



GRI Annual Report 2021



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a statement of use

About this report

This report covers the reporting period from 1 January to 31 December 2021. GRI prepares and publishes the Annual Report every year. The previous report was issued in October 2021, for the period from 1 January to 31 December 2020.

All entities included in GRI's financial statements are covered in this report. They are GRI's Secretariat in the Netherlands and the regional offices in Brazil, Colombia, Hong Kong, India, Singapore, and South Africa. This report also covers information about the North America regional office - based in the USA. However, the legal entity of the US operations is an independent public charity and therefore it is not included in GRI's financial statements.

This report has been prepared with reference to the GRI Standards – please see the Content Index for an overview of the standards used.

We did not seek external assurance for the reporting period from 1 January to 31 December 2021. No restatements of previously provided information were made.

For more information on the content of this report, please contact GRI Communications at communications@globalreporting.org

The process of defining material topics

For the GRI Annual Report 2021, we conducted a new materiality assessment by following the *Universal Standard GRI 3: Material Topics 2021*. Considering the change, we also revised our stakeholder engagement process. Additionally, to ensure that we meet the requirements set in the Sustainability Context Principle, we conducted desk research to evaluate the sustainability considerations in the not-for-profit sector and assess the impact of the Covid-19 pandemic on the broader sustainability landscape.

Based on this year's updated stakeholder identification (as described in *Disclosure 2-29*), we gathered information on how GRI interacted with the key stakeholder groups throughout the reporting period, and what topics and issues were raised. We then analyzed the information and identified

recurring themes and trends that could be potential material topics for GRI. In our analysis, we tested these themes against the list of GRI's material topics – identified during the previous materiality assessment exercise – and established gaps and overlaps. For the final selection of potential material topics, we also considered the findings of our desk research as part of a broader attempt to better understand and evaluate GRI's sustainability context.

The final selection of potential material topics was reviewed and discussed by GRI's Leadership Team, where the significance of the identified potential material impacts was assessed. At the end of the review, the Leadership Team decided on the final list of GRI's material topics, which are presented below.

Based on the results of this year's materiality assessment, we decided to introduce two new material topics: *Employee health and wellbeing* and *Organizational resilience*. We also removed the *G4 NGO Sector Disclosure on Mechanisms for workforce feedback and complaints and their resolutions*, as this information is now covered in *General Disclosure 2-26: Mechanisms for seeking advice and raising concerns*.

The previously identified material topics presented in earlier reports remain the same, as our materiality assessment confirmed that these topics still represent the organization's most significant impacts on the economy, environment, and people.

The list of material topics is as follows:

- ➔ About GRI
- ➔ Our people
- ➔ About our governance
- ➔ Creating equal opportunities in our network – being an inclusive organization
- ➔ Driving better sustainability reporting
- ➔ Harmonizing the sustainability reporting landscape
- ➔ Effective collaboration with other organizations
- ➔ Improving performance through sustainability reporting



Letter from the CEO

Disclosures covered in this section:

2-22: Statement on sustainable development strategy

We live in times of growing socio-economic and environmental challenges. With global health, defense and security issues taking stronghold in 2021, we closed the year fully aware that sustainability has never been as prominent on the agenda than it is today. And the attention is only growing stronger.

Sustainable development issues – such as climate change, human rights and inequality – are increasingly recognized as being of significance to achieving a sustainable global economy, one of GRI's ultimate aims. As such, sustainability reporting contributes to a more equitable and inclusive world. By providing a comprehensive and widely applicable framework for reporting, GRI makes it possible for organizations to report on their impacts in a way that enables comparisons and creates transparency. It also supports responsible investing and targeted policymaking, paving the way for a sustainable future.

The sustainability reporting landscape can appear a complex one – with a myriad of frameworks and organizations involved. That is why GRI works in close alignment with other organizations and standard setters, to encourage clarity and alignment. At the heart of our collaborative work is the desire to ensure that the reporting process for companies does not introduce unnecessary reporting burden, while further driving our aims of achieving transparency and accountability for sustainability impacts.

Therefore, it should come as no surprise that the priority focus for the organization during the past year was centered around standards development and policy. In August 2021, GRI announced a Statement of Cooperation with the European Financial Reporting Advisory Group (EFRAG) Project Task Force, which committed both organizations to share technical expertise to co-construct new EU sustainability reporting standards. In October 2021, a significant update to the GRI Standards took place, with the publication of the revised Universal Standards and the first GRI Sector Standard.

In December, we implemented a major governance change by moving from a one-tier to a two-tier Board structure, so that the GRI Board of Directors has transitioned into a new Supervisory Board. The aim of the two-tier Board system is to ensure the independence of the Supervisory Board through the separation of the control and management.

I am proud to say that with 90 members of staff representing 38 nationalities and working in 35 different languages, GRI is truly a global organization.





Looking ahead

We remain fully focused on ensuring that GRI provides the world's leading and most widely trusted sustainability reporting standards for addressing impacts on the economy, environment, and people. An important aspect of this is ensuring the relevancy of the GRI Standards amid changes in the broader corporate reporting landscape.

Therefore, over the next 12 months we will make further progress on our goals of alignment in support of achieving the vision of a comprehensive, two-pillar corporate reporting structure - with financial and sustainability reporting on an equal footing. An important aspect of this work will be furthering our collaboration agreements with the ISSB of the IFRS Foundation and the European Financial Reporting Advisory Group.

Core priorities this year will be built around establishing and advancing our global presence and reach as well as facilitating the adoption of the GRI Standards, all the while shaping the global agenda for sustainability and public policy. These efforts will be supported by a sharper focus on our own revenue generating capabilities - particularly the GRI Academy and the services we provide.

July 2022

Eelco van der Enden



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About GRI

2-1: Organizational details

2-6: Activities, value chain and other business relationships

2-8: Workers who are not employees

2-23: Policy commitments

2-28: Membership associations

3-3: Management of material topics

GRI 201-1: Economic Performance 2016

GRI 401-1: Employment 2016

About GRI

Since 2002, the Global Reporting Initiative – or GRI – has been a registered non-profit foundation in the Netherlands under the legal name of Stichting Global Reporting Initiative. GRI is headquartered in Amsterdam, the Netherlands. The organization's operations are global and as such, during the outlined reporting period our staff was present in the following countries and territories:

- ✓ Brazil
- ✓ Colombia
- ✓ Hong Kong
- ✓ India
- ✓ Indonesia
- ✓ Peru
- ✓ The Netherlands
- ✓ The Philippines
- ✓ Singapore
- ✓ South Africa
- ✓ United States of America

Most people who carry out the organization's activities are employees. In those cases when desired expertise is not met among the employees, or there is a lack of temporary capacity, we may decide to hire external parties.

More detailed information related to the scale of the organization, including the total number of employees, is provided in the following sections.

Organizational resilience

The Covid-19 pandemic brought the topic of organizational resilience to the center of the sustainability discussion. In common with all organizations around the world, in 2021 GRI continued to face significant changes to the established ways of working. However, compared to the situation in 2020, we were far better prepared to face the challenges of the pandemic in 2021.

As described in the *Employee Health and Wellbeing* section of this report, we continued to work remotely, ensuring that we could safeguard the wellbeing of our workforce while meeting the needs of all stakeholders and customers. Furthermore, we continued to offer all of our services, training and events virtually, and we successfully launched the revised Universal Standards and our first Sector Standard for Oil and Gas (for further details, please refer to the section on *Driving Better Sustainability Reporting*). The virtual

global launch of the Universal Standards 2021 is our most successful event so far.

During the reporting period, we also updated our Governance structure and moved to a two-tier Board, which will become effective in 2022. Further details on this change can be found in Our Governance section. Additionally, we strengthened our approach to risk management and created an organizational risk register in order to identify risks with the highest potential impacts on the organization on an annual basis.

We also continued our progress towards digital transformation, ensuring that there are safeguards on multiple levels to protect the security of our IT systems and infrastructure.

Transparent finances

The GRI Standards are at the core of our work. These have been rigorously developed for over 20 years using a multi-stakeholder approach and are now the most widely used in the world. As the 2020 KPMG Survey of Sustainability Reporting confirmed, two thirds of the 5,200 leading companies across 52 countries use GRI for their reporting.

The GRI Standards are holistic in nature and cover a broad spectrum of sustainability issues facing organizations and the global community. The GRI Sustainability Standards are a free public good available on GRI's website. They are also the result of important investments from various stakeholders who have all contributed labor, expertise and funds – often with no compensation – to help businesses and governments the world over understand and communicate their impacts on sustainability issues that are critical for the future of the people, planet, and profit.

The 'public good' nature of the standards makes GRI accountable to its stakeholders and the wider reporting community for how it manages its finances and impacts - including the management of public funds as diligently and transparently as possible, as well as securing a stable financial basis in order to continue to update the existing standards and develop new ones, to help support the stakeholders in their reporting and broader sustainability efforts. Both financial transparency and clarity help ensure that those stakeholders who invest time, money, and effort to develop and/or report with the GRI Standards can have trust in the benefit of their engagement.

Although there are many ties to different stakeholders and locations around the world, GRI's finances are managed centrally, at the Headquarters. GRI's Board of Directors has fiduciary responsibility for GRI, including its finances. Together with a general financial briefing for the entire Board, the Finance, Audit and Risk Committee receives more detailed information each quarter and reviews the auditing process and outcomes once a year.

