COLOMBO STOCK EXCHANGE
*Creating Wealth and Value*

# CSE Sustainability Reporting Guide

**Version 03**

Guidance for communicating sustainability

# Contents

# About CSE

The Colombo Stock Exchange (CSE) is a catalyst for capital formation in Sri Lanka and is a market institution licensed under the Securities and Exchange Commission of Sri Lanka Act No. 19 of 2021 as a Capital Market Infrastructure Provider. CSE has created a vibrant marketplace for investors and issuers, supporting value creation for these key market participants.

The exchange has evolved to be a regionally competitive stock exchange, equipped with cutting edge technology, a growing investor base and an expanding base of listed companies. As the licensed stock exchange, the CSE mobilisescapital flows, including foreign capital flows, contributing extensively to the creation of a resilient stock market for its stakeholders.

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# About GRI

GRI (Global Reporting Initiative) is the independent, international organisation that helps businesses and other organisations take responsibility for their impacts, by providing them with the global common language to communicate those impacts.

The GRI Secretariat is headquartered in Amsterdam, the Netherlands, and we have a network of seven regional offices to ensure we support organisations and stakeholders worldwide.

As a catalyst for a sustainable world, we work with businesses, investors, policymakers, civil society, labour organisations and other experts to develop the GRI Standards and promote their use by organisations around the world.

Used by more than 10,000 organisations in over 100 countries, the Standards are advancing the practice of sustainability reporting, and enabling organisations and their stakeholders to take action that creates economic, environmental and social benefits for everyone. As confirmed by 2022 research from KPMG, the GRI Standards remain the most widely used sustainability reporting standards globally. https://www.globalreporting.org/news/news-center/four-in-five-largest-global-companies-report-with-gri/

GRI

# Foreword

## Message from CEO of CSE

Sustainable investing continues to gather momentum as ESG criteria have become mainstream among financial market participants. The rapid evolution of reporting standards was matched by increasing focus on the topic by capital market regulators, many of which have mandated sustainability reporting in varying degrees.

The third version of our guidance document to listed companies on communicating sustainability integrates perspectives and standards of the Global Reporting Initiative. It provides a high level view of the sustainability reporting landscape and principles of sustainability reporting. It also seeks to encourage more companies to commence their sustainability reporting journeys and others to refine their current reporting practices.

As a member of the United Nations Sustainable Stock Exchanges (SSE) initiative, the CSE continues to promote improved ESG disclosure and performance among listed companies. It is encouraging to note the progress made by Sri Lankan listed companies in preparing sustainability reports on a voluntary basis over the years. However, more companies need to step up to prepare sustainability reports as an increasing number of investors, regulators and other stakeholders including customers, increasingly seek to transact with companies that are responsible and transparent about their business practices. The launch of Green Bonds by the CSE this year is an example of the opportunities that are open to companies that have a sustainability agenda. CSE hopes to expand this to Sustainable Bonds in the future, further expanding the opportunities for these companies.

Global Reporting Initiative has partnered the CSE in promoting sustainability reporting in the country for over a decade, increasing awareness of the need and guiding corporates along their ESG journeys. We are appreciative of their continued support in the preparation of this guidance document which is a timely initiative.

**Rajeeva Bandaranaike**
**Chief Executive Officer**
Colombo Stock Exchange

# Message from CEO of GRI

GRI is pleased to partner with the Colombo Stock Exchange in a timely revision of this guidance document, Communicating Sustainability, Six Principles for Listed Companies. Focus on sustainability reporting by corporates has gathered momentum as stakeholder expectations continue to rise as they seek to comply with increasing regulations and their own sustainability aspirations.

The GRI Standards, first published as a guideline over 25 years ago, have played a critical role in providing a sound framework for reporting. This is evidenced by the use of the GRI Standards by over 10,000 companies to become the most widely used sustainability reporting standard in the world. The structure of the GRI Standards support its evolution, supporting expansion of sector requirements guidance and the continued addition of relevant topics. As a multi-stakeholder standard, developed following a multi-stakeholder process, the GRI Standards enhance the credibility of sustainability reports, challenging organisations to report in a way that reflects the full range of their impacts. This is vital for stakeholders including investors to understand how a company safeguards human rights or mitigates climate change.

GRI continues to work with key standard setters to enhance the interoperability of the standards and will issue guidance to support companies. These developments are complementary and highlight the urgency to move towards a strengthened two-pillar structure for corporate reporting – both financial and sustainability – with each on an equal footing.

Eelco van der Enden

**Eelco van der Enden**
Chief Executive
GRI

# Introduction

Sustainability factors have become a fundamental part of investment decision making with increasing awareness of the impacts of continued industrialisation on our environment and society. Unsustainable use of energy, land-use change, lifestyles and consumption and production patterns contribute to global greenhouse gas emissions and global warming. The Intergovernmental Panel on Climate Change[1] states that human-caused climate change is already affecting many weather and climate extremes in every region across the globe, leading to widespread adverse impacts, related losses and damages to nature and people. Additionally, consumption and production patterns also continue to exert pressure on the earth's resources, particularly those which are non-renewable.

