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Transition to GRI Standards

Item 07 – Exposure draft of SRS 101: Foundation

For GSSB approval

Date	22 March 2016
Meeting	5-7 April 2016
Project	Transition to GRI Standards
Description	As part of the move to become a standard setter, the Global Sustainability Standards Board (GSSB) has decided that the G4 Guidelines need to be transitioned to GRI Sustainability Reporting Standards. This paper presents an exposure draft of *SRS 101: Foundation*, for GSSB approval. This Standard includes the 'in accordance' criteria and Reporting Principles. Key changes are highlighted within comment boxes throughout this document. A summary of the key changes is provided in an Annex.

Sustainability Reporting Standard 101: Foundation 2016

Contents

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 can 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 social impacts, and hence its contributions towards the goal of sustainable development.

Through this process, an organization identifies its significant impacts on the economy, environment, 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.

A sustainability report 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.

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

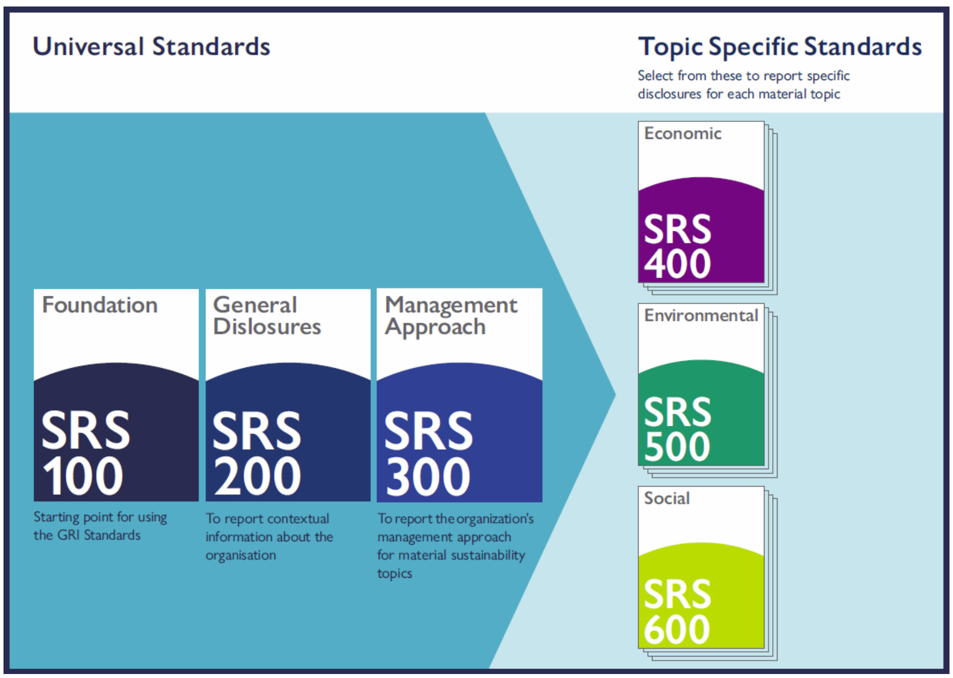
B. Overview of the GRI Sustainability Reporting Standards

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 society.

The GRI Standards are structured as a set of interrelated standards. They are intended to be used together to help an organization prepare a sustainability report which is based on the Reporting Principles and focuses on material topics. This ensures that the organization provides a complete picture of its impacts in the report, and that the report includes contextual information to understand these impacts and how they are managed.

Organizations can also choose to use individual GRI Standards or their content to report on specific sustainability information.

Figure 1 Overview of the set of GRI Standards



51 The GRI Standards are divided into six series:

Series	Description
100: Foundation	*SRS 101: Foundation* is the starting point for using the set of GRI Standards. It is required to be complied with by any organization making a claim that its sustainability report has been prepared in accordance with the GRI Standards. SRS 101 outlines the process to be followed in order to prepare a sustainability report using the GRI Standards. It also sets out the Reporting Principles for defining report content and quality, and specifies the different claims that an organization can make about its use of the GRI Standards.
200: General disclosures	*SRS 201: 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.
300: Management approach	*SRS 301: Management approach* is used to report information about how an organization manages its material topics. This Standard is designed to be used together with each material topic, including those covered by the topic-specific Standards (series 400, 500, and 600), as well as other material topics identified by an organization. Applying SRS 301 with each material topic allows an organization to provide a narrative description about how it manages the material topics and related impacts; this is in addition to reporting topic-specific disclosures.
400, 500, and 600: topic-specific Standards	The 400, 500, and 600 series are topic-specific Standards, which are used to report information on economic, environmental, and social topics (e.g., 'Water' or 'Indirect economic impacts'). An organization applies the Reporting Principles for defining report content from *SRS 101: Foundation* to identify its material economic, environmental, and social topics. These material topics form the basis for the sustainability report and determine which of the topic-specific Standards will need to be used.

C. Using this Standard

Overview of contents

SRS 101: Foundation is the starting point for an organization that wishes to use the set of GRI Standards to report about its economic, environmental, and 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 its sustainability report. They also explain how to ensure the quality of the information in the report. The Reporting Principles include additional guidance to help the organization understand and apply these principles in its sustainability reporting process.

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

Section 2 of this Standard, 'Using the GRI Standards for sustainability reporting', explains the basic process for using the GRI Standards together to prepare a sustainability report. This section includes fundamental requirements for applying the Reporting Principles, and for identifying and reporting on material topics.

Section 3 of this Standard, 'Making claims related to the use of the GRI Standards', sets out the various claims that the organization can make related to its use of the Standards. If the organization uses the GRI Standards to report sustainability information, it can make three different types of claims. These claims depend on the extent to which the organization has used the Standards and the number of disclosures it has made.

- Organizations that use the GRI Standards as an overall framework for preparing sustainability reports, and which meet specific criteria, can make a claim that the report has been prepared **in accordance** with the GRI Standards. There are two options to prepare a report in accordance with the GRI Standards: core and comprehensive. These options depend on the extent to which the Standards have been applied.

- Organizations that use GRI Standards individually to report on specific sustainability information, but do not meet the criteria to prepare a report in accordance with the GRI Standards, need to include a specific '**SRS-referenced**' claim.

The three claim options are summarized below. For more information, see Section 3 of this Standard.

Claim option	The claim (statement) to be included in the report	What this means
'In accordance': comprehensive	*'This report has been prepared in accordance with the GRI Standards: comprehensive option'.*	The sustainability report has been prepared following Section 2 of this Standard, 'Using the GRI Standards for sustainability reporting', and the organization has complied with all reporting requirements for the comprehensive option (see Table 2).
'In accordance': core	*'This report has been prepared in accordance with the GRI Standards: core option.'*	The sustainability report has been prepared following Section 2 of this Standard, 'Using the GRI Standards for sustainability reporting', and the organization has complied with all reporting requirements for the core option (see Table 2).
SRS-referenced	*'This report references SRS [Number]:[Name][Publication year] (for each Standard used)'* plus a statement indicating which specific sections of the Standard(s) have been applied (if the Standard was not applied in full)	The sustainability report or other published material uses content from the GRI Standards, but does not meet the criteria to be in accordance with the Standards.

Requirements, recommendations, and guidance

Throughout the GRI Standards, specific terms are used to signify requirements, recommendations, and guidance.

