlements to periods of paid leave of absence from work (e.g., paid vacations, paid sick leave, public holidays) and explain this in the report.

When the organization cannot directly calculate or estimate the number of hours worked (e.g., because the workers performed non-routine work during an emergency situation, or because the performed work was not paid for by the hour), it is required to provide a reason for this omission as set out in *GRI 101: Foundation*. See [clause 3.2 in GRI 101](#) for requirements on reasons for omission.

Guidance for clause 2.1.3

Clause 2.1.3 requires the organization to include injuries as a result of commuting incidents in cases where the transport has been organized by the organization (e.g., company or contracted bus or vehicle). The organization can report other commuting incidents separately; for example if this information is to be reported under local law.

Guidance for clause 2.1.4

Clause 2.1.4 requires the organization to calculate the

rates based on either 200,000 or 1,000,000 hours worked.

Standardized rates allow for meaningful comparisons of statistics, for example between different periods or organizations, or help account for differences in the number of workers in the reference group and the number of hours worked by them.

A rate based on 200,000 hours worked indicates the number of work-related injuries per 100 full-time workers over a one-year timeframe, based on the assumption that one full-time worker works 2,000 hours per year. For example, a rate of 1.0 means that, on average, there is one work-related injury for every group of 100 full-time workers over a one-year timeframe. A rate based on 1,000,000 hours worked indicates the number of work-related injuries per 500 full-time workers over a one-year timeframe.

A rate based on 200,000 hours worked might be more suitable for small organizations.

In addition to standardized rates, this disclosure requires the organization to report absolute data (i.e., numbers), to allow information users to calculate the rates themselves using other methodologies if needed.

Guidance for clauses 2.2.1 and 2.2.2

Target 8.8 of the UN Sustainable Development Goals aims to ‘protect labour rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment’. Some groups might be at increased risk of work-related injury due to demographic factors such as sex, gender, migrant status, or age; it can thus be beneficial to break down data on work-related injuries by these demographic criteria. See reference 14 in the [References section](#).

ILO Convention 143 ‘Migrant Workers (Supplementary Provisions) Convention’ defines ‘migrant worker’ as ‘a person who migrates or who has migrated from one country to another with a view to being employed otherwise than on his own account and includes any person regularly admitted as a migrant worker’. See ILO Convention 143 for more guidance.

If the data on work-related injuries are driven primarily by certain types of injury (e.g., amputation, paralysis) or incident (e.g., explosion, road accident), the organization can provide a breakdown of this information.

References

See reference 10 in the [References section](#).

Disclosure 403-10

Work-related ill health

Reporting requirements

The reporting organization shall report the following information:

- a. For all employees:
 - i. The number of fatalities as a result of work-related ill health;
 - ii. The number of cases of recordable work-related ill health;
 - iii. The main types of work-related ill health.
- b. For all workers who are not employees but whose work and/or workplace is controlled by the organization:
 - i. The number of fatalities as a result of work-related ill health;
 - ii. The number of cases of recordable work-related ill health;
 - iii. The main types of work-related ill health.
- c. The work-related hazards that pose a risk of ill health, including:
 - i. how these hazards have been determined;
 - ii. which of these hazards have caused or contributed to cases of ill health during the reporting period;
 - iii. actions taken or underway to eliminate these hazards and minimize risks using the hierarchy of controls.
- d. Whether and, if so, why any workers have been excluded from this disclosure, including the types of worker excluded.
- e. Any contextual information necessary to understand how the data have been compiled, such as any standards, methodologies, and assumptions used.

Disclosure
403-10

- 2.3 When compiling the information specified in Disclosure 403-10, the reporting organization shall include fatalities as a result of work-related ill health in the calculation of the number of cases of recordable work-related ill health.

Reporting recommendations

- 2.4 The reporting organization should report the following additional information:
- 2.4.1 If the numbers reported are significantly higher for certain types of ill health, countries, business lines, or workers' demographics (e.g., sex, gender, migrant status, age, or worker type), a breakdown of these data;
 - 2.4.2 If chemical hazards have been identified in Disclosure 403-10-c, a list of the chemicals;
 - 2.4.3 The number of employees and workers who are not employees but whose work and/or workplace is controlled by the organization, exposed to each hazard identified in Disclosure 403-10-c.

Disclosure 403-10

Continued

Guidance

Guidance for Disclosure 403-10

Work-related ill health can include acute, recurring, and chronic health problems caused or aggravated by work conditions or practices. They include musculoskeletal disorders, skin and respiratory diseases, malignant cancers, diseases caused by physical agents (e.g., noise-induced hearing loss, vibration-caused diseases), and mental illnesses (e.g., anxiety, post-traumatic stress disorder). This disclosure covers, but is not limited to, the diseases included in the *ILO List of Occupational Diseases*. In the context of this Standard, work-related musculoskeletal disorders are covered under ill health (and not injuries) and are to be reported using this disclosure. See references 5 and 16 in the [References section](#).

This disclosure covers all cases of work-related ill health notified to the reporting organization or identified by the organization through medical surveillance, during the reporting period. The organization might be notified of cases of work-related ill health through reports by affected workers, compensation agencies, or healthcare professionals. The disclosure may include cases of work-related ill health that were detected during the reporting period among former workers. If the organization determines, for example through investigation, that the notified case of work-related ill health is not due to exposure whilst working for the organization, it can explain this in the report.

This disclosure covers both short-latency and long-latency work-related ill health. Latency refers to the time period between exposure and the onset of ill health.

Many cases of long-latency work-related ill health go undetected; if detected, they might not necessarily be due to exposures with one employer. For example, a worker might be exposed to asbestos while working for different employers over time, or might suffer from a long-latency disease that turns fatal many years after the worker has left the organization. For this reason, data on work-related ill health are to be complemented with information on work-related hazards.

In some situations, an organization might not be able to collect or publicly disclose data on work-related ill health. The following are examples of these situations:

- National or regional regulations, contractual obligations, health insurance provisions, and other legal requirements related to the privacy of workers' health-related information, might prevent organizations from collecting, maintaining, and publicly reporting these data.
- The nature of information on workers' exposure to psychosocial factors, largely based on self-disclosure and in many instances protected under healthcare privacy regulations, might limit organizations in disclosing this information.

In these situations, the organization is required to provide a reason for omission of these data as set out in *GRI 101: Foundation*. See [clause 3.2 in GRI 101](#) for requirements on reasons for omission.

Cases of ill health involving members of the public as a result of a work-related incident are not included in this disclosure, but the organization can report this information separately. An example of such an incident is when a chemical substance spill causes ill health among members of a nearby community.

Guidance for Disclosure 403-10-c

This disclosure includes exposures to the 'International Agency for Research on Cancer (IARC) Group 1' (carcinogenic to humans), 'IARC Group 2A' (probably carcinogenic to humans), and 'IARC Group 2B' (possibly carcinogenic to humans) agents. See references 17 and 18 in the [References section](#).

See [Guidance for Disclosure 403-9-c](#) for more information on reporting on hazards.

Guidance for Disclosure 403-10-d

Types of worker can be based on criteria such as employment type (full-time or part-time), employment contract (permanent or temporary), type or degree of control (e.g., control of work or workplace, sole or shared control), and location, among others.

Guidance for Disclosure 403-10-e

If the organization follows the ILO code of practice on *Recording and notification of occupational accidents and diseases*, it can state this in response to Disclosure 403-10-e.

If the organization does not follow the ILO code of practice, it can indicate which system of rules it applies in recording and reporting work-related ill health and its relationship to the ILO code of practice.

Guidance for clause 2.4.1

If the data on work-related ill health are driven primarily by certain types of ill health or disease (e.g., respiratory diseases, skin diseases) or incident (e.g., exposure to bacteria or viruses), the organization can provide a breakdown of this information.

See also [Guidance for clauses 2.2.1 and 2.2.2](#).

References

See references 5, 10, and 16 in the [References section](#).

Glossary

This Glossary includes definitions for terms used in this Standard, which apply when using this Standard. These definitions may contain terms that are further defined in the complete [GRI Standards Glossary](#).

All defined terms are underlined. If a term is not defined in this Glossary or in the complete [GRI Standards Glossary](#), definitions that are commonly used and understood apply.

close call

work-related incident where no injury or ill health occurs, but which has the potential to cause these

Note 1: A 'close call' might also be referred to as a 'near-miss' or 'near-hit'.

Note 2: This definition is based on ISO 45001:2018.

commuting incident

incident that occurs when the worker is traveling between a place of private activity (e.g., residence, restaurant) and a place of work or workplace

Note: Modes of travel include motor vehicles (e.g., motorcycles, cars, trucks, buses), railed vehicles (e.g., trains, trams), bicycles, aircrafts, and walking, among others.

employee

individual who is in an employment relationship with the organization, according to national law or its application

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.

exposure

quantity of time spent at or the nature of contact with certain environments that possess various degrees and kinds of hazard, or proximity to a condition that might cause injury or ill health (e.g., chemicals, radiation, high pressure, noise, fire, explosives)

formal agreement

written document signed by all relevant parties declaring a mutual intention to abide by what is stipulated in the document

Note: A formal agreement can include, for example, a local collective bargaining agreement, or a national or international framework agreement.

formal joint management–worker health and safety committee

committee composed of management and worker representatives, whose function is integrated into an organizational structure, and which operates according to agreed written policies, procedures, and rules, and helps facilitate worker participation and consultation on matters of occupational health and safety

health promotion

process of enabling people to increase control over and improve their health

Note 1: The terms 'health promotion', 'wellbeing', and 'wellness' are often used interchangeably.