While headlines are increasingly dominated by the consequences of climate change, it is important to note that there are many opportunities to provide solutions to these existential threats, supporting a transition to a more sustainable economy. Governments, corporates and civil society and other actors all have a key role to play in making the transition a reality. Formulation and implementation of conducive policies, including regulation and taxation coupled with investments in technology and infrastructure and capacity building is vital and policymakers are stepping up to the challenge across the world. Corporates are key to a sustainable future as they commit to reduce their impacts through innovation, responsible production and consumption, investments in people and technology. The commercialisation of renewable energy is an example of opportunities that are now reaping rewards for investors. We have also seen quantum leaps in energy, water and resource efficient technologies that have supported profitability of entities across a wide range of sectors, enhancing the sustainability of investor returns and thereby, contributing to the resilience of capital markets.

[1] IPCC, 2023: Summary for Policymakers. In: Climate Change 2023: Synthesis Report. Contribution of Working Groups I, II and III to the Sixth Assessment Report of the Intergovernmental Panel on Climate Change [Core Writing Team, H. Lee and J. Romero (eds.)]. IPCC, Geneva, Switzerland, pp. 1-34, doi: 10.59327/IPCC/AR6-9789291691647.001

# A strong business case

A strong focus on sustainability supports resilience of the business and efficient allocation of finite resources.

# A strong business case

Identifying key ESG risks in the short, medium and long term is critical to investors who use this information to determine how their capital is allocated among alternative investments. With many investors choosing to look beyond financial returns to incorporate Environment, Social and Governance (ESG) criteria, asset managers are creating portfolios that cater to their needs. Asset managers are also becoming more active in requiring their investee companies to disclose more ESG information in their reports to monitor progress on key ESG metrics. Capital markets regulators have also increased their scrutiny to develop more robust capital markets and have supported sustainability reporting using a range of tools including mandatory ESG reporting in some markets.

**84%**

**Market capitalisation of companies disclosing sustainability-related information as at 31 December 2021[2]**

**17%**

**7,926 companies reporting sustainability-related information out of 42,019 companies globally accounted for the 84% market capitalisation**

**60%**

**2,700 Companies obtained independent third-party assurance of 2021 sustainability-related information**

**US$ 18 Bn**

**Sustainable funds attracted US$ 18 Bn in new inflows in 2Q 2023 while conventional funds experienced an outflow of US$ 19 Bn**

[2] OECD (2023), OECD Corporate Governance Factbook 2023, OECD Publishing, Paris, https://www.oecd-ilibrary.org/finance-and-investment/oecd-corporate-governance-factbook-2023_6d912314-en

## CSE Introduces Green Bonds

The Colombo Stock Exchange (CSE) introduced the listing and trading of Green Bonds in April 2023, facilitating Sri Lankan corporates to raise capital for use exclusively in green projects that generate climate or other environmental benefits. These include investments in renewable energy, energy efficiency, sustainable waste management, sustainable land use (forestry and agriculture), biodiversity, clean transportation, and clean water. It also fosters greater transparency and accountability in the use of proceeds from the Green Bond, while also supporting the country's transition to a low-carbon economy.

The use of proceeds from the Green Bond should be aligned with the Green Bond Principles, which are accepted by the CSE. The accepted Green Bond Principles of the CSE are the Green Bond Principles by the International Capital Markets Association (ICMA), the European Green Bond Standards (EUGBS), and the Climate Bonds Initiative Standards (CBI Standards).

Issuers of can access a broader pool of capital, including access to a foreign investor base who has an interest in investing in green projects. It also can play a positive role, in raising awareness and building expertise among investors on issues relating to the environment, thus, fostering greater transparency in the use of proceeds from the Bond. It also presents a new opportunity for environmentally conscious investors and support management of their financed emissions if the green bond pertains to investments that reduce the carbon footprint. Green Bonds can also facilitate the establishment of public-private partnerships that might accelerate the pace of green investment and lead to the adoption of new technologies and also contribute to a sustainable economy. Based on the demand for bonds like Green Bonds, the CSE proposes to introduce Blue Bonds and Social and Sustainability Bonds in the future.

All these developments are rooted in credible sustainability reporting which is a pre-requisite to establish the credibility of the issuers and the stock exchange.

# An evolving landscape

Evolution of sustainability reporting standards accelerated over the recent years in response to investor and other stakeholder concerns.

# An evolving landscape

Sustainability/ESG Reporting has evolved significantly over the years as the need for credible, timely and comparable information became more apparent and urgent. A number of reporting standards have emerged and the most prominent are given below. These typically focus on environmental, social and governance pillars, strengthening the resilience of businesses while also supporting socially conscious investing and impact management.