- **Requirements:** These are mandatory instructions and are denoted using '**shall**.' These can include process or methodology requirements, as well as disclosure requirements (i.e., information to be reported).
- **Recommendations:** These are cases where a particular course of action is encouraged or recommended, but not required. They are denoted using '**should**.'
- **Guidance**: These sections include background context and examples to help organizations better understand the requirements. They also describe possible, achievable, or allowed scenarios for reporting information; these are signified using '**can**'. A different background color denotes 'Guidance' sections throughout the GRI Standards. Guidance is not required, but organizations are encouraged to consult the 'Guidance' sections whenever it is useful.

A reporting organization is required to comply with all relevant requirements in order to make a claim that its report has been prepared in accordance with the GRI Standards. See Table 2 for more information. It is not necessary to comply with recommendations or guidance in order to make an 'in accordance' claim.

D. Responsibility for this Standard

This Standard is issued by the Global Sustainability Standards Board (GSSB). It is part of the set of GRI Sustainability Reporting Standards (GRI Standards). The GSSB is an independent standard-setting body created by GRI. It has responsibility for setting globally-accepted sustainability reporting standards, according to a due process. More information on GRI's standard-setting process can be found here:

https://www.globalreporting.org/information/about-gri/governance-bodies/Global-Sustainability-Standard-Board/Pages/default.aspx

Any feedback or comments on the GRI Standards can be submitted to standards@globalreporting.org for the consideration of the GSSB.

E. Scope

SRS 101: Foundation applies to any organization that wishes to use the GRI Standards to report about its economic, environmental, and social impacts. This Standard is applicable to:

- organizations that intend to prepare a sustainability report in accordance with the GRI Standards; or
- organizations that intend to use individual GRI Standards or their content to report specific sustainability information (e.g., to report on emissions).

SRS 101 can be used by an organization of any size, type, sector, or geographic location.

F. Normative references

The documents below are normatively referenced in this Standard and are required to be used together for its application. For documents with a date given, only the listed version applies. For undated references, the latest version of the document applies.

SRS 201: General disclosures
SRS 301: Management approach
GRI Standards Glossary of terms

G. Effective date

SRS 101: Foundation becomes effective for all reports published on or after 1 January 2018. Earlier adoption of this Standard is encouraged.

SRS 101: Foundation

1. Reporting Principles

Guidance 1

Commented [SD1]: **Type of change:** Clarification
Source: G4 IM p. 8

The Reporting Principles are fundamental to achieving transparency in sustainability reporting. An organization is required to apply the Reporting Principles if it wishes to make a claim (statement) that its sustainability report has been prepared in accordance with the GRI Standards. See Table 2 in Section 3 of this Standard 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 guide decisions to identify what content the report needs to cover by 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 the sustainability report, including its proper presentation. Decisions related to the process of preparing information in the report need to be consistent with these principles. The quality of the information is important to enable stakeholders to make sound and reasonable assessments of performance, and to take appropriate actions.

Each of the Reporting Principles consists of a definition, an explanation on how to apply the principle, and tests. The tests are intended to serve as tools for self-diagnosis, but not as specific disclosures to report against.

PRINCIPLES FOR DEFINING REPORT CONTENT

Stakeholder Inclusiveness principle

1.1 The reporting organization should identify its stakeholders, and explain how it has responded to their reasonable expectations and interests.

Commented [SD2]: **Source:** G4 RPSD p. 16

Guidance 1.1

Commented [SD3]: **Source:** G4 IM pp. 9-10

Applying the principle:

Stakeholders are defined as entities or individuals that can reasonably be expected to be significantly affected by the reporting organization's activities, products, and services; and whose actions can reasonably be expected to affect the ability of the organization to successfully implement its strategies and 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 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 within local communities, and civil society).

Commented [SD4]: **Type of change**: Employee/ worker review
Original text: 'such as workers, shareholders, and suppliers'

Commented [SD5]: **Type of change**: Employee/ worker review
Original text: such as vulnerable groups within local communities, and civil society

The reasonable expectations and interests of stakeholders are a key reference point for many decisions in the preparation of the report, such as identifying material topics. However, not all of the organization's stakeholders use the report. This presents challenges in balancing the specific interests and expectations of stakeholders who can reasonably be expected to use the report with broader expectations of accountability to all stakeholders.

For some decisions, such as identifying the material topics, the organization considers the reasonable expectations and interests of a wide range of stakeholders. There can be, for example, stakeholders who are unable to articulate their views and whose concerns are presented by proxies. There can also be stakeholders who choose not to express views on reports because they rely on different means of communication and engagement.

The reasonable expectations and interests of these stakeholders still need to be acknowledged in decisions about the content of the report. The organization needs to identify a process for taking such views into account in determining materiality, including the interests of stakeholders with whom it cannot be in constant or obvious dialogue. It is important to document the processes and approach taken in making these decisions.

The process of stakeholder engagement can serve as a tool for understanding the reasonable expectations and interests of stakeholders and how they are affected by the organization's activities, products, and services. 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 can include, for example, stakeholder engagement for the purpose of compliance with internationally recognized standards, or informing ongoing organizational or business processes. In addition, stakeholder engagement can also be implemented specifically to inform the report preparation process. The organization can also use other means, such as the media, the scientific community, or collaborative activities with peers and stakeholders. These means help the organization better understand stakeholders' reasonable expectations and interests.

When the process of stakeholder engagement is used for reporting purposes, it needs to be based on systematic or generally accepted approaches, methodologies, or principles. The overall approach needs to be sufficiently effective to ensure that stakeholders' information needs are properly understood.

It is important that the process of stakeholder engagement is capable of identifying direct input from stakeholders as well as legitimately established societal expectations. An organization can encounter conflicting views or differing expectations among its stakeholders, and needs to be able to explain how it balanced these in reaching its reporting decisions.

For the report to be assurable, it is important to document the process of stakeholder engagement. The organization documents its approach for identifying its stakeholders, defining which stakeholders it engaged with, how and when it engaged with them, and how engagement has influenced the report content and the organization's sustainability activities.

Failure to identify and engage with stakeholders is likely to result in reports that are not suitable, and therefore not fully credible, to all stakeholders. In contrast, systematic stakeholder engagement enhances stakeholder receptivity and the usefulness of the report. Executed properly, it is likely to result in ongoing learning within the organization and by external parties, as well as increase accountability to a range of stakeholders. Accountability strengthens trust between the organization and its stakeholders. Trust, in turn, fortifies report credibility.

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; and
- 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 principle

1.2 The report should present the reporting organization’s performance in the wider context of sustainability.

Commented [SD6]: Source: G4 RPSD p. 17

Guidance 1.2

Commented [SD7]: Source: G4 IM pp. 10-11

Applying the principle:

Information on performance needs 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, developments and trends at the local, regional, or global level. Reporting only on trends in individual performance (or the efficiency of an organization) fails to respond to this underlying question. Reports therefore need to seek to present performance in relation to broader concepts of sustainability. This involves discussing the performance of the reporting organization in the context of the limits and demands placed on environmental or social resources at the sector, 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.

This concept is often most clearly articulated in the environmental arena in terms of global limits on resource use and pollution levels. However, it can also be relevant with respect to social and economic objectives, such as national or international socio-economic 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, and the capacity of social safety nets to absorb those in poverty or those living close to the poverty line.

Commented [SD8]: Type of change: Employee/ worker review
Original text: employee wages

An organization operating in a diverse range of locations, sizes, and sectors needs to consider how to best frame its overall organizational performance in the broader context of sustainability. This can require distinguishing between topics or factors that drive global impacts (such as climate change) and those that have more 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. Similarly, distinctions need to be made between trends or patterns of impacts across the range of operations versus contextualizing performance location by location.

The relationship between sustainability and organizational strategy needs to be made clear, as well as the context within which performance is reported.