Note 2: This definition comes from the World Health Organization (WHO), 'Ottawa Charter for Health Promotion', 1986.

hierarchy of controls

systematic approach to enhance occupational health and safety, eliminate hazards, and minimize risks

Note 1: The hierarchy of controls seeks to protect workers by ranking the ways in which hazards can be controlled. Each control in the hierarchy is considered less effective than the one before it. The priority is to eliminate the hazard, which is the most effective way to control it.

Note 2: The International Labour Organization (ILO) *Guidelines on Occupational Safety and Health Management Systems* from 2001 and ISO 45001:2018 list the following preventive and protective measures in the following order of priority:

- eliminate the hazard/risk;
- substitute the hazard/risk with less hazardous processes, operations, materials, or equipment;
- control the hazard/risk at source, through the use of engineering controls or organizational measures;
- minimize the hazard/risk by the design of safe work systems, which include administrative control measures;
- where residual hazards/risks cannot be controlled by collective measures, provide for appropriate personal protective equipment, including clothing, at no cost, and implement measures to ensure its use and maintenance.

high-consequence work-related injury

work-related injury that results in a fatality or in an injury from which the worker cannot, does not, or is not expected to recover fully to pre-injury health status within 6 months

high-potential work-related incident

work-related incident with a high probability of causing a high-consequence injury

Note: Examples of high-potential incidents might include incidents involving malfunctioning equipment, explosions, or vehicle collisions with a high probability of causing a high-consequence injury.

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.

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.

occupational health and safety management system

set of interrelated or interacting elements to establish an occupational health and safety policy and objectives, and to achieve those objectives

Note: This definition comes from the International Labour Organization (ILO), *Guidelines on Occupational Safety and Health Management Systems, ILO-OSH 2001*, 2001.

occupational health and safety risk

combination of the likelihood of occurrence of a work-related hazardous situation or exposure, and the severity of injury or ill health that can be caused by the situation or exposure

Note: This definition is based on ISO 45001:2018.

occupational health services

services entrusted with essentially preventive functions, and responsible for advising the employer, the workers, and their representatives in the undertaking, on the requirements for establishing and maintaining a safe and healthy work environment, which will facilitate optimal physical and mental health in relation to work and the adaptation of work to the capabilities of workers in the light of their state of physical and mental health

Note 1: Functions of occupational health services include:

- surveillance of factors in the work environment, including any sanitary installations, canteens, and housing provided to workers, or in work practices, which might affect workers’ health;
- surveillance of workers’ health in relation to work;
- advice on occupational health, safety, and hygiene;
- advice on ergonomics, and on individual and collective protective equipment;
- promotion of the adaptation of work to the worker;
- organization of first aid and emergency treatment.

Note 2: This definition comes from the International Labour Organization (ILO) Convention 161, ‘Occupational Health Services Convention’, 1985.

product

article or substance that is offered for sale or is part of a service delivered by an organization

recordable work-related injury or ill health

work-related injury or ill health that results in any of the following: death, days away from work, restricted work or transfer to another job, medical treatment beyond first aid, or loss of consciousness; or significant injury or ill health diagnosed by a physician or other licensed healthcare professional, even if it does not result in death, days away from work, restricted work or job transfer, medical treatment beyond first aid, or loss of consciousness

Note: This definition is based on the United States Occupational Safety and Health Administration, General recording criteria 1904.7, https://www.osha.gov/pls/oshaweb/owadisp.show_document?p_table=STANDARDS&p_id=9638, accessed on 1 June 2018.

service

action of an organization to meet a demand or need

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.

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.

worker consultation

seeking of workers’ views before making a decision

Note 1: Worker consultation might be carried out through workers’ representatives.

Note 2: Consultation is a formal process, whereby management takes the views of workers into account when making a decision. Therefore, consultation needs to take place before the decision is made. It is essential to provide timely information to workers or their representatives in order for them to provide meaningful and effective input before decisions are made. Genuine consultation involves dialogue.

Note 3: Worker participation and consultation are two distinct terms with specific meanings. See definition of ‘worker participation’.

worker participation

workers’ involvement in decision-making

Note 1: Worker participation might be carried out through workers’ representatives.

Note 2: Worker participation and consultation are two distinct terms with specific meanings. See definition of ‘worker consultation’.

worker representative

person who is recognized as such under national law or practice, whether they are:

- a trade union representative, namely, a representative designated or elected by trade unions or by members of such unions; or
- an elected representative, namely, a representative who is freely elected by the workers of the undertaking in accordance with provisions of national laws, regulations, or collective agreements, whose functions do not include activities which are recognized as the exclusive prerogative of trade unions in the country concerned.

Note: This definition comes from the International Labour Organization (ILO) Convention 135, ‘Workers’ Representatives Convention’, 1971.

work-related hazard

source or situation with the potential to cause injury or ill health

Note 1: Hazards can be:

- physical (e.g., radiation, temperature extremes, constant loud noise, spills on floors or tripping hazards, unguarded machinery, faulty electrical equipment);
- ergonomic (e.g., improperly adjusted workstations and chairs, awkward movements, vibration);
- chemical (e.g., exposure to solvents, carbon monoxide, flammable materials, or pesticides);
- biological (e.g., exposure to blood and bodily fluids, fungi, bacteria, viruses, or insect bites);
- psychosocial (e.g., verbal abuse, harassment, bullying);
- related to work-organization (e.g., excessive workload demands, shift work, long hours, night work, workplace violence).

Note 2: This definition is based on International Labour Organization (ILO) *Guidelines on Occupational Safety and Health Management Systems* from 2001 and ISO 45001:2018.

work-related incident

occurrence arising out of or in the course of work that could or does result in injury or ill health

Note 1: This definition is based on ISO 45001:2018.

Note 2: Incidents might be due to, for example, electrical problems, explosion, fire; overflow, overturning, leakage, flow; breakage, bursting, splitting; loss of control, slipping, stumbling and falling; body movement without stress; body movement under/with stress; shock, fright; workplace violence or harassment (e.g., sexual harassment).

Note 3: An incident that results in injury or ill health is often referred to as an ‘accident’. An incident that has the potential to result in injury or ill health but where none occurs is often referred to as a ‘close call’, ‘near-miss’, or ‘near-hit’.

work-related injury or ill health

negative impacts on health arising from exposure to hazards at work

Note 1: This definition is based on the International Labour Organization (ILO), *Guidelines on Occupational Safety and Health Management Systems, ILO-OSH 2001*, 2001.

Note 2: ‘ill health’ indicates damage to health and includes diseases, illnesses, and disorders. The terms ‘disease’, ‘illness’, and ‘disorder’ are often used interchangeably and refer to conditions with specific symptoms and diagnoses.

Note 3: Work-related injuries and ill health are those that arise from exposure to hazards at work. Other types of incident can occur that are not connected with the work itself. For example, the following incidents are not considered to be work related:

- a worker suffers a heart attack while at work that is unconnected with work;
- a worker driving to or from work is injured in a car accident (where driving is not part of the work, and where the transport has not been organized by the employer);
- a worker with epilepsy has a seizure at work that is unconnected with work.

Note 4: *Traveling for work:* Injuries and ill health that occur while a worker is traveling are work related if, at the time of the injury or ill health, the worker was engaged in work activities ‘in the interest of the employer’. Examples of such activities include traveling to and from customer contacts; conducting job tasks; and entertaining or being entertained to transact, discuss, or promote business (at the direction of the employer).

Working at home: Injuries and ill health that occur when working at home are work related if the injury or ill health occurs while the worker is performing work at home, and the injury or ill health is directly related to the performance of work rather than the general home environment or setting.

Mental illness: A mental illness is considered to be work related if it has been notified voluntarily by the worker and is supported by an opinion from a licensed healthcare professional with appropriate training and experience stating that the illness is work related.

For more guidance on determining ‘work-relatedness’, see the United States Occupational Safety and Health Administration, *Determination of work-relatedness 1904.5*, https://www.osha.gov/pls/oshaweb/owadisp.show_document?p_table=STANDARDS&p_id=9636, accessed on 1 June 2018.

Note 5: The terms ‘occupational’ and ‘work-related’ are often used interchangeably.