Because of GRI's structure and products, the organization has financial impacts in the regions where it operates, as mentioned above. Healthy finances are ensured through a multilayered process and GRI has appropriate financial and accounting policies and processes in place, including spending approval and sign-off. The Chief Financial Officer engages the budget holders within each department on a regular basis: based on these interactions, the Board receives an annual budget, which is also vetted by the Board's Finance, Audit and Risk Committee.

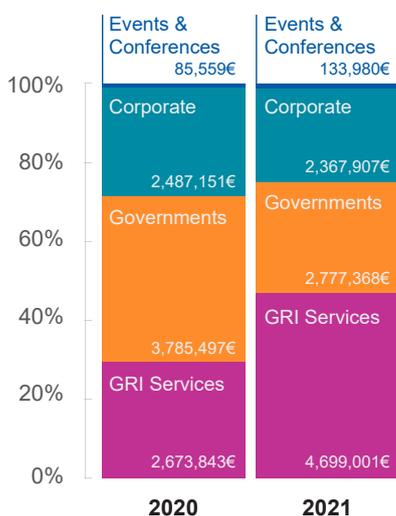
The Leadership Team discusses GRI's financial performance once a month, and does a forecasting review each quarter, both of which allow us to adjust activity levels, ensuring that we remain financially healthy and stable. The regular financial reporting and forecasting processes have proven to be effective in managing finances within the monetary boundaries set out by the Board. The Leadership Team also reviews the process throughout the year, to monitor effectiveness and evaluate whether the expenses are proceeding as forecasted in the budget. Finally, there is a yearly financial audit, carried out by an independent audit firm.

Financially, it was a good year and we concluded it well ahead of the forecasted monetary boundaries. With a total income of €9,978K, the reporting period closed with an operating surplus of € 2,045K and a final surplus of €1,923K. For further information about GRI's financial performance, please refer to the table below as well as the Annual Accounts report.

Supply chain reporting is not the focus area of this report. A part of our supply chain centers around maintaining office operations. To this end, energy, water and paper - along with other services to keep the offices working - are purchased, whenever possible, from suppliers of sustainable products and services. Another part of our supply chain relates to projects - we work with external consultants and working groups whose members provide intellectual input.

There were no significant changes to the organization's size, structure or supply chain during the reporting period. However, the consequences and associated restrictions of the Covid-19 pandemic meant that, from March 2020, GRI's global workforce rapidly transitioned to remote working. In addition, GRI was quick to adopt its tools and rethink the engagement methods with its audiences by moving all training, webinars and events online. Moving forward, GRI will continue to adapt to hybrid ways of working, giving more flexibility to staff to work remotely and thereby meeting the requests from employees who have adapted to this type of working during the pandemic. GRI also commits to adhering to the precautionary approach to environmental risks when applicable.

Income by source

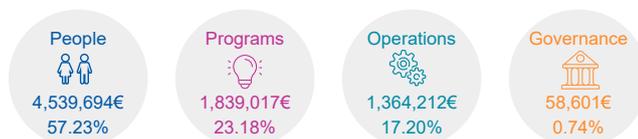


Largest donors and contributors in 2021

Sida*	1,205,405€	12.08%
SECO**	947,035€	9.49%
Porticus Foundation	256,572€	2.57%
PricewaterhouseCoopers	225,000€	2.25%
DFAT***	190,575€	1.91%

*Swedish development agency
 **Swiss State Secretariat for Economic Affairs
 ***Australian Department of Foreign Affairs and Trade

Spend by economic value distributed



Ethical fundraising

GRI is committed to ensuring that fundraising activities, including sponsorship, are carried out in an ethical manner. In 2018, GRI developed the Ethical Fundraising Policy, which documents the standards and guidance expected for fundraising. This policy applies to the Board, employees, contract staff and anyone explicitly requested to carry out fundraising duties on behalf of GRI. It is based on the requirements set by the Dutch tax office for charities (*Algemeen Nut Beogende Instelling or Public Benefit Organization*) as well as the International Statement of Ethical Principles in Fundraising - as set out by the Association of Fundraising Professionals (AFP). The policy is updated regularly – the most recent update was performed in 2019 and a further review is planned for 2022.

GRI only undertakes fundraising efforts that are in line with its purpose statement, strategic plan and code of conduct. To best align GRI's work and donor priorities, GRI first engages in a donor screening process, to analyze whether our values and principles are compatible with the funding source. Further, GRI ensures that donors are not able to influence GRI's own policies and safeguards the independence of the GRI Standards – from the project design stage through making the extent of the partnership or donor engagement clear in the agreements and activity log frames between GRI and the donor. Currently, this evaluation is done on a case-by-case basis.

GRI endorsed the following initiatives and principles in the set reporting period:

- ➔ Signatory of UNGC
- ➔ Member of the Global Partnership for Sustainable Development Data
- ➔ Annual Partner Advisory Board of the Global Child Forum
- ➔ Member of the EU Technical Expert Group on Sustainable Finance.
- ➔ Co-constructor with EFRAG of the European Sustainability Reporting Standards

While Eric Hespenheide, GRI's Chair of the Board from January 2018 to December 2021, was the member of:

- ➔ AICPA Assurance and Advocacy Sustainability Task Force
- ➔ IAASB EER Project Advisory Panel
- ➔ International Integrated Reporting Council

Direct economic value generated and distributed

	2019	2020	2021
Direct economic value generated: revenues	9,069,420	9,032,050	9,978,256
Operating costs	3,724,470	3,199,845	3,383,108
Employee wages and benefits	5,394,675	5,400,203	4,549,879
Economic value retained: 'direct economic value generated' less 'economic value distributed'	(49,725)	432,002	2,045,269

GRI's vision

GRI envisions a sustainable future enabled by transparency and open dialogue about impacts. This is a future in which reporting on impacts is a common practice by all organizations around the world. As the provider of the world's most widely used sustainability disclosure standards, we are a catalyst for that change.

Our why, how and what (Theory of Change) can be found below.

WHY

GRI exists to help organizations be transparent and take responsibility for their impacts so that we can create a sustainable future.

HOW

GRI creates the global common language for organizations to report their impacts. This enables informed dialogue and decision-making around those impacts.

WHAT

- ➔ We are the global standard setter for impact reporting
- ➔ We follow an independent, multi-stakeholder process
- ➔ We maintain the world's most comprehensive sustainability reporting standards
- ➔ Our Standards are available as a free public good



2

Our
people

Disclosures covered in this section:

- 2-7: Employees
- 2-21: Annual total compensation ratio
- 2-23: Policy commitments
- 2-26: Mechanisms for seeking advice and raising concerns
- 2-30: Collective bargaining agreements
- 3-3: Management of material topics

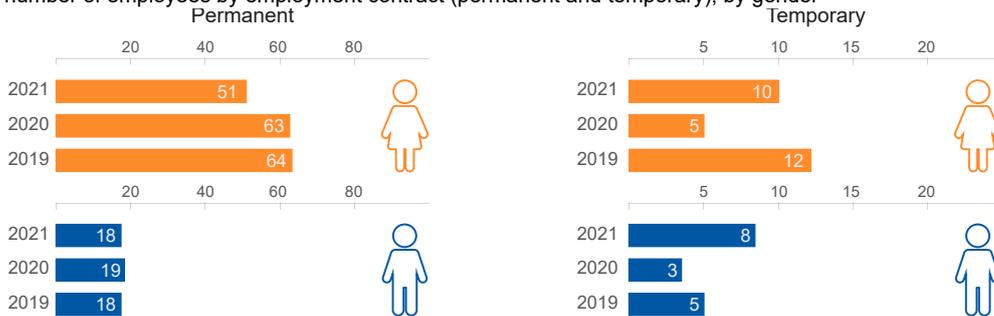
- GRI 401-1: Employment 2016
- GRI 404-1: Training and Education 2016
- GRI 404-2: Training and Education 2016
- GRI 404-3: Training and Education 2016
- GRI 405-1: Diversity and Equal Opportunity 2016

Our people

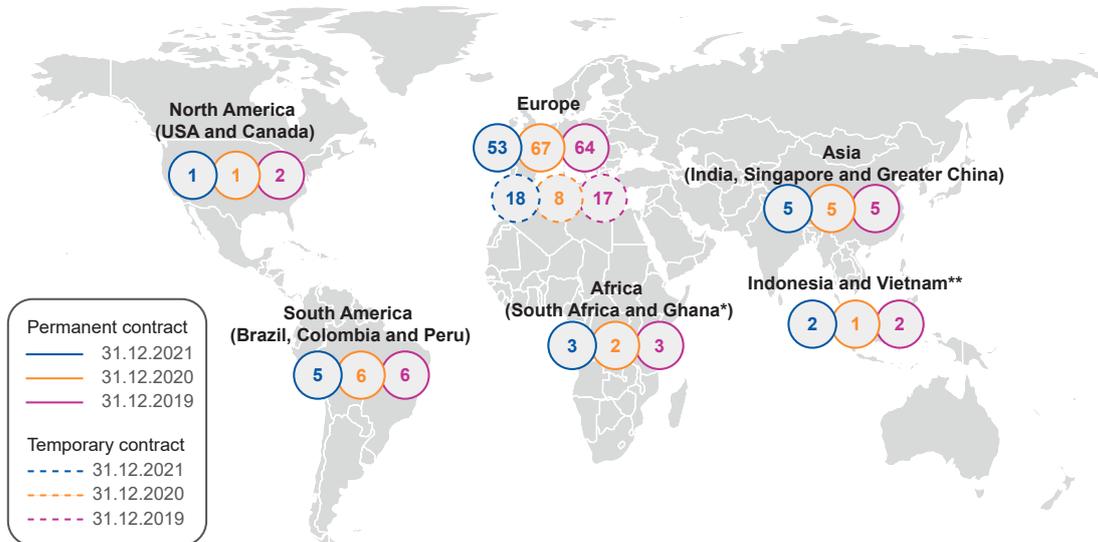
Our people are the most valuable part of the organization. For more than 20 years, GRI's staff have shown incredible commitment and dedication to GRI's mission and the work more broadly. We are very proud of our people, and we strive to attract, retain, and foster the growth of professionals who choose GRI as their employer.