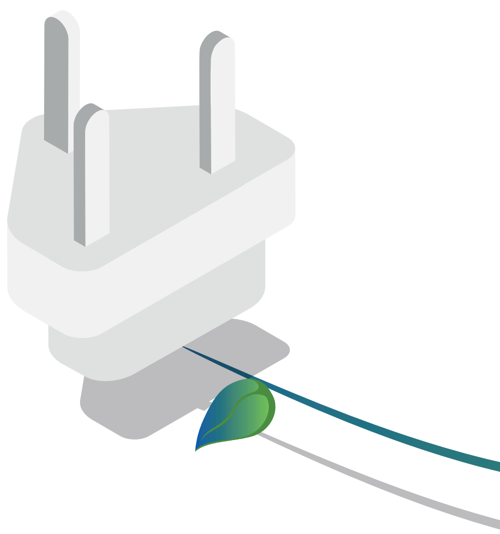
| Section | Coverage & Structure | Additional Information |
|---|---|---|
| GRI Standards | Comprises<br>• 3 Universal Standards<br>• 3 Sector Standards<br>• 32 Topic Standards<br><br>The GRI Standards enable organisations to publicly disclose their most significant impacts on the economy, environment, and people, including impacts on their human rights, and how they manage these impacts.<br><br>GRI has announced its intention to issue 40 Sector Standards of which 3 have already been issued for oil and gas, coal, and agriculture, aquaculture and fishing. | GRI is the most widely used standard with 78% of the world's 250 largest companies and 68% of the top 100 companies in 58 countries (a total of 5,800 companies) using the GRI Standards as affirmed by the KPMG Survey of Sustainability Reporting[3]. These standards developed through a transparent and multi-stakeholder process have evolved over 25 years to its current form.<br><br>The standards can be downloaded using this link: GRI Sustainability Reporting Standards |
| IFRS Sustainability Disclosure Standards | Two standards were issued in June 2023 with an effective date of 1st January 2024:<br>• IFRS S1: General Requirements for Disclosure of Sustainability-related Financial Information<br>• IFRS S2: Climate-related Disclosures<br><br>They apply the TCFD structure and include sources of guidance such as the SASB Standards, the CDSB Framework Application Guidance, the GRI Standards and the ESRS which are set out below. | These standards are issued by the International Sustainability Standards Board which is part of the IFRS Foundation. The standards ask for disclosure of material information about sustainability-related risks and opportunities to meet investor information needs.<br><br>The Institute of Chartered Accountants of Sri Lanka has proposed that the IFRS Sustainability Disclosure Standards are mandated for the top 100 public listed companies in Sri Lanka with effect from 1st January 2024 with a roll out thereafter to other companies.<br><br>The standards can be downloaded using this link: IFRS Sustainability Disclosure Standards |

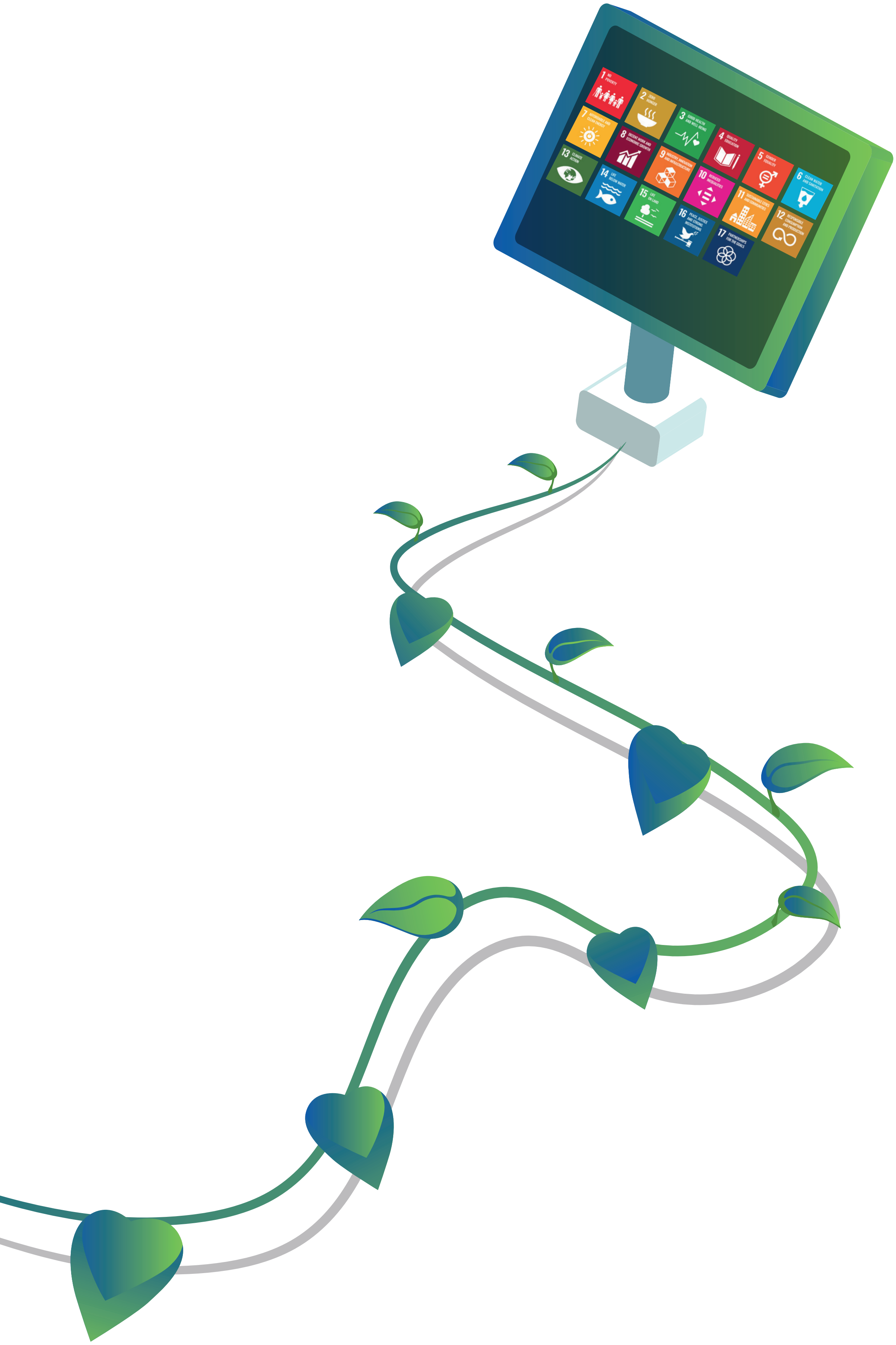
| Section | Coverage & Structure | Additional Information |
|---|---|---|
| European Sustainability Reporting Standards (ESRS) | The European Sustainability Reporting Standards were adopted by the European Commission in July 2023 with an effective date of 1st January 2024. It comprises:<br>• 2 cross-cutting standards<br>• 10 topical standards:<br>  • 5 environmental standards<br>  • 4 social standards<br>  • 1 governance standard | The standards are also relevant to companies outside the EU if earnings from the EU exceed Euros 150 Mn. It is also anticipated that compliance by customers in the EU will necessitate additional reporting by Sri Lankan exporters to the EU stemming from these standards.<br><br>The standards can be downloaded using this link: European Sustainability Reporting Standards |
| Taskforce on Climate-Related Financial Disclosures | Comprises recommendations on Governance, Strategy, Risk Management and Metrics focused on climate-related risks, opportunities and financial impacts. | This was an initiative of the Financial Stability Board which has now asked the IFRS Foundation to take over the monitoring of the progress on companies' climate-related disclosures as the IFRS Sustainability Disclosure Standards fully incorporate the recommendations of the TCFD. |
| Integrated Reporting Framework | Integrated Reporting focuses on communicating concisely the ability of an organisation to create value in the short, medium and long term for investors. It emphasises the importance of integrated thinking within the organisation through an understanding of the capitals and their interdependencies within the context of its strategy and operating environment to drive efficient allocation of resources. | These three standard setting bodies were consolidated when the International Sustainability Standards Board was formed. These standards have informed the IFRS Sustainability Disclosure Standards and the SASB Standards and CDSB Framework Application Guidance (for water and biodiversity) are included as sources of guidance.<br><br>Preparers are also encouraged to continue to use the Integrated Reporting Framework in preparing their reports by the Chairs of the ISSB and the International Accounting Standards Board (IASB). |
| SASB Standards | There are 77 Industry Standards which identify the subset for ESG issues most relevant to their financial performance. | |
| Carbon Disclosure Standards Board | The CDSB Framework provided guidance for reporting environmental and social information including climate change in annual reports. | |