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), *An ILO code of practice on HIV/AIDS and the world of work*, 2001.
2. International Labour Organization (ILO) Convention 155, 'Occupational Safety and Health Convention', 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), *ILO List of Occupational Diseases*, 2010.
6. International Labour Organization (ILO), *Protection of workers' personal data. An ILO code of practice*, 1997.
7. International Labour Organization (ILO) Protocol 155, 'Protocol of 2002 to the Occupational Safety and Health Convention, 1981', 2002.
8. International Labour Organization (ILO) Recommendation 164, 'Occupational Safety and Health Recommendation', 1981.
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10. International Labour Organization (ILO), *Recording and notification of occupational accidents and diseases. An ILO code of practice*, 1996.
11. International Labour Organization (ILO), 'Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy', 2017.
12. Organisation for Economic Co-operation and Development (OECD), *OECD Guidelines for Multinational Enterprises*, 2011.
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STANDARDS



Legal liability

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STANDARDS



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
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:

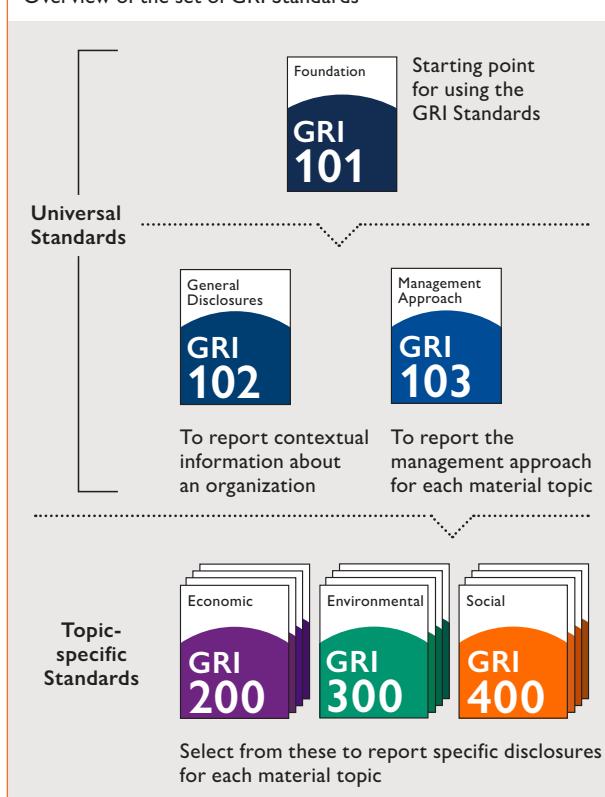
GRI 101: Foundation

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.

Figure 1
Overview of the set of GRI 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.

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

Disclosure
404-1

Reporting requirements

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:

Average training hours per employee

=

Total number of training hours provided to employees

Total number of employees

Average training hours per female

=

Total number of training hours provided to female employees

Total number of female employees

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

Disclosure
404-2

Reporting requirements

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

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.

Glossary

This Glossary includes definitions for terms used in this Standard, which apply when using this Standard. These definitions may contain terms that are further defined in the complete [GRI Standards Glossary](#).

All defined terms are underlined. If a term is not defined in this Glossary or in the complete [GRI Standards Glossary](#), definitions that are commonly used and understood apply.

continued employability

adaptation to the changing demands of the workplace through the acquisition of new skills

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.

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.

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.

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.

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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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
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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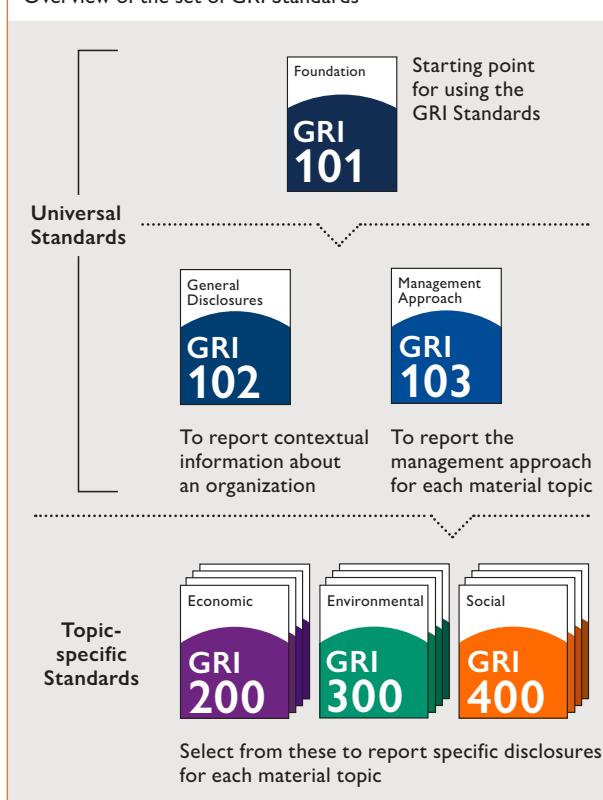
GRI 101: Foundation

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.

Figure 1
Overview of the set of GRI 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 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.

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.

Glossary

This Glossary includes definitions for terms used in this Standard, which apply when using this Standard. These definitions may contain terms that are further defined in the complete *GRI Standards Glossary*.

All defined terms are underlined. If a term is not defined in this Glossary or in the complete *GRI Standards Glossary*, definitions that are commonly used and understood apply.

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

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.

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

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.

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.

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.

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.

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.

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.



STANDARDS



Legal liability

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GRI 406: NON-DISCRIMINATION

2016

GRI
406

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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
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:

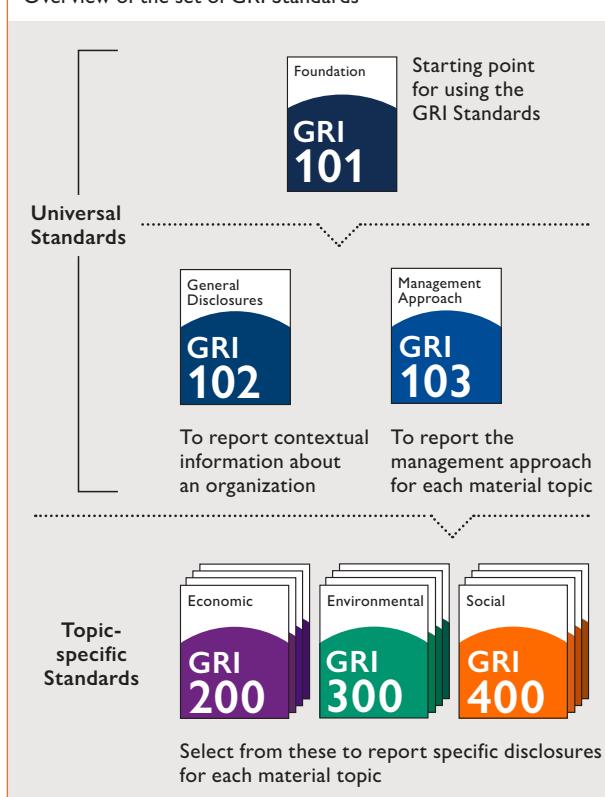
GRI 101: Foundation

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.

Figure 1
Overview of the set of GRI 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 406: Non-discrimination 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 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.

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

Disclosure
406-1

Reporting requirements

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.

Glossary

This Glossary includes definitions for terms used in this Standard, which apply when using this Standard. These definitions may contain terms that are further defined in the complete [GRI Standards Glossary](#).

All defined terms are underlined. If a term is not defined in this Glossary or in the complete *GRI Standards Glossary*, definitions that are commonly used and understood apply.

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.

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.

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.

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.

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.
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STANDARDS



GRI 407: FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING

2016

**GRI
407**

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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
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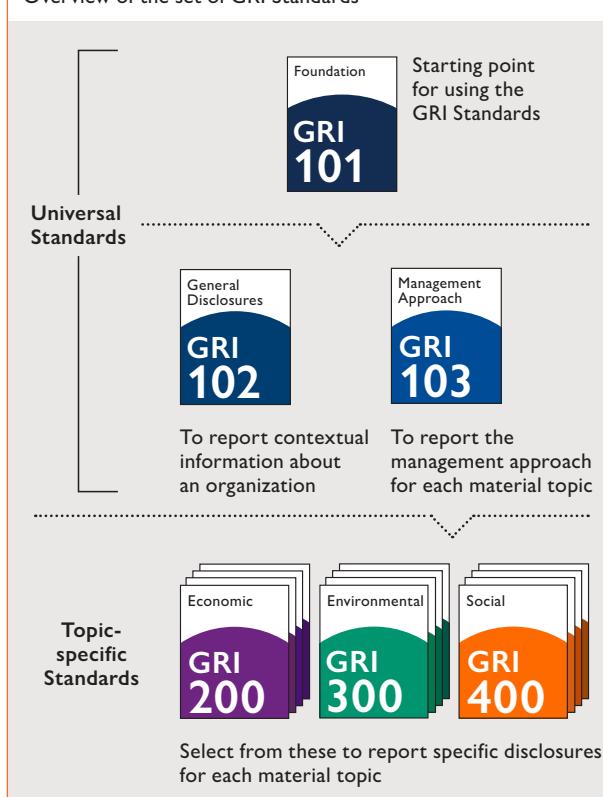
GRI 101: Foundation

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.

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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 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.

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

Disclosure
407-1

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.

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).

Glossary

This Glossary includes definitions for terms used in this Standard, which apply when using this Standard. These definitions may contain terms that are further defined in the complete [GRI Standards Glossary](#).

All defined terms are underlined. If a term is not defined in this Glossary or in the complete *GRI Standards Glossary*, definitions that are commonly used and understood apply.

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.

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.

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

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.

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.

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.

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.

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.