With Headquarters in Amsterdam, the Netherlands, GRI must comply with the Dutch labor law for all staff based in the country. Employees can have a fixed-term contract (a temporary contract), which usually lasts a year, or a permanent contract, which does not require renewal.

Total number of employees by employment contract (permanent and temporary), by gender

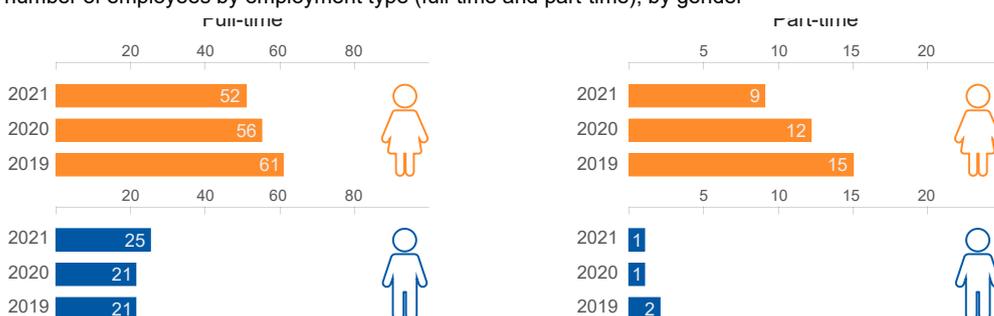


Total number of employees by employment contract (permanent and temporary), by region



* As of 31 December 2019, GRI does not have staff in Ghana.
 ** As of 31 August 2020, GRI does not have staff in Vietnam.

Total number of employees by employment type (full-time and part-time), by gender



The 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.

	Ratio 2019	Ratio 2020	Ratio 2021
Netherlands	7.14	6.73	6.67

The 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.

	Ratio 2019	Ratio 2020	Ratio 2021
Netherlands	0.0	0.0	0.0

Our values and principles

We have a clear set of values to help our employees understand what GRI stands for and provide both guidance and a sense of security.

Furthermore, GRI's Code of Conduct describes how we expect our people to act during their employment with us in order to create a productive, respectful, and safe working environment.

Salary benchmark

In 2021, GRI's Works Council has raised a request to benchmark salaries to the current market. The project was approved in Q3 2021, with Korn Ferry (one of the leading HR consulting firms) being selected to perform this work. The project will be completed in early 2022.



Professional development

For us, the professional development of our employees is of utmost importance. This topic also ranks highly among our staff.

We believe that professional growth is a collaborative effort led by an individual member of staff, with the support from line managers and the Human Resources department. Our staff can choose from a variety of training and other development opportunities (such as mentoring and peer-to-peer learning) according to their needs and professional situation. In 2018, GRI developed the Approach to Professional Development - a document that explores our views and position on the topic and outlines how an individual development plan can be set up. The document is part of the Performance Management Methodology (PMM) process. It applies to all staff members at GRI with the status of employees, including regional staff

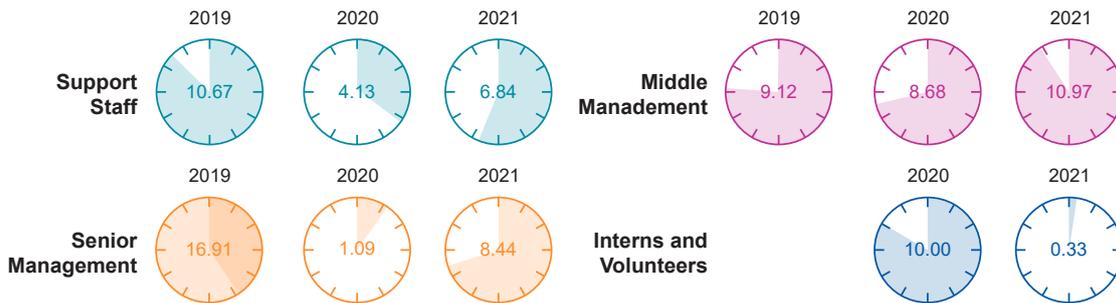
working outside of the Amsterdam office. We are constantly monitoring its application and we are ready to make changes when and if necessary.

GRI staff channels feedback on professional development and other employee-related matters through their line managers, the HR department, and the GRI Works Council. Our training and professional development, although limited due to size and financial restrictions that a non-profit such as GRI faces, are a cornerstone of our work. We do not have standardized targets for professional development, but the Leadership Team regularly reflects on whether the organization is still a good place to work at and provides enough challenge and support to our people in order to be successful in their roles. The Human Resources department keeps track of training and other HR-related topics through our HR software system.

Average hours of training that the organization's employees have undertaken during the reporting period, by gender



Average hours of training that the organization's employees have undertaken during the reporting period, by employee category



Employees receive regular performance and professional development appraisals (PA). This process begins on 1 October of each year. Employees who joined on or after that date do not participate in the given year's appraisal as the period between October and December is too short for an accurate assessment of their performance. Employees who leave the organization or take a leave of absence can choose not to participate in the performance review. This explains why the number of eligible employees may be higher than the number of those who receive a performance appraisal every year. In the period from 1 January to 31 December 2021, 72% of all 96 eligible employees received a performance appraisal.

The percentage of employees receiving regular performance and career development reviews - by gender and employee category - is illustrated below:

Staff turnover

The turnover of staff is a topic that we monitor very closely and pay great attention to. It is important to understand the underlying reason for leaving the organization in order to manage the turnover rate and provide learnings for retention. The HR department conducts confidential in-person exit interviews, which, among other things, help to distinguish between preventable and non-preventable resignations. Such interviews have proven to be insightful. About half of employees leaving the organization do so for reasons that cannot be influenced by GRI (i.e., non-preventable - such as return to home country, ending of working permit, relocation of spouse, etc.). Other reasons for leaving are mainly related to career development and progress. Staff turnover is reviewed and evaluated by the Leadership Team each month.

Percentage of employees receiving regular performance and career development reviews per gender and employee category

Gender	2019	2020	2021
Male	86.96	92.00	54.55
Female	89.47	96.20	59.46

Employee category	2019	2020	2021
Support Staff	92.86	92.00	72.50
Middle Management	84.38	97.67	56.82
Senior Management	81.82	100.00	16.67
Other (Interns and Volunteers)	-	10.00	0.33

Total number of employees by employment contract (permanent and temporary), by region

New employee hires		2019			2020			2021		
		Number of new employee hires	Number of employees (excl. interns)		Number of new employee hires	Number of employees (excl. interns)	Rate of new employee hires (%)	Number of new employee hires	Number of employees (excl. interns)	Rate of new employee hires (%)
Age group	<30	9	21	43%	-	11	0%	8	13	62%
	30-50	10	61	16%	6	61	10%	16	55	29%
	>50	1	17	6%	2	18	11%	2	19	11%
Gender	Male	6	23	26%	3	22	14%	12	26	46%
	Female	14	76	18%	5	68	7%	14	61	23%
	Total	20	99	20%	8	90	9%	26	87	30%
Region	Main office, NL	18	81	22%	7	75	9%	22	71	31%
	South Africa	-	2	0%	-	2	0%	1	3	33%
	Brazil	-	1	0%	-	1	0%	-	1	0%
	Greater China	1	1	100%	-	1	0%	-	1	0%
	Colombia	-	3	0%	-	3	0%	1	3	33%
	North America	1	2	50%	-	1	0%	1	1	100%
	South Asia/India	-	4	0%	1	4	25%	-	4	0%
	Ghana	-	1	0%						
	Indonesia	-	1	0%	-	1	0%	1	2	50%
	Peru	-	2	0%	-	2	0%	-	1	0%
Vietnam	-	1	0%							

Total number and rate of employee turnover during the reporting period, by age group, gender and region

Employee turnover		2019			2020			2021		
		Number of employee turnover	Number of employees (excl. interns)	Rate of employee turnover (%)	Number of employee turnover	Number of employees (excl. interns)	Rate of employee turnover (%)	Number of employee turnover	Number of employees (excl. interns)	Rate of employee turnover (%)
Age group	<30	10	21	48%	5	11	45%	3	13	23%
	30-50	13	61	21%	10	61	16%	16	55	29%
	>50	2	17	12%	2	18	11%	7	19	37%
Gender	Male	7	23	30%	4	22	18%	6	26	23%
	Female	18	76	24%	13	68	19%	20	61	33%
	Total	25	99	25%	17	90	19%	26	87	30%
Region	Main office, NL	22	81	27%	13	75	17%	23	71	32%
	South Africa	-	2	0%	-	2	0%	1	3	33%
	Brazil	-	1	0%	-	1	0%	-	1	0%
	Greater China	2	1	200%	-	1	0%	-	1	0%
	Colombia	-	3	0%	-	3	0%	1	3	33%
	North America	1	2	50%	1	1	100%	-	1	0%
	South Asia/India	-	4	0%	-	4	0%	-	4	0%
	Ghana	-	1	0%	1	-	100%			
	Indonesia	-	1	0%	-	1	0%	-	2	0%
	Peru	-	2	0%	-	2	0%	1	1	100%
Vietnam	-	1	0%	1	-	100%				

Employee health and wellbeing

Safeguarding the wellbeing of our staff and respecting their human rights throughout the pandemic has been paramount. The Covid-19 crisis has caught us and the rest of the world by surprise, but going into 2021 we were better prepared and ready to face another challenging year. In consultation with the Works Council, we continued to implement home working arrangements for all staff, both in our Amsterdam office and each of the seven regional offices. This included switching over to virtual meetings and rolling out online collaboration tools, while ceasing all air travel for most of the year. At all times, we closely adhered to the expert guidance from governments and health authorities as it developed, adjusting our internal processes accordingly.