Tests:

- The reporting organization presents its understanding of sustainable development and draws on objective and available information as well as measures of sustainable development for the topics covered in the report;
- The organization presents its performance with reference to broader sustainable development conditions and goals, as reflected in recognized sectoral, local, regional, or global publications;
- The organization presents its performance in a manner that attempts to communicate the magnitude of its impact and contribution in appropriate geographic contexts; and
- The report describes how sustainability topics relate to long-term organizational strategy, risks, and opportunities, including supply chain topics.

Materiality principle

1.3 The report should 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.

Commented [SD9]: Source: G4 RPSD p. 17

Guidance 1.3

Commented [SD10]: Source: G4 IM pp. 11-12

Applying the principle:

Organizations are faced with a wide range of topics on which they can report. Relevant topics are those that can reasonably be considered important for reflecting the reporting organization's economic, environmental, and social impacts, or influencing the decisions of stakeholders, and, therefore, potentially merit inclusion in the report. Materiality is the threshold at which these relevant topics become sufficiently important that they need to be reported. Beyond this threshold, not all material topics Aspects are of equal importance and the emphasis within a report should reflect the relative priority of these material topics Aspects.

Determining materiality for a sustainability report includes considering economic, environmental, and social impacts that cross a threshold in affecting the ability to meet the needs of the present without compromising the needs of future generations. 'Impacts' in this context does not refer to consequences for the organization itself (such as financial costs or reputational risks). Instead, the term refers to the organization's contribution (positive or negative) to sustainable development.

Commented [SD11]: Type of change: Clarification.
[Clarifying the use of the term 'impacts']
Source: G4 IM p. 11

A combination of internal and external factors can be used to determine whether a topic is material, including factors such as the organization's overall mission and competitive strategy, concerns expressed directly by stakeholders, broader social expectations, and the organization's influence on upstream (such as supply chain) and downstream (such as customers) entities. Assessments of materiality also need to take into account the basic expectations expressed in the international standards and agreements with which the organization needs to comply.

These internal and external factors need to be considered when evaluating the importance of information for reflecting significant economic, environmental, and social impacts, or stakeholder decision making. A range of established methodologies can be used to assess the significance of impacts. In general, 'significant impacts' refer to 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 to be significant.

The report needs to emphasize information on performance regarding the most material topics. Other relevant topics can be included, but need to be given less prominence in the report. The process by which the relative priority of topics was determined needs to be explained.

When disclosing performance data, there are varying degrees of comprehensiveness and detail that can be provided in the report. Overall, decisions on how to report data needs to be guided by the importance of the information for assessing the performance of the organization, and facilitating appropriate comparisons.

Reporting on material topics can involve disclosing information used by external stakeholders that differs from the information used internally for day-to-day management purposes. However, such information does indeed belong in the report, where it can inform assessments or decision-making by stakeholders, or support engagement with stakeholders that can result in actions that significantly influence performance or address key topics of stakeholder concern.

Tests:

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

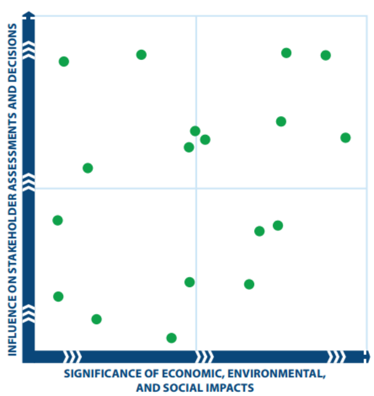
- Reasonably estimable sustainability impacts (such as global warming, HIV-AIDS, and poverty) identified through sound investigation by people with recognized expertise, or by expert bodies with recognized credentials in the field;
- The interests and expectations of stakeholders specifically invested in the success of the organization (such as employees, shareholders, and suppliers); and
- Main sustainability interests and topics, and disclosures raised by stakeholders (such as other workers who are not employees, suppliers, vulnerable groups within local communities, and civil society);
- The main topics and future challenges for the sector reported by peers and competitors
- Relevant laws, regulations, international agreements, or voluntary agreements with 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.

Prioritizing

- The report prioritizes material topics

Commented [SD12]: Type of change: Employee/ worker review [order of bullet points adjusted; additional text added into 3rd bullet point to include suppliers and workers who are not employees]

Figure 2 Visual representation of prioritization of topics



Completeness principle

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

Commented [SD13]: Source: G4 RPSD p. 17

Guidance 1.4

Commented [SD14]: Source: G4 IM pp. 12-13

Applying the principle:

Completeness primarily encompasses the dimensions of material topics included in the report, topic Boundaries, and time. The concept of completeness can also be used to refer to practices in information collection (for example, ensuring that compiled data includes results from all entities within the reporting organization and entities, groups of entities, or elements outside the organization that cause impacts related to a material topic) and whether the presentation of information is reasonable and appropriate. These topics are 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 provided in the report need to be sufficient to reflect the organization's significant economic, environmental and social impacts. It should also enable stakeholders to assess the organization's performance. In determining whether the information in the report is sufficient, the organization needs to consider both the results of stakeholder engagement processes and broad-based societal expectations that cannot have surfaced directly through stakeholder engagement processes.

'topic Boundary': the concept of the topic Boundary refers to the entities that cause the impacts related to a material topic. These entities can be within the organization (the entities reported under Disclosure 201-45 of *SRS 201: General disclosures*), outside of the organization (e.g., suppliers or clients), or both.

See Section 2.4 of this Standard for further information on topic Boundaries.

'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 need 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 needs 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 performance.

Tests:

- The report takes into account impacts that occur within and outside of the reporting organization, 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; and
- The report does not omit relevant information that influences or informs stakeholder assessments or decisions, or that reflects significant economic, environmental, and social impacts.

PRINCIPLES FOR DEFINING REPORT QUALITY

Accuracy principle

1.5 The reported information should be sufficiently accurate and detailed for stakeholders to assess the reporting organization's performance.

Commented [SD15]: Source: G4 RPSD p. 18

Guidance 1.5

Commented [SD16]: Source: G4 IM pp. 14-15

Applying the principle:

Responses to economic, environmental, and social disclosures can be expressed in many different ways, ranging from qualitative responses to detailed quantitative measurements. The characteristics that determine accuracy vary according to the nature of the information and the user of the information. For example, the accuracy of qualitative information is largely determined by the degree of clarity, detail, and balance in presentation within the appropriate topic Boundaries. The accuracy of quantitative information, on the other hand, can depend on the specific methods used to gather, compile, and analyze data. The specific threshold of accuracy that is necessary can depend partly on the intended use of the information. Certain decisions require higher levels of accuracy in reported information than others.

Tests:

- The report indicates the data that has been measured;
- The data measurement techniques 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 on performance;
- The report indicates which data has been estimated and the underlying assumptions and techniques used to produce the estimates, or where that information can be found; and
- The qualitative statements in the report are valid on the basis of other reported information and other available evidence.

Balance principle

1.6 The report should reflect positive and negative aspects of the reporting organization's performance to enable a reasoned assessment of overall performance.

Commented [SD17]: Source: G4 RPSD p. 17

Guidance 1.6

Commented [SD18]: Source: G4 IM p. 13

Applying the principle:

The overall presentation of the report's content needs to provide an unbiased picture of the reporting organization's performance. The report needs 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 needs 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 needs to clearly distinguish between factual presentation and the organization's interpretation of information.

Tests:

- The report discloses 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; and
- The emphasis on the various topics in the report is proportionate to their relative materiality.

Clarity principle

1.7 The reporting organization should make information available in a manner that is understandable and accessible to stakeholders using the report.

