GRI 101: FOUNDATION
2016

GRI
101

Contents

About this Standard

Responsibility	This Standard is issued by the Global Sustainability Standards Board (GSSB). The full set of GRI Standards can be downloaded at www.globalreporting.org/standards. Any feedback on the GRI Standards can be submitted to standards@globalreporting.org for the consideration of the GSSB.
Scope	*GRI 101: Foundation* applies to any organization that wants to use the GRI Standards to report about its economic, environmental, and/or social impacts. Therefore, this Standard is applicable to: • an organization that intends to prepare a sustainability report in accordance with the GRI Standards; or • an organization that intends to use selected GRI Standards, or parts of their content, to report on impacts related to specific economic, social, and/or environmental topics (e.g., to report on emissions only). *GRI 101* can be used by an organization of any size, type, sector, or geographic location.
Normative references	This Standard is to be used together with the most recent versions of the following documents. *GRI 102: General Disclosures* *GRI 103: Management Approach* *GRI Standards Glossary* In the text of this Standard, terms defined in the Glossary are underlined.
Effective date	This Standard is effective for reports or other materials published on or after 1 July 2018. Earlier adoption is encouraged.

Introduction

A. Background on sustainability reporting

In 1987, the World Commission on Environment and Development set out an aspirational goal of sustainable development – describing it as 'development which meets the needs of the present without compromising the ability of future generations to meet their own needs.'[1]

Through their activities and relationships, all organizations make positive and negative contributions toward the goal of sustainable development. Organizations therefore have a key role to play in achieving this goal.

Sustainability reporting, as promoted by the GRI Standards, is an organization's practice of reporting publicly on its economic, environmental, and/or social impacts, and hence its contributions – positive or negative – towards the goal of sustainable development.

Through this process, an organization identifies its significant impacts on the economy, the environment, and/or society and discloses them in accordance with a globally-accepted standard.

The GRI Standards create a common language for organizations and stakeholders, with which the economic, environmental, and social impacts of organizations can be communicated and understood. The Standards are designed to enhance the global comparability and quality of information on these impacts, thereby enabling greater transparency and accountability of organizations.

Sustainability reporting based on the GRI Standards should provide a balanced and reasonable representation of an organization's positive and negative contributions towards the goal of sustainable development.

The information made available through sustainability reporting allows internal and external stakeholders to form opinions and to make informed decisions about an organization's contribution to the goal of sustainable development.
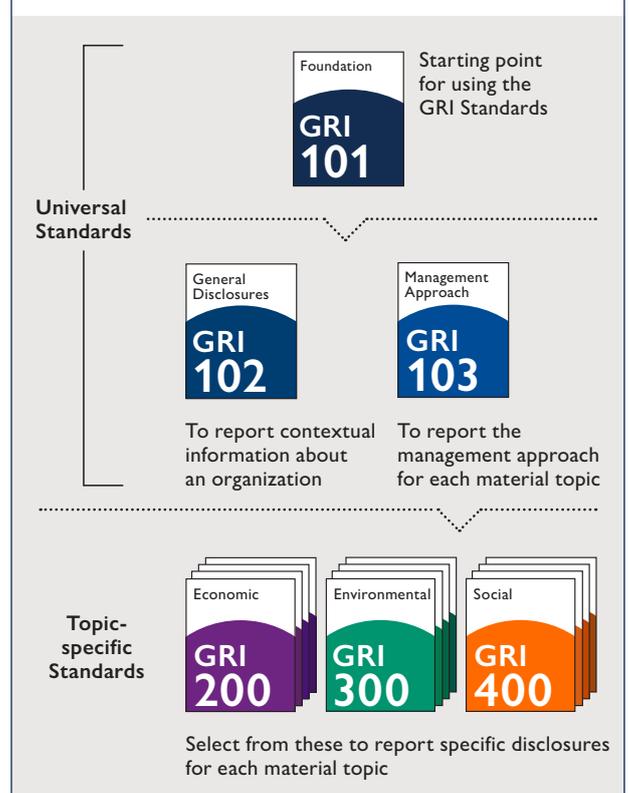
B. Overview of the GRI Sustainability Reporting Standards

The GRI Sustainability Reporting Standards (GRI Standards) are designed to be used by organizations to report about their impacts on the economy, the environment, and/or society.

Using the GRI Standards as a set to prepare a sustainability report

The GRI Standards are structured as a set of interrelated standards. They have been developed primarily to be used together to help an organization prepare a sustainability report which is based on the Reporting Principles and focuses on material topics.

Figure 1
Overview of the set of GRI Standards

Universal Standards

Foundation
GRI 101
Starting point for using the GRI Standards

General Disclosures
GRI 102
To report contextual information about an organization

Management Approach
GRI 103
To report the management approach for each material topic

Topic-specific Standards

Economic
GRI 200

Environmental
GRI 300

Social
GRI 400

Select from these to report specific disclosures for each material topic

---

[1] World Commission on Environment and Development. 'Our Common Future'. Oxford: Oxford University Press, 1987, p. 43

Preparing a report in accordance with the GRI Standards demonstrates that the report provides a full and balanced picture of an organization's material topics and related impacts, as well as how these impacts are managed.

A report in accordance with the GRI Standards can be produced as a stand-alone sustainability report, or can reference information disclosed in a variety of locations and formats (e.g., electronic or paper-based). Any report prepared in accordance with the GRI Standards is required to include a GRI content index, which is presented in one location and includes the page number or URL for all disclosures reported. See clause 2.6 in this Standard and Disclosure 102-55 in *GRI 102: General Disclosures*.

Using selected GRI Standards, or parts of their content, to report specific information

An organization can also use selected GRI Standards, or parts of their content, to report specific information, provided that the relevant Standards are referenced correctly.

See Section 3 for more detail on using and referencing the GRI Standards.

Structure of the Standards

The GRI Standards are divided into four series:

Series	Description
Universal Standards 100 series	The 100 series includes three universal Standards: **GRI 101: Foundation** is the starting point for using the set of GRI Standards. *GRI 101* sets out the Reporting Principles for defining report content and quality. It includes requirements for preparing a sustainability report in accordance with the GRI Standards, and describes how the GRI Standards can be used and referenced. *GRI 101* also includes the specific claims that are required for organizations preparing a sustainability report in accordance with the Standards, and for those using selected GRI Standards to report specific information. *GRI 102: General Disclosures* is used to report contextual information about an organization and its sustainability reporting practices. This includes information about an organization's profile, strategy, ethics and integrity, governance, stakeholder engagement practices, and reporting process. *GRI 103: Management Approach* is used to report information about how an organization manages a material topic. It is designed to be used for each material topic in a sustainability report, including those covered by the topic-specific GRI Standards (series 200, 300, and 400) and other material topics. Applying *GRI 103* with each material topic allows the organization to provide a narrative explanation of why the topic is material, where the impacts occur (the topic Boundary), and how the organization manages the impacts.
Topic-specific Standards 200 series (Economic topics) 300 series (Environmental topics) 400 series (Social topics)	The 200, 300, and 400 series include numerous topic-specific Standards. These are used to report information on an organization's impacts related to economic, environmental, and social topics (e.g., Indirect Economic Impacts, Water, or Employment). To prepare a sustainability report in accordance with the GRI Standards, an organization applies the Reporting Principles for defining report content from *GRI 101: Foundation* to identify its material economic, environmental, and/or social topics. These material topics determine which topic-specific Standards the organization uses to prepare its sustainability report. Selected topic-specific Standards, or parts of their content, can also be used to report specific information, without preparing a sustainability report. See Section 3 for more detail.