We acknowledged that, after two years of restrictions, the impact of the pandemic on mental health of our employees was significant. After all, we are all unique, living in our unique circumstances and processing the challenges of the pandemic differently. That is why we listened to our staff with the utmost care and attention, trying to address their concerns as best as we could. Below are the main actions taken during the reporting period:

- ➔ In consultation with the Works Council, GRI's management developed the Hybrid Working Policy in 2021, which will come into effect in 2022. As outlined in the policy, working hours are flexible, providing that the agreed deliverables are met. It was also recommended to all staff to uninstall the email application from private mobile phones and to send emails and other work-related communication within regular office hours only, taking breaks and going for walks outside.
- ➔ GRI offered to collect laptops, screens, mice, keyboards and office chairs from the office, to help accommodate the

working needs of staff and create the best possible working space at home. For those members of staff who faced challenges when working from home due to personal circumstances, we offered the option to work from the office whenever they wanted to (ensuring that the health protocols were followed), since this was the best decision for their health and wellbeing.

- ➔ GRI also implemented an interim monthly Working Remotely Allowance.
- ➔ We decided to create a new full-time position in our Human Resources department, to focus on professional development and wellbeing. This position will be filled in early 2022.

Other regular measures and programs we have in place to safeguard employee health and safety include:

- ➔ When onboarding, each new member of staff receives evacuation training on how to quickly vacate the building in case of emergency. GRI also assigns First-Aid-Helpers, who are trained each year to provide first-response support.
- ➔ Travel insurance is available to safeguard evacuation needs and medical support - along with the coverage of damage and/or loss of belongings.
- ➔ Through GRI's contracted Occupational Health Services, staff receive support whilst being registered for sick leave.

The health, safety and wellbeing of our employees will always be one of our top priorities and it is one of the topics that we measure through our staff surveys. We remain committed to ensuring that GRI is a safe and inspiring workplace for our colleagues to grow personally and professionally and excel in their work.



3

About our governance

2-9: Governance structure and composition

2-10: Nomination and selection of the highest governance body

2-11: Chair of the highest governance body

2-14: Role of the highest governance body in sustainability reporting

2-15: Conflict of interest

3-3: Management of material topics

About our governance

Transparency and efficiency is what drives our work, and GRI's governance bodies are designed to ensure that our multistakeholder nature is reflected in our decision-making processes at the highest level.

GRI has governance bodies that oversee the development of our Sustainability Reporting Standards, and those that oversee engagement and enhancement of our activities. All GRI's governance bodies are designed to maintain multi-stakeholder representation. Among their members are representatives from business, civil society, labor, and investor and mediating institutions. All members of our governance bodies contribute their time and expertise on a voluntary basis.

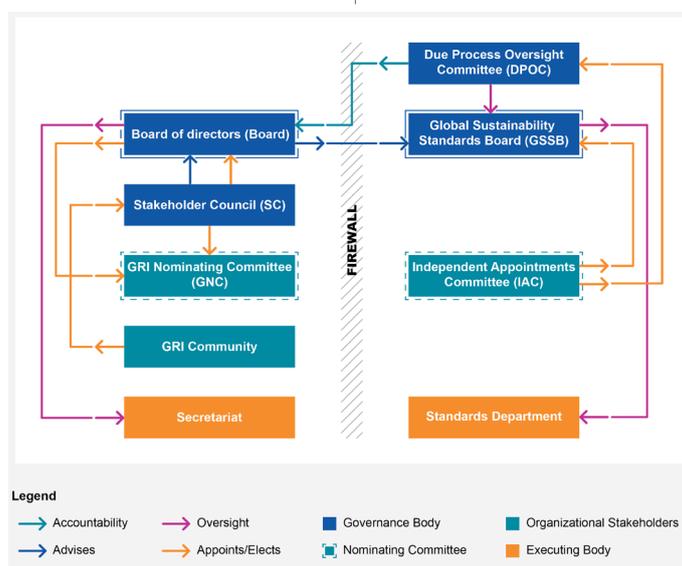
GRI's governance structure commits the organization to standard-setting that is in the public interest. As such, the Global Sustainability Standards Board (GSSB) has the sole responsibility for developing and approving the GRI Standards, while the Due Process Oversight Committee (DPOC) is responsible for ensuring that the standard-setting activities of the GSSB are conducted in accordance with its due process.

More information on the range of boards, committees and groups which support GRI's strategic planning that underpins our standard-setting, can be found on GRI's [website](#). The GRI Secretariat, meanwhile, is the operational entity that enacts work programs to deliver on our agreed priorities.

The chart below also gives an overview of the governance structure and underlying relations.

On 30 December 2021, GRI implemented a major governance change by moving from a one-tier to a two-tier Board structure. The GRI Board of Directors transitioned into a new Supervisory Board and Eelco van der Enden - Chief Executive Officer - as well as Dani Marunovic - Chief Financial Officer - were appointed to the Management Board. The aim of the two-tier Board structure is to ensure the independence of the Supervisory Board through the separation of the control and management. The Supervisory Board is now the highest governance body within the current governance structure. Out of the 16 Board members, only GRI's Chief Executive Officer (CEO), who is an ex-officio member of the Board, is an Executive Director. Except for the CEO, all other Board members perform their duties on a voluntary basis. They are all committed to and/or employed in at least one other venture. GRI's CEO and the Chair of the Supervisory Board are independently authorized, while all other Board members are jointly authorized.

The term for the Board membership is for three years and it can be renewed once. During the reporting period, the Board of Directors consisted of seven men and seven women and represented all GRI's constituencies. Two of the 14 Board members originated from countries with emerging economies. Meanwhile, the Supervisory Board members are selected and appointed based on their track record in the field of sustainable development as well as insights they can provide to advance GRI's mission. To ensure independence and protect GRI's interests when it enters into a transaction or arrangement that might benefit the private interest of any of the Board members, all Supervisory Board members must agree on and sign the Conflict-of-Interest Policy and Statement annually.



GRI's CEO heads the organization's main office and – together with the Leadership Team - develops and implements GRI's strategy to fulfil GRI's mission: to help organizations worldwide make progress on sustainability matters and take responsibility for their impacts on the economy, the environment, and society. This strategy is approved by the GRI's Supervisory Board and implemented by the organization and its network. The CEO takes management decisions in accordance with the efficient and effective implementation of the work plan. Delegation of authority to the CEO and/or other Executives is handled through the passing of a Supervisory Board resolution on a case-by-case basis.

Following the departure of Tim Mohin, who has held the position of CE since January 2017, in October 2020 the Leadership Team - supported by Eric Hespeneide, Chair of the Board of Directors (until December 2021) - stepped in to ensure that the organization continues to operate smoothly and efficiently.

The GRI Board's Reporting Sub-Group, which includes three members of the Board and two members of the Stakeholder Council, oversees the process of reporting on GRI's own sustainability impacts. Subsequently, based on recommendations from the Sub-Group, the Board of Directors approves the sustainability reports, including this one. The GRI Nomination Committee (GNC), made up of three Board members and three Stakeholder Council members, is responsible for the coordination and management of the annual nomination processes for the Board of Directors.



The criteria used for nominating and selecting the highest governance body members are as follows:

- ➔ Stakeholders are involved; the GNC, with representatives from the Board and the Stakeholder Council, manages the nomination process. As a standard procedure, there is outreach to governance bodies for attracting nominations, in addition to the 60 days public open call for nominations. The GRI Stakeholder Council - GRI's advisory governance body - appoints the Directors of the GRI Board.
- ➔ Diversity is considered; there are five constituent categories in the Board and the Stakeholder Council, organized into seven major geographic categories based on the World Bank's geographic distribution: East Asia and Pacific, Europe and Central Asia, Latin America and the Caribbean, Middle East and North Africa, North America, South Asia, and Sub-Saharan Africa. This is considered by the GNC when assessing nominations in addition to considerations for gender balance.
- ➔ Independence is considered; a GNC meeting to discuss the Board and/or Stakeholder Council nominations cannot be held unless there is a minimum of three members present either in-person or by phone, with at least one from the Board and one from the Stakeholder Council. Independence is essential to the process, to assure fairness, equity, and objectivity in the Board nomination process. Independence is achieved through the voice of the Stakeholder Council, which has the capacity of approving or rejecting the slate of the Board's nominees.
- ➔ Expertise and experience relating to economic, environmental, and social topics is also considered as part of the nomination process.



4

Creating equal opportunities in our network

Creating equal opportunities in our network

We value diversity in our work and governance. The global nature of our network makes it vital for us to be able to attract people with a wide range of backgrounds and viewpoints, and it is essential that our processes reflect that too. Sustainable development is a global challenge, and the diversity of geographical and constituent representation is imperative for making our work relevant to all stakeholders.