STANDARDS



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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
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:

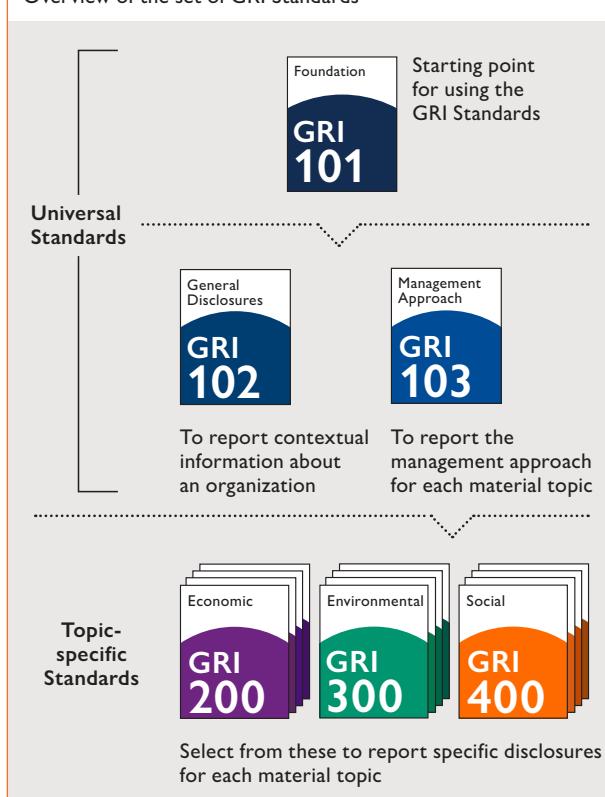
GRI 101: Foundation

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.

Figure 1
Overview of the set of GRI 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 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.

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.

Glossary

This Glossary includes definitions for terms used in this Standard, which apply when using this Standard. These definitions may contain terms that are further defined in the complete *GRI Standards Glossary*.

All defined terms are underlined. If a term is not defined in this Glossary or in the complete *GRI Standards Glossary*, definitions that are commonly used and understood apply.

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.

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.

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.

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.

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.

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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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
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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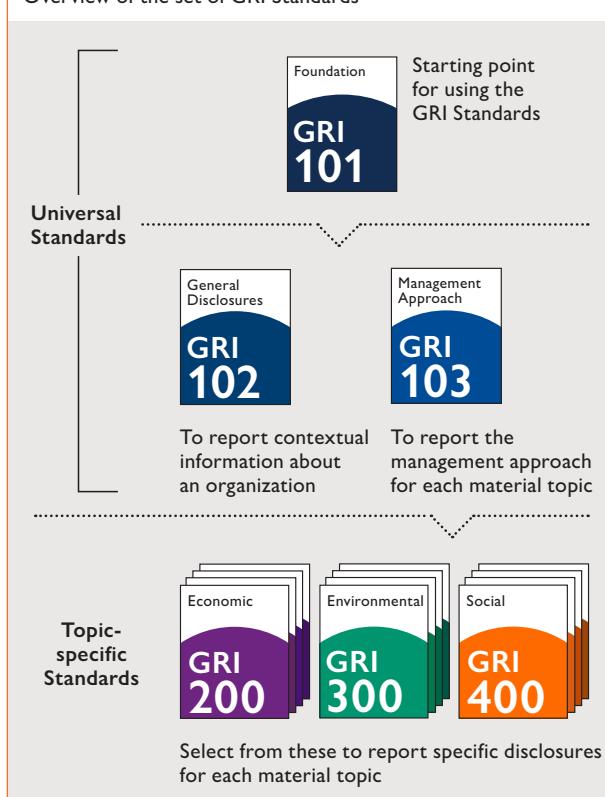
GRI 101: Foundation

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.

Figure 1
Overview of the set of GRI 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.

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

Disclosure
409-1

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.

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.

Glossary

This Glossary includes definitions for terms used in this Standard, which apply when using this Standard. These definitions may contain terms that are further defined in the complete [GRI Standards Glossary](#).

All defined terms are underlined. If a term is not defined in this Glossary or in the complete *GRI Standards Glossary*, definitions that are commonly used and understood apply.

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.

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.

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.

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.

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.

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.
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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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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. <i>GRI 101: Foundation</i> <i>GRI 103: Management Approach</i> <i>GRI Standards Glossary</i>
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 410: Security Practices is a topic-specific GRI Standard in the 400 series (Social topics).

B. Using the GRI Standards and making claims

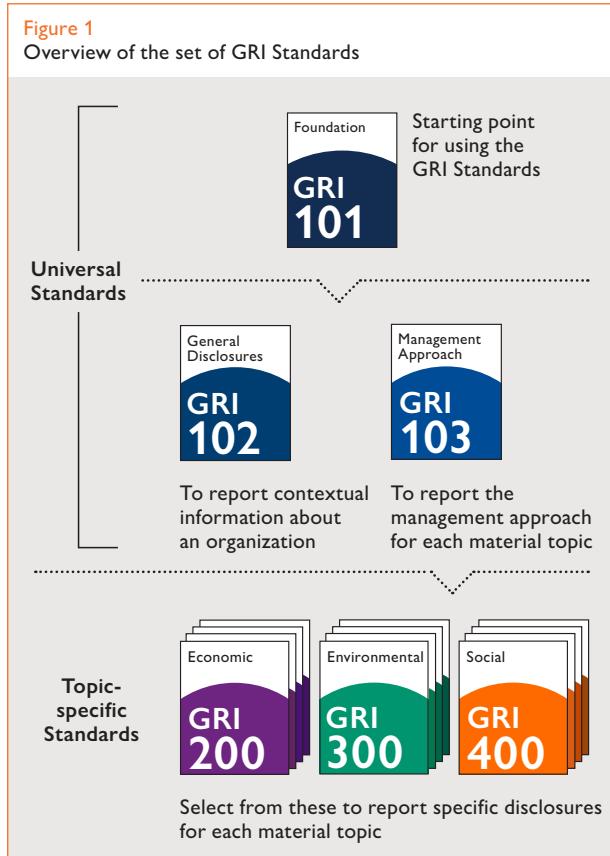
There are two basic approaches for using the GRI Standards. For each way of using the Standards there is a corresponding claim, or statement of use, which an organization is required to include in any published materials.

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 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.



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

Disclosure
410-1

Reporting requirements

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.

Glossary

This Glossary includes definitions for terms used in this Standard, which apply when using this Standard. These definitions may contain terms that are further defined in the complete [GRI Standards Glossary](#).

All defined terms are underlined. If a term is not defined in this Glossary or in the complete [GRI Standards Glossary](#), definitions that are commonly used and understood apply.

employee

individual who is in an employment relationship with the organization, according to national law or its application

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.

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.

security personnel

individuals employed for the purposes of guarding property of the organization; crowd control; loss prevention; and escorting persons, goods, and valuables

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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GRI 411: RIGHTS OF INDIGENOUS PEOPLES

2016

GRI
411

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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
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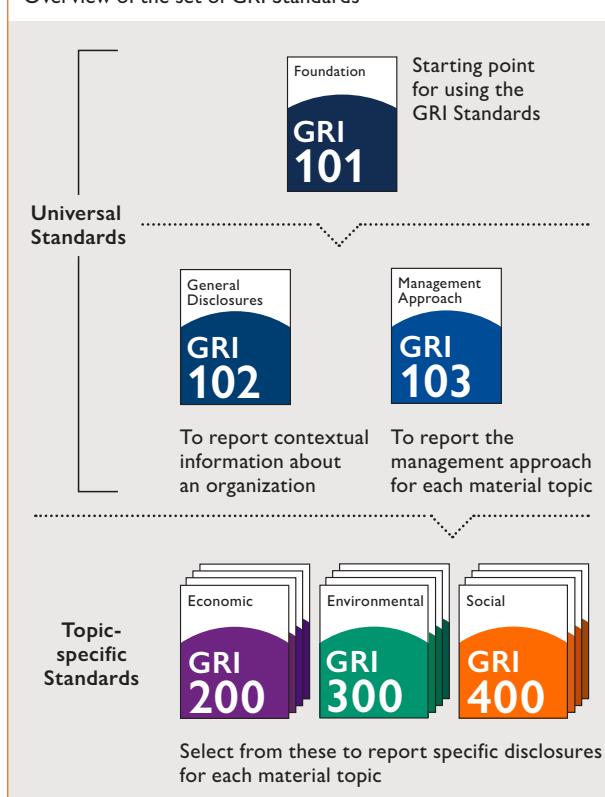
GRI 101: Foundation

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.

Figure 1
Overview of the set of GRI 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 411: Rights of Indigenous Peoples 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 411: Rights of Indigenous Peoples*, 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.

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.

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', 1989.

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.

Glossary

This Glossary includes definitions for terms used in this Standard, which apply when using this Standard. These definitions may contain terms that are further defined in the complete [GRI Standards Glossary](#).

All defined terms are underlined. If a term is not defined in this Glossary or in the complete *GRI Standards Glossary*, definitions that are commonly used and understood apply.

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.

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.

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.

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’, 1989.

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.

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.