C. Using this Standard

Overview of contents

GRI 101: Foundation is the starting point for an organization to use the GRI Standards to report about its economic, environmental, and/or social impacts.

- Section 1 of this Standard presents the Reporting Principles for defining report content and report quality. These Reporting Principles are fundamental to helping an organization decide what information to include in a sustainability report and how to ensure the quality of the information.

- Section 2 explains the basic process for using the GRI Standards for sustainability reporting. This section includes fundamental requirements for applying the Reporting Principles, and for identifying and reporting on material topics.

- Section 3 sets out the ways that the GRI Standards can be used and the specific claims, or statements of use, which are required for organizations using the Standards.

> **Note:** This document includes hyperlinks to other Standards. In most browsers, using **'ctrl' + click** will open external links in a new browser window. After clicking on a link, use **'alt' + left arrow** to return to the previous view.

Requirements, recommendations, and guidance

The GRI Standards include:

Requirements: These are mandatory instructions. In the text, requirements are presented in **bold font** and indicated with the word 'shall'. Requirements are to be read in the context of recommendations and guidance; however, an organization is not required to comply with recommendations or guidance in order to claim that a report has been prepared in accordance with the Standards.
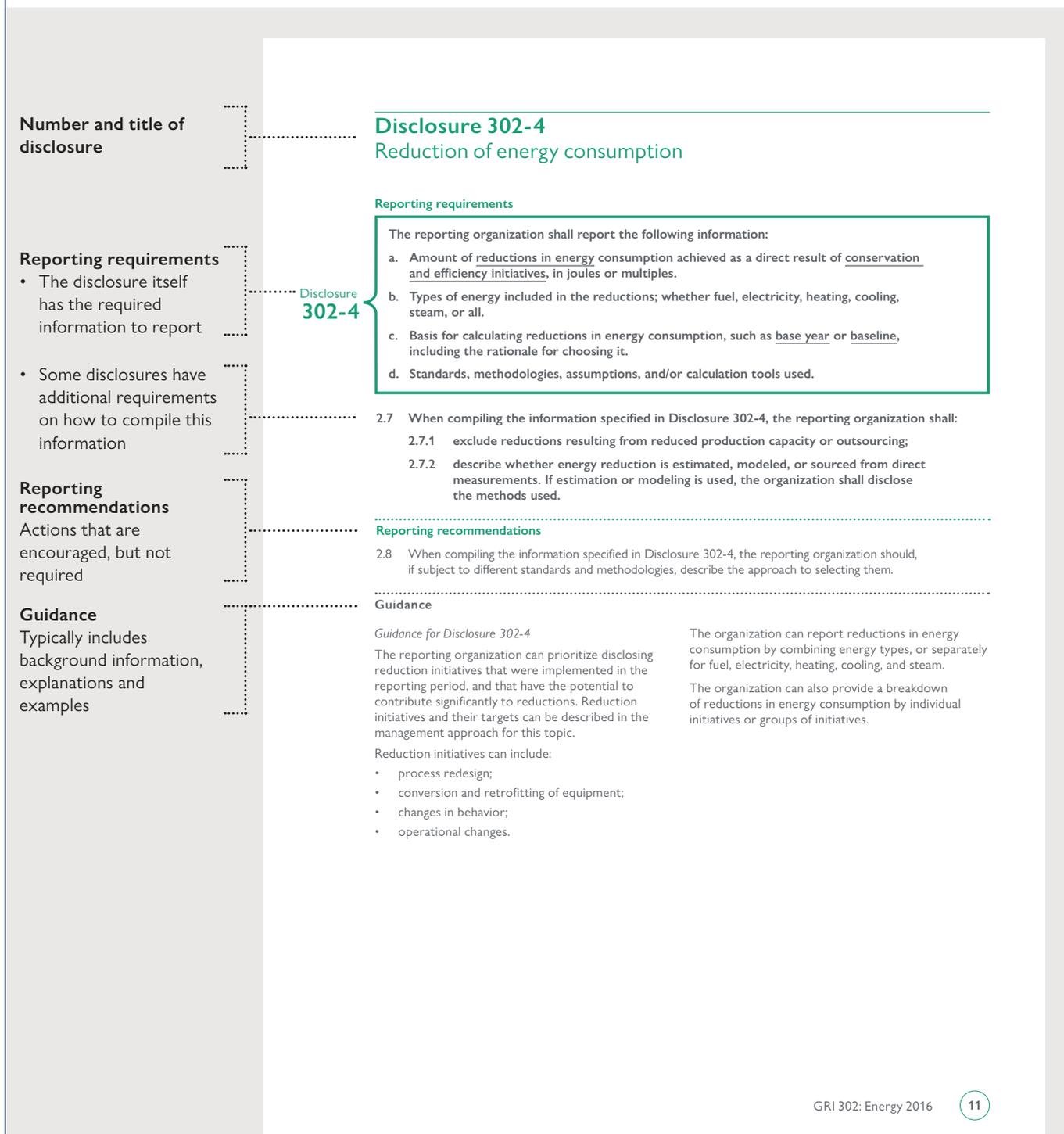
Recommendations: These are cases where a particular course of action is encouraged, but not required. In the text, the word 'should' indicates a recommendation.

Guidance: These sections include background information, explanations and examples to help organizations better understand the requirements.

An organization is required to comply with all applicable requirements in order to make a claim that its report has been prepared in accordance with the GRI Standards. See Table 1 in Section 3 for more information.

Figure 2 on the next page gives an example of how requirements, recommendations, and guidance are set out in a topic-specific GRI Standard.

Figure 2
Example page from a topic-specific GRI Standard

Number and title of disclosure

Reporting requirements
- The disclosure itself has the required information to report

- Some disclosures have additional requirements on how to compile this information

Reporting recommendations
Actions that are encouraged, but not required

Guidance
Typically includes background information, explanations and examples

Disclosure 302-4
Reduction of energy consumption

Reporting requirements

Disclosure 302-4

The reporting organization shall report the following information:

a. Amount of reductions in energy consumption achieved as a direct result of conservation and efficiency initiatives, in joules or multiples.

b. Types of energy included in the reductions; whether fuel, electricity, heating, cooling, steam, or all.

c. Basis for calculating reductions in energy consumption, such as base year or baseline, including the rationale for choosing it.

d. Standards, methodologies, assumptions, and/or calculation tools used.

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

  2.7.1 exclude reductions resulting from reduced production capacity or outsourcing;

  2.7.2 describe whether energy reduction is estimated, modeled, or sourced from direct measurements. If estimation or modeling is used, the organization shall disclose the methods used.

Reporting recommendations

2.8 When compiling the information specified in Disclosure 302-4, the reporting organization should, if subject to different standards and methodologies, describe the approach to selecting them.

Guidance

Guidance for Disclosure 302-4

The reporting organization can prioritize disclosing reduction initiatives that were implemented in the reporting period, and that have the potential to contribute significantly to reductions. Reduction initiatives and their targets can be described in the management approach for this topic.

Reduction initiatives can include:
- process redesign;
- conversion and retrofitting of equipment;
- changes in behavior;
- operational changes.

The organization can report reductions in energy consumption by combining energy types, or separately for fuel, electricity, heating, cooling, and steam.

The organization can also provide a breakdown of reductions in energy consumption by individual initiatives or groups of initiatives.

GRI 302: Energy 2016   11

GRI 101: Foundation

1. Reporting Principles

The Reporting Principles are fundamental to achieving high quality sustainability reporting. An organization is required to apply the Reporting Principles if it wants to claim that its sustainability report has been prepared in accordance with the GRI Standards (see Table 1 in Section 3 for more information). The Reporting Principles are divided into two groups: principles for defining report content and principles for defining report quality.

