



GSSB Global
Sustainability
Standards Board

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Transition to GRI Standards

Item 13 – Exposure draft of the GRI Standards Glossary: Group 1 terms and key terms

For GSSB discussion and 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 GRI Standards Glossary: Group 1 terms and key terms, for GSSB discussion and approval. Changes to key terms, other terms and their definitions are summarized in Table 1 of this paper. All terms from the Group 1 Standards that have not been changed are found in Annex 1 .

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 Exposure draft of the GRI Standards
2 Glossary: Group I terms and key terms
3 2016

4 Introduction

5 *About this paper*

6 This paper sets out a draft of the GRI Standards Glossary of terms (GRI Standards Glossary) used in the
7 first group of Standards prepared for public consultation (Group 1 Standards), including key terms. This
8 updates the list of terms and definitions that were formerly found in the G4 Glossary.

9 Definitions relating to the second set of exposure drafts of the GRI standards (Group 2 Standards) will
10 be shared separately with the GSSB in May 2016.

11 **Table I** of this paper provides a summary of all new terms, terms with changed definitions, and deleted
12 terms, which are applicable for the Group 1 Standards. All revised definitions list the previous G4
13 definitions and the revised definitions, for comparison.

14 Key terms are indicated in the table with an asterisk (*). These terms are important for understanding
15 the key concepts in the Foundation Standard and will be included both in *SRS 101: Foundation* and in the
16 GRI Standards Glossary.

17 Table I also includes definitions which have been deleted from the GRI Standards Glossary, either
18 because they have been repurposed as text, or because they are no longer relevant for the GRI
19 Standards.

20 **Annex I** lists the terms included in the Group 1 Standards from the G4 Glossary which have not been
21 changed, except to standardize them for the style and method of presentation. All terms will be
22 presented in this format in the final GRI Standards Glossary. All defined terms used in other definitions
23 will be called out in some way, as decided in consultation with the design agency.

24 A number of terms in the Group 1 Standards are also under review by the Employee/Worker ad-hoc
25 Technical Committee and have changes pending. They are not included in this summary of updated
26 terms, but will be discussed in Item 06 – List of suggested revisions for ‘employee’, ‘worker’ terminology
27 for first set of public exposure drafts.

28 *GSSB feedback requested*

29 The GSSB is asked to please review new, revised and deleted definitions in Table I and to indicate any
30 major concerns or substantive points of disagreement, which can be discussed during the April 2016
31 GSSB meeting.

32 The GSSB is also asked to review the definitions in Annex I and to indicate if any of the terms require
33 revised definitions.

34 Table I: New, revised, or deleted terms and definitions from
 35 the Group I Standards

Table I: New, revised, or deleted terms and definitions from the Group I Standards		
Key terms are marked with an *		
Term	Status	Definition/ Explanation
Aspect*	Deleted	This term has been deleted. The word 'topic' is used in its place. <i>Previous G4 definition:</i> (Aspect) The word Aspect is used in the Guidelines to refer to the list of subjects covered by the Guidelines.
biogenic carbon dioxide emission	New, based on existing content	emission of CO ₂ from the combustion or biodegradation of biomass <i>Source: G4 IM p. 108</i>
claim*	New	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'.
collective bargaining agreements	Revised	New Placement: Definition repurposed as guidance text for Disclosure 201-22. See Item 08, lines 347-362. <i>Previous G4 definition:</i> (Collective bargaining agreements) Binding collective bargaining agreements include those signed by the organization itself or by employer organizations of which it is a member. These agreements can be at the sector, national, regional, organizational, or workplace level.

