



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

Item 19 – Transition to GRI Standards

Mock-up of Sustainability Reporting Standard 1: Conceptual Framework

Meeting	3-5 November 2015, Amsterdam
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 Sustainability Reporting Standards (GRI Standards). This paper presents the mock-up of Sustainability Reporting Standard 1: Conceptual Framework, which will feature the forthcoming ‘in accordance’ criteria.

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.

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4 Introduction

5 This paper presents the initial draft content of Sustainability Reporting Standard I: Conceptual Framework,
6 which will feature the forthcoming 'in accordance' criteria. Once they are available, the 'in accordance'
7 criteria will define how to use the GRI Standards.

8 This paper is to be read in conjunction with Item I8 – Transition to GRI Standards – Proposals and mock-
9 ups in development, available for download on the GRI website (www.globalreporting.org).

10 The text in this mock-up is a work-in-progress, and will continue to evolve. It is not a final proposal for
11 wording. Instead, it is intended to convey the type of information that users will need. It is also a place to
12 try out different terms and formulations.

13 Decisions about the text, and firm proposals for it, will be made during the forthcoming phase of editorial
14 review. This will include decisions on the tone of voice to be used in the GRI Standards, and the preferred
15 ways to construct sentences and express ideas.

16 This mock-up uses the standard GRI branding. The GRI Standards will have distinct branding, design and
17 layout, including visuals and infographics.

18 *GSSB decisions*

19 **Appropriateness and completeness of proposed content**

20 The GSSB is asked to decide whether the proposed content in this mock-up is appropriate for this GRI
21 Standard, and to identify content that should also be included.

22 Sustainability Reporting Standard I:
23 Conceptual Framework: [Publication Year]

24 Summary information for users of this GRI 25 Standard

26 *[Standards Division Note: It is to be decided whether this GRI Standard will include a summary information*
27 *section]*

28 This Sustainability Reporting Standard (GRI Standard) is issued by the Global Sustainability Standards Board
29 (GSSB). It is part of the set of GRI Sustainability Reporting Standards, or SRSs.

30 The GSSB is an independent operating entity within GRI. It has responsibility for setting globally-accepted
31 sustainability reporting standards, according to a formally-defined due process, exclusively in the public
32 interest.

33 The GSSB also develops materials to support and improve the use of the SRSs. This includes Guidance
34 publications, FAQ documents and Interpretations, with the latter also developed according to due process.
35 As a component of the due process, Basis for Conclusions documents are created for each GRI Standard.

36 The SRSs are designed to be used by organizations for compiling and reporting sustainability information¹.
37 The SRSs:

- 38 • set out disclosure requirements for sustainability information
- 39 • specify Reporting Principles, methods and practices to adhere to when formulating the disclosures

40 The SRSs are suitable for use by organizations of any size, type, sector or geographical location.

41 **Using the SRSs in conjunction**

42 Each GRI Standard in the set of SRSs has been designed to be used in conjunction with others. The exact
43 combination of SRSs to be used by an organization depends on whether the organization is:

- 44 • preparing a report 'in accordance' with the SRSs, or
- 45 • making use of individual SRSs to report on a particular topic or topics

46 This GRI Standard is the entry point for using the SRSs. It sets out the criteria for reporting 'in accordance'
47 with the SRSs, and gives essential information on how they are used.

48 It is one of three SRSs that organizations are required to be familiar with before using the set of SRSs, or
49 any individual GRI Standard. These three SRSs are:

- 50 • SRS 1: Conceptual Framework
- 51 • SRS 2: Content Principles
- 52 • SRS 3: Quality Principles

¹ Where the term 'sustainability' is used in the SRSs, it is intended to be understood as sustainable development. See the World Commission on Environment and Development. Our Common Future. Oxford: Oxford University Press, 1987, p.43.

53 SRS 2: Content Principles and SRS 3: Quality Principles set out the Reporting Principles which underpin
54 the practice of sustainability reporting, guiding choices on which information to report and how.
55 Complete information on the combined use of SRSs is given in the section 'Reporting 'In Accordance' with
56 the SRSs'.

57 All text in a GRI Standard has equal authority.

58 Requirements in this GRI Standard are presented in **bold** font.

59 The specified methods and practices for meeting the requirements are presented in regular font, following
60 each requirement.