The Reporting Principles for defining report content help organizations decide which content to include in the report. This involves considering the organization's activities, impacts, and the substantive expectations and interests of its stakeholders.

The Reporting Principles for defining report quality guide choices on ensuring the quality of information in a sustainability report, including its proper presentation. The quality of information is important for enabling stakeholders to make sound and reasonable assessments of an organization, and to take appropriate actions.

Each of the Reporting Principles consists of a requirement and guidance on how to apply the principle, including tests. The tests are tools to help an organization assess whether it has applied the principle; they are not disclosures that are required to be reported.

Reporting Principles for defining report content	Reporting Principles for defining report quality
• Stakeholder Inclusiveness • Sustainability Context • Materiality • Completeness	• Accuracy • Balance • Clarity • Comparability • Reliability • Timeliness

Principles for defining report content

Stakeholder Inclusiveness

1.1   The reporting organization shall identify its <u>stakeholders</u>, and explain how it has responded to their reasonable expectations and interests.

....

Guidance

Stakeholders are defined as entities or individuals that can reasonably be expected to be significantly affected by the reporting organization's activities, products, or services; or whose actions can reasonably be expected to affect the ability of the organization to implement its strategies or achieve its objectives. This includes, but is not limited to, entities or individuals whose rights under law or international conventions provide them with legitimate claims vis-à-vis the organization.

Stakeholders can include employees and other workers, shareholders, suppliers, vulnerable groups, local communities, and NGOs or other civil society organizations, among others.

When making decisions about the content of its report, the organization is to consider the reasonable expectations and interests of stakeholders. This includes those who are unable to articulate their views and whose concerns are presented by proxies (for example, NGOs acting on their collective behalf); and those with whom the organization cannot be in constant or obvious dialogue. The organization is expected to identify a process for taking such views into account when determining whether a topic is material.

A process of stakeholder engagement can serve as a tool for understanding the reasonable expectations and interests of stakeholders, as well as their information needs. An organization typically initiates different types of stakeholder engagement as part of its regular activities, which can provide useful inputs for decisions on reporting. These include 'routine' engagements to inform ongoing organizational or business processes.

Stakeholder engagement based on systematic or generally accepted approaches, methodologies, or principles can also be implemented specifically to inform the preparation of the report. Other means that can be used to satisfy this principle include monitoring the media, engaging with the scientific community, or collaborative activities with peers and stakeholders. The overall approach is to be sufficiently effective so that stakeholders' information needs are properly understood.

It is important that the means used are capable of identifying direct input from stakeholders as well as legitimately established societal expectations. Moreover, an organization can encounter conflicting views or expectations among its stakeholders, and is expected to be able to explain how it balanced them when making decisions about its reporting.

For it to be possible to assure the report process and data, it is important for the organization to document its approach for identifying stakeholders; deciding which stakeholders to engage with, and how and when to engage with them; and how engagement has influenced the report content and the organization's activities, products, and services.

Systematic stakeholder engagement, executed properly, is likely to result in ongoing learning within the organization, as well as increased accountability to a range of stakeholders. Accountability strengthens trust between the organization and its stakeholders. Trust, in turn, strengthens the credibility of the report.

Tests

*   The reporting organization can describe the stakeholders to whom it considers itself accountable;

*   The report content draws upon the outcomes of stakeholder engagement processes used by the organization in its ongoing activities, and as required by the legal and institutional framework in which it operates;

*   The report content draws upon the outcomes of any stakeholder engagement processes undertaken specifically for the report;

*   The outcome of the stakeholder engagement processes that inform decisions about the report are consistent with the material topics included in the report.

Sustainability Context

1.2   The report shall present the reporting organization's performance in the wider context of sustainability.

Guidance

Information on performance is expected to be placed in context. The underlying question of sustainability reporting is how an organization contributes, or aims to contribute in the future, to the improvement or deterioration of economic, environmental, and social conditions at the local, regional, or global level. For example, this can mean that in addition to reporting on trends in eco-efficiency, the organization can also present its absolute pollution loading in relation to the capacity of the regional ecosystem to absorb the pollutant.

Therefore, the aim is to present the organization's performance in relation to broader concepts of sustainability. This involves examining its performance in the context of the limits and demands placed on economic, environmental or social resources, at the sectoral, local, regional, or global level.

This concept is often articulated with respect to the environment, in terms of global limits on resources and pollution levels. But it is also relevant with respect to social and economic objectives, such as national or international socioeconomic and sustainable development goals. For example, the organization can report on wages and social benefit levels in relation to nation-wide minimum and median income levels. It can also report on the capacity of social safety nets to absorb those in poverty or those living close to the poverty line.

An organization operating in a diverse range of locations, sizes, and sectors is expected to consider how to best frame its overall performance in the broader context of sustainability. This can require distinguishing between factors that drive global impacts, such as climate change, and those that have regional or local impacts, such as community development. When reporting on topics that have positive or negative local impacts, it is important to provide insight into how the organization affects communities in different locations. It is equally important for the organization to distinguish between patterns of impacts across the range of its operations, contextualizing performance location by location.

The relationship between sustainability and organizational strategy is expected to be made clear in the report, as well as the context in which disclosures are made.

Tests

- The reporting organization presents its understanding of sustainable development, drawing on objective and available information, and authoritative measures of sustainable development, for the topics covered;

- The organization presents its performance with reference to broader sustainable development conditions and goals, as reflected in recognized sectoral, local, regional, or global instruments;

- The organization presents its performance in a manner that communicates its impacts and contributions in appropriate geographic contexts;

- The organization describes how economic, environmental, and/or social topics relate to its long-term strategy, risks, opportunities, and goals, including in its value chain.

Materiality

1.3   The report shall cover topics that:

1.3.1   reflect the reporting organization's significant economic, environmental, and social impacts; or

1.3.2   substantively influence the assessments and decisions of stakeholders.

Guidance

An organization is faced with a wide range of topics on which it can report. Relevant topics, which potentially merit inclusion in the report, are those that can reasonably be considered important for reflecting the organization's economic, environmental, and social impacts, or influencing the decisions of stakeholders. In this context, 'impact' refers to the effect an organization has on the economy, the environment, and/or society (positive or negative). A topic can be relevant – and so potentially material – based on only one of these dimensions.

In financial reporting, materiality is commonly thought of as a threshold for influencing the economic decisions of those using an organization's financial statements, investors in particular.

A similar concept is also important in sustainability reporting, but it is concerned with two dimensions, i.e., a wider range of impacts and stakeholders. In sustainability reporting, materiality is the principle that determines which relevant topics are sufficiently important that it is essential to report on them. Not all material topics are of equal importance, and the emphasis within a report is expected to reflect their relative priority.

A combination of internal and external factors can be considered when assessing whether a topic is material. These include the organization's overall mission and competitive strategy, and the concerns expressed directly by stakeholders. Materiality can also be determined by broader societal expectations, and by the organization's influence on upstream entities, such as suppliers, or downstream entities, such as customers. Assessments of materiality are also expected to take into account the expectations expressed in international standards and agreements with which the organization is expected to comply.

These internal and external factors are to be considered when evaluating the importance of information for reflecting significant economic, environmental, and/or social impacts, or for stakeholders' decision making. Various methodologies can be used to assess the significance of impacts. In general, 'significant impacts' are those that are a subject of established concern for expert communities, or that have been identified using established tools, such as impact assessment methodologies or life cycle assessments. Impacts that are considered important enough to require active management or engagement by the organization are likely to be considered significant.