Table I: New, revised, or deleted terms and definitions from the Group I Standards

Key terms are marked with an *

Term	Status	Definition/ Explanation
emission (into air)	New	discharge of a substance from a source into the atmosphere
fugitive emission	New, based on existing content	emission that is not physically controlled but results from the intentional or unintentional release of GHG NOTE: Fugitive emissions can include equipment leaks from joints, seals, packing, and gaskets; methane emissions from coal mines and venting; HFC emissions from refrigeration and air conditioning equipment; and methane leakages from gas transport. <i>Source: G4 IM p. 108</i>
General Standard Disclosures*	Deleted	This terms has been deleted. The formulation 'general disclosure' is used in the text instead. <i>Previous G4 definition:</i> (General Standard Disclosures) General Standard Disclosures offer a description of the organization and the reporting process.
greenhouse gas (GHG)	New	gas that contributes to the greenhouse effect by absorbing infrared radiation
greenhouse gas trade	New, based on existing content	purchase, sale or transfer of GHG emission offsets or allowances <i>Source: G4 IM p. 107</i>

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Term	Status	Definition/ Explanation
grievance mechanisms	Revised	<p><u>Revised definition:</u></p> <p>system for addressing complains as well as resolving disputes</p> <p>NOTE: Grievance mechanisms are expected to be legitimate, accessible, predictable, equitable, transparent, rights-compatible, and a source of continuous learning. For operational level mechanisms, these are expected to be based on engagement and dialogue. For a description of each of these criteria, see Guiding Principle 31 in the United Nations (UN) ‘Guiding Principles on Business and Human Rights’.</p>
		<p><u>Previous G4 definition:</u></p> <p>(Formal grievance mechanisms) Systems consisting of specified procedures, roles and rules for methodically addressing complaints as well as resolving disputes. Formal grievance mechanisms are expected to be legitimate, accessible, predictable, equitable, rights-compatible, clear and transparent, and based on dialogue and mediation.</p>
headquarters	New	administrative center of an organization, from which it is controlled or directed
impact*	Revised	<p><u>Revised definition:</u></p> <p>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.</p> <p>NOTE 1: ‘Impact’ in this context does not refer to consequences for the organization itself (such as financial costs or reputational risks).</p> <p>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.</p>

Table I: New, revised, or deleted terms and definitions from the Group I Standards

Key terms are marked with an *

Term	Status	Definition/ Explanation
		<p><u>Previous G4 definition:</u> (Impact) In the Guidelines, unless otherwise stated the term ‘impact’ refers to significant economic, environmental and social impacts that are: positive, negative, actual, potential, direct, indirect, short term, long term, intended, unintended.</p>
Indicator	Deleted	<p>This terms has been deleted. The term ‘disclosure’ is used instead.</p> <p><u>Previous G4 definition:</u> (Indicator) Qualitative or quantitative information about results or outcomes associated with the organization that is comparable and demonstrates change over time.</p>
management approach disclosure*	New, based on existing content	<p>narrative description about how an organization manages its material topics and their related impacts</p> <p>NOTE: Disclosures about an organization’s management approach also provide context for the information reported using topic-specific Standards (series 400, 500 and 600).</p> <p>Source: G4 IM, 63</p>
market	New	<p>area of economic activity where organizations interact to trade goods and services – either directly or through an intermediary</p>
material topic*	Revised	<p><u>Revised definition:</u> topic that reflects a reporting organization’s significant economic, environmental and social impacts; or that substantively influences the assessments and decisions of stakeholders</p> <p>NOTE: For more information on identifying a material topic, see the Reporting Principles for defining report content in SRS 101: Foundation.</p>

Table I: New, revised, or deleted terms and definitions from the Group I Standards