61 The verbs used in the text have the following meanings:

62 Can = Capability: a particular scenario or course of action is achievable or applicable.

63 May = Permission: a particular scenario or course of action is permitted when using the GRI Standard.

64 Might = Possibility: a particular scenario or course of action is possible.

65 Should = Recommendation: a particular scenario or course of action is recommended and encouraged.

66 Where a term is defined in the Terms and Definitions section of a GRI Standard, organizations are to
67 adhere to that definition.

68 Where a document is referenced without its date of publication, the reference applies to the most recent
69 edition.

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79 Purpose

- 80 1 This GRI Standard is the entry point for using the set of GRI Sustainability Reporting Standards,
81 or SRSs.
- 82 2 Its objective is to provide the entry-level information needed to understand the SRSs and how
83 they are applied. This includes the criteria for reporting 'in accordance' with the SRSs.
- 84 3 This GRI Standard:
- 85 (a) sets out the criteria for reporting 'in accordance' with the SRSs
 - 86 (b) gives information about the set of SRSs, and about the features and requirements of each
87 type of GRI Standard
 - 88 (c) gives background information about the GSSB, and the origins and development of the
89 SRSs
 - 90 (d) provides a glossary of key terms, and other supporting information
- 91 4 This GRI Standard is one of three that organizations are required to be familiar with before using
92 the set of SRSs, or any individual GRI Standard. These three SRSs are:
- 93 (a) SRS 1: Conceptual Framework
 - 94 (b) SRS 2: Content Principles
 - 95 (c) SRS 3: Quality Principles
- 96 5 SRS 2: Content Principles and SRS 3: Quality Principles set out the Reporting Principles which
97 underpin the practice of sustainability reporting, guiding choices on which information to report
98 and how.
- 99 6 The information given in these three SRSs lets organizations begin applying the SRSs to compile
100 and report sustainability information. This means information about topics² and organizational
101 characteristics that are considered vital in terms of sustainable development.
- 102 7 These three SRSs are also intended to ensure that the information reported using the set of SRSs
103 is meaningful and of high quality; and that it reflects the interests and concerns of an organization's
104 stakeholders.

² Where the term 'topic' is used in the SRSs, it is to be understood as a sustainability topic.

105 About the GRI Sustainability Reporting 106 Standards (SRSs)

107 8 The GRI Sustainability Reporting Standards are a set of corporate reporting documents that
108 establish and specify requirements for reporting sustainability-related information.

109 9 Collectively, the Sustainability Reporting Standards are referred to as the SRSs. Individually, each
110 one is referred to as a GRI Standard.

111 10 The SRSs:

112 (a) set out disclosure requirements for sustainability information

113 (b) specify Reporting Principles, methods and practices to adhere to when formulating the
114 disclosures

115 11 The SRSs are suitable for use by organizations of any size, type, sector and geographical location.

116 12 Organizations may choose to use the SRSs in one of two ways:

117 (a) To prepare and publish a sustainability report using the set of SRSs

118 (b) To prepare and publish information on a particular topic or topics, by making use of
119 individual SRSs

120 The set of SRSs

121 13 There are four types of GRI Standard within the set of SRSs. Each type has its own purpose and
122 requirements.

123 14 1. SRSs that give essential information on how to use the set of SRSs; the ‘in accordance’ criteria;
124 and the Reporting Principles which underpin the practice of sustainability reporting.

125 (a) SRS 1: Conceptual Framework

126 (b) SRS 2: Content Principles

127 (c) SRS 3: Quality Principles

128 15 2. SRSs that elicit contextual information about an organization, its characteristics, and its
129 approaches to reporting.

130 (a) SRS 4: Reporting Organization

131 (b) SRS 5: Governance

132 (c) SRS 6: Stakeholder Engagement

133 (d) SRS 7: Reporting Practice (working title)

134 (e) SRS 8: Strategy and Analysis

135 16 3. SRSs that elicit information about an organization’s management approach for specific topics.

136 (a) SRS 9: Part 1: Management Approach Narrative

137 (b) SRS 9: Part 2: Management Approach Indicators

138 17 4. Topic-specific SRSs, dedicated to the measurement and reporting of information on a specific
139 topic. Topic-specific SRSs are organized under the categories Economic, Environmental and Social.

