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Item 2I – Transition to GRI Standards

Mock-up of Sustainability Reporting Standard 3: Quality Principles

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 3: Quality Principles, formerly the G4 Principles for Defining Report Quality.

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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7 Clean version

8 *About this version*

9 This section presents a clean version of Sustainability Reporting Standard 3: Quality Principles, formerly
10 the G4 Principles for Defining Report Quality.

11 For an overview of the changes applied, see the ‘Summary of changes’ on page 19 of this paper. This
12 summary is to be read in conjunction with Item 18 – Transition to GRI Standards – Proposals and mock-
13 ups in development, available for download on the GRI website (www.globalreporting.org).

14 The proposed terminology for the GRI Standards has not been fully implemented throughout the original
15 G4 text in this mock-up. The G4 content also includes references to sections of G4 that will change in the
16 GRI Standards.

17 New text in the mock-ups will continue to evolve. It is not a final proposal for wording. Instead, it is
18 intended to convey the type of information that users will need. It is also a place to ‘trial’ different terms
19 and formulations.

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

23 The use of verbs in the GRI Standards will also be covered during the editorial review. In G4, verbs such
24 as ‘can’, ‘may’ or ‘might’ are used interchangeably. In keeping with standard-setting practice, these verbs
25 will be given fixed meanings in the GRI Standards. Each mock-up has a section where the proposed
26 meanings are explained.

27 In the mock-ups, these meanings have not yet been applied throughout the original G4 text. The editorial
28 review will include an assessment of the intended meaning behind each verb used interchangeably in G4,
29 and any repercussions that might arise from changing it.

30 The mock-ups use the standard GRI branding. The GRI Standards will have distinct branding, design and
31 layout, including visuals and infographics.

32 *GSSB decisions*

33 **Status of ‘General Reporting Notes’**

34 The GSSB is asked to decide whether the ‘General Reporting Notes’ (see line numbers 285-354) should
35 be mandatory or optional for this GRI Standard. If they are optional, they can be either presented within
36 this GRI Standard (using formulations such as ‘organizations are encouraged to disclose...’) or in a separate
37 guidance document.

38 Sustainability Reporting Standard 3: Quality
39 Principles: [Publication Year]

40 Summary information for users of this GRI 41 Standard

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

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

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

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

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

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

55 **Using the SRSs in conjunction**

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

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

60 This GRI Standard is to be read in conjunction with the following SRSs:

- 61 • SRS 1: Conceptual Framework
- 62 • SRS 2: Content Principles

63 SRS 1: Conceptual Framework gives essential information on using the SRSs.

64 This GRI Standard and SRS 2: Content Principles set out the Reporting Principles which underpin the
65 practice of sustainability reporting, guiding choices on which information to report and how.

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.

- 66 Therefore, organizations are required to be familiar with SRS 1, SRS 2 and SRS 3 before using any other
67 GRI Standard.
- 68 Complete information on the combined use of SRSs is given in SRS 1: Conceptual Framework.

69 All text in a GRI Standard has equal authority.

70 The Reporting Principles are presented in **bold** font.

71 The specified methods and practices for applying the Principles are presented in regular font, following
72 each Principle.

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

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

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

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

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

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

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

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98 Purpose

- 99 1 This GRI Standard sets out the Principles for Defining Report Quality. It specifies the methods and
100 practices for applying each Principle. It also presents tests that can be used to assess the application
101 of each Principle.
- 102 2 There are two types of Reporting Principles to be applied when using the SRSs: the Principles for
103 Defining Report Quality, set out in this GRI Standard, and the Principles for Defining Report
104 Content, which are set out in SRS 2: Content Principles.
- 105 3 The Reporting Principles are fundamental to achieving transparency when reporting sustainability
106 information. Therefore, they are to be applied by all organizations when using the set of SRSs, and
107 when using an individual GRI Standard.
- 108 4 The Principles for Defining Report Quality guide choices on ensuring the quality of reported
109 information, including its proper presentation. The quality of information is important for enabling
110 stakeholders to make sound and reasonable assessments of performance, and take appropriate
111 actions.

112 Terms and Definitions

113 **Topic Boundary**

114 5 Refers to the description of where impacts occur for each material topic. In setting the Topic
115 Boundaries, an organization should consider impacts within and outside of the organization. Topic
116 Boundaries vary based on the topics reported.