Commented [SD19]: Source: G4 RPSD p. 18

Guidance 1.7

Commented [SD20]: Source: G4 IM pp. 15-16

Applying the principle:

The report needs to present information in a way that is understandable, accessible, and usable by the reporting organization's range of stakeholders, whether in print form or through other channels. A stakeholder needs to be able to find desired information without unreasonable effort. Information needs 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 either 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 needs to include explanations (where necessary) in the relevant section or in a glossary; and
- The data and information in the report is available to stakeholders, including those with particular accessibility needs, such as differing abilities, language, or technology.

Comparability principle

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

Commented [SD21]: Source: G4 RPSD p. 18

Guidance 1.8

Commented [SD22]: Source: G4 IM p. 14

Applying the principle:

Comparability is necessary for evaluating performance. Stakeholders using the report need to be able to compare information on the reporting organization's 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 in reporting 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 differences in organizational size, geographic influences, and other considerations that can affect the relative performance of an organization. When necessary, report preparers need to consider providing context that helps report users understand the factors that can contribute to differences in impacts or performance between organizations.

In order to facilitate comparability over time, it is important to maintain consistency with the methods used to calculate data, with the layout of the report, and with explaining the methods and assumptions used to prepare information. As the relative importance of a topic to a given organization and its stakeholders change over time, the content of reports can also evolve.

However, within the confines of the Materiality principle, the organization needs to aim for consistency in its reports over time. The organization needs 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.

When changes occur with the list of material topics, topic Boundaries, length of the reporting period, or information (including the design, definitions, and use of any disclosures in the report), organizations need to, whenever practicable, restate current disclosures alongside historical data (or vice versa). This ensures that information and comparisons are both reliable and meaningful over time. When such restatements are not provided, the report needs to explain the reasons and implications for interpreting current disclosures.

Tests:

Commented [SD23]: Type of change: Clarification/ Text deleted [Clarifying use of GRI Sector Disclosures]. Original text: The report uses GRI Sector Disclosures, when available
Source: G4 IM p. 14

- The report and the information contained within it 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; and
- When they are available, the report utilizes generally accepted protocols for compiling, measuring, and presenting information, including the information contained in the GRI Standards.

Reliability principle

1.9 The reporting organization should 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.

Commented [SD24]: Source: G4 RPSD p. 18

Guidance 1.9

Commented [SD25]: Source: G4 IM p. 16

Applying the principle:

Stakeholders need to have confidence that the report can be checked to establish the veracity of its contents and the extent to which it has appropriately applied Reporting Principles. The information and data included in the report need to be supported by internal controls or documentation that can be reviewed by individuals other than those who prepared 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 needs to be documented in a manner that allows the basis of key decisions (such as processes for determining the report content and topic Boundaries or stakeholder engagement) to be examined. In designing information systems, the organization needs 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 original source of the information in the report can be identified by the reporting organization;
- Reliable evidence to support assumptions or complex calculations can be identified by the organization; and
- Representation is available from the original data or information owners, attesting to its accuracy within acceptable margins of error.

Timeliness principle

1.10 The reporting organization should report on a regular schedule so that information is available in time for stakeholders to make informed decisions.

Commented [SD26]: Source: G4 RPSD p. 18

Guidance 1.10

Commented [SD27]: Source: G4 IM p. 15

Applying the principle:

The usefulness of information is closely tied to whether the timing of its disclosure to stakeholders enables them to effectively integrate it into their decision-making. The timing of release refers both to the regularity of reporting as well as its proximity to the actual events described in the report.

Although a constant flow of information is desirable for meeting certain purposes, the reporting organization needs to commit to regularly providing a consolidated disclosure of its economic, environmental, and social performance at a single point in time. Consistency in the frequency of reporting and the length of reporting periods is also necessary to ensure comparability of information over time and accessibility of the report to stakeholders. It can be of value for stakeholders if the schedules for sustainability reporting and financial reporting are aligned. The organization needs to balance the need to provide information in a timely manner with the importance of ensuring that the information is reliable.

Tests:

- Information in the report has been disclosed while it is recent relative to the reporting period;
- The collection and publication of key performance information is aligned with the sustainability reporting schedule; and
- The information in the report (including online reports) clearly indicates the time period to which it relates, when it is updated, and when the last updates were made.

2. Using the GRI Standards for sustainability reporting

Guidance 2

Commented [SD28]: **Type of change:** Clarification (new text added in this section)

This section sets out the basic process for preparing a sustainability report using the GRI Standards. An organization that wants to claim that its report has been prepared in accordance with the GRI Standards Is required to comply with all requirements ('shall' statements) in this section.. These requirements 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; and
- all material topics have been identified and reported on.

Some clauses in this section are closely linked to requirements in *SRS 201: General disclosures*, or *SRS 301: Management approach*, which ask for specific information to be disclosed in the report. In these cases, the relevant requirements from SRS 201 or SRS 301 are identified in the guidance.

Applying the Reporting Principles

Commented [SD29]: **Type of change:** Clarification (new text added in this section)

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

Guidance 2.1

It is important that an organization using the GRI Standards has understood and implemented the ten Reporting Principles for defining report content and quality. These principles guide choices about what information to include in the report, and on ensuring the quality of the information.

It is also useful for the organization to document its process for defining report content, including its methodologies, assumptions, and decisions made. Accurate records of the reporting process facilitate analysis and assurance, and enable the organization to explain its chosen approach.

Disclosure 201-46 of *SRS 201: General disclosures* requires an explanation of how the organization has implemented the Reporting Principles for defining report content.

For more information on applying the Reporting Principles, see Section 1 of this Standard, Section 6 of *SRS 201: General disclosures*, and the How-To-Guide.

Reporting general disclosures

Commented [SD30]: **Type of change:** Clarification (new text added in this section)

2.2 The reporting organization shall report the required disclosures from *SRS 201: General disclosures*.

Guidance 2.2

The general disclosures include contextual information about the reporting organization and its sustainability reporting process. If an organization wants to claim that the report has been prepared in accordance with the GRI Standards, there are specific disclosures from *SRS 201: General disclosures* which need to be reported. For more information see Table 2 in Section 3 of this Standard.

Identifying and reporting on material topics

2.3 The reporting organization shall identify a list of material topics, using the Reporting Principles for defining report content.

Guidance 2.3

Material topics are sustainability topics that the reporting organization has prioritized for inclusion in the sustainability report. This prioritization exercise is based on the Materiality and Stakeholder Inclusiveness principles, which assess each topic based on the following two dimensions:

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

In applying the Materiality principle, 'impacts' refers to the organization's impacts on the economy, the environment, and/or society – in other words, the organization's contribution (positive or negative) to sustainable development. 'Impacts' in this context do not refer to consequences for the organization itself (such as financial costs or reputational risks).

A topic does not have to be highly significant with respect to both dimensions to be considered material. Where relevant, organizations can consult the list of topic-specific Standards and the GRI sector guidance (available on the GRI website) as input to identify potential material topics.

Reporting the list of material topics is required in Disclosure 201-47 of *SRS 201: General disclosures*. For more information on identifying material topics, see Section 1 of this Standard and the How-to-Guide.

Linking identified material topics to the GRI Standards

The use of 'topics' in the GRI Standards refers to broad sustainability subjects, such as 'water' or 'indirect economic impacts'. These topic names are intentionally high-level, and each topic covers numerous related concepts. For example, the topic 'water' can encompass a broad 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, the organization can identify material topics that do not match exactly with the available topic-specific Standards. In this case, if the material topic is similar to one of the available topic-specific Standards, or can be grouped underneath it, the organization can report using that Standard.