Applying this principle ensures that the report prioritizes material topics. Other relevant topics can be included, but with less prominence. It is important that the organization can explain the process by which it determined the priority of topics.

Figure 3 presents an example matrix, for guidance purposes. It shows the two dimensions for assessing whether a topic is material; and that a topic can be material based on only one of these dimensions. The use of this exact matrix is not required; however, to apply the Materiality principle, it is required to identify material topics based on these two dimensions.

Disclosure 102-46 and clause 6.1 in *GRI 102: General Disclosures* require an explanation of how the Materiality principle has been applied.

Tests

In defining material topics, the reporting organization has taken into account the following factors:

- Reasonably estimable economic, environmental, and/or social impacts (such as climate change, HIV-AIDS, or poverty) identified through sound investigation by people with recognized expertise, or by expert bodies with recognized credentials;

- The interests and expectations of stakeholders specifically invested in the organization, such as employees and shareholders;

- Broader economic, social, and/or environmental interests and topics raised by stakeholders such as workers who are not employees, suppliers, local communities, vulnerable groups, and civil society;

- The main topics and future challenges for a sector, as identified by peers and competitors;

- Laws, regulations, international agreements, or voluntary agreements of strategic significance to the organization and its stakeholders;

- Key organizational values, policies, strategies, operational management systems, goals, and targets;

- The core competencies of the organization and the manner in which they can contribute to sustainable development;

Materiality
Continued

- Consequences for the organization which are related to its impacts on the economy, the environment, and/or society (for example, risks to its business model or reputation);

- Material topics are appropriately prioritized in the report.

Figure 3
Visual representation of prioritization of topics

Influence on stakeholder assessments & decisions

Significance of economic, environmental, & social impacts
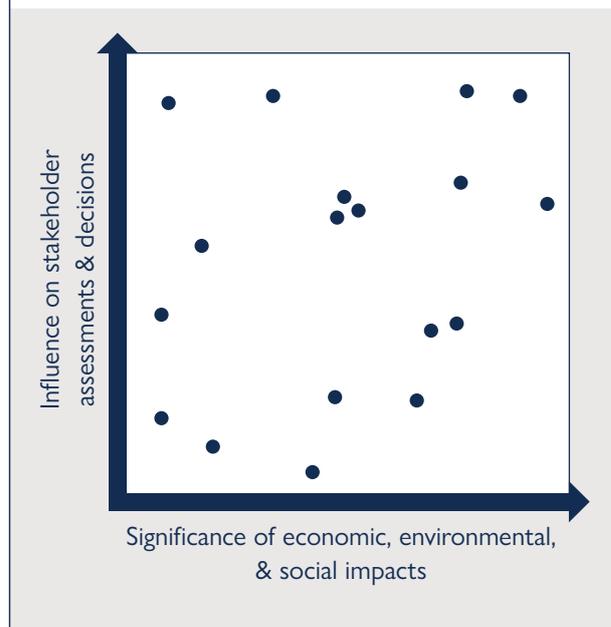
Completeness

1.4   The report shall include coverage of <u>material topics</u> and their <u>Boundaries</u>, sufficient to reflect significant economic, environmental, and social <u>impacts</u>, and to enable <u>stakeholders</u> to assess the reporting organization's performance in the <u>reporting period</u>.

Guidance

Completeness primarily encompasses the following dimensions: the list of material topics covered in the report, topic Boundaries, and time.

The concept of completeness can also refer to practices in information collection (for example, ensuring that compiled data includes results from all entities where the impacts occur) and whether the presentation of information is reasonable and appropriate. These issues are also related to report quality, and are addressed in greater detail under the principles of Accuracy and Balance.

List of material topics covered in the report:
Together, the topics covered in the report are expected to be sufficient to reflect the organization's significant economic, environmental and/or social impacts, and to enable stakeholders to assess the organization. In determining whether the information in the report is sufficient, the organization considers both the results of stakeholder engagement processes and broad-based societal expectations that are not identified directly through stakeholder engagement processes.

Topic Boundaries: the topic Boundary is a description of where the impacts occur for a material topic, and the organization's involvement with those impacts. Organizations might be involved with impacts either through their own activities or as a result of their business relationships with other entities. An organization preparing a report in accordance with the GRI Standards is expected to report not only on impacts it causes, but also on impacts it contributes to, and impacts that are directly linked to its activities, products or services through a business relationship.[2] See clause 2.4 of this Standard and *GRI 103: Management Approach* for more information on topic Boundaries.

Time: Time refers to the need for the selected information to be complete for the time period specified by the report. As far as practicable, activities, events, and impacts are expected to be presented for the reporting period in which they occur. This includes reporting on activities that produce minimal short-term impact, but which have a significant and reasonably foreseeable cumulative effect that can become unavoidable or irreversible in the longer-term (such as bio-accumulative or persistent pollutants).

In making estimates of future impacts (both positive and negative), the reported information is expected to be based on well-reasoned estimates that reflect the likely size and nature of impacts. Although such estimates are by nature subject to uncertainty, they provide useful information for decision-making, as long as the basis for estimates is clearly reported and the limitations of the estimates are clearly acknowledged. Disclosing the nature and likelihood of such impacts, even if they can only materialize in the future, is consistent with the goal of providing a balanced and reasonable representation of the organization's economic, environmental, and social impacts.

Tests

- The report takes into account impacts the reporting organization causes, contributes to, or is directly linked to through a business relationship, and covers and prioritizes all material information on the basis of the principles of Materiality, Sustainability Context, and Stakeholder Inclusiveness;

- The information in the report includes all significant impacts in the reporting period, and reasonable estimates of significant future impacts when those impacts are reasonably foreseeable and can become unavoidable or irreversible;

- The report does not omit relevant information that substantively influences stakeholder assessments and decisions, or that reflects significant economic, environmental, and social impacts.

---

[2] These concepts are based on the following instruments:
- Organisation for Economic Co-operation and Development (OECD), *OECD Guidelines for Multinational Enterprises,* 2011.
- United Nations (UN), 'Guiding Principles on Business and Human Rights, Implementing the United Nations "Protect, Respect and Remedy" Framework', 2011.

Principles for defining report quality

Accuracy

1.5 **The reported information shall be sufficiently accurate and detailed for <u>stakeholders</u> to assess the reporting organization's performance.**

Guidance

This principle is designed to reflect the fact that information can be expressed in many different ways, from qualitative responses to detailed quantitative measurements.

The characteristics that define accuracy vary, depending on the nature of the information and who is using it.

For example, the accuracy of qualitative information can be affected by its degree of clarity and detail, and its balance with respect to the <u>topic Boundary</u>. The accuracy of quantitative information can depend on the specific methods used to gather, compile, and analyze data.

Moreover, the specific threshold of accuracy can depend partly on the intended use of the information. Certain decisions by stakeholders require higher levels of accuracy in reported information than others.

Tests

- The report indicates the data that have been measured;
- The measurements for data, and bases for calculations, are adequately described, and can be replicated with similar results;
- The margin of error for quantitative data is not sufficient to influence substantially the ability of stakeholders to reach appropriate and informed conclusions;
- The report indicates which data have been estimated, and the underlying assumptions and techniques used for the estimation, or where that information can be found;
- The qualitative statements in the report are consistent with other reported information and other available evidence.

Balance

1.6 **The reported information shall reflect positive and negative aspects of the reporting organization's performance to enable a reasoned assessment of overall performance.**

Guidance

The overall presentation of the report's content is expected to provide an unbiased picture of the organization's performance.