Our Diversity Policy informs our decisions and how we approach the topic in our operations. We believe all persons should have equal opportunity of employment and advancement based on ability, necessary qualifications, and fitness for work regardless of sex, age, civil status, sexual orientation, color, race, creed, religion, and national or ethnic origin. When it comes to engaging with our global network, a good command of the English language is required.

While we do not have a specific target for diversity for our workforce, this area is important for us and hence is actively monitored by the Human Resources department and the Leadership Team, both of which regularly reflect on whether the organization is still a good place to work in and provides enough challenge and support.

We are an international and dynamic organization, with 38 nationalities represented by our staff during the reporting period.

Diversity categories for employees

Employee category	Support Staff 2019	Support Staff 2020	Support Staff 2021
Male	11%	11%	18%
Female	89%	89%	82%
Age group: <30	42%	26%	35%
Age group: 30-50	49%	63%	53%
Age group: >50	9%	11%	12%

Employee category	Middle Management 2019	Middle Management 2020	Middle Management 2021
Male	28%	29%	36%
Female	72%	71%	64%
Age group: <30	5%	2%	2%
Age group: 30-50	79%	78%	73%
Age group: >50	16%	20%	25%

Employee category	Senior Management 2019	Senior Management 2020	Senior Management 2021
Male	55%	55%	44%
Female	45%	45%	56%
Age group: <30	0%	0%	0%
Age group: 30-50	45%	45%	56%
Age group: >50	55%	55%	44%

Diversity of GRI's governance bodies

The principal criterion for nominating members of GRI's governance bodies is the identification of the best person for the job. During the selection process we consider the following: relevant knowledge and experience, and availability to perform the role. In addition, geographical, gender and cultural diversity are also taken into account.

GRI does not track the age groups of our governance bodies. GRI also does not ask members of the governance bodies about their ethnic origin. As outlined in the Dutch labor law, it is discriminatory to make recruitment decisions based on characteristics such as religion or race.



Diversity categories for organization's governance bodies	2019	2020	2021
Male	63%	57%	50%
Female	37%	43%	50%
Age group: < 30	n/a	n/a	n/a
Age group: 30 - 50	n/a	n/a	n/a
Age group: > 50	n/a	n/a	n/a



Diversity of GRI Project Working Groups

When it comes to GRI Project Working Groups and Technical Committees, the GSSB Due Process Protocol ensures that these groups, which are tasked with making recommendations for the development of the GRI Standards, reflect the balance of multistakeholder constituencies.

Each Project Working Group is required to have at least one person drawn from each of the constituencies on which the membership of the GSSB is based: business, civil society, labor, investment and mediating institutions - such as consultants and assurance providers. The underlying principle for our management approach is finding the person whose skills and experience fit the role best.



5

Driving better
sustainability
reporting

Driving better sustainability reporting landscape

GRI is the independent, international organization that has been helping businesses and other organizations to take responsibility for their impacts on the economy, the environment and society for more than two decades. We provide the world's most widely used standards for sustainability reporting – the GRI Standards – as a free public good. Additionally, we offer services and tools that support organizations in providing accurate, high-quality reporting. With thousands of reporters in more than 100 countries, the standards are advancing the practice of sustainability reporting and enabling organizations and their stakeholders to act and make better decisions that create economic, environmental and social benefits for everyone.

We believe that GRI is most effective when organizations, governments, and businesses - regardless of their size or sector - apply the GRI Standards to report, actively use our services to ensure their correct application, and take part in our global community, thereby contributing to GRI's growth and further development of the standards. Speaking of standards and our services, it is also important for us to regularly engage with other reporting organizations and stakeholders, to ensure that GRI's offerings continue to be fit for purpose.

During the reporting period, we continued to drive sustainability reporting forward in several areas of our work, which we present below.

70%
of the Global
Fortune 500
companies use or
refer to the GRI
Standards

670,000
Downloads
of the GRI
Standards in
2021

The revised Universal Standards for greater transparency on impacts than ever before

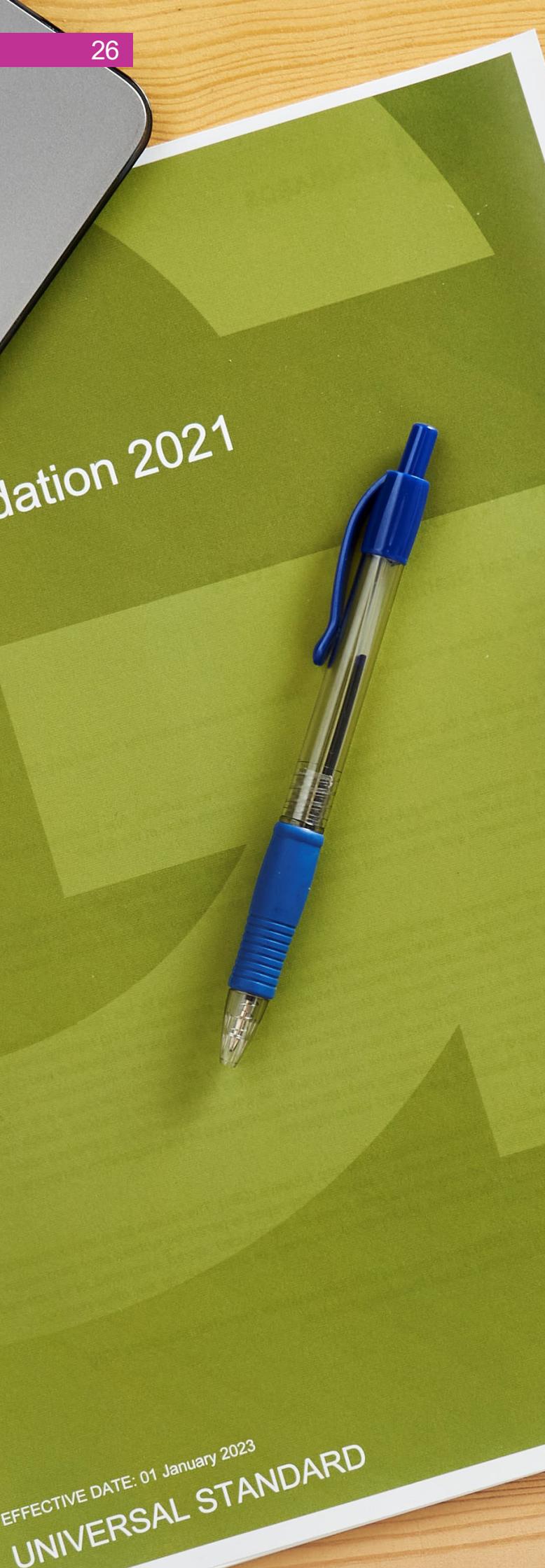
In October 2021, we launched the revised *GRI Universal Standards 2021*, which represent the most significant update since GRI transitioned from providing guidelines to setting standards in 2016.

The forward-looking approach that underpinned the revision of the Universal Standards will:

- ✔ Bring a razor-sharp focus to determining material topics, with clarity on reporting principles, requirements and structure – ensuring reports are of the highest quality and informing improved decision-making by reporting organizations and information users alike.
- ✔ Provide the first and only reporting standards to fully reflect due diligence expectations for organizations to manage their sustainability impacts, including on human rights, as set forth in intergovernmental instruments by the UN and OECD.
- ✔ Enable consistent and comparable reporting, best positioning companies to respond to emerging regulatory requirements, such as the *EU's Corporate Sustainability Reporting Directive* and the *enterprise value reporting plans* by the IFRS Foundation.

Setting a new global benchmark for transparency, the Universal Standards 2021 fully address the gaps between the available disclosure frameworks and intergovernmental expectations for responsible business, including human rights reporting, thereby enabling more effective and comprehensive reporting than ever before.

The revisions to the Universal Standards were subject to a public comment period in 2020, providing stakeholders with an opportunity to input to the proposed changes. They complete phase one of the *review of GRI's human rights related disclosures*, which is based on the recommendations of a *multi-stakeholder technical committee*.

The image shows the cover of the GRI Universal Standard 2021 document. The cover is green with white text. A blue pen is resting on the cover. The text on the cover includes "ation 2021" and "EFFECTIVE DATE: 01 January 2023 UNIVERSAL STANDARD".

ation 2021

EFFECTIVE DATE: 01 January 2023
UNIVERSAL STANDARD

The revised standards will come into effect for reporting from 1 January 2023, although early adoption is recommended. They are comprised of three standards

- ⊕ **GRI 1: Foundation** (to replace *GRI 101: 2016*): introduces the purpose and system of GRI reporting, setting the key concepts, requirements and principles that all organizations must comply with to report in accordance with the GRI Standards.
- ⊕ **GRI 2: General Disclosures** (to replace *GRI 102: 2016*): updated and consolidated disclosures on reporting practices; activities and workers; governance; strategy, policies and practices; and stakeholder engagement.
- ⊕ **GRI 3: Material Topics** (to replace *GRI 103: 2016*): now delivers step-by-step guidance and revised disclosures on how the organization determines, lists and manages each of its material topics.

In 2021, the revised Universal Standards were only available in English, but we will offer authorized translations in 2022 to ensure that the world's most widely used standards for sustainability reporting are accessible to a diverse global audience.

Sector Standard for Oil and Gas - a standard for the low-carbon transition

Also in October 2021, we introduced the first GRI Sector Standard for Oil and Gas (*GRI 11: Oil and Gas Sector 2021*), which will enable complete disclosure on the complexity of transparency demands facing the sector – best positioning companies to demonstrate accountability for their impacts and how they are transitioning to a low-carbon future.