[3]Big shifts, small steps (https://assets.kpmg.com/content/dam/kpmg/xx/pdf/2023/04/big-shifts-small-steps.pdf)

# Link to Sustainable Development Goals

GRI standards are clearly mapped to the Sustainable Development Goals to support monitoring of progress towards the goals.





# Link to Sustainable Development Goals

The world leaders committed to the achievement of the 17 Sustainable Development Goals (SDGs) by 2030 in 2015. Halfway through the timeline set, the Global Sustainable Development Report 2023[4] has a clear call for more effort, investment, and systemic change to get the goals back on track. The KPMG Survey of Sustainability Reporting 2022[5] also draws attention to the need to improve the reporting on SDGs by corporates as there is evidence of embedding ESG across the countries surveyed. It also highlighted the need for reporting both positive and negative impacts as the majority of the companies were reporting only the positive impacts.


**"The SDGs have fundamentally changed the game. They are the closest thing the world has to a strategy".**

**Dr Jake Reynolds, Cambridge Institute for Sustainability Leadership**

The Global Reporting Initiative (GRI) has published a resource to assist corporates navigate the reporting of SDGs with clear linkages to the GRI Standards in its publication Linking the SDGs and the GRI Standards[6]. The guide assists corporates to disclose their impact and contributions to the SDGs through the GRI Standards.

Aligning corporate strategy with SDGs facilitates building resilience businesses as it measures the economic, environmental and social impacts of the organisation, addressing several concerns of key stakeholders. It also supports improved risk management and efficient allocation of resources to the most pressing issues along the value chain through the valuable insights provided by a broader range of metrics. Many corporates have improved profitability from reduced wastage, improved productivity and reduced emissions through SDG aligned strategies. Corporates have also identified new opportunities for growth through alignment with SDGs, driving innovation in products, processes and services, catering to increasingly environmentally conscious consumer profile.

[4] https://sdgs.un.org/sites/default/files/2023-09/FINAL%20GSDR%202023-Digital%20-110923_1.pdf

[5] https://assets.kpmg.com/content/dam/kpmg/xx/pdf/2023/04/big-shifts-small-steps.pdf

[6] Business Reporting on the SDGs - An Analysis of the Goals and targets: 2022

The SDGs are becoming increasingly important also for investors, as they are ‘an articulation of the world’s most pressing environmental, social and economic issues and, as such, act as a definitive list of the material ESG (environmental, social and governance) perspectives that should be taken into account as part of an investor’s fiduciary duty.

