



Barbara Strozzi 336
1083 HN Amsterdam
The Netherlands
info@gssb.globalreporting.org

Item 02 – Status of definitions in the *GRI Standards Glossary*

For GSSB information and discussion

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Description This paper includes an FAQ response to clarify whether organizations may deviate from the definitions in the *GRI Standards Glossary*. It is based on an analysis of definition-related questions received via the Standards inbox and the status of definitions in other standards.

The GSSB is asked to review the proposed FAQ response and submit any feedback to the Standards Division by email prior to the meeting.

This document has been prepared by the GRI Standards Division. It is provided as a convenience to observers at meetings of the Global Sustainability Standards Board (GSSB), to assist them in following the Board's discussion. It does not represent an official position of the GSSB. Board positions are set out in the GRI Sustainability Reporting Standards. The GSSB is the independent standard-setting body of GRI. For more information visit www.globalreporting.org.

1 *Introduction*

2 This paper proposes an FAQ response to clarify whether organizations are permitted to deviate
3 from the definitions in the *GRI Standards Glossary*. It is based on an analysis of definition-related
4 questions received via the Standards inbox and the status of definitions in other standards. The
5 GSSB is asked to review the proposed FAQ response.

6 Please note that this paper does not include a summary and log of all technical questions
7 received since the last GSSB meeting.¹ Given that most questions raised over the last months
8 have been of a similar nature, the Standards Division recommends discontinuing the detailed
9 monthly updates. All technical questions will still be considered as part of the monitoring
10 program of the GRI Standards; the Standards Division will flag any technical questions that need
11 the attention of the GSSB on an ad hoc basis.

12 *Status of definitions in the GRI Standards Glossary*

13 As requested by the GSSB, the Standards Division has consolidated the definition-related questions
14 received via the Standards inbox and researched the status of definitions in other standards to
15 inform the discussion on whether organizations should be permitted to deviate from the
16 definitions in the *GRI Standards Glossary*.

17 **Definition-related questions received via the Standards inbox**

18 The Standards Division received one question about whether an organization can use another
19 definition than the one provided in the *GRI Standards Glossary*. The question relates specifically to
20 the definition provided for the term '[corruption](#)', and asks whether it is possible to prepare a
21 report in accordance with the GRI Standards if the organization uses its own concept of
22 corruption, which is not fully aligned with the GRI definition.

23 Other questions relating to definitions provided in the *GRI Standards Glossary* requested the
24 Standards Division to provide further clarifications for terms in the Glossary.

25 **Status of definitions in other standards**

26 The Standards Division also analyzed the status of definitions in the following standards: IFRS
27 Standards, International <IR> Framework, ISO Standards, SASB Standards.

28 The ISO Standards **require** the use of terms and definitions provided in the document. For
29 example, ISO 14001 *Environmental management systems – Requirements with guidance for use*
30 states: 'For the purposes of this document, the following terms and definitions apply.' The ISO
31 brochure '[How to write Standards](#)' states: 'The Terms and definitions clause is a mandatory
32 clause clarifying the meaning of certain words in the context of the document.' The ISO
33 Standards do not specify whether users can deviate from the provided terms and definitions, and
34 if so, the mechanisms in place that allow for this.

¹ In November 2016, it was agreed that the Standards Division would provide the GSSB with a summary of questions and the full set of technical enquiries received via the 'standards@globalreporting.org' inbox at each monthly meeting.

35 The [International <IR> Framework](#) (Framework) and the SASB Standards do **not require** the
36 use of defined terms.

37 The Framework states: 'Text in the Framework that is not in bold italic type provides guidance
38 to assist in applying the requirements.' As the terms in the Framework glossary are not
39 presented in bold italic type, this would imply they are not required.

40 The [SASB Standards](#) state: 'The following sections contain the technical protocols associated
41 with each accounting metric such as guidance on definitions, scope, accounting guidance,
42 compilation, and presentation.' Definitions in the SASB Standards are clearly presented within
43 guidance sections, in contrast to the mandatory disclosure requirements, which are indicated
44 using the term 'shall'. Further, the SASB [Conceptual Framework](#) 'sets out the basic concepts and
45 definitions behind SASB's sustainability accounting standards (the SASB Standards) and serves as
46 additional guidance for the adoption of the standards by corporations and the use of material
47 sustainability information by investors'.

48 The [IFRS Standards](#) include defined terms in an appendix to each standard, stating: 'This
49 appendix is an integral part of the IFRS'. The meaning of 'integral part' is not further clarified, and
50 it is not specified whether companies can deviate from these definitions or not.

51 The ISO Standards are thus the only standards that explicitly require the use of their terms and
52 definitions. However, they do not specify whether users can deviate from these terms and
53 definitions, and if permitted, the mechanisms in place that allow for this.

54 The Standards Division proposes including the following guidance in relation to the use of
55 definitions in the *GRI Standards Glossary* on the Standards FAQ webpage:

Can I use another definition than the one provided in the GRI Standards Glossary?

The GRI Standards are to be used together with the GRI Standards Glossary. This means that an organization is required to apply the definitions provided in the Glossary when using the GRI Standards for preparing a report or published material, and is not permitted to use other definitions.

If information for a topic-specific disclosure is not available for all elements covered in the definition, the reporting organization is required to provide a reason for omission. See [clause 3.2](#) in *GRI 101: Foundation* for how to report reasons for omission.

For example, if an organization reports on Disclosure 403-I-b (Percentage of workers whose work, or workplace, is controlled by the organization, that are represented by formal joint management-worker health and safety committees), it is required to apply the definition of ['worker'](#) provided in the Glossary. If the organization only has the required information available for its employees, it is required to provide a reason for omission stating that this information is not available for workers who are not employees.

Where a term is not defined in the Glossary, definitions that are commonly used and understood apply.

Terms defined in the [GRI Standards Glossary](#) are underlined in the text of the GRI Standards.

56 Question for the GSSB: Does the GSSB agree with the proposed text for the FAQ response?