117 **Reporting period**

118 6 Reporting period is the specific time span covered by the information reported.

119 **Reporting Principle**

120 7 Concepts that describe the outcomes a report should achieve and that guide decisions made
121 throughout the reporting process, such as which Indicators to respond to, and how to respond
122 to them.

123 **Scope**

124 8 The range of topics covered in a report.

125 **Stakeholders**

126 9 Stakeholders are defined as entities or individuals that can reasonably be expected to be
127 significantly affected by the organization's activities, products, and services; and whose actions can
128 reasonably be expected to affect the ability of the organization to successfully implement its
129 strategies and achieve its objectives. This includes entities or individuals whose rights under law
130 or international conventions provide them with legitimate claims vis-à-vis the organization.

131 10 Stakeholders can include those who are invested in the organization (such as employees,
132 shareholders, suppliers) as well as those who have other relationships to the organization (such
133 as vulnerable groups within local communities, civil society).

134 Principles for Defining Report Quality

135 11 The following Reporting Principles are set out below: Accuracy, Balance, Clarity, Comparability,
136 Reliability, and Timeliness.

137 12 These Principles guide choices on ensuring the quality of reported information, including its proper
138 presentation.

139 *Accuracy*

140 13 **The reported information should be sufficiently accurate and detailed for**
141 **stakeholders to assess the organization's performance.**

142 **Applying the Principle:**

143 14 Responses to economic, environmental and social Disclosures on Management Approach and
144 Indicators may be expressed in many different ways, ranging from qualitative responses to detailed
145 quantitative measurements. The characteristics that determine accuracy vary according to the
146 nature of the information and the user of the information. For example, the accuracy of qualitative
147 information is largely determined by the degree of clarity, detail, and balance in presentation within
148 the appropriate Topic Boundaries. The accuracy of quantitative information, on the other hand,
149 may depend on the specific methods used to gather, compile, and analyze data. The specific
150 threshold of accuracy that is necessary will depend partly on the intended use of the information.
151 Certain decisions require higher levels of accuracy in reported information than others.

152 15 **Tests:**

- 153 (a) The report indicates the data that has been measured
- 154 (b) The data measurement techniques and bases for calculations are adequately described, and
155 can be replicated with similar results
- 156 (c) The margin of error for quantitative data is not sufficient to influence substantially the ability
157 of stakeholders to reach appropriate and informed conclusions on performance
- 158 (d) The report indicates which data has been estimated and the underlying assumptions and
159 techniques used to produce the estimates, or where that information can be found
- 160 (e) The qualitative statements in the report are valid on the basis of other reported information
161 and other available evidence

162 *Balance*

163 16 **The report should reflect positive and negative aspects of the organization's**
164 **performance to enable a reasoned assessment of overall performance.**

- 165 **Applying the Principle:**
- 166 17 The overall presentation of the report’s content should provide an unbiased picture of the
167 organization’s performance. The report should avoid selections, omissions, or presentation
168 formats that are reasonably likely to unduly or inappropriately influence a decision or judgment by
169 the report reader. The report should include both favorable and unfavorable results, as well as
170 information that can influence the decisions of stakeholders in proportion to their materiality. The
171 report should clearly distinguish between factual presentation and the organization’s interpretation
172 of information.
- 173 18 **Tests:**
- 174 (a) The report discloses both favorable and unfavorable results and topics
- 175 (b) The information in the report is presented in a format that allows users to see positive and
176 negative trends in performance on a year-to-year basis
- 177 (c) The emphasis on the various topics in the report is proportionate to their relative materiality