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', 1989.
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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STANDARDS



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:

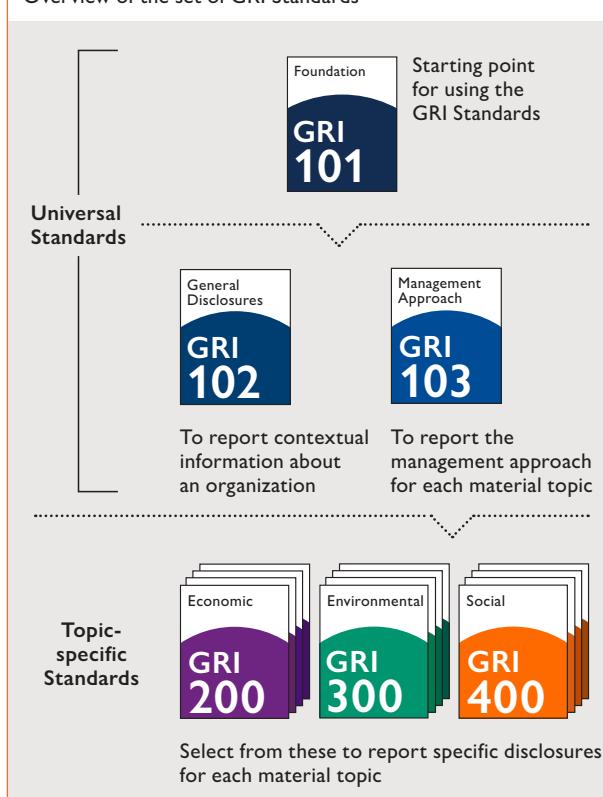
GRI 101: Foundation

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.

Figure 1
Overview of the set of GRI 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.

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

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

Disclosure
412-3

Reporting requirements

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.

Glossary

This Glossary includes definitions for terms used in this Standard, which apply when using this Standard. These definitions may contain terms that are further defined in the complete [GRI Standards Glossary](#).

All defined terms are underlined. If a term is not defined in this Glossary or in the complete [GRI Standards Glossary](#), definitions that are commonly used and understood apply.

employee

individual who is in an employment relationship with the organization, according to national law or its application

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.

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.

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', 1989.

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.



STANDARDS



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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STANDARDS



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
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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 413: Local Communities is a topic-specific GRI Standard in the 400 series (Social topics).

B. Using the GRI Standards and making claims

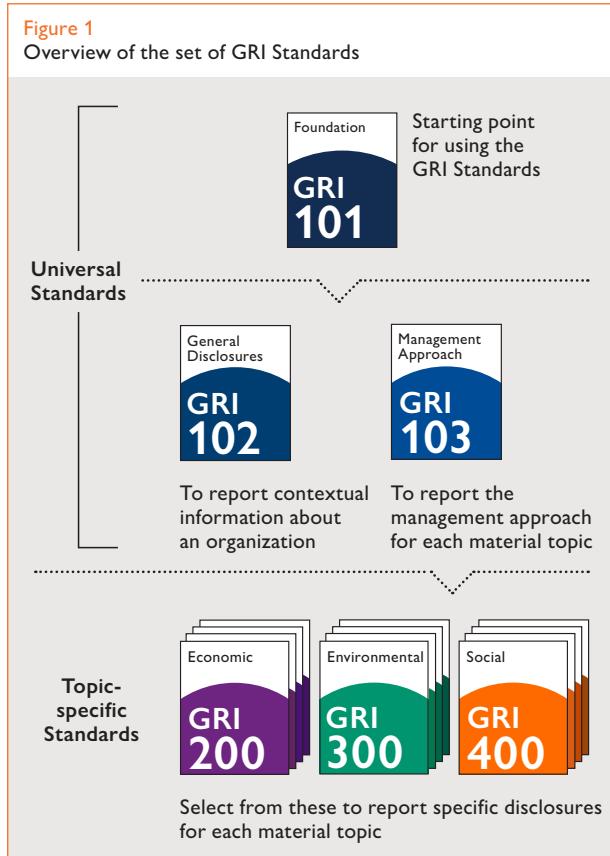
There are two basic approaches for using the GRI Standards. For each way of using the Standards there is a corresponding claim, or statement of use, which an organization is required to include in any published materials.

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.



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*.

Management approach disclosures

Continued

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

Disclosure
413-2

Reporting requirements

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 and Effluents*, *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.

Glossary

This Glossary includes definitions for terms used in this Standard, which apply when using this Standard. These definitions may contain terms that are further defined in the complete [GRI Standards Glossary](#).

All defined terms are underlined. If a term is not defined in this Glossary or in the complete [GRI Standards Glossary](#), definitions that are commonly used and understood apply.

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

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.

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.

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.

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.

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.

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.



STANDARDS



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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STANDARDS



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
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:

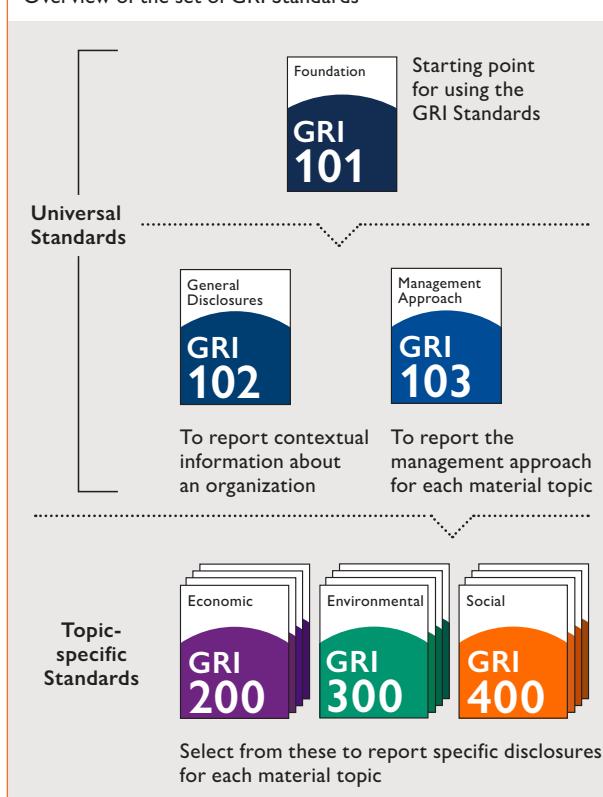
GRI 101: Foundation

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.

Figure 1
Overview of the set of GRI 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.

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

Disclosure
414-1

Reporting requirements

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

Disclosure
414-2

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.

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.

Glossary

This Glossary includes definitions for terms used in this Standard, which apply when using this Standard. These definitions may contain terms that are further defined in the complete [GRI Standards Glossary](#).

All defined terms are underlined. If a term is not defined in this Glossary or in the complete [GRI Standards Glossary](#), definitions that are commonly used and understood apply.

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.

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.

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.

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.

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

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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Legal liability

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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
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:

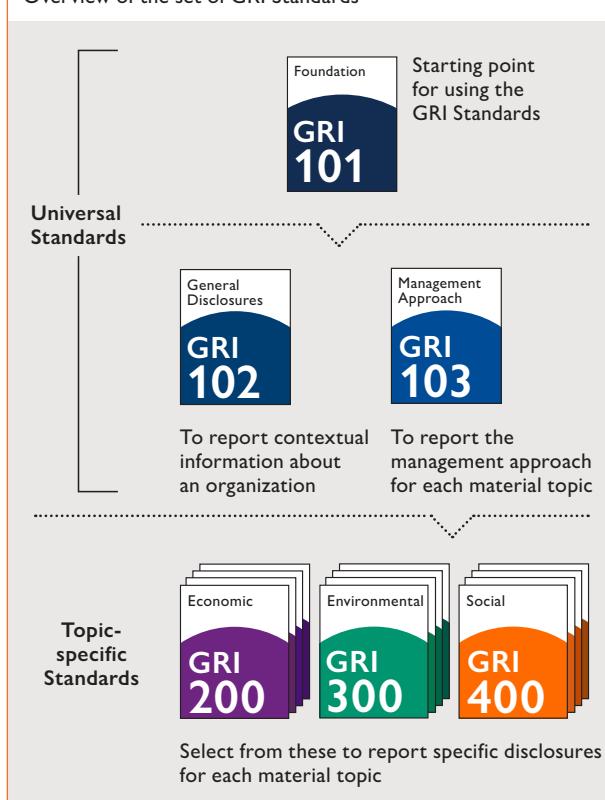
GRI 101: Foundation

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.

Figure 1
Overview of the set of GRI 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.

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

Disclosure
415-1

Reporting requirements

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.

Glossary

This Glossary includes definitions for terms used in this Standard, which apply when using this Standard. These definitions may contain terms that are further defined in the complete [GRI Standards Glossary](#).

All defined terms are underlined. If a term is not defined in this Glossary or in the complete [GRI Standards Glossary](#), definitions that are commonly used and understood apply.

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.

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

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.

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.

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.



STANDARDS



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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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

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:

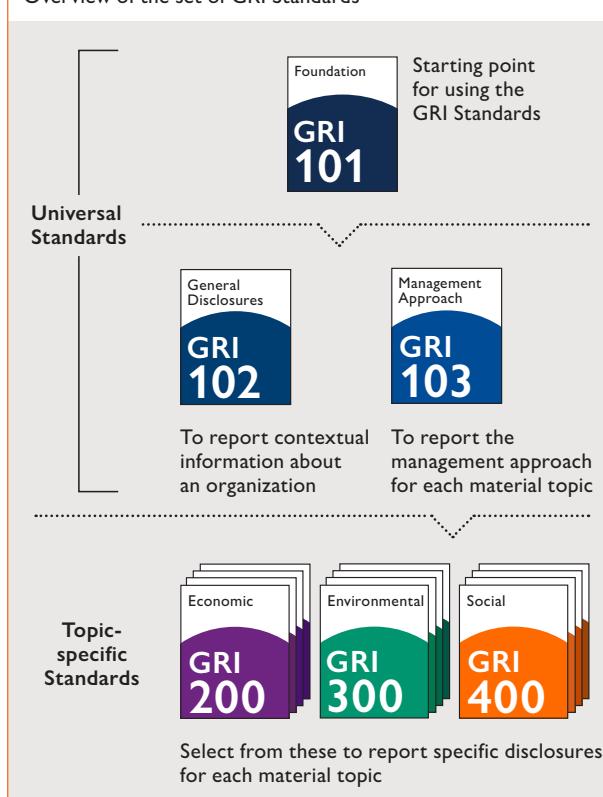
GRI 101: Foundation

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.