If some of the disclosures in the Standard used are not applicable, and if one or more of the recognized reasons for omission applies, the organization can omit these disclosures. For more information on reasons for omission, see Section 2.9 of this Standard. The organization is still required to report its management approach using *SRS 301: Management approach* if it wishes to make an 'in accordance' claim.

If the topic cannot be grouped under one of the available topic-specific GRI Standards, see Section 2.6 of this Standard for requirements about how to report.

Commented [SD31]: Type of change: Clarification (new text added in this section)

Commented [SD32]: Type of change: Clarification [Clarifying use of GRI Sector Disclosures]

2.4 The reporting organization shall identify the Boundary for each material topic.

Guidance 2.4

Organizations might be involved with impacts either through their own activities or as a result of their business relationships with other parties. The concept of the topic Boundary refers to the entities that cause the impacts related to a material topic. These entities can be within the organization (i.e., the entities included in the organization's consolidated financial statements or equivalent documents, as reported under Disclosure 201-45 of *SRS 201: General disclosures*), outside of the organization (e.g., suppliers or clients), or both.

The Boundary of a material topic is defined as within the organization if the organization or an entity it owns or controls (e.g., subsidiary) has caused a significant impact on the economy, the environment or society.

The Boundary of a material topic is defined as outside of the organization if an outside entity (e.g., supplier, client) has caused a significant impact on the economy, the environment or society that the reporting organization has either contributed to, or is linked to, via a business relationship.

The concept of defining topic Boundaries outside of the organization is due to the fact that organizations are increasingly expected to take responsibility for impacts where:

- the organization has contributed to, or is seen as contributing to, an impact through its activities or decisions, but this impact has been caused directly by another party; and
- the organization is involved solely because the impact is directly linked to its operations, products or services by a business relationship (even if it has not contributed to that impact).

The Boundary can vary per topic.

Reporting the Boundary for each material topic is required in Disclosure 301-1 of *SRS 301: Management approach.*

See references:

- United Nations (UN), 'Guiding Principles on Business and Human Rights, Implementing the United Nations "Protect, Respect and Remedy" Framework', 2011.
- United Nations (UN), *Protect, Respect and Remedy: a Framework for Business and Human Rights*, 2008.
- United Nations (UN), *Report of the Special Representative of the Secretary- General on the Issue of Human Rights and Transnational Corporations and Other Business Enterprises, John Ruggie*, 2011.

2.5 For each material topic that is covered by an existing GRI Standard (series 400, 500, and 600), the reporting organization shall report:

2.5.1 the management approach disclosures for that topic, using *SRS 301: Management approach*; and

2.5.2 the disclosures set out in the topic-specific Standard.

Guidance 2.5

The reporting organization can also identify and report other disclosures not included in the topic-specific Standards. These disclosures are to be subject to the same technical rigor as disclosures in the GRI Standards, and are to be consistent with other established standards or reporting frameworks where available and relevant.

Reporting topics where the Boundary is outside the reporting organization

If the Boundary for the material topic is defined as outside the reporting organization, it can be difficult to report the topic-specific disclosures. This can happen if, for example, the Boundary for a topic includes part of the supply chain, and the organization does not have access to supplier information to report the topic disclosures. In these cases the organization is still required to report its management approach for the topic, in order to claim that the

Commented [SD33]: Type of change: Clarification
[Clarifying the definition of Boundary]

Commented [SD34]: Type of change: Clarification
[Reporting on other material topics]

Commented [SD35]: Type of change: Clarification
[Reporting impacts outside the organization]

report is in accordance with the GRI Standards. The organization can omit disclosures if one of the recognized reasons for omission applies. See Section 2.9 of this Standard for more information on reasons for omission.

Any specific limitation regarding the topic Boundary is to be reported with Disclosure 301-1-c of *SRS 301: Management approach*.

2.6 For each material topic which is not covered by an existing GRI Standard (series 400, 500, and 600), the reporting organization:

2.6.1 shall report the management approach disclosures for that topic using *SRS 301: Management approach*; and

2.6.2 should report other appropriate disclosures for that topic.

Guidance 2.6

In order to claim that a report has been prepared in accordance with the GRI Standards, the reporting organization is required to report on all material topics identified (as per the list of material topics covered in Disclosure 201-47 of *SRS 201: General disclosures*). If the material topic is not covered by any of the topic-specific Standards and cannot be related to an existing GRI Standard, the organization can still use *SRS 301: Management approach* to report on its management approach for the topic. The organization can also use other appropriate disclosures where possible. These disclosures are to be subject to the same technical rigor as disclosures in the GRI Standards, and are to be consistent with other established standards or reporting frameworks, where available and relevant.

General reporting process

2.7 The reporting organization shall determine the appropriate level of aggregation at which to present information, using the Reporting Principles for defining report quality.

2.8 The reporting organization should:

2.8.1 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;

2.8.2 compile and report information using generally accepted international metrics (such as kilograms or liters) and using standard conversion factors;

2.8.3 if using ratios or normalized data, also provide absolute data and explanatory notes; and

2.8.4 define a consistent reporting period for issuing a report.

Guidance 2.7 and 2.8

When preparing a report, the reporting organization can identify information that has not changed since the prior report. Some information, such as the management approach disclosures, is likely to change each reporting period. However, other information, such as the organizational profile or governance, can change at a slower pace. The organization can choose to update only the topics and disclosures that have changed, and to re-publish the disclosures that have not changed in the reporting period.

Commented [SD36]: Type of change: Clarification
[Reporting on other material topics]

Commented [SD37]: Type of change: Change in location
Source: G4 IM p. 256

Commented [SD38]: Type of change: Change instructive verb
Original wording: Organizations will need to determine the level of aggregation …
Source: G4 IM p. 256

Commented [SD39]: Type of change: Clarification
Source: G4 IM p. 256

Commented [SD40]: Type of change: Change in instructive verb
Original wording: If ratios or normalized data are used, absolute data should also be provided. Explanatory notes are advisable.
Source: G4 IM p. 256

Commented [SD41]: Source: G4 IM p. 257

Documenting reasons for omission

2.9 In exceptional cases, when a required disclosure cannot be made, the reporting organization shall provide in the sustainability report a reason for omission that:

2.9.1 describes the specific information that has been omitted; and

2.9.2 specifies one of the following reasons for omission from Table 1 in Section 2 of this Standard, including the required explanation for that reason.

Table 1

Reason for omission	Required explanation in the sustainability report
Not applicable	Specify the reason(s) why this disclosure is considered to be not applicable.
Confidentiality constraints	Describe the specific confidentiality constraints prohibiting this disclosure.
Specific legal prohibitions	Describe the specific legal prohibitions.
Unavailability of the information	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 Boundary for a material topic is outside the reporting organization (and therefore the necessary information cannot be obtained, or is not of adequate quality to report) explain this situation.

Guidance 2.9

Note that reasons for omission cannot be used for specific required disclosures if the reporting organization wishes to make an 'in accordance' claim. For more information, see Table 2 in Section 3 of this Standard. Additionally, if the organization does not report 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 mean that the specific situation measured by the disclosure does not apply to the organization. For example, the organization can 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. Thus, the disclosures related to fuel consumption within the organization and Scope 1 GHG emissions could be considered 'not applicable'.

'Not applicable' can also be used as a reason for omission if a disclosure does not measure 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, recycling, or reuse, and therefore do not adequately measure the organization's impacts (e.g., changes to the volume of water flow). Therefore, the existing disclosures for 'Water' can be considered 'not applicable' for this organization.