Corporates who align their strategy cultivate deeper insights into the trends that shape their business environment and differentiate themselves in the market place with relevant solutions, products and services that are sustainable.

[7] See The SDG Investment Case, download (https://www.unpri.org/download?ac=5909)

# Purpose of the Guide

The guide seeks to support corporates in preparing their sustainability reports.

# Purpose of the Guide

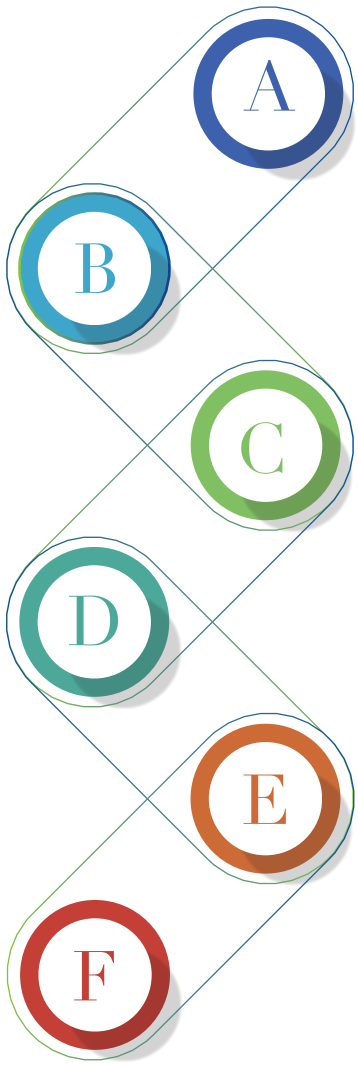
This guide seeks to assist companies listed in the Colombo Stock Exchange prepare concise, complete, credible and comparable sustainability reports that meet the needs of investors and other legitimate stakeholders. It sets out six principles of best practice to support the ESG journey of corporates and provides a concise guide to sustainability reporting using the GRI Standards. As the GRI Standards are a connecting point to other standards with high levels of interoperability, it is an appropriate anchor throughout a corporate's sustainability reporting journey.

Preparers are advised to plan their Sustainability Reporting journey at the beginning of the year or as early as possible. This allows time for preparers to address gaps in policy frameworks and put in place sustainability information gathering processes and sustainability reporting processes. These are pre-requisites for the preparation of a credible sustainability report. Preparers are also encouraged to obtain external assurance on their sustainability reports to enhance the credibility of their reports. Preparers are expected to move to target setting for relevant metrics once a baseline is established to determine progress in managing impacts.

It is important to note that the objective of this guide is not to provide a mandatory listing requirement, but specific guidance on the information that companies should consider and disclose under ESG issues.

# Principles of best practice on sustainability

The principles set out below encapsulate the essence of the GRI Standards and other sustainability reporting standards. References are provided to the GRI Universal Standards for those who wish to gain further insights.




**Leadership & Oversight**

The role of the Board is vital to achievement of sustainability goals.

**Consider stakeholder interests**

ESG information disclosed in report must be relevant and useful to stakeholders.

**Identifying material issues**

Adopt a process to identify and prioritise material issues to be included in the report.

**Performance indicators**

Adopt relevant performance indicators that are widely accepted and relevant to the stakeholders

**Integrity and transparency**

Provide a balanced narrative and information regarding the standards, definitions and assumptions used

**Accessibility of report**

Make a big impact with professional slides, charts, infographics and more.

# Principles of best practice on sustainability

## A. Leadership & Oversight

The Board of directors plays a leading role in integrating the management of the organisation's impacts on the economy, environment, and people, into the organisation's governance mechanisms, strategy, risk management and operations.

1. Governance structure and composition – A committee of the Board should be appointed with responsibility for decision making on and overseeing the management of the organisation's impacts on the economy, environment, and people. GRI 2-9

2. Skills and competencies – Ensure availability of necessary skills and competencies within the Board to oversee sustainability strategies relating to sustainability related risks and opportunities. Relevant criteria must be included in the nomination and selection of directors and can also be addressed through skill development initiatives.

   GRI 2-9 GRI 2-10, GRI 2-17

3. Define the role of the Board in managing impacts – Formulate and formally adopt Terms of Reference, mandates, role descriptions and policies relating to development of strategies, risk management, setting goals and monitoring the same. The policies must also address how the Board/Board Committee will engage with stakeholders and considers their concerns in managing and reporting the impacts of the organisation.

   GRI 2-12, GRI 2-23

4. Delegate responsibility – The Board should delegate responsibility for sustainability reporting and managing impacts to a senior executive or committee and set in place processes for reporting back to the Board/Board Committee with a defined frequency. A cross functional team is necessary to ensure that sustainability matters are addressed in a holistic manner including the preparation of the report which requires the cooperation of many operational departments.