Figure 1
Overview of the set of GRI 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.

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*.

Management approach disclosures

Continued

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.

Glossary

This Glossary includes definitions for terms used in this Standard, which apply when using this Standard. These definitions may contain terms that are further defined in the complete [GRI Standards Glossary](#).

All defined terms are underlined. If a term is not defined in this Glossary or in the complete [GRI Standards Glossary](#), definitions that are commonly used and understood apply.

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.

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.

product

article or substance that is offered for sale or is part of a service delivered by an organization

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

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.

service

action of an organization to meet a demand or need

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.



STANDARDS



Legal liability

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GRI 417: MARKETING AND LABELING

2016

**GRI
417**

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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 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. <i>GRI 101: Foundation</i> <i>GRI 103: Management Approach</i> <i>GRI Standards Glossary</i>
Effective date	In the text of this Standard, terms defined in the Glossary are <u>underlined</u> . 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 417: Marketing and Labeling is a topic-specific GRI Standard in the 400 series (Social topics).

B. Using the GRI Standards and making claims

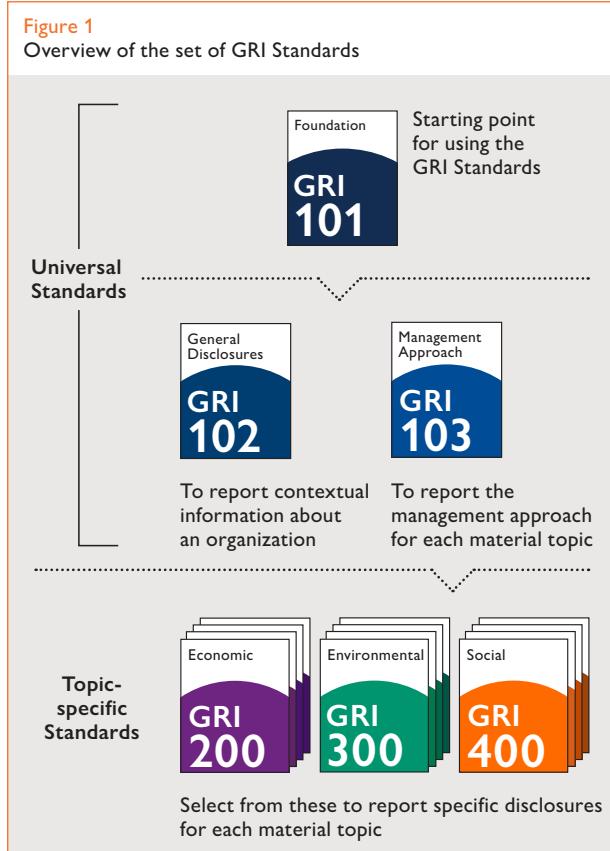
There are two basic approaches for using the GRI Standards. For each way of using the Standards there is a corresponding claim, or statement of use, which an organization is required to include in any published materials.

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 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.

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.



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 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

Disclosure
417-1

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.

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

Disclosure
417-2

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.

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

Disclosure
417-3

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.

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.

Glossary

This Glossary includes definitions for terms used in this Standard, which apply when using this Standard. These definitions may contain terms that are further defined in the complete [GRI Standards Glossary](#).

All defined terms are underlined. If a term is not defined in this Glossary or in the complete *GRI Standards Glossary*, definitions that are commonly used and understood apply.

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.

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.

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

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.

service

action of an organization to meet a demand or need

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.



STANDARDS



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STANDARDS



GRI 418: CUSTOMER PRIVACY

2016

**GRI
418**

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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 418: Customer Privacy</i> sets out reporting requirements on the topic of customer privacy. 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. <i>GRI 101: Foundation</i> <i>GRI 103: Management Approach</i> <i>GRI Standards Glossary</i>
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:

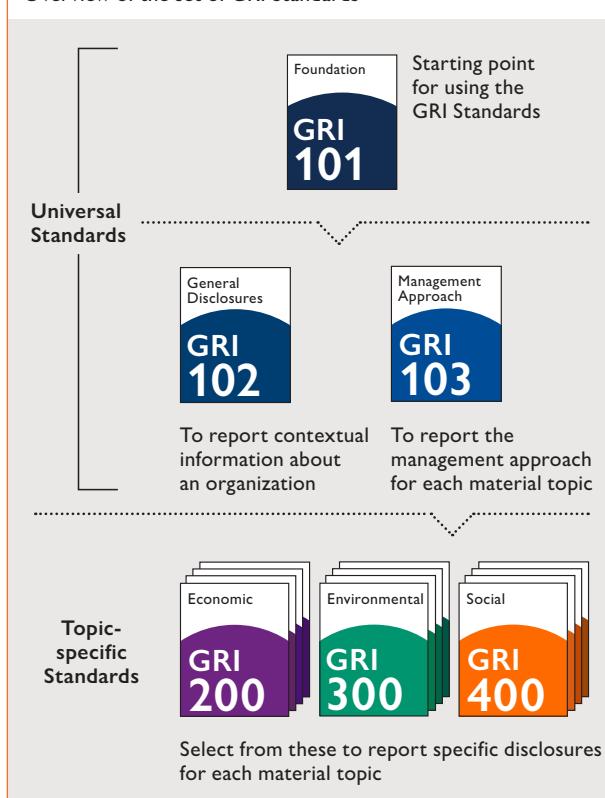
GRI 101: Foundation

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.

Figure 1
Overview of the set of GRI 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 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.

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 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.

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 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.

Disclosure
418-1

- 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.

Glossary

This Glossary includes definitions for terms used in this Standard, which apply when using this Standard. These definitions may contain terms that are further defined in the complete [GRI Standards Glossary](#).

All defined terms are underlined. If a term is not defined in this Glossary or in the complete [GRI Standards Glossary](#), definitions that are commonly used and understood apply.

breach of customer privacy

non-compliance with existing legal regulations and (voluntary) standards regarding the protection of customer privacy

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.

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.

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.

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

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.



STANDARDS



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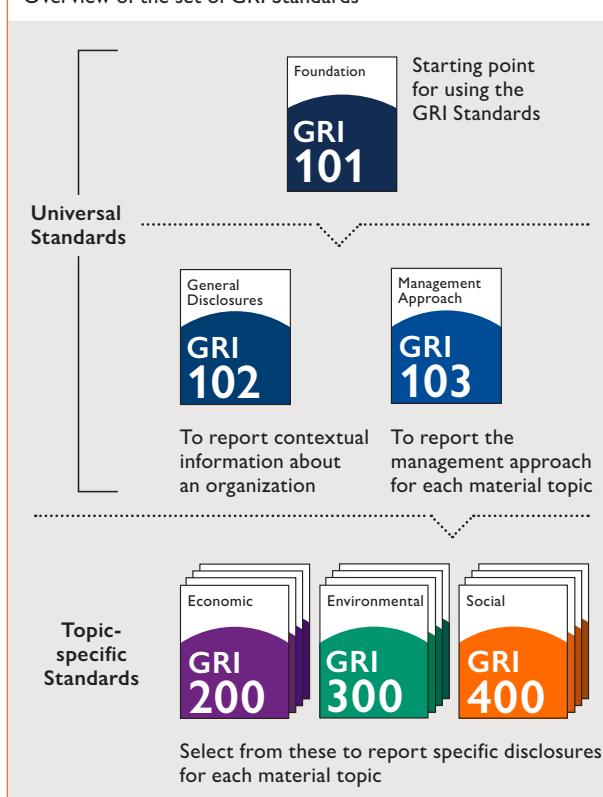
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Each topic Standard includes disclosures specific to that topic, and is designed to be used together with *GRI 103: Management Approach*, which is used to report the management approach for the topic.

GRI 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.

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.

Glossary

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impact

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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.

References

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



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STANDARDS



GRI STANDARDS GLOSSARY

2020

Notes for use of the GRI Standards Glossary

The following terms and definitions apply in the context of using the GRI Sustainability Reporting Standards.