Reasons for omission if the topic Boundary is defined as outside the organization

If the Boundary for a material topic is defined as outside the organization, and the organization cannot obtain information of sufficient quality to enable reporting, the 'unavailability of the information' reason for omission can be used. In this case, the reason of omission needs to include an explanation of why the information cannot be obtained. Even if topic-specific disclosures cannot be reported, the organization is still required to report on its

Commented [SD42]: Type of change: Change in location
Source: G4 RPSD p. 13

Commented [SD43]: Type of change: Change in instructive verb
Original wording: In exceptional cases, if it is not possible to disclose certain required information, the report should clearly:
Source: G4 RPSD p. 13

Commented [SD44]: Type of change: Clarification
[Clarifying the 'in accordance' criteria]

Commented [SD45]: Type of change: Clarification
[Reporting impacts outside the organization]

management approach for the topic (using *SRS 301: Management approach*) if it wishes to make an 'in accordance' claim for the report.

Reporting required disclosures using references

2.10 If the reporting organization reports a required disclosure using a reference to another source where the information can be located, the reporting organization shall ensure:

2.10.1 the reference includes the specific location of the required disclosure; and

2.10.2 the referenced information is publicly available and readily accessible.

Guidance 2.10

Information related to the required disclosures might already be included in other reports prepared by the reporting organization, such as its annual report to shareholders, or other regulatory or voluntary reports. In these circumstances, the organization can elect to not repeat those disclosures in its sustainability report, but to instead reference where the relevant information can be found.

This presentation is acceptable as long as the reference is publicly available, readily accessible, and specific. For example, a reference to the annual report to shareholders is appropriate when it includes the page number, section name, or other specific location where the information can be found.

Medium of reporting

Electronic or web-based reporting and paper reports are appropriate media for reporting. The reporting organization can choose to use a combination of web and paper-based reports, or use only one medium. For example, the organization can choose to provide a detailed report on their website and provide an executive summary, including their strategy and analysis and performance information in paper form. The choice will likely depend on the organization's decisions about its reporting period, its plans for updating report content, the likely users of the report, and other practical factors, such as its distribution strategy.

Commented [SD46]: Type of change: Change in location
Type of change: Clarification
Source: G4 RPSD p. 13, IM p. 257

Commented [SD47]: Type of change: Change in instructive verb
Original wording: This presentation is acceptable as long as the reference is specific…

Commented [SD48]: Type of change: Change in instructive verb
Original wording: This presentation is acceptable as long as (…) the information is publicly available and readily accessible.

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

Guidance 3

There are three possible options to use and reference the GRI Standards, depending on the extent to which the Standards have been used. Each option has a specific 'claim,' or statement, which the reporting organization is to include in any public materials that reference the GRI Standards or their content. The correct use of these claims is important to ensure transparency about how the GRI Standards have been applied.

The use of the GRI Standards are always to be referenced using one of these three claims.

'In accordance' claims

An organization that follows the requirements in Section 2 of this Standard to develop its sustainability report and complies with certain reporting requirements can declare that its report has been prepared **in accordance with the GRI Standards**.

Declaring that a report has been prepared in accordance with the GRI Standards is a public statement which signals that the report is based on the Reporting Principles and provides adequate disclosures for understanding the nature of the reporting organization, its material impacts, and how these impacts are managed. The specific criteria required to make these claims can be found in Table 2 in Section 3 of this Standard.

The two types of 'in accordance' claims that the reporting organization can make about its report are summarized as follows:

- 'In accordance': core option: this option contains the minimum essential elements of a sustainability report. This covers the essential information needed to understand the nature of the organization, its material topics and related impacts, and how these are managed.
- 'In accordance': comprehensive option: this builds on the core option by requiring additional disclosures on the organization's strategy and analysis, ethics and integrity, and governance. In addition, the organization is required to communicate more extensively on its impacts by reporting all disclosure requirements for each identified material topic.

These two 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 extent of information included in the sustainability report and the degree to which the GRI Standards have been applied.

'SRS-referenced' claim

There is a specific claim option for organizations that use individual GRI Standards, or sections of a Standard, to report on specific sustainability information, without meeting the criteria to be in accordance. This 'SRS-referenced' claim requires that any organization referring to the GRI Standards, or their content, in published materials is transparent about how the Standards have been applied.

'In accordance' claims

3.1 To claim that a sustainability report has been prepared in accordance with the GRI Standards: core option, the reporting organization shall:

3.1.1 comply with all requirements for the 'in accordance': core option, as per Table 2 in this Standard; and

3.1.2 include the following statement in the report: *'This report has been prepared in accordance with the GRI Standards: core option'.*

Commented [SD49]: Source: G4 RPSD p. 11

Commented [SD50]: Type of change: Clarification [clarifying the 'in accordance' criteria]
Type of change: Change in location [original content in G4 RPSD p. 11-13]

Commented [SD51]: Type of change: Clarification [clarifying the 'in accordance' criteria]
Source: G4 RPSD p. 11-12

3.2 To claim that a sustainability report has been prepared in accordance with the GRI Standards: comprehensive option, the reporting organization shall:

3.2.1 comply with all requirements for the 'in accordance': comprehensive option, as per Table 2 in this Standard; and

3.2.2 include the following statement in the report: *'This report has been prepared in accordance with the GRI Standards: comprehensive option'.*

Guidance 3.1.1 and 3.2.1

Complying with all requirements for a specific 'in accordance' option means complying with all relevant 'shall' statements. It is not mandatory to comply with recommendations ('should' statements) or guidance in order to claim that the report has been prepared in accordance with the GRI Standards. See the Introduction of this Standard for more information.

Commented [SD52]: Type of change: Clarification [clarifying the 'in accordance' criteria]

Table 2: Criteria for making 'in accordance' claims related to the GRI Standards

Commented [SD53]: Type of change: Clarification [clarifying the 'in accordance' criteria] Source: G4 RPSD pp. 11-12

		Type of claim	
		'In accordance': core option	'In accordance': comprehensive option
Claim that can be made about the use of the GRI Standards		*'This report has been prepared in accordance with the GRI Standards: core option'*	*'This report has been prepared in accordance with the GRI Standards: comprehensive option'*
Requirements to make the claim	SRS: 101: Foundation	Comply with all requirements in Section 2 of this Standard, '*Using the GRI Standards for sustainability reporting'*	Same as for 'core'
	SRS 201: General disclosures	Report Disclosures 201-1 to 201-13, 201-14, 201-16, 201-18, 201-22, and 201-44 to 201-56 Comply with all reporting requirements for the disclosures reported	In addition to the disclosures required for 'core', report Disclosures 201-15, 201-17*, 201-19 to 201-21*, and 201-23 to 201-43* Comply with all reporting requirements for the disclosures reported
	301: Management approach	For each material topic identified, report Disclosures 301-1*, 301-2, 301-3*, 301-4*, 301-5* Comply with all reporting requirements for the disclosures reported	Same as for 'core'
	Topic-specific Standards (SRS 400, 500, and 600 series), for those topics identified as material.	Report <u>at least one</u> disclosure for each material topic* Comply with all reporting requirements for the disclosures reported	Report <u>all</u> disclosures for each material topic* Comply with all reporting requirements for the disclosures reported

* Reasons for omission can only be used for these disclosures indicated with an asterisk if the reporting organization wishes to claim the report has been prepared in accordance with the GRI Standards. For further information on reasons for omission, see Section 2.9 of this Standard.