140 18 The basic purpose, requirements, and users of each type of SRS are:

141 *[Standards Division Note: After further development, the following information is intended to be presented as*
142 *an infographic]*

Sustainability Reporting Standard (SRS)	What	Who and why
SRS 1: CONCEPTUAL FRAMEWORK	Complete information on how to use the SRSs, including how to report 'in accordance'.	Who: All organizations using the SRSs. Why: Understand how to use the SRSs, especially when starting out.
SRS 2: CONTENT PRINCIPLES	Sets out a group of Reporting Principles for identifying all matters that merit being reported.	Who: All organizations using the SRSs. Why: (1) Understand the Reporting Principles to be adhered to when using the SRSs. (2) Identify the content of an 'in accordance' report. (3) Enhance reporting practice in general.
SRS 3: QUALITY PRINCIPLES	Sets out a group of Reporting Principles for ensuring the quality of reported information.	Who: All organizations using the SRSs. Why: (1) Understand the Reporting Principles to be adhered to when using the SRSs. (2) Ensure the quality of reported information. (3) Enhance reporting practice in general.
SRS 4: REPORTING ORGANIZATION	Sets out disclosure requirements on an organization's profile, characteristics (including ethics), and activities, and its relationship with sustainability.	Who: (1) Organizations preparing a report 'in accordance' with the SRSs. (2) Any organization wanting to provide the information. Why: Provide fundamental information about the organization and its relationship with sustainability.
SRS 5: GOVERNANCE	Sets out disclosure requirements on an	Who:

	organization’s governance structure and practices.	(1) Organizations preparing a report ‘in accordance’ with the SRSs. (2) Any organization wanting to provide the information. Why: Provide fundamental information about the organization’s governance.
SRS 6: STAKEHOLDER ENGAGEMENT	Sets out disclosure requirements on an organization’s stakeholder engagement practices.	Who: (1) Organizations preparing a report ‘in accordance’ with the SRSs. (2) Any organization wanting to provide the information. Why: Provide fundamental information about the organization’s stakeholder engagement practices.
SRS 7: REPORTING PRACTICE (working title)	Sets out disclosure requirements on an organization’s approach to compiling and reporting sustainability information.	Who: (1) Organizations preparing a report ‘in accordance’ with the SRSs. (2) Any organization wanting to provide the information. Why: Provide fundamental information about the organization’s approach to compiling and reporting sustainability information.
SRS 8: STRATEGY AND ANALYSIS	Sets out disclosure requirements on an organization’s sustainability strategy and aims.	Who: (1) Organizations preparing a report ‘in accordance’ with the SRSs. (2) Any organization wanting to provide the information. Why: Provide fundamental information about the organization’s sustainability strategy and aims; and its key impacts, risks and opportunities.

<p>SRS 9-1: MANAGEMENT APPROACH NARRATIVE</p>	<p>Sets out disclosure requirements for a narrative explanation of how an organization manages its sustainability impacts and stakeholder concerns.</p> <p>These disclosure requirements are not topic-specific; they are designed to be applicable to different topics.</p> <p>Therefore, SRS 9-1 is used in conjunction with any topic-specific GRI Standard, or for reporting about a topic defined by the reporting organization.</p>	<p>Who: All organizations using the SRSs.</p> <p>Why: For each topic, provide narrative information on the management of impacts and stakeholder concerns.</p>
<p>SRS 9-2: MANAGEMENT APPROACH INDICATORS</p>	<p>Sets out disclosure requirements that measure the extent to which an organization has used widely-applicable processes to implement its management approach.</p> <p>These disclosure requirements are not topic-specific; they are designed to be applicable to different topics.</p> <p>Therefore, SRS 9-2 is used in conjunction with any topic-specific GRI Standard, or for reporting about a topic defined by the reporting organization.</p>	<p>Who: All organizations using the SRSs.</p> <p>Why: For each material topic, provide information on the use of widely-applicable processes to implement the respective management approach.</p> <p>(It is not required to report all the Indicators in this GRI Standard; only those which provide evidence of the management approach explained using SRS 9-1.)</p>
<p>TOPIC-SPECIFIC SRSs (organized under the categories Economic, Environmental and Social)</p>	<p>A GRI Standard that sets out disclosure requirements for a particular topic.</p> <p>Using these SRSs results in the following forms of disclosure:</p> <ul style="list-style-type: none"> • Management approach narrative (reported using SRS 9-1) 	<p>Who:</p> <p>(1) Organizations preparing a report 'in accordance' with the SRSs.</p> <p>(2) Any organization wanting to report about the topic in question.</p> <p>Why:</p> <p>(1) Provide information on every topic identified as</p>