   GRI 2-13

**CSE Rules on Corporate Governance**

The recently revised listing rules of the CSE also requires the Board to formulate and publish on the website the policy on Environmental, Social, Governance Sustainability. Sustainability standards require the following disclosures in sustainability reports which also serve to highlight the role that the Board needs to play in integrating sustainability within the entities they govern.

5. Review and approve sustainability report – The Board/Board Committee should review the sustainability report including the material topics. GRI 2-14

## B. Consider Stakeholder Interests

ESG reporting caters for the needs of many stakeholders with differing requirements and expectations in terms of topics, as well as the format and granularity of data. While all stakeholders can benefit from ESG information, different stakeholders can have distinct information needs due to increased regulatory requirements and their own ESG goals and targets. ESG information also plays an increasingly important role in access to overseas markets and operational licenses and these should be considered in formulating strategies and determining metrics for reporting. It is noteworthy that investors are increasingly turning to ESG-based investment instruments which also require specific information disclosures, enabling them to price and manage the risk of their investments. Stakeholder information requirements can be identified through a holistic stakeholder engagement approach which is undertaken as part of the entity's ongoing activities.

**Stakeholders who want ESG information**

- Investors
  - Institutional investors
  - Other investors
- Banks, insurers and other financial institutions
- Customers
- Government including regulators
- Communities
- Non-governmental organisations

GRI 2-29

## C. Identifying Material Issues

An organisation is faced with a wide range of ESG topics on which it can report and therefore it is important to identify which topics are sufficiently important for inclusion in the sustainability report. Additionally, not all material topics are of equal importance, and the emphasis within a report is expected to reflect their relative priority. The degree to which each indicator is relevant will vary greatly among companies, and the materiality of each topic should be determined by the board and management of the company itself, considering the needs of their key stakeholders.

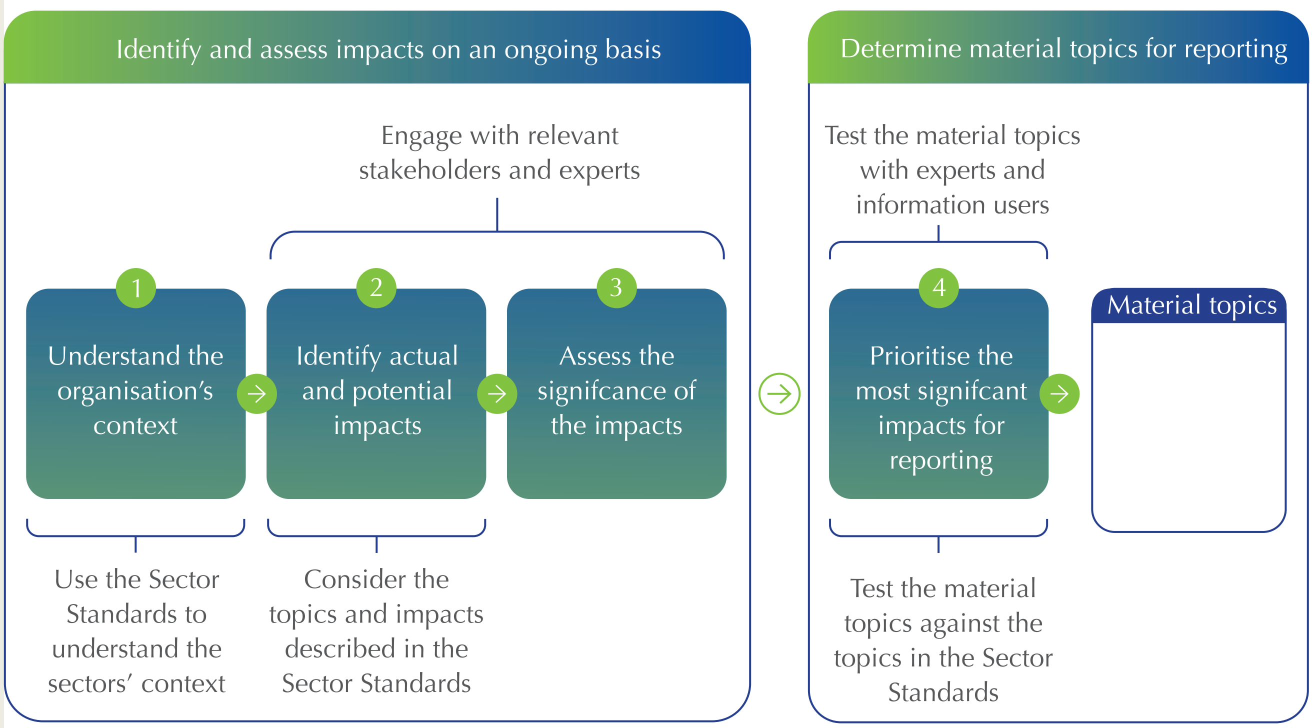
## Two Complementary Approaches to Materiality

The International Accounting Standards Board (IASB) defines information as material if "omitting, misstating, or obscuring that information could reasonably be expected to influence decisions that primary users of general purpose financial reports make on the basis of those reports, which include financial statements and sustainability-related financial disclosures and which provide information about a specific reporting entity." [8] For example, for climate, this means reporting material information about climate-related risks and opportunities that could reasonably be expected to affect the entity's prospects. This perspective is typically of most interest to investors.