Guidance Table 2

Selecting disclosures to report for the 'in accordance': core option

Many of the topic-specific Standards include numerous disclosures. If the reporting organization is not reporting all disclosures under a given topic, the organization is to report on the disclosure(s) that most adequately reflect its impacts for that topic.

Commented [SD54]: Type of change: Clarification [clarifying the 'in accordance' criteria]

SRS-referenced claims

Commented [SD55]: Type of change: Clarification Source: G4 RPSD p. 14

3.3 If the reporting organization uses individual GRI Standards or their content to report sustainability information, but does not meet the criteria to be in accordance with the GRI Standards (as per Table 2 in Section 3 of this Standard), the reporting organization:

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

3.3.1.1 contains the following wording: 'This document references SRS [number]: [Name] [Publication Year]' (for each Standard used); and

3.3.1.2 if the full Standard has not been applied, indicates which specific content of the Standard has been applied.

3.3.2 should apply the Reporting Principles for defining report quality from Section 1 of this Standard.

Guidance 3.3

Commented [SD56]: Type of change: Clarification Source: G4 RPSD p. 14

An organization that uses the GRI Standards or their contents in published materials (but is not preparing a report in accordance with the GRI Standards) is required to include an 'SRS-referenced' claim in the published materials.

An SRS-referenced claim can be written as, for example: *'This document references SRS 505: Emissions 2016 and Sections 1.1 and 1.2 of SRS 301: Management approach 2016.'*

When an organization chooses to use individual GRI Standards without meeting the 'in accordance' criteria, it is still important that the Reporting Principles for defining report quality are applied. These principles help to ensure that the information reported is accurate and of high quality, which in turn enables stakeholders to make sound assessments based on this information.

Notification of reports

Commented [SD57]: Type of change: Change in location
Source: G4 RPSD p. 9

3.4 If the reporting organization uses an 'in accordance' or 'SRS-referenced' claim as in Sections 3.1, 3.2, or 3.3 of this Standard, the organization shall notify GRI of the report or published material by either:

3.4.1 sending a paper or electronic copy, or

3.4.2 registering the report or published material in the GRI Sustainability Disclosure Database: database.globalreporting.org

Key terms

Commented [SD58]: Type of change: Clarification
[New and revised definitions of key terms]

Source: G4 IM p. 244

Definitions of key terms

claim

declaration made by the reporting organization in any published materials that use the GRI Standards or their content, and which indicates the extent to which the GRI Standards have been used

Note 1: There are three different claims that can be made: ‘in accordance’: core, ‘in accordance’: comprehensive, and ‘SRS-referenced’.

impact

In the context of the GRI Standards, unless otherwise stated, ‘impact’ refers to an organization’s impact on the economy, the environment, and/or society – in other words, the organization’s contribution (positive or negative) to sustainable development.

NOTE 1: ‘Impact’ in this context does not refer to consequences for the organization itself (such as financial costs or reputational risks).

NOTE 2: In the GRI Standards, the term ‘impact’ can refer to positive, negative, actual, potential, direct, indirect, short term, long term, intended, or unintended impacts.

management approach disclosure

narrative description of 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 400, 500 and 600).

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

Reporting Principle

concepts that describe the outcomes a report should achieve, and that guide decisions made throughout the reporting process around report content and quality

significant impact

impact that is the subject of established concern for expert communities, or that has been identified using established tools such as impact assessment methodologies or life cycle assessments

stakeholder

entity or individual that can reasonably be expected to be significantly affected by the reporting organization's activities, products and services, and 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 with regard to 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 within local communities, or civil society).

sustainability

see definition of sustainable development

sustainable development

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

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

topic

sustainability subject

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

NOTE 2: The GRI Standards require reporting on topics that are material to the organization (material topics).

topic Boundary

description of which entities cause the impacts related to a material topic

NOTE 1: Entities can be within the organization (i.e., the entities included in the organization’s consolidated financial statements or equivalent documents, as reported under Disclosure 201-45 of *SRS 201: General disclosures*), outside of the organization (e.g., suppliers or clients), or both.

NOTE 2: Topic Boundaries vary based on the topics reported.

Annex I. Summary of key changes for SRS 101: Foundation

This section summarizes changes made to this GRI Standard compared to G4. These can include the following types:

- Change in location
- Clarification – changes or additions to text to improve clarity
- Employee/worker terminology revision
- Changes to instructive verbs – to clarify the intent of guidance text that comes from the G4 Implementation Manual
- Deleted text – the text is duplicated, unnecessary or obsolete
- Other

Each of these changes is listed in the tables below and highlighted within comment boxes throughout this Standard.

A number of structural and other minor changes have been applied globally throughout the GRI Standards. These include new Introduction sections or minor wording changes to the disclosure requirements. These changes are explained in greater detail in the following document [reference to be provided]; they are not listed in this summary of changes. This document [reference to be provided] also provides rationales for those clarifications that have been applied globally throughout the GRI Standards (e.g., clarifying the definition of Boundary, clarifying topic descriptions).

Legend
The source of original G4 text is:
G4 RPSD = G4 Guidelines – Reporting Principles and Standard Disclosures
G4 IM = G4 Guidelines – Implementation Manual

Changes in location, clarifications, employee/worker terminology, and other				
SRS clause number	***SRS section***	***Type of change***	***Description***	***Source of original G4 text***
Introduction	Introduction sections	Clarification – new content added	New introduction sections have been developed including a short background on sustainability reporting and an overview of the contents of this Standard and how to use the Standard.	N/a

Changes in location, clarifications, employee/worker terminology, and other				
SRS clause number	***SRS section***	***Type of change***	***Description***	***Source of original G4 text***
Guidance 1	Reporting Principles	Clarification	Guidance added on when reporting organizations need to apply the Reporting Principles.	G4 IM p. 8
Guidance 1.1	Stakeholder Inclusiveness principle	Employee/ worker terminology review	Examples of stakeholders adjusted. This now includes a specific mention of workers who are not employees.	G4 IM p. 9
Guidance 1.2	Sustainability Context principle	Employee/ worker terminology review	The word 'employee' removed from the following sentence: *For example, the organization can report on employee wages and social benefit levels in relation to nation-wide minimum and median income levels*. The intention of this paragraph is to explain the Sustainability context principle, and the attention should not be diverted by a distinction between employee and worker wage.	G4 IM p. 10
Guidance 1.3	Materiality principle	Clarification	Clarifying the use of the term 'impacts'. Guidance added on definition of 'impacts' in the context of the GRI Standards.	G4 IM p. 11
Guidance 1.3	Materiality principle	Employee/ worker terminology review	Order of bullet points adjusted under the 'Tests' section. Additional text added into third bullet point to include suppliers and workers who are not employees in the examples of stakeholders.	G4 IM p. 12
Guidance 1.8	Comparability principle	Clarification	Clarifying use of GRI Sector Disclosures. Text removed that requests organizations to use GRI Sector Disclosures. This has been replaced by new guidance in section 2 of the Standard.	G4 IM p. 14