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Term	Status	Definition/ Explanation
		<p><i>Previous G4 definition:</i></p> <p>(Material Aspects) Material Aspects are those that reflect the organization’s significant economic, environmental and social impacts; or that substantively influence the assessments and decisions of stakeholders. To determine if an Aspect is material, qualitative analysis, quantitative assessment and discussion are needed.</p>
<p>Mechanisms for reporting concerns about unethical or unlawful behavior, and matters related to integrity</p>	<p>Revised</p>	<p>New placement: Definition repurposed as guidance text for Disclosure 202-17. See Item 08, lines 297-299.</p> <p><i>Previous G4 definition:</i></p> <p>(Mechanisms for reporting concerns about unethical or unlawful behavior, and matters related to integrity) Systems and processes through which an individual or organization can report concerns about illegal, irregular, dangerous or unethical practices related to the organization’s operations. Individuals may include the organization’s governance body members, employees, business partners, and other stakeholders.</p>
<p>Precautionary Principle</p>	<p>Revised</p>	<p>New placement: Definition repurposed as guidance text for Disclosure 201-11. See Item 08, lines 170-175.</p> <p><i>Previous G4 definition:</i></p> <p>(Precautionary Principle) The Precautionary Principle refers to the approach taken to address potential environmental impacts. See United Nations (UN) Declaration, ‘The Rio Declaration on Environment and Development’, 1992. ‘Principle 15: In order to protect the environment, the precautionary approach shall be widely applied by States according to their capabilities. Where there are threats of serious or irreversible damage, lack of full scientific certainty shall not be used as a reason for postponing cost-effective measures to prevent environmental degradation.’</p>
<p>Reporting Principle*</p>	<p>Revised</p>	<p><i>Revised definition:</i></p> <p>concepts that describe the outcomes a report should achieve, and that guide decisions made throughout the reporting process around report content and quality</p>

Table I: New, revised, or deleted terms and definitions from the Group I Standards

Key terms are marked with an *

Term	Status	Definition/ Explanation
		<p><i>Previous G4 definition:</i></p> <p>(Reporting Principle) Concepts that describe the outcomes a report should achieve and that guide decisions made throughout the reporting process, such as which Indicators to respond to, and how to respond to them.</p>
Scope*	Deleted	<p>This terms has been deleted. ‘The list of material topics included in the report’ is used instead.</p> <p><i>Previous G4 definition:</i></p> <p>(Scope) The range of Aspects covered in a report.</p>
Scope of GHG emissions	New, based on existing content	<p>classification of the operational boundaries where GHG emissions occur</p> <p>NOTE 1: Scope classifies whether GHG emissions are created by an organization itself, or are created by other related organizations, for example electricity suppliers or logistics companies.</p> <p>NOTE 2: There are three classifications of Scope: Scope 1, Scope 2 and Scope 3.</p> <p>NOTE 3: The classification of Scope derives from the GHG Protocol.</p> <p><i>Source: G4 IM, p. 105</i></p>
sector	New	<p>subdivision of an economy, society or sphere of activity, defined on the basis of some common characteristic</p> <p>NOTE: Sector types can include classifications such as the public or private sector, and industry specific categories such as the education, technology, and financial sectors.</p>
significant impact*	New, based on existing content	<p>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</p> <p><i>Source: G4 IM, p. 11</i></p>

Table I: New, revised, or deleted terms and definitions from the Group I Standards

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Term	Status	Definition/ Explanation
Specific Standard Disclosures*	Deleted	<p>This terms has been deleted. The word ‘disclosure’ is used instead.</p> <p><u>Previous G4 definition:</u> (Specific Standard Disclosures) Specific Standard Disclosures offer information on the organization’s management and performance related to material Aspects</p>
stakeholder*	Revised	<p><u>Revised definition:</u> 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</p> <p>NOTE 1: Stakeholders include entities or individuals whose rights under law or international conventions provide them with legitimate claims vis-à-vis the organization.</p> <p>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).</p>

Table I: New, revised, or deleted terms and definitions from the Group I Standards