178 *Clarity*

- 179 19 **The organization should make information available in a manner that is**
180 **understandable and accessible to stakeholders using the report.**
- 181 **Applying the Principle:**
- 182 20 The report should present information in a way that is understandable, accessible, and usable by
183 the organization’s range of stakeholders (whether in print form or through other channels). A
184 stakeholder should be able to find desired information without unreasonable effort. Information
185 should be presented in a manner that is comprehensible to stakeholders who have a reasonable
186 understanding of the organization and its activities. Graphics and consolidated data tables may help
187 to make information in the report accessible and understandable. The level of aggregation of
188 information may also affect the clarity of a report, if it is either significantly more or less detailed
189 than stakeholders expect.
- 190 21 **Tests:**
- 191 (a) The report contains the level of information required by stakeholders, but avoids excessive
192 and unnecessary detail
- 193 (b) Stakeholders can find the specific information they want without unreasonable effort through
194 tables of contents, maps, links, or other aids
- 195 (c) The report avoids technical terms, acronyms, jargon, or other content likely to be unfamiliar
196 to stakeholders, and should include explanations (where necessary) in the relevant section or
197 in a glossary
- 198 (d) The data and information in the report is available to stakeholders, including those with
199 particular accessibility needs (such as differing abilities, language, or technology)

200 *Comparability*

201 22 **The organization should select, compile and report information consistently. The**
202 **reported information should be presented in a manner that enables stakeholders to**
203 **analyze changes in the organization’s performance over time, and that could support**
204 **analysis relative to other organizations.**

205 **Applying the Principle:**

206 23 Comparability is necessary for evaluating performance. Stakeholders using the report should be
207 able to compare information reported on economic, environmental and social performance against
208 the organization’s past performance, its objectives, and, to the degree possible, against the
209 performance of other organizations. Consistency in reporting allows internal and external parties
210 to benchmark performance and assess progress as part of rating activities, investment decisions,
211 advocacy programs, and other activities. Comparisons between organizations require sensitivity
212 to factors such as differences in organizational size, geographic influences, and other considerations
213 that may affect the relative performance of an organization. When necessary, report preparers
214 should consider providing context that helps report users understand the factors that may
215 contribute to differences in performance between organizations.

216 24 In order to facilitate comparability over time, it is important to maintain consistency with the
217 methods used to calculate data; with the layout of the report; and with explaining the methods
218 and assumptions used to prepare information. As the relative importance of a topic to a given
219 organization and its stakeholders change over time, the content of reports will also evolve.

220 25 However, within the confines of the Principle of Materiality, organizations should aim for
221 consistency in their reports over time. An organization should include total numbers (that is,
222 absolute data such as tons of waste) as well as ratios (that is, normalized data such as waste per
223 unit of production) to enable analytical comparisons.

224 26 When changes occur with the Topic Boundaries, Scope, length of the reporting period, or content
225 (including the design, definitions, and use of any Indicators in the report), organizations should,
226 whenever practicable, restate current disclosures alongside historical data (or vice versa). This
227 ensures that information and comparisons are both reliable and meaningful over time. When such
228 restatements are not provided, the report should explain the reasons and implications for
229 interpreting current disclosures.

230 27 **Tests:**

- 231 (a) The report and the information contained within it can be compared on a year-to-year basis
- 232 (b) The organization’s performance can be compared with appropriate benchmarks
- 233 (c) Any significant variation between reporting periods in the Topic Boundaries, Scope, length of
234 reporting period, or information covered in the report can be identified and explained
- 235 (d) When they are available, the report utilizes generally accepted protocols for compiling,
236 measuring and presenting information, including the information contained in the GRI
237 Standards

238 (e) The report uses GRI Sector Disclosures, when available

239 *Reliability*

240 28 **The organization should gather, record, compile, analyze and disclose information**
241 **and processes used in the preparation of a report in a way that they can be subject to**
242 **examination and that establishes the quality and materiality of the information.**

243 **Applying the Principle:**

244 29 Stakeholders should have confidence that a report can be checked to establish the veracity of its
245 contents and the extent to which it has appropriately applied Reporting Principles. The information
246 and data included in a report should be supported by internal controls or documentation that
247 could be reviewed by individuals other than those who prepared the report. Disclosures about
248 performance that are not substantiated by evidence should not appear in a sustainability report
249 unless they represent material information, and the report provides unambiguous explanations of
250 any uncertainties associated with the information.

251 30 The decision-making processes underlying a report should be documented in a manner that allows
252 the basis of key decisions (such as processes for determining the report content and Topic
253 Boundaries or stakeholder engagement) to be examined. In designing information systems,
254 organizations should anticipate that the systems could be examined as part of an external
255 assurance process.