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.
Application	<p>This Glossary includes definitions for the following GRI Standards:</p> <ul style="list-style-type: none">• GRI 101: Foundation 2016• GRI 102: General Disclosures 2016• GRI 103: Management Approach 2016• GRI 201: Economic Performance 2016• GRI 202: Market Presence 2016• GRI 203: Indirect Economic Impacts 2016• GRI 204: Procurement Practices 2016• GRI 205: Anti-corruption 2016• GRI 206: Anti-competitive Behavior 2016• GRI 207: Tax 2019• GRI 301: Materials 2016• GRI 302: Energy 2016• GRI 303: Water and Effluents 2018• GRI 304: Biodiversity 2016• GRI 305: Emissions 2016• GRI 306: Waste 2020• GRI 307: Environmental Compliance 2016• GRI 308: Supplier Environmental Assessment 2016• GRI 401: Employment 2016• GRI 402: Labor/Management Relations 2016• GRI 403: Occupational Health and Safety 2018• GRI 404: Training and Education 2016• GRI 405: Diversity and Equal Opportunity 2016• GRI 406: Non-discrimination 2016• GRI 407: Freedom of Association and Collective Bargaining 2016

- [*GRI 408: Child Labor 2016*](#)
- [*GRI 409: Forced or Compulsory Labor 2016*](#)
- [*GRI 410: Security Practices 2016*](#)
- [*GRI 411: Rights of Indigenous Peoples 2016*](#)
- [*GRI 412: Human Rights Assessment 2016*](#)
- [*GRI 413: Local Communities 2016*](#)
- [*GRI 414: Supplier Social Assessment 2016*](#)
- [*GRI 415: Public Policy 2016*](#)
- [*GRI 416: Customer Health and Safety 2016*](#)
- [*GRI 417: Marketing and Labeling 2016*](#)
- [*GRI 418: Customer Privacy 2016*](#)
- [*GRI 419: Socioeconomic Compliance 2016*](#)

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GRI Standards Glossary

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.

catchment

area of land from which all surface runoff and subsurface water, flows through a sequence of streams, rivers, aquifers, and lakes into the sea or another outlet at a single river mouth, estuary, or delta

Note 1: Catchments include associated groundwater areas and might include portions of waterbodies (such as lakes or rivers). In different parts of the world, catchments are also referred to as 'watersheds' or 'basins' (or sub-basins).

Note 2: This definition is based on the Alliance for Water Stewardship (AWS), *AWS International Water Stewardship Standard, Version 1.0*, 2014.

CFC11 (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.

circularity measures

measures taken to retain the value of products, materials, and resources and redirect them back to use for as long as possible with the lowest carbon and resource footprint possible, such that fewer raw materials and resources are extracted and waste generation is prevented

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

close call

work-related incident where no injury or ill health occurs, but which has the potential to cause these

Note 1: A 'close call' might also be referred to as a 'near-miss' or 'near-hit'.

Note 2: This definition is based on ISO 45001:2018.

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

commuting incident

incident that occurs when the worker is traveling between a place of private activity (e.g., residence, restaurant) and a place of work or workplace

Note: Modes of travel include motor vehicles (e.g., motorcycles, cars, trucks, buses), railed vehicles (e.g., trains, trams), bicycles, aircrafts, and walking, among others.

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

¹ Transparency International

² These definitions are based on Transparency International, 'Business Principles for Countering Bribery', 2011.

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.

disposal

any operation which is not recovery, even where the operation has as a secondary consequence the recovery of energy

Note 1: Disposal is the end-of-life management of discarded products, materials, and resources in a sink or through a chemical or thermal transformation that makes these products, materials, and resources unavailable for further use.

Note 2: This definition comes from the European Union (EU), *Waste Framework Directive*, 2008 (Directive 2008/98/EC).

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.

effluent

treated or untreated wastewater that is discharged

Note: This definition is based on the Alliance for Water Stewardship (AWS), *AWS International Water Stewardship Standard, Version 1.0*, 2014.

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.

exposure

quantity of time spent at or the nature of contact with certain environments that possess various degrees and kinds of hazard, or proximity to a condition that might cause injury or ill health (e.g., chemicals, radiation, high pressure, noise, fire, explosives)

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 all relevant parties declaring a mutual intention to abide by what is stipulated in the document

Note: A formal agreement can include, for example, a local collective bargaining agreement, or a national or international framework agreement.

formal joint management–worker health and safety committee

committee composed of management and worker representatives, whose function is integrated into an organizational structure, and which operates according to agreed written policies, procedures, and rules, and helps facilitate worker participation and consultation on matters of occupational health and safety

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

freshwater

water with concentration of total dissolved solids equal to or below 1,000 mg/L

Note: This definition is based on ISO 14046:2014; the United States Geological Survey (USGS), Water Science Glossary of Terms, water.usgs.gov/edu/dictionary.html, accessed on 1 June 2018; and the World Health Organization (WHO), Guidelines for Drinking-water Quality, 2017.

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.

groundwater

water that is being held in, and that can be recovered from, an underground formation

Note: This definition comes from ISO 14046:2014.

hazardous waste

waste that possesses any of the characteristics contained in Annex III of the Basel Convention, or that is considered to be hazardous by national legislation

Note: This definition comes from the United Nations Environment Programme (UNEP), *Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and Their Disposal*, 1989.

health promotion

process of enabling people to increase control over and improve their health

Note 1: The terms 'health promotion', 'wellbeing', and 'wellness' are often used interchangeably.

Note 2: This definition comes from the World Health Organization (WHO), 'Ottawa Charter for Health Promotion', 1986.

hierarchy of controls

systematic approach to enhance occupational health and safety, eliminate hazards, and minimize risks

Note 1: The hierarchy of controls seeks to protect workers by ranking the ways in which hazards can be controlled. Each control in the hierarchy is considered less effective than the one before it. The priority is to eliminate the hazard, which is the most effective way to control it.

Note 2: The International Labour Organization (ILO) *Guidelines on Occupational Safety and Health Management Systems* from 2001 and ISO 45001:2018 list the following preventive and protective measures in the following order of priority:

- eliminate the hazard/risk;
- substitute the hazard/risk with less hazardous processes, operations, materials, or equipment;
- control the hazard/risk at source, through the use of engineering controls or organizational measures;
- minimize the hazard/risk by the design of safe work systems, which include administrative control measures;
- where residual hazards/risks cannot be controlled by collective measures, provide for appropriate personal protective equipment, including clothing, at no cost, and implement measures to ensure its use and maintenance.

high-consequence work-related injury

work-related injury that results in a fatality or in an injury from which the worker cannot, does not, or is not expected to recover fully to pre-injury health status within 6 months

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.

high-potential work-related incident

work-related incident with a high probability of causing a high-consequence injury

Note: Examples of high-potential incidents might include incidents involving malfunctioning equipment, explosions, or vehicle collisions with a high probability of causing a high-consequence injury.

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.

incineration

controlled burning of waste at high temperatures

Note 1: Incineration of waste can be carried out with or without energy recovery. Incineration with energy recovery is also known as waste to energy. In the context of waste reporting, incineration with energy recovery is considered a disposal operation.

Note 2: This definition comes from the United Nations (UN), *Glossary of Environment Statistics, Studies in Methods*, Series F, No. 67, 1997.

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', 1989.

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.

landfilling

final depositing of solid waste at, below, or above ground level at engineered disposal sites

Note 1: In the context of waste reporting, landfilling refers to depositing of solid waste in sanitary landfills, and excludes uncontrolled waste disposal such as open burning and dumping.

Note 2: This definition comes from the United Nations (UN), *Glossary of Environment Statistics, Studies in Methods*, Series F, No. 67, 1997.

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 transnational 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.

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 health and safety management system

set of interrelated or interacting elements to establish an occupational health and safety policy and objectives, and to achieve those objectives

Note: This definition comes from the International Labour Organization (ILO), *Guidelines on Occupational Safety and Health Management Systems, ILO-OSH 2001*, 2001.

occupational health and safety risk

combination of the likelihood of occurrence of a work-related hazardous situation or exposure, and the severity of injury or ill health that can be caused by the situation or exposure

Note: This definition is based on ISO 45001:2018.

occupational health services

services entrusted with essentially preventive functions, and responsible for advising the employer, the workers, and their representatives in the undertaking, on the requirements for establishing and maintaining a safe and healthy work environment, which will facilitate optimal physical and mental health in relation to work and the adaptation of work to the capabilities of workers in the light of their state of physical and mental health

Note 1: Functions of occupational health services include:

- surveillance of factors in the work environment, including any sanitary installations, canteens, and housing provided to workers, or in work practices, which might affect workers' health;
- surveillance of workers' health in relation to work;
- advice on occupational health, safety, and hygiene;
- advice on ergonomics, and on individual and collective protective equipment;
- promotion of the adaptation of work to the worker;
- organization of first aid and emergency treatment.

Note 2: This definition comes from the International Labour Organization (ILO) Convention 161, 'Occupational Health Services Convention', 1985.

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.

preparation for reuse

checking, cleaning, or repairing operations, by which products or components of products that have become waste are prepared to be put to use for the same purpose for which they were conceived

Note: This definition is based on the European Union (EU), Waste Framework Directive, 2008 (Directive 2008/98/EC).

produced water

water that enters an organization's boundary as a result of extraction (e.g., crude oil), processing (e.g., sugar cane crushing), or use of any raw material, and has to consequently be managed by the organization

Note: This definition is based on CDP, CDP Water Security Reporting Guidance, 2018.

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.

recordable work-related injury or ill health

work-related injury or ill health that results in any of the following: death, days away from work, restricted work or transfer to another job, medical treatment beyond first aid, or loss of consciousness; or significant injury or ill health diagnosed by a physician or other licensed healthcare professional, even if it does not result in death, days away from work, restricted work or job transfer, medical treatment beyond first aid, or loss of consciousness

Note: This definition is based on the United States Occupational Safety and Health Administration, *General recording criteria 1904.7*, https://www.osha.gov/pls/oshaweb/owadisp.show_document?p_table=STANDARDS&p_id=9638, accessed on 1 June 2018.

recovery

any operation wherein products, components of products, or materials that have become waste are prepared to fulfill a purpose in place of new products, components, or materials that would otherwise have been used for that purpose

Note 1: Preparation for reuse and recycling are examples of recovery operations.