The *GRI Sector Standard for Oil and Gas* focuses on the sector's most pressing challenges on sustainable development. At the heart of this is how the decisions and actions of companies address widespread stakeholder concerns about their climate change related impacts, while ensuring a just transition for workers, communities and the environment.

GRI's first Sector Standard supports any oil and gas organization – irrespective of location, specialism or size – to effectively disclose its most significant impacts by providing the information that stakeholders require to assess a company's sustainability opportunities and risks. Key features include that it:

- ✔ Guides reporting across 22 most likely material topics, including climate adaptation, resilience and transition, site closure and rehabilitation, biodiversity, the rights of indigenous peoples, anti-corruption, water and waste.
- ✔ Ensures comprehensive disclosure on greenhouse gas emissions – both direct (Scope 1 and 2) and indirect emissions caused by the end-use of their products (Scope 3).
- ✔ Reflects authoritative expectations for responsible business, including the Extractive Industries Transparency Initiative (EITI) and Task Force on Climate-Related Financial Disclosures (TCFD).
- ✔ Has multi-stakeholder and global legitimacy, with development led by an expert group representative of business, investors, civil society, mediating and labor institutions.



The addition of the Sector Standards completes GRI's integrated and modular system of reporting. As such, organizations begin with the Universal Standards, then their applicable Sector Standards alongside relevant Topic Standards.

GRI 11: Oil and Gas Sector 2021 guides companies to engage with the likely relevant GRI Topic Standards, describes the sectors most significant sustainability impacts, while introducing new, sector-specific disclosures.

Initiated and approved by the *Global Sustainability Standards Board (GSSB)* - GRI's independent body responsible for setting the standards - the Sector Standard for Oil and Gas was developed by a 17-member *project working group*. It will come into effect for reporting from 1 January 2023.

+ Standards development in 2021

In 2021, the GRI Standards have been strengthened so they deliver the highest level of transparency for organizational impacts on the economy, environment, and people - with a major update to the very foundation of the world's most widely used sustainability reporting standards.

Alongside the launch of the revised Universal Standards 2021 - to be used by over 10,000 companies that already use GRI for their reporting - and the very first Sector Standard for Oil and Gas, other major developments in this past year include the announcement of the revision of the GRI Biodiversity Standard (GRI 304) as well as commencement of a new project to create a GRI Sector Standard applicable to organizations operating in the mining sector.

The revised Biodiversity Standard, expected to publish in mid-2023, will enable organizations to increase their accountability on biodiversity impacts. The revision of GRI 304 will see us work with the European Financial Reporting Advisory Group (EFRAG) - which means that we will join each other's technical expert groups, share information, align work plans and adjust timelines as much as possible. Importantly, the joint work marks a next step in aligning global and European sustainability standards and will incorporate the latest developments and authoritative intergovernmental instruments in the field of biodiversity, enabling consideration of double materiality perspectives, and ensuring multi-stakeholder consensus.

Furthermore, CDP have also confirmed they will participate in the development of the new Biodiversity Standard and - once the standard is published - use it to inform the CDP disclosure system. In addition, the Taskforce on Nature-related Financial Disclosures (TNFD) has confirmed that the revised GRI Standard will input to their work on a new financial disclosure framework for nature-related risks.

Other work on the GRI Standards

In November 2021, the GSSB appointed a multi-stakeholder Technical Committee to lead the revision of *GRI 304: Biodiversity 2016* and initiated the GRI Sector Standard project for Mining. Both projects will follow the *GSSB's Due Process Protocol*, the implementation of which will be overseen by the *Due Process Oversight Committee*.



During the reporting period we also launched the below translations of the GRI Standards:

- ➔ Simplified Chinese translation of *GRI 306: Waste 2020*
- ➔ Traditional Chinese translation of *GRI 306: Waste 2020*
- ➔ Bahasa Indonesia translation of *GRI 306: Waste 2020*

For further information about the GRI Standards, please refer to the [GRI Standards web](#).

The GSSB work program for 2020-22 can be accessed [here](#).

Reporting support

GRI also provides support to reporters and sustainability professionals through various programs and services.

The GRI Community - a global network jointly advancing sustainability reporting

The GRI Community is our network of organizations that share a joint mission to advance sustainability reporting worldwide. The Community provides financial support to GRI and in return, its members gain a first-hand understanding of sustainability reporting best practices, learn new skills and share knowledge, network and foster global innovation through collaboration. On 31 December 2021, there were 524 Community members representing 77 countries, including 36 developing countries.

GRI's Business Leadership Forums

GRI's *Business Leadership Forums* (BLFs) facilitate collaboration between companies and stakeholders through active engagement and peer-to-peer learning, leveraging thought leadership to help find solutions for impactful sustainability reporting.

Our BLFs bring sustainability experts and stakeholders together and focus on current issues and challenges, actively responding to the needs of the GRI Community members. During the reporting period, we organized two BLF series - one on *Circular Economy and Waste Reporting* and another one on the *Corporate reporting as a driver to achieving the SDGs*.

Training, certification, and services

GRI offers support services and tools for both reporters and report users. Reporting practitioners can take advantage of the tools and services available to help ease the reporting burden and better align with the GRI Standards. The support suite for report users such as researchers, investors and customers is there to help get a better understanding of the practice of sustainability reporting and gain insights into reporting data.

One of GRI's main services - the *GRI Professional Certification Program* - is designed to enhance knowledge, expertise, and skills of sustainability professionals in implementing the GRI Standards and improve the quality of sustainability reporting. Accessible online via the *GRI Academy* - our dedicated learning platform for sustainability professionals - or via our network of *Certified Training Partners (CTPs)* in over 55 countries, the program is comprised of four courses that cover the fundamentals of GRI reporting and is followed by a final certification exam.

The alignment services complement each other and focus on the different areas of the report's context index, helping ensure published reports are easier to use, with clarity and accuracy on which standards and disclosures have been applied and where the reported information is located. They include:

- ➔ *Content Index Service*: a full review of the GRI content index to help ensure an accurate, user-friendly and clearly labelled index that meets the requirements in the GRI Standards.
- ➔ *Materiality Disclosures Service*: helps to assess how easily stakeholders can locate the materiality disclosures, making sure that the final report communicates the materiality assessment clearly and accurately.
- ➔ *SDG Mapping Service*: makes the SDGs easily traceable in the reported information and maps them against the GRI Standards in the content index, bringing clarity and transparency on the organization's contributions to the SDGs.

⊕ Demonstrated success of the GRI Academy

The globally recognized professional development and training as well as other online courses and tutorials that we deliver through the GRI Academy have continued to gain relevance and importance.

To reflect the changes made to the Universal Standards in 2021 - strengthened to represent global best practice for sustainability reporting - the Professional Certification Program, for the first time since its launch in September 2020, has undergone an update. A new course on **human rights reporting (Reporting on Human Rights with GRI Standards 2021 Update)**, reduced course load and greater alignment with the revised Universal Standards are the most significant changes to the program. The human rights course in particular, will provide an in-depth overview and analysis on how to report on human rights with the GRI Standards, to help upskill sustainability professionals and continue to build their knowledge.

What's more, with the support of our two main governmental donors (the State Secretariat for Economic Affairs – SECO and the Swedish International Development Agency - Sida), we also launched a scholarship program for residents in South and Southeast Asia, Africa and Hispanic America, to encourage participation of sustainability professionals in these regions to obtain Professional Certification.

The continued development of our tools and services - and particularly the GRI Academy - puts the users and learners at the center of our instructional design, which is reflected in the uptake of the online learning courses. One year on from the launch of the Academy, the total number of learners was an eight-fold increase, demonstrating how the Academy is responding to the needs of the market and all users of the GRI Standards. More than 4,000 sustainability professionals have enrolled in courses in the last year, and almost 500 have successfully completed the Professional Certification Program.

Additionally, we introduced two new courses to our sustainability curriculum - **one on the GRI Waste Standard**, which will help reporters deepen their understanding of waste reporting and the requirements set in GRI 306: Waste 2020; and **one on the GRI Tax Standard**, which provides guidance on the practical skills necessary to implement GRI tax disclosures outlined in GRI 207: Tax 2019.

Events

GRI organizes and participates in a year-round schedule of events and speaking engagements, both in-person and online. Our events cover a wide range of topics connected to sustainability reporting, corporate transparency and sustainable development, which cater to different audiences and stakeholders.

As is the case for all our key activities, we aim to meet our ambitions for inclusiveness and diversity when we invite speakers to our panels and sessions. While we do not set a specific diversity target for our speakers, this is an area that we monitor very closely and report on. For example, if during the planning of one of our own events we assess that the panel of speakers does not meet our ambitions for diversity, then we will strengthen our efforts and reach out to other potential speakers. While, ultimately, availability and expertise guide the speaker choices for our events, creating a balanced and diverse panel of speakers remains important to us.

During the reporting period, we hosted 152 GRI events, which were all virtual due to the Covid-19 pandemic and participated in 160 external speaking engagements – for the most part online.

Launching the revised Universal Standards 2021

The launch of the revised Universal Standards took place on 5 October 2021 - supported by an online GRI event, which received record numbers of attendees. More than 4,000 people from 108 countries attended the launch, with more than 80% of participants rating the event from 'good' to 'very good' (on a five-point scale ranging from 'very poor' to 'very good').