256 31 **Tests:**

- 257 (a) The scope and extent of external assurance is identified
- 258 (b) The original source of the information in the report can be identified by the organization
- 259 (c) Reliable evidence to support assumptions or complex calculations can be identified by the
260 organization
- 261 (d) Representation is available from the original data or information owners, attesting to its
262 accuracy within acceptable margins of error

263 *Timeliness*

264 32 **The organization should report on a regular schedule so that information is available**
265 **in time for stakeholders to make informed decisions.**

266 **Applying the Principle:**

267 33 The usefulness of information is closely tied to whether the timing of its disclosure to stakeholders
268 enables them to effectively integrate it into their decision-making. The timing of release refers
269 both to the regularity of reporting as well as its proximity to the actual events described in the
270 report.

271 34 Although a constant flow of information is desirable for meeting certain purposes, organizations
272 should commit to regularly providing a consolidated disclosure of their economic, environmental
273 and social performance at a single point in time. Consistency in the frequency of reporting and the
274 length of reporting periods is also necessary to ensure comparability of information over time and
275 accessibility of the report to stakeholders. It may be of value for stakeholders if the schedules for
276 sustainability reporting and financial reporting are aligned. The organization should balance the
277 need to provide information in a timely manner with the importance of ensuring that the
278 information is reliable.

279 35 **Tests:**

280 (a) Information in the report has been disclosed while it is recent relative to the reporting period

281 (b) The collection and publication of key performance information is aligned with the sustainability
282 reporting schedule

283 (c) The information in the report (including online reports) clearly indicates the time period to
284 which it relates, when it will be updated, and when the last updates were made

285 General Reporting Notes

286 *Reporting on Trends*

287 36 Information should be presented for the current reporting period (such as the current year) and
288 at least two previous periods, as well as future targets, where they have been established, for the
289 short- and medium-term.

290 *Presentation of Data*

291 37 In some cases, ratios or normalized data are useful and appropriate formats for data presentation.
292 If ratios or normalized data are used, absolute data should also be provided. Explanatory notes
293 are advisable.

294 *Data Aggregation and Disaggregation*

295 38 Organizations will need to determine the level of aggregation at which to present information.
296 This requires balancing the effort required against the added meaningfulness of information
297 reported on a disaggregated basis (such as country or site). Aggregation of information can result
298 in the loss of a significant amount of meaning, and can also fail to highlight particularly strong or
299 poor performance in specific areas. On the other hand, unnecessary disaggregation of data can
300 affect the ease of understanding the information. Organizations should disaggregate information
301 to an appropriate level using the Principles and the Guidance in the *Implementation Manual*.
302 Disaggregation may vary by Indicator, but will generally provide more insight than a single,
303 aggregated figure.

304 *Metrics*

305 39 Reported data should be presented using generally accepted international metrics (such as
306 kilograms, tonnes, litres) and calculated using standard conversion factors. When specific
307 international conventions exist (such as GHG equivalents), these are typically specified in the
308 Indicators' Guidance presented in the *Implementation Manual*.

309 *Report Form and Frequency*

310 REPORTING REQUIRED STANDARD DISCLOSURES BY USING REFERENCES

311 40 Information related to Standard Disclosures required by the 'in accordance' options may already
312 be included in other reports prepared by the organization, such as its annual report to
313 shareholders or other regulatory or voluntary reports. In these circumstances, the organization

314 may elect to not repeat those disclosures in its sustainability report and instead add a reference
315 to where the relevant information can be found.

316 41 This presentation is acceptable as long as the reference is specific (for example, a general reference
317 to the annual report to shareholders would not be acceptable, unless it includes the name of the
318 section, table, etc.) and the information is publicly available and readily accessible. This is likely the
319 case when the sustainability report is presented in electronic or web based format and links are
320 provided to other electronic or web based reports.

321 MEDIUM OF REPORTING

322 42 Electronic or web-based reporting and paper reports are appropriate media for reporting.
323 Organizations may choose to use a combination of web and paper-based reports or use only one
324 medium. For example, an organization may choose to provide a detailed report on their website
325 and provide an executive summary including their strategy and analysis and performance
326 information in paper form. The choice will likely depend on the organization's decisions on its
327 reporting period, its plans for updating content, the likely users of the report, and other practical
328 factors, such as its distribution strategy.

329 43 At least one medium (web or paper) should provide users with access to the complete set of
330 information for the reporting period.

