



The value of sustainability reporting and the GRI Standards

Businesses face growing demands to contribute to sustainable development, which also represents a huge opportunity. Sustainable business models have many benefits, such as supporting enhanced innovation, cost savings, brand differentiation, long-term thinking, employee engagement and customer loyalty.

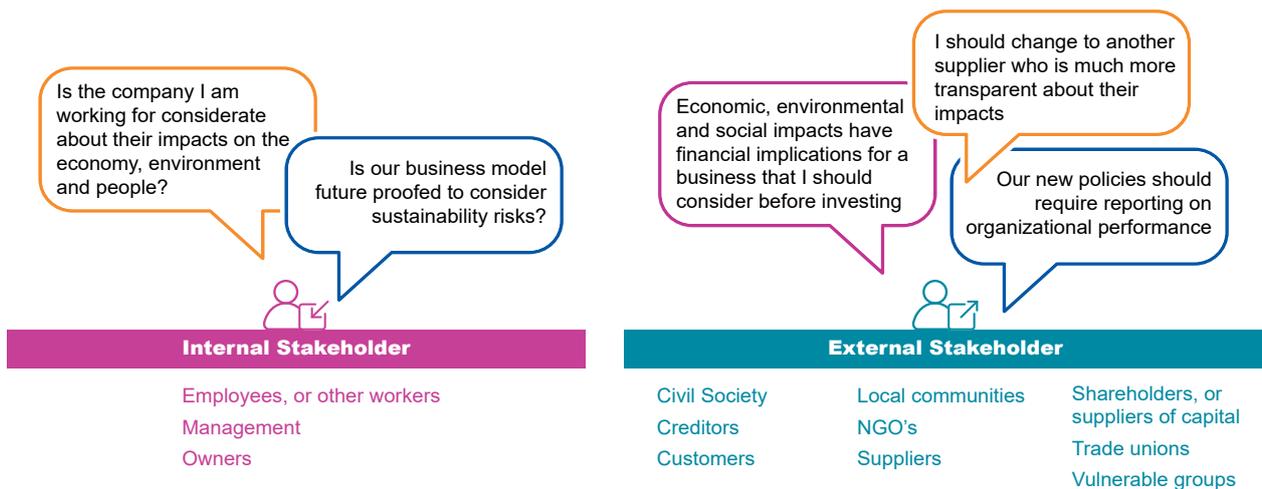
But how can businesses continue to thrive while contributing to sustainable development? This can only be achieved if they understand and manage their positive and negative impacts in a way that is transparent, trusted and objective. Here is where sustainability reporting plays a vital role.

Sustainability reporting is the practice of publicly disclosing an organization's most significant economic, environmental and/or social impacts, and hence its contributions – positive or negative – toward the goal of sustainable development.

Sustainability reporting:

- Makes abstract issues tangible and concrete
- Guides the development of sustainability-related strategies and activities
- Helps to set goals, measure performance and manage change
- Inspires accountability, helps identify and manage risks, and enables organizations to seize new opportunities
- Contributes to improving governance and stakeholder relations, enhancing reputation and building trust
- Enables better-informed dialogue and decision-making for all (customers, employees, investors, local communities, suppliers, etc.)
- Allows for improved data comparability between organizations

Much of the strategic value of sustainability comes from continuously talking to and learning from key stakeholders. Through a regular dialogue with them, a company is better positioned to anticipate and react to economic, social, environmental and regulatory changes as they arise.



The GRI Standards

Developed with multi-stakeholder contributions and rooted in the public interest, the GRI Standards are the most widely used sustainability reporting standards and reflect the increasing stakeholder and societal expectations for responsible business conduct.

- 73% of the world's 250 largest companies by revenue use GRI guidelines or standards¹
- 67% of the top 100 companies by revenue in 52 countries and jurisdictions use GRI guidelines or standards²
- 168 policies in 67 countries around the world reference the GRI Standards or require their use³

Did you know?

With a focus on the impacts of organizations on people and the environment, the GRI Standards are currently the only global sustainability reporting framework that comprehensively captures that outward impact.

They are developed in line with international expectations for responsible business conduct, as outlined in authoritative intergovernmental instruments on business and human rights, the Paris Agreement on climate change, and the Sustainable Development Goals (SDGs).

Materiality

An organization might identify many impacts on which to report. When using the GRI Standards, the organization prioritizes reporting on those topics that reflect its most significant sustainability impacts, including impacts on human rights. In the GRI Standards, these are the organization's material topics.

Stakeholder Inclusiveness

By systematically involving all affected stakeholders, sustainability reporting with the GRI Standards should reflect all their information needs, aimed at understanding the impacts of corporate activities on the economy, the environment and people in a holistic way.

The GRI Standards enable organizations to give evidence on their impacts and performance, and describe their management approach, including forward-looking goals and targets for each material topic. Made available through sustainability reporting, this information allows internal and external stakeholders to form opinions and make informed assessments and decisions.

¹ As defined in the Fortune 500 ranking of 2019. KPMG Survey of Sustainability Reporting (2020).

² KPMG Survey of Sustainability Reporting (2020).

³ Carrots & Sticks, GRI and University of Stellenbosch Business School (2020).