GRI defines material topics as those that represent the organisation's most significant impacts on the economy, environment, and people, including impacts on their human rights. For example, a growing number of stakeholders such as investors, governments, and customers also need to know about the climate impacts of companies in order to better understand and measure the sustainability and climate impacts of their investment portfolios, country and supply chain respectively.

A process to determine material topics is set out below:

**GRI 3: Material Topics**




[8] IFRS S1: General Requirements for Disclosure of Sustainability-related Financial Information

## D. Adopt Relevant Performance Indicators

Once a company has established which ESG topics to report on, it can begin to disclose specific performance indicators to measure and assess progress. These indicators may be generic, industry-specific or company-specific. It is also recommended that companies use widely accepted indicators developed via a credible national or international process. GRI has 3 Universal Standards and 32 Topic Standards for corporate sustainability reporting with detailed guidance on their application. GRI has also developed 3 Sector Standards to guide Oil & Gas, Coal, and Agriculture, Aquaculture and Fishing sectors and has a programme to issue up to 40 Sector Standards. The GRI Standards can be downloaded for free from the website https://www.globalreporting.org/standards/download-the-standards/

## E. Integrity and Transparency

The absence of a generally accepted accounting standards for measuring and presenting environmental, social and governance metrics creates challenges for investors in interpreting performance. Companies should describe to investors any standards that they have applied in the preparation of key ESG metrics. This should be supplemented with details of key definitions and assumptions used in the calculation of metrics where an external standard does not exist or has not been applied. To facilitate ease of use by investors, it is preferable that a brief 'basis of preparation' explanation or document is made available either within the company's report itself or on its website.

It is also important to provide a balanced view of the organisation's impacts. The KPMG Survey in 2022 observed that few companies report on the negative impacts on the SDGs and it is an oft-expressed comment of users that companies that both positive and negative impacts should be reported for a report to be considered credible.

## F. Proper Communication

Companies use various communication channels including integrated reports, standalone sustainability reports, websites or any other publications to disclose relevant, comparable and timely information on ESG matters. The right disclosure channels ensure investors receive relevant, easily accessible, comparable and timely information. It is advantageous for companies to be familiar with the preferred ESG information sources of its key stakeholders, and to update these with timely and accurate news about their performance.

Advances in technology make it possible to deploy Artificial Intelligence (AI) tools to seek and aggregate sustainability information to create a global baseline for key metrics, particularly vital information such as Scope 1, 2 and 3 emissions. Moving forward, organisations are likely to be requested to tag the information to facilitate aggregation using AI tools.