331 FREQUENCY OF REPORTING

332 44 Organizations should define a consistent reporting period for issuing a report. For many
333 organizations, this will be annually, although some organizations choose to report biannually. An
334 organization may choose to update information between the issuing of consolidated accounts of
335 performance. This has advantages in terms of providing stakeholders with more immediate access
336 to information, but has disadvantages in terms of comparability of information. However,
337 organizations should still maintain a predictable cycle in which all of the information that is
338 reported covers a specific time period.

339 45 Reporting on economic, environmental and social performance could coincide or be integrated
340 with other organizational reporting, such as annual financial statements. Coordinated timing
341 reinforces the linkages between financial performance and economic, environmental and social
342 performance.

343 UPDATING REPORT CONTENT

344 46 When preparing a new report, an organization may identify areas of information that have not
345 changed since the prior report (such as a policy that has not been amended). The organization
346 may choose to only update the topics and Indicators that have changed and to re-publish the
347 Standard Disclosures that have not changed. For example, an organization may choose to
348 reproduce the information on policies that have not changed and only update its Indicators. The
349 flexibility to take such an approach will depend in large part on the organization's choice of
350 reporting medium. Some topics such as Strategy and Analysis and DMA and Indicators, are likely
351 to show changes each reporting period, while other topics, such as organizational profile or
352 governance, may change at a slower pace. Regardless of the strategy used, the full set of applicable

353 information for the reporting period should be accessible in a single location (either a paper or
354 web-based document).

355 Tracked version

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358 the G4 Principles for Defining Report Quality.

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380 *Summary of changes*

381 **Formatting legend**

382 **Blue underlined:** New, amended or combined text (i.e., several G4 texts remade into one)

383 **Regular text:** Existing text or text that has been moved

384 **Red strike through:** Text deleted permanently

385 **Regular strike through:** Text deleted from its G4 location and moved elsewhere

386 **Relocating G4 content**

- 387
- The Principles for Defining Report Quality have been reorganized in alphabetical order
- 388
- The ‘General Reporting Notes’ chapter of G4 (*Implementation Manual, pp. 256-257*) has been
- 389
- incorporated into this GRI Standard (see line numbers 669-732)
- 390
- The following definitions from the ‘Definitions of Key Terms’ section of G4 (*Implementation*
- 391
- Manual, p. 244*) have been added to the ‘Terms and Definitions’ section of this GRI Standard:
- 392
- ‘Aspect Boundary’, ‘Reporting Principle’, ‘Scope’, ‘Stakeholders’ (see line numbers 493-496 and
- 393
- 499-512)
- 394
- The following definition from the ‘Glossary’ section of G4 (*Implementation Manual, pp. 244-254*)
- 395
- has been added to the ‘Terms and Definitions’ section of this GRI Standard: ‘Reporting period’
- 396
- (see line numbers 497-498)

397 **Removing unnecessary G4 guidance**

- 398
- Section headings from guidance texts have been removed (‘GUIDANCE’)

399 **Updating G4 content**

400 In this mock-up, the following new terms have been trialed:

- 401
- The term ‘Aspect’ has been changed to ‘topic’
- 402
- The term ‘Aspect Boundary’ has been changed to ‘Topic Boundary’
- 403
- The term ‘GRI Guidelines’ has been changed to ‘GRI Standard(s)’

404 Sustainability Reporting Standard 3: Quality
405 Principles: [Publication Year]

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473 using an individual GRI Standard.

474 The Principles for Defining Report Quality guide choices on ensuring the quality of reported information,
475 including its proper presentation. The quality of information is important for enabling stakeholders to
476 make sound and reasonable assessments of performance, and take appropriate actions.