The report is expected to avoid selections, omissions, or presentation formats that are reasonably likely to unduly or inappropriately influence a decision or judgment by the report reader. The report is expected to include both favorable and unfavorable results, as well as information that can influence the decisions of stakeholders in proportion to their materiality. The report is also expected to distinguish clearly between facts and the organization's interpretation of them.

Tests

- The report covers both favorable and unfavorable results and topics;
- The information in the report is presented in a format that allows users to see positive and negative trends in performance on a year-to-year basis;
- The emphasis on the various topics in the report reflects their relative priority.

Clarity

1.7   The reporting organization shall make information available in a manner that is understandable and accessible to <u>stakeholders</u> using that information.

Guidance

The report is expected to present information in a way that is understandable, accessible, and usable by the organization's range of stakeholders, whether in print form or through other channels.

It is important that stakeholders are able to find the information they want without unreasonable effort. Information is expected to be presented in a manner that is comprehensible to stakeholders who have a reasonable understanding of the organization and its activities.

Graphics and consolidated data tables can help to make information in the report accessible and understandable. The level of aggregation of information can also affect the clarity of the report, if it is more or less detailed than stakeholders expect.

Tests

• The report contains the level of information required by stakeholders, but avoids excessive and unnecessary detail;

• Stakeholders can find the specific information they want without unreasonable effort through tables of contents, maps, links, or other aids;

• The report avoids technical terms, acronyms, jargon, or other content likely to be unfamiliar to stakeholders, and includes explanations (where necessary) in the relevant section or in a glossary;

• The information in the report is available to stakeholders, including those with particular accessibility needs, such as differing abilities, language, or technology.

Comparability

1.8   The reporting organization shall select, compile, and report information consistently. The reported information shall be presented in a manner that enables <u>stakeholders</u> to analyze changes in the organization's performance over time, and that could support analysis relative to other organizations.

Guidance

Comparability is necessary for evaluating performance. It is important that stakeholders are able to compare information on the organization's current economic, environmental, and social performance against the organization's past performance, its objectives, and, to the degree possible, against the performance of other organizations.

Consistency allows internal and external parties to benchmark performance and assess progress as part of rating activities, investment decisions, advocacy programs, and other activities. Comparisons between organizations require sensitivity to factors such as the organizations' size, geographic influences, and other considerations that can affect the relative performance of an organization. When necessary, it is important to provide context that helps report users understand the factors that can contribute to differences in impacts or performance between organizations.

To facilitate comparability over time, it is important to maintain consistency in the methods used to calculate data, the layout of the report, and explanations of methods and assumptions used to prepare information. As the importance of a topic to an organization and its stakeholders can change over time, the content of reports can also evolve.

However, within the confines of the Materiality principle, the organization is expected to aim for consistency in its reports over time. The organization is expected to include total numbers (that is, absolute data, such as tons of waste) as well as ratios (that is, normalized data, such as waste per unit of production) to enable analytical comparisons.

Changes can occur with respect to <u>material topics</u>, <u>topic Boundaries</u>, the length of the <u>reporting period</u>, or information, including the design, definitions, and use of disclosures in the report. When this happens, the reporting organization is expected to present current disclosures alongside restatements of historic data, or vice versa. This can ensure that information and comparisons are reliable and meaningful over time. When such restatements are not provided, the organization is expected to give sufficient explanations for interpreting current disclosures.

Comparability
Continued

Tests

• The report and its information can be compared on a year-to-year basis;

• The reporting organization's performance can be compared with appropriate benchmarks;

• Any significant variation between reporting periods in the list of material topics, topic Boundaries, length of reporting period, or information covered in the report can be identified and explained;

• When they are available, the report utilizes generally accepted protocols for compiling, measuring, and presenting information, including the information required by the GRI Standards.

Reliability

1.9   The reporting organization shall gather, record, compile, analyze, and report information and processes used in the preparation of the report in a way that they can be subject to examination, and that establishes the quality and materiality of the information.

Guidance

It is important that stakeholders are confident that the report can be checked to establish the veracity of its contents and the extent to which the Reporting Principles have been applied.

Individuals other than those who prepared the report are expected to be able to review internal controls or documentation that supports the information in the report. Disclosures about the reporting organization's impacts or performance that are not substantiated by evidence do not need to appear in the sustainability report unless they represent material information, and the report provides unambiguous explanations of any uncertainties associated with the information.

The decision-making processes underlying the report are to be documented in a manner that allows for the examination of key decisions, such as processes for determining the report content and topic Boundaries, or stakeholder engagement. If the organization designs information systems for its reporting, it is expected to anticipate that the systems can be examined as part of an external assurance process.

Tests

• The scope and extent of external assurance is identified;

• The organization can identify the original sources of the information in the report;

• The organization can provide reliable evidence to support assumptions or complex calculations;

• Representation is available from the original data or information owners, attesting to its accuracy within acceptable margins of error.

Timeliness

1.10 The reporting organization shall report on a regular schedule so that information is available in time for <u>stakeholders</u> to make informed decisions.

Guidance

The usefulness of information is closely tied to whether it is available in time for stakeholders to integrate it into their decision-making. Timeliness refers to the regularity of reporting as well as its proximity to the impacts described in the report.

Although a constant flow of information is desirable for certain purposes, the reporting organization is expected to commit to regularly providing consolidated disclosure of its economic, environmental, and social impacts, at a single point in time.

Consistency in the frequency of reporting, and the length of <u>reporting periods</u>, is also necessary to enable the comparability of information over time, and the report's accessibility to stakeholders. It can be valuable for stakeholders if the schedules for sustainability reporting and other forms of reporting, in particular financial reporting, are aligned. The organization is expected to balance the need to provide information in a timely manner with the need to ensure that the information is reliable, including any restatements of previous disclosures.

Tests

• Information in the report has been disclosed while it is recent, relative to the reporting period;

• The information in the report clearly indicates the time period to which it relates, when it will be updated, and when the latest updates were made, and separately identifies any restatements of previous disclosures along with the reasons for restatement.

2. Using the GRI Standards for sustainability reporting

This section sets out the basic process for sustainability reporting using the GRI Standards. An organization that wants to claim its sustainability report has been prepared in accordance with the GRI Standards (either Core or Comprehensive option) is required to comply with all requirements in this section. These requirements are denoted by the use of 'shall' in the text and **bold font**. They guide the reporting organization through the process of preparing a sustainability report in which:

• the Reporting Principles have been applied;

• disclosures giving contextual information about the organization have been made;

• every material topic has been identified and reported on.

Some clauses in this section are closely linked to disclosures in *GRI 102: General Disclosures* and *GRI 103: Management Approach*, which ask for specific information to be disclosed by the reporting organization. In these cases, the relevant disclosures from *GRI 102* or *GRI 103* are identified within guidance.

Applying the Reporting Principles

2.1   The reporting organization shall apply all Reporting Principles from Section 1 to define report content and quality.

Guidance

It is important that an organization using the GRI Standards to prepare a sustainability report has understood and implemented the ten Reporting Principles for defining report content and quality. These principles guide choices about the selection and quality of information in the report.

Disclosure 102-46 in *GRI 102: General Disclosures* requires an explanation of how the organization has implemented the Reporting Principles for defining report content.

Reporting general disclosures

2.2   The reporting organization shall report the required disclosures from *GRI 102: General Disclosures*.

Guidance

The general disclosures request contextual information about an organization and its sustainability reporting practices. If an organization wants to claim that its report has been prepared in accordance with the GRI Standards (Core or Comprehensive option), there are a number of disclosures from *GRI 102: General Disclosures* which it is required to report. For more information, see Table 1 in Section 3.