Changes in location, clarifications, employee/worker terminology, and other				
SRS clause number	***SRS section***	***Type of change***	***Description***	***Source of original G4 text***
Guidance 2	Using the GRI Standards for sustainability reporting	Clarification	Guidance added on process for preparing a sustainability report using the GRI Standards. This is based on text from the G4-18 Guidance in G4 on defining the report content and Boundaries, but has been substantially amended and adjusted.	N/A
N/A	Applying the Reporting Principles	Clarification	New content added on applying the Reporting Principles, and associated guidance.	N/A
N/A	Reporting general disclosures	Clarification	New content added on reporting general disclosures, and associated guidance.	N/A
N/A	Identifying and reporting on material topics	Clarification	New content added on identifying and reporting on material topics, and associated guidance.	N/A
Guidance 2.3	Identifying and reporting on material topics	Clarification	Clarifying use of GRI Sector Disclosures. Sentence added describing how the GRI sector guidance can be used in identifying material topics.	N/A
Guidance 2.4	Identifying and reporting on material topics	Clarification	Clarifying the definition of Boundary.	N/A
Guidance 2.5	Identifying and reporting on material topics	Clarification	Reporting on other material topics. Guidance added on how to include other disclosures to report on material topics.	N/A
Guidance 2.5	Identifying and reporting on material topics	Clarification	Reporting impacts outside the organization. Guidance added on reporting topics where the Boundary is outside the reporting organization.	N/A

Changes in location, clarifications, employee/worker terminology, and other				
SRS clause number	***SRS section***	***Type of change***	***Description***	***Source of original G4 text***
Guidance 2.6	Identifying and reporting on material topics	Clarification	Reporting on other material topics. Guidance added to clarify how topics are to be reported if they are not included in the set of GRI Standards.	N/A
N/A	General Reporting Process	Change in location	Content from General Reporting Notes section from G4 Implementation Manual included here.	G4 IM p. 256
2.7	General Reporting Process	Clarification	Two different clauses merged.	G4 IM p. 256
N/A	Documenting reasons for omission	Change in location	Content from 'In accordance' section from G4 Reporting Principles and Standard Disclosures included.	G4 RPSD p. 13
2.9 and Guidance 2.9	Documenting reasons for omission	Clarification	Clarifying the 'in accordance' criteria. New table and new guidance sections added to give more clarity on using reasons for omission.	G4 RPSD p. 13
Guidance 2.9	Documenting reasons for omission	Clarification	Reporting impacts outside the organization. New text added to clarify how to report if the topic Boundary is outside the organization and sufficient information cannot be obtained to enable reporting on topic-specific disclosures.	N/A
Guidance 2.10	Reporting required disclosures using references	Change in location	Text moved from the G4 Reporting Principles and Standard Disclosures into the Foundation Standards.	G4 RPSD p. 13

Changes in location, clarifications, employee/worker terminology, and other				
SRS clause number	***SRS section***	***Type of change***	***Description***	***Source of original G4 text***
3	Making claims related to use of the GRI Standards	Change in location	Original content on in accordance criteria was located in the G4 Reporting Principles and Standard Disclosures, pages 11-13. This has now been brought into the Foundation standard and revised.	G4 RPSD pp. 11-13
Guidance 3, 3.1, 3.2, and 3.3	Making claims related to use of the GRI Standards	Clarification	Clarifying the 'in accordance' criteria. New and revised text added to clarify the use of the in accordance and SRS-referenced claims. Table 2 in this Standard now clarifies that organizations are required to comply with all reporting requirements of the relevant disclosures in order to make an 'in accordance' claim.	G4 RPSD pp. 11-13
3.3 and Guidance 3.3	SRS-referenced claims	Clarification and change in location	Text has been revised to be more clear about the claim statement that needs to be used in reports that reference GRI Standards but do not fulfil the 'in accordance' criteria.	G4 RPSD p. 14
3.4	Notification of reports	Clarification and change in location	Section moved from the G4 Reporting Principles and Standard Disclosures, page 9, and slightly revised to clarify that this relates to all published materials including both in accordance reports and SRS-referenced materials. This has also been made a requirement 'shall' statement in the new standard.	G4 RPSD p.9
N/A	Key terms	Clarification	This section includes new and revised definitions of key terms. For an overview of the changes, refer to Item 13 – Exposure draft of the GRI Standards Glossary: Group 1 and Key Terms.	G4 IM p. 244

Changes to instructive verbs To clarify the intent of guidance text that comes from the G4 Implementation Manual				
SRS clause number	***SRS section***	***SRS wording***	***Original G4 text***	***Source of original G4 text***
2.7	General reporting process	The reporting organization shall determine the appropriate level of aggregation at which to present information, using the Reporting Principles for defining report quality.	Organizations will need to determine the level of aggregation at which to present information.	G4 IM p. 256
2.8.3	General reporting process	The reporting organization should: if using ratios or normalized data, also provide absolute data and explanatory notes.	If ratios or normalized data are used, absolute data should also be provided. Explanatory notes are advisable.	G4 IM p. 256
2.9	Documenting reasons for omission	In exceptional cases, when a required disclosure cannot be made, the reporting organization shall provide in the sustainability report a reason for omission which:	In exceptional cases, if it is not possible to disclose certain required information, the report should clearly:	G4 RPSD p. 13
2.10	Reporting required disclosures using references	If the reporting organization reports a required disclosure using a reference to another source where the information can be located, the reporting organization shall ensure: the reference includes the specific location of the required disclosure; and the referenced information is publicly available and readily accessible.	This presentation is acceptable as long as the reference is specific… formation is publicly available and readily accessible.	G4 RPSD p. 13

Deleted text

Deleted text	*Source of original G4 text*
[The following text has been removed in order to have a consistent understanding of the Sustainability Context principle] The organization's own sustainability and business strategy provides the context in which to discuss performance.	G4 IM p. 10
[The following text has been removed in order to have a clear definition of 'impacts' and materiality throughout the GRI Standards] These material topics can also have a significant financial impact in the short term or long term on an organization. They are therefore also relevant for stakeholders who focus strictly on the financial condition of an organization. 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. The concept of a threshold is also important in sustainability reporting, but it is concerned with a wider range of impacts and stakeholders. Materiality for sustainability reporting is not limited only to those Aspects that have a significant financial impact on the organization. In addition to guiding the selection of topics to report, the Materiality Principle also applies to the use of disclosures. • Significant risks to the organization • Critical factors for enabling organizational success	G4 IM pp. 11-12

Deleted text	
Deleted text	***Source of original G4 text***
[The following text has not been carried through from G4 into the draft GRI Standards. However, some of the content has been incorporated into revised guidance throughout SRS 101: Foundation] This requires balancing the effort required against the added meaningfulness of information reported on a disaggregated basis (such as country or site). Aggregation of information can result in the loss of a significant amount of meaning, and can also fail to highlight particularly strong or poor performance in specific areas. On the other hand, unnecessary disaggregation of data can affect the ease of understanding the information. Disaggregation may vary by Indicator, but will generally provide more insight than a single, aggregated figure. When specific international conventions exist (such as GHG equivalents), these are typically specified in the Indicators' Guidance presented in the Implementation Manual. At least one medium (web or paper) should provide users with access to the complete set of information for the reporting period. For many organizations, this will be annually, although some organizations choose to report biannually. An organization may choose to update information between the issuing of consolidated accounts of performance. This has advantages in terms of providing stakeholders with more immediate access to information, but has disadvantages in terms of comparability of information. However, organizations should still maintain a predictable cycle in which all of the information that is reported covers a specific time period. Reporting on economic, environmental and social performance could coincide or be integrated with other organizational reporting, such as annual financial statements. Coordinated timing reinforces the linkages between financial performance and economic, environmental and social performance. For example, an organization may choose to reproduce the information on policies that have not changed and only update its Indicators. The flexibility to take such an approach will depend in large part on the organization's choice of reporting medium. Some topics such as Strategy and Analysis and DMA and Indicators, are likely to show changes each reporting period, while other topics, such as organizational profile or governance, may change at a slower pace. Regardless of the strategy used, the full set of applicable information for the reporting period should be accessible in a single location (either a paper or web-based document).	G4 IM pp. 256-257