Note 2: In the context of waste reporting, recovery operations do not include energy recovery.

Note 3: This definition is based on the United Nations Environment Programme (UNEP), *Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and Their Disposal*, 1989.

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

recycling

reprocessing of products or components of products that have become waste, to make new materials

Note: This definition is based on the United Nations Environment Programme (UNEP), *Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and Their Disposal*, 1989.

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.
- 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

runoff

part of precipitation that flows towards a river on the ground surface (i.e., surface runoff) or within the soil (i.e., subsurface flow)

Note: This definition is based on the United Nations Educational, Scientific and Cultural Organization (UNESCO), *UNESCO International Glossary of Hydrology*, 2012.

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.

seawater

water in a sea or in an ocean

Note: This definition comes from ISO 14046:2014.

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.

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

surface water

water that occurs naturally on the Earth's surface in ice sheets, ice caps, glaciers, icebergs, bogs, ponds, lakes, rivers, and streams

Note: This definition is based on CDP, *CDP Water Security Reporting Guidance*, 2018.

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.

tax jurisdiction

country or territory with autonomous taxing powers similar to a country

Note 1: Territories with autonomous taxing powers similar to a country are those that have a level of autonomy such that they can participate in the Organisation for Economic Co-operation and Development (OECD) and Council of Europe's *The Multilateral Convention on Mutual Administrative Assistance in Tax Matters*. Examples of such territories include Bermuda, Hong Kong, and Jersey.

Note 2: The definition for tax jurisdiction includes those countries or territories that choose not to exercise their fiscal autonomy to charge taxes.

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.

third-party water

municipal water suppliers and municipal wastewater treatment plants, public or private utilities, and other organizations involved in the provision, transport, treatment, disposal, or use of water and effluent

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.

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

anything that the holder discards, intends to discard, or is required to discard

Note 1: Waste can be defined according to the national legislation at the point of generation.

Note 2: A holder can be the reporting organization, an entity in the organization's value chain upstream or downstream (e.g., supplier or consumer), or a waste management organization, among others.

Note 3: This definition is based on the United Nations Environment Programme (UNEP), *Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and Their Disposal*, 1989.

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 consumption

sum of all water that has been withdrawn and incorporated into products, used in the production of crops or generated as waste, has evaporated, transpired, or been consumed by humans or livestock, or is polluted to the point of being unusable by other users, and is therefore not released back to surface water, groundwater, seawater, or a third party over the course of the reporting period

Note 1: Water consumption includes water that has been stored during the reporting period for use or discharge in a subsequent reporting period.

Note 2: This definition is based on CDP, *CDP Water Security Reporting Guidance*, 2018.

water discharge

sum of effluents, used water, and unused water released to surface water, groundwater, seawater, or a third party, for which the organization has no further use, over the course of the reporting period

Note 1: Water can be released into the receiving waterbody either at a defined discharge point (point-source discharge) or dispersed over land in an undefined manner (non-point-source discharge).

Note 2: Water discharge can be authorized (in accordance with discharge consent) or unauthorized (if discharge consent is exceeded).

water stewardship

use of water that is socially equitable, environmentally sustainable, and economically beneficial, achieved through a stakeholder-inclusive process that involves facility- and catchment-based actions

Note 1: Good water stewards understand their own water use; catchment context; and shared risk in terms of water governance, water balance, and water quality; and engage in meaningful individual and collective actions that benefit people and nature. Further:

- Socially equitable water use recognizes and implements the human right to water and sanitation and helps ensure human wellbeing and equity;
- Environmentally sustainable water use maintains or improves biodiversity and ecological and hydrological processes at the catchment level;
- Economically beneficial water use contributes to long-term efficiency, and development and poverty alleviation for water users, local communities, and society at large.

Note 2: This definition is based on the Alliance for Water Stewardship (AWS), *AWS International Water Stewardship Standard, Version 1.0*, 2014.

water storage

water held in water storage facilities or reservoirs

water stress

ability, or lack thereof, to meet the human and ecological demand for water

Note 1: Water stress can refer to the availability, quality, or accessibility of water.

Note 2: Water stress is based on subjective elements and is assessed differently depending on societal values, such as the suitability of water for drinking or the requirements to be afforded to ecosystems.

Note 3: Water stress in an area may be measured at catchment level at a minimum.

Note 4: This definition comes from the CEO Water Mandate, *Corporate Water Disclosure Guidelines*, 2014.

water withdrawal

sum of all water drawn from surface water, groundwater, seawater, or a third party for any use over the course of the reporting period

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.

worker consultation

seeking of workers' views before making a decision

Note 1: Worker consultation might be carried out through workers' representatives.

Note 2: Consultation is a formal process, whereby management takes the views of workers into account when making a decision. Therefore, consultation needs to take place before the decision is made. It is essential to provide timely information to workers or their representatives in order for them to provide meaningful and effective input before decisions are made. Genuine consultation involves dialogue.

Note 3: Worker participation and consultation are two distinct terms with specific meanings. See definition of 'worker participation'.

worker participation

workers' involvement in decision-making

Note 1: Worker participation might be carried out through workers' representatives.

Note 2: Worker participation and consultation are two distinct terms with specific meanings. See definition of 'worker consultation'.

worker representative

person who is recognized as such under national law or practice, whether they are:

- a trade union representative, namely, a representative designated or elected by trade unions or by members of such unions; or
- an elected representative, namely, a representative who is freely elected by the workers of the undertaking in accordance with provisions of national laws, regulations, or collective agreements, whose functions do not include activities which are recognized as the exclusive prerogative of trade unions in the country concerned.

Note: This definition comes from the International Labour Organization (ILO) Convention 135, 'Workers' Representatives Convention', 1971.

work-related hazard

source or situation with the potential to cause injury or ill health

Note 1: Hazards can be:

- physical (e.g., radiation, temperature extremes, constant loud noise, spills on floors or tripping hazards, unguarded machinery, faulty electrical equipment);
- ergonomic (e.g., improperly adjusted workstations and chairs, awkward movements, vibration);
- chemical (e.g., exposure to solvents, carbon monoxide, flammable materials, or pesticides);
- biological (e.g., exposure to blood and bodily fluids, fungi, bacteria, viruses, or insect bites);
- psychosocial (e.g., verbal abuse, harassment, bullying);
- related to work-organization (e.g., excessive workload demands, shift work, long hours, night work, workplace violence).

Note 2: This definition is based on International Labour Organization (ILO) *Guidelines on Occupational Safety and Health Management Systems* from 2001 and ISO 45001:2018.

work-related incident

occurrence arising out of or in the course of work that could or does result in injury or ill health

Note 1: This definition is based on ISO 45001:2018.

Note 2: Incidents might be due to, for example, electrical problems, explosion, fire; overflow, overturning, leakage, flow; breakage, bursting, splitting; loss of control, slipping, stumbling and falling; body movement without stress; body movement under/with stress; shock, fright; workplace violence or harassment (e.g., sexual harassment).

Note 3: An incident that results in injury or ill health is often referred to as an ‘accident’. An incident that has the potential to result in injury or ill health but where none occurs is often referred to as a ‘close call’, ‘near-miss’, or ‘near-hit’.

work-related injury or ill health

negative impacts on health arising from exposure to hazards at work

Note 1: This definition is based on the International Labour Organization (ILO), *Guidelines on Occupational Safety and Health Management Systems, ILO-OSH 2001*, 2001.

Note 2: ‘Ill health’ indicates damage to health and includes diseases, illnesses, and disorders. The terms ‘disease’, ‘illness’, and ‘disorder’ are often used interchangeably and refer to conditions with specific symptoms and diagnoses.

Note 3: Work-related injuries and ill health are those that arise from exposure to hazards at work. Other types of incident can occur that are not connected with the work itself. For example, the following incidents are not considered to be work related:

- a worker suffers a heart attack while at work that is unconnected with work;
- a worker driving to or from work is injured in a car accident (where driving is not part of the work, and where the transport has not been organized by the employer);
- a worker with epilepsy has a seizure at work that is unconnected with work.

Note 4: *Traveling for work:* Injuries and ill health that occur while a worker is traveling are work related if, at the time of the injury or ill health, the worker was engaged in work activities ‘in the interest of the employer’. Examples of such activities include traveling to and from customer contacts; conducting job tasks; and entertaining or being entertained to transact, discuss, or promote business (at the direction of the employer).

Working at home: Injuries and ill health that occur when working at home are work related if the injury or ill health occurs while the worker is performing work at home, and the injury or ill health is directly related to the performance of work rather than the general home environment or setting.

Mental illness: A mental illness is considered to be work related if it has been notified voluntarily by the worker and is supported by an opinion from a licensed healthcare professional with appropriate training and experience stating that the illness is work related.

For more guidance on determining ‘work-relatedness’, see the United States Occupational Safety and Health Administration, *Determination of work-relatedness 1904.5*, https://www.osha.gov/pls/oshaweb/owadisp.show_document?p_table=STANDARDS&p_id=9636, accessed on 1 June 2018.

Note 5: The terms ‘occupational’ and ‘work-related’ are often used interchangeably.

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