Identifying material topics and their Boundaries

2.3 **The reporting organization shall identify its <u>material topics</u> using the Reporting Principles for defining report content.**

    2.3.1   The reporting organization should consult the GRI Sector Disclosures that relate to its sector, if available, to assist with identifying its material topics.

2.4 **The reporting organization shall identify the <u>Boundary</u> for each material topic.**

Guidance

Material topics are those that an organization has prioritized for inclusion in the sustainability report. This prioritization exercise is carried out using the Stakeholder Inclusiveness and the Materiality principles. The Materiality principle identifies material topics based on the following two dimensions:

- The significance of the organization's economic, environmental, and social impacts;
- Their substantive influence on the assessments and decisions of stakeholders.

In applying the Materiality principle, '<u>impact</u>' refers to the effect an organization has on the economy, the environment, and/or society, which in turn can indicate its contribution (positive or negative) to sustainable development. For more information on the Materiality principle, see clause 1.3.

Disclosure 102-47 in *GRI 102: General Disclosures* requires reporting the list of material topics.

Using the GRI Sector Disclosures

The GRI Sector Disclosures provide additional sector-specific disclosures and guidance which can be used in conjunction with the GRI Standards. The Sector Disclosures can be found on the GRI Standards website. It is recommended that the reporting organization consults the relevant Sector Disclosures, if available, to help identify its material topics. However, the use of the Sector Disclosures is not intended to be a substitute for applying the Reporting Principles for defining report content.

Linking identified material topics to the GRI Standards

The use of 'topics' in the GRI Standards refers to broad economic, environmental, and social subjects, such as Indirect Economic Impacts, Water, or Employment. These topic names are intentionally broad, and each topic can cover numerous related concepts. For example, the topic 'Water' can encompass a range of more specific but related subjects, such as 'water stress' or 'access to water'.

The list of topics covered by the GRI Standards is not exhaustive. In some cases, an organization may identify a material topic that does not match exactly with the available topic-specific Standards. In this case, if the material topic is similar to one of the available topic Standards, or can be considered to relate to it, the organization is expected to use that Standard for reporting on the topic in question.

If the organization identifies a material topic that cannot reasonably be related to one of the topic-specific Standards, see clauses 2.5.1 and 2.5.3 for requirements about how to report on it.

Reporting the Boundary for each material topic

The topic Boundary is the description of where the impacts occur for a material topic, and the organization's involvement with those impacts. Organizations might be involved with impacts either through their own activities or as a result of their business relationships with other entities. An organization preparing a report in accordance with the GRI Standards is expected to report not only on impacts it causes, but also on impacts it contributes to, and impacts that are directly linked to its activities, products or services through a business relationship.[3] In the context of this GRI Standard, an organization's business relationships can include relationships with business partners, entities in its value chain, and any other non-State or State entity directly linked to its business operations, products or services.[4]

Disclosure 103-1 in *GRI 103: Management Approach* requires reporting the Boundary for each material topic. See *GRI 103* for more detailed information on topic Boundaries.

---

[3] These concepts are based on the following instruments:
- Organisation for Economic Co-operation and Development (OECD), *OECD Guidelines for Multinational Enterprises*, 2011.
- United Nations (UN), 'Guiding Principles on Business and Human Rights, Implementing the United Nations "Protect, Respect and Remedy" Framework', 2011.

[4] Source: United Nations (UN), 'Guiding Principles on Business and Human Rights, Implementing the United Nations "Protect, Respect and Remedy" Framework', 2011.

Reporting on material topics

2.5 **For each** <u>material topic</u>**, the reporting organization:**

    2.5.1 **shall report the** <u>management approach disclosures</u> **for that topic, using** *GRI 103: Management Approach***; and either:**

    2.5.2 **shall report the topic-specific disclosures in the corresponding GRI Standard, if the material topic is covered by an existing GRI Standard (series 200, 300, and 400); or**

    2.5.3   should report other appropriate disclosures, if the material topic is not covered by an existing GRI Standard.

. . . .

Guidance

Guidance for clause 2.5

To claim that its report has been prepared in accordance with the GRI Standards, the reporting organization is required to report on all material topics identified (the list of material topics is reported with Disclosure 102-47 in *GRI 102: General Disclosures*). If a material topic is not covered by an existing topic-specific GRI Standard, the organization is still required to report on its management approach using *GRI 103: Management Approach*, and is recommended to use appropriate disclosures from other sources to report on its impacts.

In other cases, an organization might want to use additional disclosures from other sources to report on material topics covered by the GRI Standards, as well as reporting the GRI disclosures.

Any additional disclosures are expected to be subject to the same technical rigor as the disclosures in the GRI Standards, and to be consistent with other established standards or reporting frameworks where available and relevant.

Reporting topics where the Boundary extends beyond the reporting organization

In some cases, if the <u>Boundary</u> of a topic extends beyond the organization, it may not be possible to report some topic-specific disclosures. For example, if the Boundary for a topic includes part of the supply chain, the organization might not be able to access the necessary information from suppliers. In these cases, to prepare a report in accordance with the GRI Standards, the organization is still required to report its management approach for the topic, but can use the recognized reasons for omission for topic-specific disclosures. See clause 3.2 for more information on reasons for omission.

Disclosure 103-1-c in *GRI 103: Management Approach* requires reporting any specific limitation regarding the topic Boundary.

Presenting information

Reporting required disclosures using references

2.6 **If the reporting organization reports a required disclosure using a reference to another source where the information is located, the organization shall ensure:**

    2.6.1 **the reference includes the specific location of the required disclosure;**

    2.6.2 **the referenced information is publicly available and readily accessible.**

. . . .

Guidance

Information for a required disclosure might already be included in other materials prepared by the reporting organization, such as its annual report. In this case, an organization can choose to not repeat these disclosures in its sustainability report, but instead give a reference to where the information can be found.

This approach is acceptable as long as the reference is specific, publicly available and readily accessible. For example, a reference to the annual report is acceptable when it includes the page number, section name, or other specific indication of where to find the information.

Presenting information
Continued

....

Guidance

Reporting format

The reporting organization can choose to use a combination of electronic and paper-based reports, or use only one format. For example, the organization can choose to provide a detailed report on its website and provide an executive summary in paper form.

Regardless of the format, reports prepared in accordance with the GRI Standards are required to include a GRI content index. The content index is required to be presented in one location and to include the page number or URL for all disclosures reported. See Disclosure 102-55 in *GRI 102: General Disclosure*s for more information.

Compiling and presenting information in the report

2.7   When preparing a sustainability report, the reporting organization should:

    2.7.1   present information for the current reporting period and at least two previous periods, as well as future short and medium-term targets if they have been established;

    2.7.2   compile and report information using generally accepted international metrics (such as kilograms or liters) and standard conversion factors, and explain the basis of measurement/calculation where not otherwise apparent;

    2.7.3   provide absolute data and explanatory notes when using ratios or normalized data;

    2.7.4   define a consistent reporting period for issuing a report.

....

Guidance

When preparing a report, the reporting organization can identify information or processes that have not changed since the previous report. The organization can choose to update only the information that has changed, and to republish or provide a reference to any disclosures that have not changed in the reporting period.

3. Making claims related to the use of the GRI Standards

There are two basic approaches for using the GRI Standards:

1. Using the GRI Standards as a set to prepare a sustainability report in accordance with the Standards.
2. Using selected Standards, or parts of their content, to report specific information.