	<ul style="list-style-type: none"> • Management approach Indicators (reported using SRS 9-2) • If applicable, topic-specific management approach narrative • Indicators for the topic 	<p>material, as determined by the use of SRS I</p> <p>(2) Provide information about topics chosen by the reporting organization, regardless of whether an 'in accordance' report is being produced.</p>
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143 The features of each type of SRS

144 *[Standards Division Note: After further development, this information is intended to be presented as an*
145 *infographic, based on an image of the contents page of each GRI Standard, with explanatory text linked to each*
146 *section of content. An example is provided for only one type of GRI Standard.*

147 EXAMPLE FOR A TOPIC-SPECIFIC STANDARD:]

148 Summary information

149 19 This section presents basic introductory information about:

- 150 (a) This GRI Standard
- 151 (b) The set of SRSs, and how they are used in conjunction
- 152 (c) Typographic presentation and other conventions

153 Purpose

154 20 This section presents:

- 155 (a) The objective of each Standard – what it is used for
- 156 (b) background information about the topic and its importance

157 Terms and Definitions

158 21 Definitions to be adhered to, for terms:

- 159 (a) Used in this GRI Standard
- 160 (b) Used throughout the SRSs

161 Requirements: Management Approach

162 22 This section:

- 163 (a) Refers to the two SRSs that are used in conjunction with a topic-specific Standard, for
164 reporting the management approach for the topic
- 165 (b) Presents any additional requirements or information concerning the management
166 approach for the topic

167 Requirements: Indicators

168 23 Qualitative and quantitative measurements of impacts and performance, in relation to the topic.

169 24 In combination, these requirements result in the following forms of disclosure:

- 170 (a) Narrative information about the management approach for this topic
- 171 (b) (where appropriate) Indicators on the implementation of the management approach

172 (c) (where appropriate) Additional disclosures on management approach, tailored for the
173 topic

174 (d) Qualitative and quantitative measurements of impacts and performance

175 **References**

176 25 Documents that underpinned the development of this GRI Standard and can enhance its use.

177 Reporting 'In Accordance' with the SRSs

178 *[Standards Division Note: The 'in accordance' system for the SRSs is to be decided. Information on Notification*
179 *of Use is also to be presented in this section]*

180 The basic steps for using the SRSs

181 *[Standards Division Note: After further development, this information is intended to be presented as an*
182 *infographic/decision tree]*

183 26 **Step 1.**

184 27 Read SRS 1: Conceptual Framework, SRS 2: Content Principles and SRS 3: Quality Principles.

185 28 **Step 2.**

186 29 For a sustainability report:

- 187 (a) Report the SRSs concerned with the organization and its reporting practices
- 188 (b) select the topic-specific SRSs that are deemed material; report the Indicators given in
189 each, together with the associated management approach information using SRS 9-1 and
190 SRS 9-2

191 30 For topic-specific reporting:

- 192 (a) Report the topic-specific GRI Standard, together with its associated management
193 approach information using SRS 9-1 and SRS 9-2

194 31 For reporting topics defined by the organization:

- 195 (a) Define the topic
- 196 (b) Report the management approach for the topic using SRS 9-1 and SRS 9-2

197 The GSSB and the development of the SRSs

198 *[Standards Division Note: This short section will be based on the GSSB Terms of Reference, the Due Process*
199 *Protocol and the GSSB Narrative. It will detail:*

- 200 • *The GSSB, its purpose and mandate*
- 201 • *The development process used by the GSSB, including due process, public consultation, basis for*
202 *conclusions, multi-stakeholder input*
- 203 • *The Due Process Oversight Committee*
- 204 • *The origin of the SRSs: they were based initially on the G4 Guidelines*
- 205 • *Meeting papers, proposals and other supporting materials can be found on the GRI/GSSB website]*

206 **Glossary of key terms (used throughout the**
207 **SRSs)**

208 *[Standards Division Note: To be included when available. Text repurposed from the introductions to*
209 *Categories in G4 – e.g., Economic, Environmental, Social – might also be included in this section]*