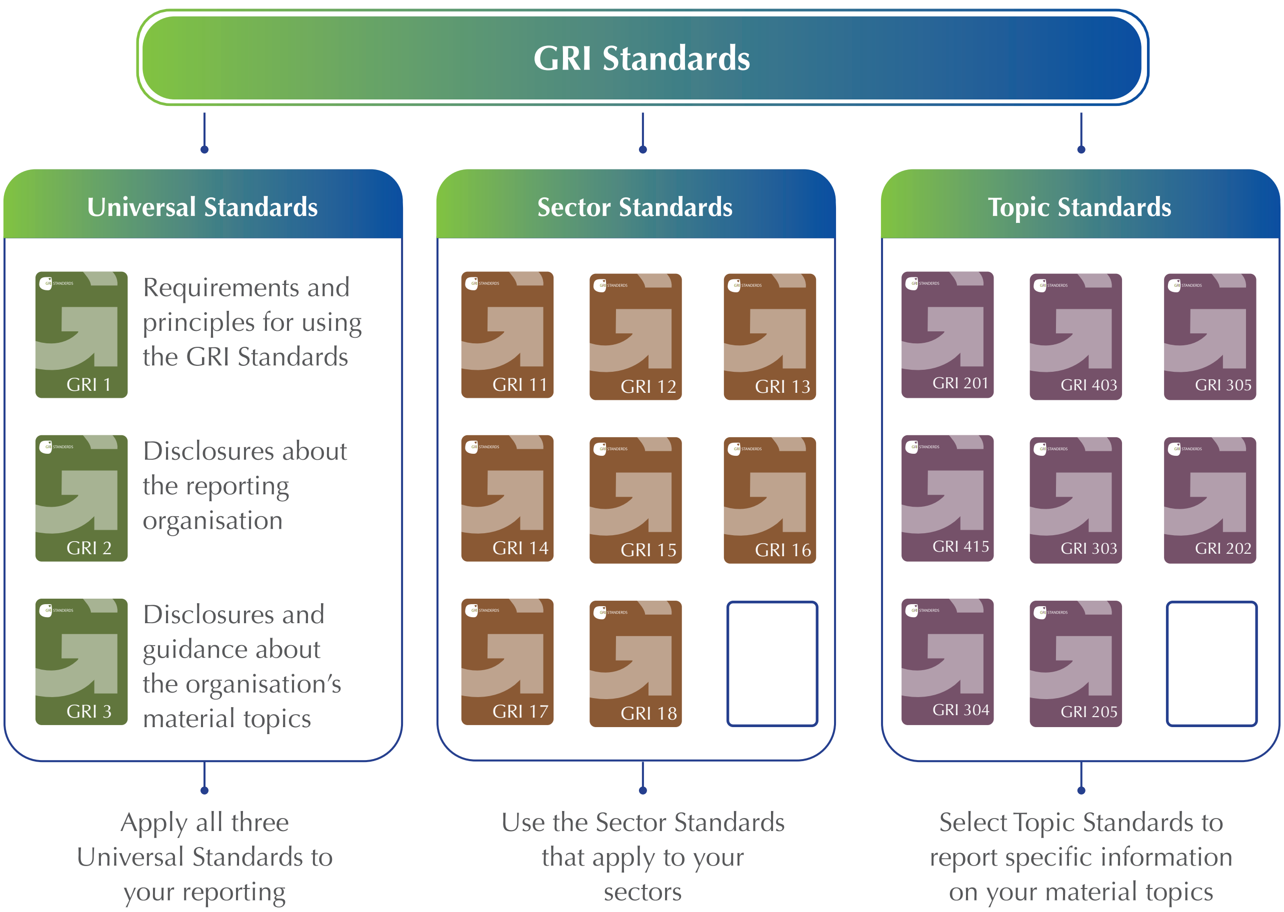
# An Introduction to the GRI Standards

The GRI Standards can be used by businesses of all sizes to report on their impacts in a credible manner which is comparable over time and in relation to other organisations. Its multi-stakeholder approach, focus on impact reporting and interoperability with other standards makes it a logical basis for supporting sustainability agendas of corporates. As it is a well-developed and comprehensive suite of standards, it provides a sound blueprint for companies starting on their sustainability reporting journeys and remains relevant throughout their journey supported by the interoperability with other standards. The use of the GRI Standards by over 10,000 companies in 100+ countries for more than 25 years is a testimony to its relevance to management, investors and other stakeholders. The GRI Standards continue to evolve, addressing the urgent economic, environmental, and social issues of our times.

## Structure of the GRI Standards

The GRI Standards are a modular system comprising three series of Standards as set out below.

Figure 1. GRI Standards: Universal, Sector and Topic Standards



There are 3 Universal Standards, 3 Sector Standards and 32 Topic Standards in issue as at end September 2023. GRI has a work programme to issue 40 Sector Standards providing guidance to preparers on the topics that are most likely to be material to their sectors. Sector Standards have been issued for Oil & Gas, Coal, and Agriculture, Aquaculture and Fishing while projects have commenced for Mining, Financial Services and Textiles and Apparel. Users are encouraged to visit https://www.globalreporting.org/standards/sector-program/ to check the current status of Sector Standards as this is an evolving area.

The Topic Standards issued as at 30th September 2023 are listed below:

| Economic Topics | Environmental Topics | Social Topics | |
|---|---|---|---|
| • GRI 201: Economic Performance 2016<br>• GRI 202: Market Presence 2016<br>• GRI 203: Indirect Economic Impacts 2016<br>• GRI 204: Procurement Practices 2016<br>• GRI 205: Anti-corruption 2016<br>• GRI 206: Anti-competitive Behavior 2016<br>• GRI 207: Tax 2019 | • GRI 301: Materials 2016<br>• GRI 302: Energy 2016<br>• GRI 303: Water and Effluents 2018<br>• GRI 304: Biodiversity 2016<br>• GRI 305: Emissions 2016<br>• GRI 306: Effluents and Waste 2016<br>• GRI 306: Waste 2020<br>• GRI 308: Supplier Environmental Assessment 2016 | • GRI 401: Employment 2016<br>• GRI 402: Labour/ Management Relations 2016<br>• GRI 403: Occupational Health and Safety 2018<br>• GRI 404: Training and Education 2016<br>• GRI 405: Diversity and Equal Opportunity 2016<br>• GRI 406: Non-discrimination 2016<br>• GRI 407: Freedom of Association and Collective Bargaining 2016<br>• GRI 408: Child Labour 2016<br>• GRI 409: Forced or Compulsory Labour 2016<br>• GRI 410: Security Practices 2016 | • GRI 411: Rights of Indigenous Peoples 2016<br>• GRI 413: Local Communities 2016<br>• GRI 414: Supplier Social Assessment 2016<br>• GRI 415: Public Policy 2016<br>• GRI 416: Customer Health and Safety 2016<br>• GRI 417: Marketing and Labelling 2016<br>• GRI 418: Customer Privacy 2016 |

The GRI Standards can be downloaded from the GRI website GRI - Download the Standards
https://www.globalreporting.org/standards/download-the-standards/

# An Introduction to the GRI Standards

Each GRI Standard begins with a description of how it should be used and contains the following.

- Disclosures - provide a structure for reporting information about the organisation and its impacts.
- Requirements - list the information an organisation must report or instructions it must comply with to report in accordance with the GRI Standards.
- Recommendations – indicate that certain information, or a particular course of action, is encouraged but not required.
- Guidance provides background information, explanations and examples to help better understand the requirements.

Recognise the multi-stakeholder approach

Impact reporting is important

GRI Standards are the starting point to address these two points. Connect GRI to the IFRS Sustainability Standards.

Designed & produced by
emagewise

COLOMBO STOCK EXCHANGE
*Creating Wealth and Value*

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