For each of these ways of using the Standards there is a corresponding claim, or statement of use, that is defined in this Standard. Any published materials with disclosures based on the GRI Standards are always to be referenced using one of these claims. This ensures transparency about how the Standards have been applied.

Using the GRI Standards as a set to prepare a sustainability report in accordance with the Standards

An organization that wants to use the GRI Standards to report on its economic, environmental, and/or social impacts is encouraged to use this approach, and to meet the criteria for reporting in accordance with the Standards (see Table 1). Meeting these criteria demonstrates that a sustainability report provides a full and balanced picture of the organization's material topics and related impacts, as well as how these impacts are managed.

A report in accordance with the GRI Standards can be produced as a stand-alone sustainability report, or can reference information disclosed in a variety of locations and formats (e.g., electronic or paper-based). Any report prepared in accordance with the GRI Standards is required to include a GRI content index, which is presented in one location and includes the page number or URL for all disclosures reported. See clause 2.6 in this Standard and Disclosure 102-55 in *GRI 102: General Disclosures*.

There are two options for preparing a report in accordance with the GRI Standards: Core and Comprehensive.

Core. This option indicates that a report contains the minimum information needed to understand the nature of the organization, its material topics and related impacts, and how these are managed.

Comprehensive. This builds on the Core option by requiring additional disclosures on the organization's strategy, ethics and integrity, and governance. In addition, the organization is required to report more extensively on its impacts by reporting all the topic-specific disclosures for each material topic covered by the GRI Standards.

These options do not relate to the quality of the information in the report or the magnitude of the organization's impacts. Instead, they reflect the degree to which the GRI Standards have been applied. An organization is not required to progress from Core to Comprehensive; it can choose the option that best meets its reporting needs and the information needs of its stakeholders.

See Table 1 for the specific criteria to claim that a report is in accordance with the GRI Standards.

Using selected Standards, or parts of their content, to report specific information

This option is referred to as a 'GRI-referenced' claim. It is appropriate for an organization that wants to report on specific economic, environmental, and/or social impacts, but which is not looking to use the GRI Standards to provide a full picture of its material topics and related impacts.

For example, an organization might want to report on its impacts on biodiversity for a certain stakeholder group. In this case, the organization could use the disclosures from *GRI 103: Management Approach* and *GRI 304: Biodiversity*, and would include the required GRI-referenced claim in any published materials based on these Standards. See clause 3.3 for the specific criteria to make a GRI-referenced claim.

Claims that a report has been prepared in accordance with the GRI Standards

3.1 **To claim that a sustainability report has been prepared in accordance with the GRI Standards, the reporting organization shall meet all criteria for the respective option (Core or Comprehensive) from Table 1 (on page 23):**

....

Guidance

Disclosure 102-54 in *GRI 102: General Disclosures* requires reporting the claim made by the organization for any reports prepared in accordance with the Standards (either Core or Comprehensive option).

If the organization does not meet the minimum criteria in Table 1 for Core or Comprehensive, it cannot make a claim that its report has been prepared in accordance with the GRI Standards. In these cases, a GRI-referenced claim is required to be included in any published materials with disclosures based on the GRI Standards. The next section outlines how to make a GRI-referenced claim.

An organization that reports additional disclosures beyond the criteria for Core, but does not meet the minimum criteria for Comprehensive, cannot make a claim of being in accordance: Comprehensive option. It can, however, include any additional disclosures reported in its GRI content index.

GRI content index

An organization preparing a report in accordance with the GRI Standards, whether Core or Comprehensive, is required to include a GRI content index, which lists all GRI Standards used and disclosures reported. See Disclosure 102-55 in *GRI 102: General Disclosures* for more information.

Selecting disclosures to report for the Core option

Many of the topic-specific GRI Standards include numerous disclosures. If the reporting organization does not report every disclosure for a given topic, it is expected to select and report the disclosure(s) that most adequately reflect its impacts for that topic.

Table 1
Criteria to claim a report has been prepared in accordance with the GRI Standards

Required criteria	Core option	Comprehensive option
Use the correct claim (statement of use) in any published materials with disclosures based on the GRI Standards	Include the following statement: *'This report has been prepared in accordance with the GRI Standards: Core option'*	Include the following statement: *'This report has been prepared in accordance with the GRI Standards: Comprehensive option'*
Use GRI 101: Foundation to follow the basic process for preparing a sustainability report	Comply with all requirements in Section 2 of *GRI 101: Foundation* ('Using the GRI Standards for sustainability reporting')	[Same as for Core]
Use GRI 102: General Disclosures to report contextual information about the organization	Comply with all reporting requirements for **the following disclosures** from *GRI 102: General Disclosures:* • Disclosures 102-1 to 102-13 (Organizational profile) • Disclosure 102-14 (Strategy) • Disclosure 102-16 (Ethics and integrity) • Disclosure 102-18 (Governance) • Disclosures 102-40 to 102-44 (Stakeholder engagement) • Disclosures 102-45 to 102-56 (Reporting practice)	Comply with all reporting requirements for **all disclosures** from *GRI 102: General Disclosures* *Reasons for omission are only permitted for the following disclosures: Disclosure 102-17 (Ethics and integrity), and Disclosures 102-19 to 102-39 (Governance). See clause 3.2 for more information*
Use GRI 103: Management Approach to report the management approach and the topic Boundary for all material topics[5]	For each material topic, comply with all reporting requirements from *GRI 103: Management Approach* *Reasons for omission are only permitted for Disclosures 103-2 and 103-3 (see clause 3.2)*	[Same as for Core]
Use the topic-specific GRI Standards (series 200, 300, 400) to report on material topics	For each material topic covered by a topic-specific GRI Standard: • comply with all reporting requirements in the 'Management approach disclosures' section • comply with all reporting requirements for **at least one topic-specific disclosure** For each material topic not covered by a GRI Standard, it is recommended to report other appropriate disclosures for that topic (see clause 2.5.3) *Reasons for omission are permitted for all topic-specific disclosures (see clause 3.2)*	For each material topic covered by a topic-specific GRI Standard: • comply with all reporting requirements in the 'Management approach disclosures' section • comply with all reporting requirements for **all topic-specific disclosures** For each material topic not covered by a GRI Standard, it is recommended to report other appropriate disclosures for that topic (see clause 2.5.3) *Reasons for omission are permitted for all topic-specific disclosures (see clause 3.2)*
Ensure that reasons for omission are used correctly, if applicable	Comply with all requirements in clause 3.2 (Reasons for omission)	[Same as for Core]
Notify GRI of the use of the Standards	Comply with all requirements in clause 3.4 (Notifying GRI of the use of the Standards)	[Same as for Core]

[5] This includes material topics covered by the GRI Standards and those not covered by the GRI Standards.

Reasons for omission

3.2 **If, in exceptional cases, an organization preparing a sustainability report in accordance with the GRI Standards cannot report a required disclosure, the organization shall provide in the report a reason for omission that:**

   3.2.1 **describes the specific information that has been omitted; and**

   3.2.2 **specifies one of the following reasons for omission from Table 2, including the required explanation for that reason.**

Table 2
Reasons for omission

Reason for omission	Required explanation in the sustainability report
Not applicable	Specify the reason(s) why the disclosure is considered to be not applicable.
Confidentiality constraints	Describe the specific confidentiality constraints prohibiting the disclosure.
Specific legal prohibitions	Describe the specific legal prohibitions.
Information unavailable	Describe the specific steps being taken to obtain the information and the expected timeframe for doing so. If the reason for omission is due to the fact that the necessary information cannot be obtained, or is not of adequate quality to report (as may sometimes be the case when the Boundary for a material topic extends beyond the reporting organization), explain this situation.