The GRI Summit 2021

In November 2021, we celebrated another landmark event, with over 700 sustainability professionals gathering online from around the world for the GRI Summit 2021, which covered key topics and recent developments in sustainability reporting. The event highlighted the growing importance of corporate sustainability reporting as well as the need for increased transparency and accountability on the issues that matter most. In addition to speakers from GRI's governance bodies and staff, we welcomed external panelists from EFRAG, the IFRS Foundation, PRI, WBA, NBIM, NRGi, S&P Global, KPMG, EcoVadis, Biofilica Ambipar Environment, Eni and Atos.

Our work to advance transparency in support of the Sustainable Development Goals

As the global framework for a sustainable and inclusive future for all, the 2030 Agenda for Sustainable Development is in everyone's best interests. At its heart are the 17 SDGs, which are an urgent call for action by all countries - developed and developing - in a global partnership. However, the achievement of the SDGs is heavily reliant on the business sector and the level of engagement demonstrated by companies the world over - both large and small.

Following the adoption of the SDGs, we have supported companies in measuring and reporting on their impacts - and hence their contribution towards the goal of sustainable development - through a number of dedicated reporting support tools. In 2021 this included a revised version of *Linking the SDGs and the GRI Standards*.

Sharing knowledge to accelerate corporate progress on the SDGs

Launched in March 2021, the *Business Leadership Forum (BLF) on Corporate Reporting as a Driver to Achieving the SDGs* is a two-year program designed to bring together a cohort of sustainability-focused companies and key stakeholders, to help businesses use transparency to increase their contributions to national and global SDG commitments. The program is set to deliver a series of quarterly online masterclasses that incorporate a mix of expert guidance, peer learning and engagement with key stakeholder groups, with a focus on raising the quality and relevance of SDG data.

Pushing the boundaries to reach new audiences

To provide expert insights on business engagement on the SDGs - including both internal and external challenges - in a fresh and entertaining format, last year we launched a new podcast series that dives beneath the surface of SDG reporting. *SDGs: The Rising Tide* examines some of the biggest challenges in reaching the Global Goals by 2030 and the existing solutions to address them. The podcast features world-renowned experts in sustainable development from the UN and other international bodies, civil society and business. A new episode focusing on each of the 17 SDGs is regularly published and is available on *Spotify*, *Apple podcast*, *Google podcast* and, of course, *our website*.

GRI engagements at the UN High-Level Political Forum 2021

Held on 6 - 15 July 2021, the *UN High-Level Political Forum on Sustainable Development (HLPF)* - the landmark annual global gathering to drive action in support of the SDGs - saw 43 countries update on their SDGs progress. As the provider of the world's most widely adopted sustainability reporting standards, GRI hosted and participated in four online events, delivered with partner organizations, including the UN Development Programme, Business Call to Action and Enel.



Global challenges require global solutions – our work around the world

Over the course of the last year, we continued our efforts to help advance sustainability reporting and support organizations and stakeholders worldwide through our network of seven regional offices.

South Asia

In South Asia, we stepped up our engagement with stock exchanges and regulators to encourage companies to be transparent about their impacts. Our collaboration with local exchanges in India, Sri Lanka and Bangladesh - such as the Bombay Stock Exchange (BSE), Colombo Stock Exchange (CSE) and the Dhaka Stock Exchange (DSE) – delivered a series of workshops and webinars. These events, which included panel discussions and peer learning on the sustainability reporting journey, introduced many first-time reporters to the value of the GRI Standards.

In May 2021, we released a publication on **Sustainability Reporting Trends in South Asia**, which revealed that reporting by companies has increased in India, Bangladesh and Sri Lanka, with the GRI Standards being the most widely used reporting framework in all three countries. The study looked at over 1,100 listed companies in the region.

ASEAN

Established in 2019 in support of Indonesia's Voluntary National Review (VNR), a GRI-led partnership in the country has been producing fruitful results, by helping bridge the gap between how to assess national progress for the SDGs with measuring the contribution of the private sector. Over the past three years, the group has been developing guidance documents that align ESG aspects in the **Indonesian sustainable finance regulation**, which requires listed companies and those in the financial services sector to annually report on their impacts.

The guidance documents were informed by research conducted by GRI and Atma Jaya early in 2021, on the impact of COVID-19 on businesses in the financial, agriculture and mining sectors. The guidance was presented in July 2021 as part of Indonesia's participation in the UN High-Level Political Forum on Sustainable Development.

Latin America

In Latin America, research into corporate transparency practices in regional capital markets - published in February 2021 - set a benchmark for the prevalence of sustainability reporting in the region. The **GRI study** involved all 762 listed companies in five countries - Argentina, Chile, Colombia, Mexico and Peru - and found that 37.5% produced a report. The study marks the first assessment of sustainability reporting in the region that covers all companies - large and small - as listed in local stock exchanges. Of the 286 companies conducting sustainability reporting, 73.1% use the GRI Standards.

Meanwhile in Colombia, following a pilot project in 2018-2019 in support of the country's Voluntary National Review, the **SDG Corporate Tracker Colombia** was launched in 2021, with backing from GRI, the National Planning Department (DNP) of Colombia, and the UN Development Program. Also in Colombia, 10 major **investors signed a pledge** in June 2021 that calls for businesses to

publicly disclose ESG information, organized by UN-PRI (Principles for Responsible Investment) and GRI.

In Peru, a 2021 publication on the **Best Practices in Sustainability by Peruvian MSMEs** features 33 case studies of businesses that have used sustainability as a competitive advantage. Ranging from improved waste management to savings in energy consumption, the examples share opportunities for micro, small, and medium-sized enterprises (MSMEs) to incorporate sustainability practices into their core business strategy.

Africa

In 2021, our work with capital markets and stock exchanges in the region has intensified. Previously, we had signed a technical agreement with the African Securities Exchanges Association (ASEA), to help integrate ESG disclosures within capital markets. This includes supporting the development of ESG disclosure guidelines by ASEA member exchanges for listed companies and providing training on the use of the GRI Standards. As part of this work, last year we supported the development of the **Environmental, Social and Governance Disclosures Guidance Manual** by the Nairobi Securities Exchange (NSE) - alongside Seven Levers LLP. We also worked with the Eswatini and Ghana Stock Exchanges (ESE and GSE respectively) to develop similar guidance.





2

Harmonizing the sustainability reporting landscape

Harmonizing the sustainability reporting landscape

For more than 20 years, GRI has been a major contributor to making sustainability reporting a widely adopted practice worldwide. The GRI Standards are the most widely used around the world, covering a broad range of sustainability topics, and are applicable to all organizations regardless of size, sector or region.

This puts GRI in an advantageous position in helping to consolidate and streamline many other frameworks, guidelines and standards that have emerged over the years - these may be region-, sector-, or issue-specific; or they may also be the de facto standards such as sustainability questionnaires or regulated reporting requirements stemming from policy. Harmonizing the sustainability reporting landscape is one of our strategic focus areas. We are committed to helping create the necessary clarity among the stakeholders involved.

GRI's position in the reporting landscape

With the rise of the dedicated ESG investments, rankings and exchange-traded funds, the need for standardized, comparable information to enhance decision-making by shareholders and stakeholders – in a way that avoids standards and frameworks shopping, cherry picking, and greenwashing – is bigger than ever. The current landscape is often referred to as an 'alphabet soup'. While there is a confusing myriad of guidelines, frameworks, surveys, and certifications that deal with the topic of sustainability, there is no alphabet soup when it comes to actual standard-setters. On a global scale there are only two sustainability reporting standards: GRI and SASB.

Recent developments in the field

There are currently two complementary developments happening in the sustainability reporting landscape:

1. European Sustainability Reporting Standards (ESRS) are being created by the European Union - with the European Financial Reporting Advisory Group (EFRAG) and GRI leading co-construction efforts.
2. Standards for the disclosure of sustainability-related financial information are being drafted by the International Financial Reporting Standards (IFRS) Foundation – with which the newly established International Sustainability Standards Board (ISSB) is charged.

Towards a two-pillar corporate reporting structure

GRI firmly supports the creation of a comprehensive corporate reporting system based on a two-pillar structure - for financial and sustainability reporting - with a core set of common disclosures and each pillar on an equal footing. We believe sustainability reporting initiatives should not be regarded as competing but rather as complementary forces.

- ➔ **Pillar 1** addresses financial considerations through a strengthened financial report which includes sustainability disclosures, in the context of enterprise value.
- ➔ **Pillar 2** concentrates on sustainability reporting with a focus on all external impacts a company has on society and the environment - and hence their contributions towards the goal of sustainable development.

GRI is fully committed to supporting this objective and will cooperate with the ISSB, EFRAG and (inter) governmental organizations to drive sustainability disclosure in a two-pillar reporting landscape forward. We have therefore called for joint standard-setting and offered a pilot project around a biodiversity standard.

Harmonization is at the core of the revised Universal Standards

The revised Universal Standards - launched in October 2021 - reflect expectations for responsible business conduct in authoritative intergovernmental instruments, such as the United Nations (UN) Guiding Principles on Business and Human Rights, the Organisation for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises, the OECD Due Diligence Guidance for Responsible Business Conduct, the International Labour Standards, and the International Corporate Governance Network (ICGN) Global Governance Principles.

The GRI Standards linkage documents and other related publications

For many years, GRI has been issuing guidance and mapping documents, to help link the GRI Standards to other international frameworks and instruments. During the reporting period, we launched the following publications:

- ➔ *Linking the SDGs and the GRI Standards*
- ➔ *A Practical Guide to Sustainability Reporting Using GRI and SASB Standards*
- ➔ *Complementary Use and Linkage of the GRI Standards and B Lab's B Impact Assessment* (also available in Spanish)

The full list of GRI Standards linkage documents and other related publications can be found [here](#).