Key terms are marked with an *

Term	Status	Definition/ Explanation
		<p><i>Previous G4 definition:</i></p> <p>(Stakeholders) Stakeholders are defined as entities or individuals that can reasonably be expected to be significantly affected by the 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 entities or individuals whose rights under law or international conventions provide them with legitimate claims vis-à-vis the organization.</p> <p>Stakeholders can include those who are invested in the organization (such as employees, shareholders, suppliers) as well as those who have other relationships to the organization (such as vulnerable groups within local communities, civil society).</p>
sustainability*	New	see definition of sustainable development
sustainable development*	New	<p>development that meets the needs of the present without compromising the ability of future generations to meet their own needs</p> <p>NOTE: Sustainable development encompasses three dimensions: economic, environmental and social.</p>
topic*	Revised	<p><i>Revised definition:</i></p> <p>sustainability subject</p> <p>NOTE 1: In the GRI Standards, topics are grouped according to the three dimensions of sustainable development: economic, environmental and social.</p> <p>NOTE 2: The GRI Standards require reporting on topics that are material to the organization (material topics).</p>

Table I: New, revised, or deleted terms and definitions from the Group I Standards

Key terms are marked with an *

Term	Status	Definition/ Explanation
		<p><i>Previous G4 definition:</i> (Topic) The word topic is used in the Guidelines to refer to any possible sustainability subject.</p>
<p>topic Boundary*</p>	<p>Revised</p>	<p><i>Revised definition:</i> description of which entities cause the impacts related to a material topic</p> <p>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.</p> <p>NOTE 2: Topic Boundaries vary based on the topics reported.</p> <hr/> <p><i>Previous G4 definition:</i> (Aspect Boundary) Refers to the description of where impacts occur for each material Aspect. In setting the Aspect Boundaries, an organization should consider impacts within and outside of the organization. Aspect Boundaries vary based on the Aspects reported.</p>

37 Annex I. Definitions of terms for Group I 38 Standards, unchanged from G4 Glossary

39 The following definitions from G4 have not been revised, except for minor changes to style and
40 formatting. They are included here as a reference for the GSSB discussions.

41 **annual total compensation**

42 compensation provided over the course of a year, including:

- 43 • salary
- 44 • bonus
- 45 • stock awards
- 46 • option awards
- 47 • non-equity incentive plan compensation
- 48 • change in pension value and nonqualified deferred compensation earnings
- 49 • all other compensation

50 **base year**

51 historical datum against which consumption measurement is tracked over time

52 **baseline**

53 starting point used for comparisons

54 NOTE: In the context of energy and emissions the baseline is the projected energy consumption
55 or emissions in the absence of any reduction activity.

56 **carbon dioxide equivalent**

57 measure used to compare the emissions from various types of GHG based on their global
58 warming potential (GWP)

59 NOTE: The CO₂ equivalent for a gas is determined by multiplying the metric tons of the gas by
60 the associated GWP.

61 **CFC-11 (trichlorofluoromethane) equivalent**

62 measure used to compare various substances based on their relative ozone depletion potential
63 (ODP)

64 NOTE: The reference level of 1 is the potential of CFC-11 (trichlorofluoromethane) and CFC-
65 12 (dichlorodifluoromethane) to cause ozone depletion.

66 **clawback**

67 repayment of previously received compensation required to be made by an executive to his or
68 her employer in the event certain conditions of employment or goals are not met

69 **conflict of interest**

70 situation where an individual is confronted with choosing between the requirements of his/her
71 function and his/her own private interests

72 **direct (Scope 1) GHG emissions**

73 GHG emissions from sources that are owned or controlled by an organization

74 NOTE 1: A GHG source is any physical units or process that releases GHG into the
75 atmosphere.

76 NOTE 2: Direct (Scope 1) GHG emissions can include the CO₂ emissions from fuel
77 consumption.

78 **economic impact**

79 change in the productive potential of the economy that has an influence on a community's or
80 stakeholder's well-being and longer-term prospects for development

81 **energy indirect (Scope 2) GHG emissions**

82 GHG emissions that result from the generation of purchased or acquired electricity, heating,
83 cooling, and steam consumed by an organization