Guidance

Reasons for omission can be used if, in exceptional cases, an organization cannot report a disclosure that is required for reporting in accordance with the GRI Standards (either Core or Comprehensive option). Reasons for omission can only be used for certain disclosures – see Table 1 for more detail. Additionally, if an organization omits a large number of required disclosures, this can reduce the credibility of the report and its usefulness to stakeholders.

Using 'not applicable' as a reason for omission

The 'not applicable' reason for omission can be used if the specific situation covered by the disclosure does not apply to the organization. For example, the organization may identify 'Energy' and 'Emissions' as material topics, but the only form of energy the organization consumes is purchased electricity. In this case, fuel is not directly consumed within the organization, or by sources it owns or controls. Therefore, the disclosures related to fuel consumption within the organization, and Direct (Scope 1) GHG emissions, can be considered 'not applicable'.

'Not applicable' can also be used as a reason for omission if a disclosure does not cover the specific impacts that make the topic material. For example, the topic 'Water' can be material for an organization that uses flowing water to generate hydroelectric power. However, the existing disclosures for this topic relate to water withdrawal, and water recycling/reuse, and therefore do not adequately measure the organization's impacts (e.g., changes to the volume of water flow). Therefore, the existing disclosures in *GRI 303: Water* can be considered 'not applicable' for this organization.

Reasons for omission if the topic Boundary extends beyond the reporting organization

If the Boundary for a material topic extends beyond the organization, and the organization cannot obtain information of sufficient quality to enable reporting, 'information unavailable' can be used as the reason for omission. In this case, the reason for omission is to include an explanation of why the information cannot be obtained. Even if topic-specific disclosures cannot be reported in this situation, the organization is still required to report its management approach for the topic (using *GRI 103: Management Approach*) if it wants to claim that its report has been prepared in accordance with the GRI Standards.

Using selected Standards with a GRI-referenced claim

3.3   **If the reporting organization uses selected GRI Standards, or parts of their content, to report specific information, but has not met the criteria to prepare a report in accordance with the GRI Standards (as per clause 3.1), the organization:**

   3.3.1   **shall include in any published material with disclosures based on the GRI Standards a statement that:**

      3.3.1.1   **contains the following text: 'This material references [title and publication year of the Standard]', for each Standard used;**

      3.3.1.2   **indicates which specific content from the Standard has been applied, if the Standard has not been used in full;**

> **Standard Interpretation**

   ~~**3.3.2   shall comply with all reporting requirements that correspond to the disclosures reported;**~~

   3.3.3   **shall notify GRI of the use of the Standards, as per clause 3.4;**

   3.3.4   should apply the Reporting Principles for defining report quality from Section 1;

   3.3.5   should report its management approach by applying *GRI 103: Management Approach* together with any topic-specific Standard (series 200, 300, or 400) used.

Guidance

Any organization using disclosures from the GRI Standards in published materials is required to state how it has done so. If the organization does not meet the in accordance criteria in Table 1, it is still required to include a 'GRI-referenced' claim in any published materials with disclosures based on the Standards.

A GRI-referenced claim has specific wording as set out in clause 3.3.1.1. For example: *'This material references Disclosures 305-1 and 305-2 from GRI 305: Emissions 2016, and Disclosures 103-1, 103-2 and 103-3 from GRI 103: Management Approach 2016.'*

An organization making this selective use of the Standards is not able to claim that it has prepared a report in accordance with the GRI Standards. However, it is still important for an organization to apply the Reporting Principles for defining report quality. These principles help to ensure that the information is accurate and of high quality, which in turn enables stakeholders to make sound assessments based on that information.

Notifying GRI of the use of the Standards

3.4   **The reporting organization shall notify GRI of its use of the GRI Standards, and the claim it has made in the report or published material, by either:**

    3.4.1   **sending a copy to GRI at standards@globalreporting.org; or**

    3.4.2   **registering the report or published material at www.globalreporting.org/standards.**

....

Guidance

Note that this requirement applies to both:

• sustainability reports prepared in accordance with the GRI Standards, using either the Core or Comprehensive option; and

• published materials that include a GRI-referenced claim.

Notifying GRI of the use of the GRI Standards provides transparency in how the Standards are applied by organizations around the world. There is no cost associated with notifying GRI of the use of the Standards.

Key Terms

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

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

impact

In the GRI Standards, unless otherwise stated, 'impact' refers to the effect an organization has on the economy, the environment, and/or society, which in turn can indicate its contribution (positive or negative) to sustainable development.

Note 1: In the GRI Standards, the term 'impact' can refer to positive, negative, actual, potential, direct, indirect, short-term, long-term, intended, or unintended impacts.

Note 2: Impacts on the economy, environment, and/or society can also be related to consequences for the organization itself. For example, an impact on the economy, environment, and/or society can lead to consequences for the organization's business model, reputation, or ability to achieve its objectives.

management approach disclosure

narrative description about how an organization manages its material topics and their related impacts

Note: Disclosures about an organization's management approach also provide context for the information reported using topic-specific Standards (series 200, 300, and 400).

material topic

topic that reflects a reporting organization's significant economic, environmental and social impacts; or that substantively influences the assessments and decisions of stakeholders

Note 1: For more information on identifying a material topic, see the Reporting Principles for defining report content in *GRI 101: Foundation.*

Note 2: To prepare a report in accordance with the GRI Standards, an organization is required to report on its material topics.

Note 3: Material topics can include, but are not limited to, the topics covered by the GRI Standards in the 200, 300, and 400 series.

reporting period

specific time span covered by the information reported

Note: Unless otherwise stated, the GRI Standards require information from the organization's chosen reporting period.

Reporting Principle

concept that describes the outcomes a report is expected to achieve, and that guides decisions made throughout the reporting process around report content or quality

stakeholder

entity or individual that can reasonably be expected to be significantly affected by the reporting organization's activities, products and services, or whose actions can reasonably be expected to affect the ability of the organization to successfully implement its strategies and achieve its objectives

Note 1: Stakeholders include entities or individuals whose rights under law or international conventions provide them with legitimate claims vis-à-vis the organization.

Note 2: Stakeholders can include those who are invested in the organization (such as employees and shareholders), as well as those who have other relationships to the organization (such as other workers who are not employees, suppliers, vulnerable groups, local communities, and NGOs or other civil society organizations, among others).

sustainable development/sustainability

development that meets the needs of the present without compromising the ability of future generations to meet their own needs

Note 1: Sustainable development encompasses three dimensions: economic, environmental and social.

Note 2: Sustainable development refers to broader environmental and societal interests, rather than to the interests of specific organizations.

Note 3: In the GRI Standards, the terms 'sustainability' and 'sustainable development' are used interchangeably.

topic

economic, environmental or social subject

Note 1: In the GRI Standards, topics are grouped according to the three dimensions of sustainable development: economic, environmental and social.

Note 2: To prepare a report in accordance with the GRI Standards, an organization is required to report on its material topics.

topic Boundary

description of where the impacts occur for a material topic, and the organization's involvement with those impacts

Note: Topic Boundaries vary based on the topics reported.

standards@globalreporting.org
www.globalreporting.org

GRI
PO Box 10039
1001 EA
Amsterdam
The Netherlands

Standard Interpretations

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

Responsibility

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

Relevant section

Clause 3.3.2 in *GRI 101: Foundation 2016*

Issue

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

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

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

Interpretation Statement

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

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

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

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

Effective date

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