The role of the GSSB in harmonization

The GSSB works together with other standard-setters and reporting initiatives to ensure alignment of disclosure requests, thereby improving the consistency and comparability of data and making corporate reporting more efficient and effective. The GRI Standards are also developed in alignment with expectations set out in internationally recognized standards, such as those of the UN, ILO and OECD instruments. The GSSB invites other standard-setters to participate in the expert groups developing the GRI Standards.

Towards a global corporate reporting system

At GRI, we firmly believe that, for reporting on sustainability issues to be effective, it has to be built on a two-pillar corporate reporting structure, with financial and sustainability disclosures on an equal footing. This is the only way to drive corporate accountability.

We are working with a variety of international and intergovernmental organizations to achieve this, including the IFRS Foundation and the European Financial Reporting Advisory Group (EFRAG). The aim of our collaboration is to achieve greater alignment and harmonization of the sustainability reporting landscape for the benefit of companies, investors, and society at large. For reporters, one such benefit is a more straightforward and simple reporting process. With our efforts, we are not trying to make the reporting landscape ever more complex and add to the reporting burden. On the contrary - for GRI reporters, it is going to be much easier to comply with the latest demands from regulators.

GRI and EFRAG

In July of last year, we signed a **Statement of Cooperation** with EFRAG's Project Task Force to co-construct the European Sustainability Reporting Standards (ESRS) and contribute to further global convergence. This collaboration aims to assist the European Commission in fulfilling its objective to increase corporate transparency in support of the European Green Deal. The new European standards will set mandatory disclosure requirements under the EU Corporate Sustainability Reporting Directive (CSRD) for some 50,000 companies across the block. Under our cooperation agreement, we have joined each other's technical expert groups, with standard-setting activities and timelines aligned as much as possible.

Previously in the year, the European Commission tasked EFRAG to conduct preparatory work for the revision of the EU's **Non-financial Reporting Directive (NFRD)**, which included a proposal announced in January 2021 for the change in governance and the introduction of a two-pillar structure for financial and non-financial reporting. **GRI responded to EFRAG's proposal**, setting out how it could offer support, with a **follow-up meeting** to discuss opportunities for collaboration. GRI then welcomed the European Commission's proposed new CSRD, which reflects EFRAG's recommendations on establishing an EU sustainability framework.

In September 2021, the French public financial institution Caisse des Dépôts provided support for the technical work to co-construct the ESRS.

GRI and IFRS Foundation

In 2021, the IFRS Foundation has undergone some major updates, including:

- ➔ An update on the Foundation's **strategic direction** to strengthen financial corporate reporting, by considering the financial opportunities and risks of sustainability impacts on enterprise value creation; and
- ➔ The establishment of a new **working group**, consisting of international initiatives focused on investor interests and reporting on enterprise value creation.

In turn, this could help strengthen financial reporting by companies, which, alongside sustainability reporting – with both on an equal footing – would improve transparency on sustainability risks and opportunities.

GRI provided a full **written response** to the IFRS consultation, and in November 2021, we welcomed the **announcement of the launch of the ISSB**, which included the consolidation of the Climate Disclosure Standards Board (CDSB) and the Value Reporting Foundation (which includes the IIRC and SASB) into the ISSB. Previously, we have had long-running collaborations with both the IIRC and SASB, including a 2021 joint report on **how to use GRI and SASB standards together**.





3

**Effective collaboration
with other
organizations**

Effective collaboration with other organizations

Collaboration with a broad set of stakeholders, along with a clear due process, lies at the heart of how GRI develops credible and globally accepted standards. It is also embedded in the multistakeholder approach underpinning our governance structure, which fosters inclusion and promotes working with other actors, including international organizations, governments and non-governmental organizations, the corporate world, as well as other standard-setting initiatives.

Effective collaboration with our multi-stakeholder network allows us, through the GRI Standards, to create a common global language to report on those impacts. After all, sustainable development can only be achieved if governments, businesses, international organizations, capital markets, and other key stakeholders effectively collaborate with each other.

We are constantly evaluating and developing our approach to existing stakeholders and, as the field of sustainability reporting evolves, GRI continues to identify stakeholders that hold new opportunities for cooperation and alignment. Because of the central nature of collaboration to GRI's ability to develop credible, relevant, high-quality standards, it is essential for us to create and maintain a good working relationship with all members of our network. We engage in collaboration clearly aligned with our objectives, capacity, and key performance indicators, and we monitor the number of references to GRI in policies and other reporting instruments, which allow us to evaluate progress and effectiveness.

Over the years, we have established long-standing partnerships with a list of international organizations, including, but not limited to:

- ➔ CDP
- ➔ Danish Institute for Human Rights
- ➔ International Organization for Standardization's ISO 26000
- ➔ International Finance Corporation
- ➔ The Earth Charter Initiative
- ➔ The Organization for Economic Cooperation and Development (OECD)
- ➔ Sustainability Accounting Standards Board (SASB)
- ➔ Sustainable Stock Exchanges (SSE)
- ➔ The UN Conference on Trade and Development (UNCTAD)
- ➔ The UN Environment Program (UNEP)
- ➔ The UN Global Compact
- ➔ The World Benchmark Alliance (WBA)
- ➔ World Business Council for Sustainable Development (WBCSD)

In addition, at a regional and country level, we work with various local partners to progress our objectives. More details can be found on our [webpage](#) dedicated to global presence and regional work.

We also collaborate with governments and foundations to improve reporting in emerging markets. They provide input and the funding to make our activities possible. Our active projects in the reporting period were funded by the governments of Australia, Switzerland, and Sweden. Other funders included the Climate Works Foundation in the USA as well as a private charitable foundation from the Netherlands. In 2021, GRI's work on the development of the European Sustainability Reporting Standards was supported by the French public sector financial institution Caisse des Dépôts et Consignations (CDC). The update of the GRI 304 Biodiversity Standard received financial [commitment](#) from the international services firm KPMG, Brazilian environmental services company Ambipar and the US-based One Earth (along with a private individual donation). Meanwhile, the multinational professional services network PwC joined [GRI's Global Standards Fund](#) to support the crucial yet resource-intensive work to deliver and update the GRI Standards.



As the role of sustainability reporting evolves, both governments and GRI have a shared interest in ensuring that GRI's activities help support government-agreed goals and are optimally supported – and used – by public agencies. Therefore, GRI convenes the Governmental Advisory Group - an informal advisory body that has no constitutional role but serves in a high-level capacity to advise and provide feedback to GRI's Board and Executive Management.

Anti-corruption and bribery

As a global organization that engages with many other institutions from all over the world, we acknowledge that there is a potential risk of corruption and bribery. GRI takes a zero-tolerance approach to such matters, and we always aim to work in an honest and ethical manner. Our anti-corruption policy applies to all GRI employees, consultants and associates as well as members of our governance bodies. We also aim to include references to our anti-corruption and bribery policy in our contractual arrangements with businesses and other partner organizations. In case of an issue or suspicion of malpractice, we strongly encourage the person who has identified the issue to raise concerns at the earliest possible stage.



4

**Improving performance
through sustainability
reporting**

Improving performance through sustainability reporting

Our ultimate goal is to contribute to a sustainable global economy, as established in our Theory of Change (as covered on page 10). We believe that the GRI Standards can help bring about the desired level of awareness and transparency on the organizational impacts on the economy, environment, and society at large.

Since 2018, we have been conducting research to measure the impact of our work, with positive feedback from both internal and external stakeholders. We will continue to expand on this important work, including forging new partnerships in the coming years – previously, a large portion of information on the impact of sustainability reporting was mainly based on anecdotal evidence. As part of our monitoring, evaluation and learning activities (MEL), we have established several initiatives that contribute to the collection of evidence on corporate reporting and its causal relationship with corporate behavioral change and related impacts.

We understand that GRI's work does not happen in isolation, and that any impacts that occur - whether positive or negative - are only partly influenced by our work. But by carefully monitoring the work that we do, we can learn, improve, and maximize our impact. This allows us to understand where and how GRI's work is helping enact change. It also gives us clear direction to replicate or scale successful activities.



GRI content index



GRI content index

Statement of use	Global Reporting Initiative (GRI) has reported the information cited in this GRI content index for the period 1 January – 31 December 2021 with reference to the GRI Standards.
GRI 1 used	GRI 1: Foundation 2021

GRI STANDARD	DISCLOSURE	LOCATION
GRI 2: General Disclosures 2021	2-1 Organizational details	7
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	2-3 Reporting period, frequency and contact point	3
	2-4 Restatements of information	3
	2-5 External assurance	3
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	2-26 Mechanisms for seeking advice and raising concerns	12
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GRI 3: Material Topics 2021	3-1 Process to determine material topics	3
	3-2 List of material topics	3
	3-3 Management of material topics	7, 19
GRI 201: Economic Performance 2016	3-3 Management of material topics	7, 19
	201-1 Direct economic value generated and distributed	7
GRI 401: Employment 2016	3-3 Management of material topics	7, 19
	401-1 New employee hires and employee turnover	7, 12
GRI 404: Training and Education 2016	3-3 Management of material topics	7, 19
	404-1 Average hours of training per year per employee	12
	404-2 Programs for upgrading employee skills and transition assistance programs	12
	404-3 Percentage of employees receiving regular performance and career development reviews	12
GRI 405: Diversity and Equal Opportunity 2016	3-3 Management of material topics	7, 19
	Disclosure 405-1 Diversity of governance bodies and employees	12, 22



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