~~477 The Reporting Principles are fundamental to achieving transparency in sustainability reporting and~~
~~478 therefore should be applied by all organizations when preparing a sustainability report. The *Implementation*~~
~~479 *Manual* outlines the required process to be followed by an organization in making decisions consistent~~
~~480 with the Reporting Principles.~~

~~481 The Principles are divided into two groups: Principles for Defining Report Content and Principles for~~
~~482 Defining Report Quality.~~

~~483 The Principles for Defining Report Content describe the process to be applied to identify what content~~
~~484 the report should cover by considering the organization's activities, impacts, and the substantive~~
~~485 expectations and interests of its stakeholders.~~

~~486 The Principles for Defining Report Quality guide choices on ensuring the quality of information in the~~
~~487 sustainability report, including its proper presentation. The quality of the information is important to~~
~~488 enable stakeholders to make sound and reasonable assessments of performance, and take appropriate~~
~~489 actions.~~

~~490 Each of the Principles consists of a definition, an explanation on how to apply the Principle and tests. The~~
~~491 tests are intended to serve as tools for self-diagnosis, but not as specific disclosures to report against.~~

Terms and Definitions

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Aspect-Topic Boundary

Refers to the description of where impacts occur for each material [Aspecttopic](#). In setting the [Aspect Topic](#) Boundaries, an organization should consider impacts within and outside of the organization. [Aspect Topic](#) Boundaries vary based on the [Aspects-topics](#) reported.

Reporting period

Reporting period is the specific time span covered by the information reported.

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.

Scope

The range of [Aspects/topics](#) covered in a report.

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.

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).

513 Principles for Defining Report Quality

514 The following Reporting Principles are set out below: Accuracy, Balance, Clarity, Comparability, Reliability,
515 and Timeliness.

516 These Principles guide choices on ensuring the quality of reported information, including its proper
517 presentation.

518 ~~This group of Principles guides choices on ensuring the quality of information in the sustainability report,~~
519 ~~including its proper presentation. Decisions related to the process of preparing information in a report~~
520 ~~should be consistent with these Principles. All of these Principles are fundamental to achieving transparency.~~
521 ~~The quality of the information is important to enable stakeholders to make sound and reasonable~~
522 ~~assessments of performance, and take appropriate actions.~~

523 Accuracy

524 **Principle:** ~~The reported information should be sufficiently accurate and detailed for~~
525 ~~stakeholders to assess the organization's performance.~~

526 Guidance

527 Applying the Principle:

528 Responses to economic, environmental and social Disclosures on Management Approach and Indicators
529 may be expressed in many different ways, ranging from qualitative responses to detailed quantitative
530 measurements. The characteristics that determine accuracy vary according to the nature of the
531 information and the user of the information. For example, the accuracy of qualitative information is largely
532 determined by the degree of clarity, detail, and balance in presentation within the appropriate **Aspect**
533 **Topic** Boundaries. The accuracy of quantitative information, on the other hand, may depend on the specific
534 methods used to gather, compile, and analyze data. The specific threshold of accuracy that is necessary
535 will depend partly on the intended use of the information. Certain decisions require higher levels of
536 accuracy in reported information than others.

537 Tests:

- 538
- 539 • The report indicates the data that has been measured
 - 540 • The data measurement techniques and bases for calculations are adequately described, and can be replicated with similar results
 - 541 • 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
 - 542 • 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
 - 543 • 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
 - 544 • 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
 - 545 • The qualitative statements in the report are valid on the basis of other reported information and other available evidence
 - 546

547 *Balance*

548 **Principle:**—The report should reflect positive and negative aspects of the organization’s
549 performance to enable a reasoned assessment of overall performance.

550 **Guidance**

551 **Applying the Principle:**

552 The overall presentation of the report’s content should provide an unbiased picture of the organization’s
553 performance. The report should avoid selections, omissions, or presentation formats that are reasonably
554 likely to unduly or inappropriately influence a decision or judgment by the report reader. The report
555 should include both favorable and unfavorable results, as well as information that can influence the
556 decisions of stakeholders in proportion to their materiality. The report should clearly distinguish between
557 factual presentation and the organization’s interpretation of information.

558 **Tests:**

- 559 • The report discloses both favorable and unfavorable results and [Aspects](#)[topics](#)
- 560 • The information in the report is presented in a format that allows users to see positive and
561 negative trends in performance on a year-to-year basis
- 562 • The emphasis on the various [Aspects](#)[topics](#) in the report is proportionate to their relative
563 materiality

564 *Clarity*

565 **Principle:**—The organization should make information available in a manner that is
566 understandable and accessible to stakeholders using the report.