84 **global warming potential (GWP)**

85 value describing the radiative forcing impact of one unit of a given GHG relative to one unit of
86 CO₂ over a given period of time

87 NOTE: GWP values convert GHG emissions data for non-CO₂ gases into units of CO₂
88 equivalent.

89 **highest governance body**

90 formalized group of persons charged with ultimate authority in an organization

91 NOTE: In instances where the highest governance body consists of two tiers, both tiers should
92 be included.

93 **indirect economic impact**

94 additional consequence of the direct impact of financial transactions and the flow of money
95 between an organization and its stakeholders

96 **indirect political contribution**

97 financial or in-kind support to political parties, their representatives, or candidates for office
98 made through an intermediary organization such as a lobbyist or charity, or support given to an
99 organization such as a think tank or trade association linked to or supporting particular political
100 parties or causes

101 **infrastructure**

102 facilities built primarily to provide a public service or good rather than a commercial purpose,
103 and from which an organization does not seek to gain direct economic benefit

104 NOTE: Facilities can include water supply facilities, roads, schools, or hospitals

105 **other indirect (Scope 3) GHG emissions**

106 indirect GHG emissions not included in energy indirect (Scope 2) GHG emissions

107 **ozone-depleting substance (ODS)**

108 substance that deplete the stratospheric ozone layer

109 NOTE 1: ODS substances include those with an ozone depletion potential (ODP) greater than
110 zero that can deplete the stratospheric ozone layer.

111 NOTE 2: Most ODS are controlled under the UNEP 'Montreal Protocol on Substances that
112 Deplete the Ozone Layer' and its amendments, and include chlorofluorocarbons (CFCs),
113 hydrochlorofluorocarbons (HCFCs), halons, and methyl bromide.

114 **political contribution**

115 financial or in-kind support given directly or indirectly to political parties, their elected
116 representatives, or persons seeking political office

117 NOTE 1: Financial contributions can include donations, loans, sponsorships, retainers, or the
118 purchase of tickets for fundraising events.

119 NOTE 2: In-kind contributions may include advertising, use of facilities, design and printing,
120 donation of equipment, or the provision of board membership, employment or consultancy
121 work for elected politicians or candidates for office.

122 **product**

123 article or substance that is offered for sale or is part of a service delivered by an organization

124 **reduction of greenhouse gas emissions**

125 decrease in GHG emissions or increase in removal or storage of GHG from the atmosphere,
126 relative to baseline emissions

127 **senior executive**

128 top ranking member of the management of an organization that includes a Chief Executive
129 Officer (CEO) and individuals reporting directly to the CEO or the highest governance body

130 NOTE: An individual organization defines which members of its management teams are senior
131 executives.

132 **service**

133 action of an organization to meet a demand or need

134 **services supported**

135 services that provide a public benefit either through direct payment of operating costs or
136 through staffing the facility or service with an organization's own employees

137 NOTE: Public benefit can also include public services.

138 **significant air emission**

139 air emission regulated under international conventions and/or national laws or regulations

140 NOTE: Significant air emissions include those listed on environmental permits for an
141 organization's operations.

142 **supply chain**

143 sequence of activities or parties that provides products or services to an organization

144 **termination payment**

145 all payments made and benefits given to a departing executive or member of the highest
146 governance body whose appointment is terminated

147 NOTE: This extends beyond monetary payments to the giving of property and the automatic or
148 accelerated vesting of incentives given in connection with a person's departure from office.

149 **two-tier board system**

150 governance system found in a limited number of jurisdictions where supervision and
151 management are separated or where local law provides for a supervisory board drawn from
152 non-executives to oversee an executive management board

153 **underrepresented social group**

154 population that, relative to its numbers in a given society, has less opportunity to express its
155 economic, social, or political needs and views

156 NOTE: Specific groups included under this definition are not uniform for every organization. An
157 organization identifies relevant groups based on its operating context.