567 **Guidance**

568 **Applying the Principle:**

569 The report should present information in a way that is understandable, accessible, and usable by the
570 organization’s range of stakeholders (whether in print form or through other channels). A stakeholder
571 should be able to find desired information without unreasonable effort. Information should be presented
572 in a manner that is comprehensible to stakeholders who have a reasonable understanding of the
573 organization and its activities. Graphics and consolidated data tables may help to make information in the
574 report accessible and understandable. The level of aggregation of information may also affect the clarity of
575 a report, if it is either significantly more or less detailed than stakeholders expect.

576 **Tests:**

- 577 • The report contains the level of information required by stakeholders, but avoids excessive and
578 unnecessary detail
- 579 • Stakeholders can find the specific information they want without unreasonable effort through
580 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 should include explanations (where necessary) in the relevant section or in a glossary
- The data and information in the report is available to stakeholders, including those with particular accessibility needs (such as differing abilities, language, or technology)

586 *Comparability*

587 **Principle:** The organization should select, compile and report information consistently. The
588 reported information should be presented in a manner that enables stakeholders to analyze
589 changes in the organization’s performance over time, and that could support analysis relative
590 to other organizations.

591 **Guidance**

592 **Applying the Principle:**

593 Comparability is necessary for evaluating performance. Stakeholders using the report should be able to
594 compare information reported on economic, environmental and social performance against the
595 organization’s past performance, its objectives, and, to the degree possible, against the performance of
596 other organizations. Consistency in reporting allows internal and external parties to benchmark
597 performance and assess progress as part of rating activities, investment decisions, advocacy programs, and
598 other activities. Comparisons between organizations require sensitivity to factors such as differences in
599 organizational size, geographic influences, and other considerations that may affect the relative
600 performance of an organization. When necessary, report preparers should consider providing context
601 that helps report users understand the factors that may contribute to differences in performance between
602 organizations.

603 In order to facilitate comparability over time, it is important to maintain consistency with the methods
604 used to calculate data; with the layout of the report; and with explaining the methods and assumptions
605 used to prepare information. As the relative importance of an **AspectTopic** to a given organization and its
606 stakeholders change over time, the content of reports will also evolve.

607 However, within the confines of the Principle of Materiality, organizations should aim for consistency in
608 their reports over time. An organization should include total numbers (that is, absolute data such as tons
609 of waste) as well as ratios (that is, normalized data such as waste per unit of production) to enable analytical
610 comparisons.

611 When changes occur with the **AspectTopic** Boundaries, Scope, length of the reporting period, or content
612 (including the design, definitions, and use of any Indicators in the report), organizations should, whenever
613 practicable, restate current disclosures alongside historical data (or vice versa). This ensures that
614 information and comparisons are both reliable and meaningful over time. When such restatements are not
615 provided, the report should explain the reasons and implications for interpreting current disclosures.

616 **Tests:**

- The report and the information contained within it can be compared on a year-to-year basis
- The organization’s performance can be compared with appropriate benchmarks

- 619 • Any significant variation between reporting periods in the [Aspect-Topic](#) Boundaries, Scope, length
620 of reporting period, or information covered in the report can be identified and explained
- 621 • When they are available, the report utilizes generally accepted protocols for compiling, measuring
622 and presenting information, including the information contained in the GRI [Guidelines](#)[Standards](#)
- 623 • The report uses GRI Sector Disclosures, when available

624 *Reliability*

625 **Principle:** The organization should gather, record, compile, analyze and disclose information
626 and processes used in the preparation of a report in a way that they can be subject to
627 examination and that establishes the quality and materiality of the information.

628 **Guidance**

629 **Applying the Principle:**

630 Stakeholders should have confidence that a report can be checked to establish the veracity of its contents
631 and the extent to which it has appropriately applied Reporting Principles. The information and data
632 included in a report should be supported by internal controls or documentation that could be reviewed
633 by individuals other than those who prepared the report. Disclosures about performance that are not
634 substantiated by evidence should not appear in a sustainability report unless they represent material
635 information, and the report provides unambiguous explanations of any uncertainties associated with the
636 information.

637 The decision-making processes underlying a report should be documented in a manner that allows the
638 basis of key decisions (such as processes for determining the report content and [Aspect-Topic](#) Boundaries
639 or stakeholder engagement) to be examined. In designing information systems, organizations should
640 anticipate that the systems could be examined as part of an external assurance process.

641 **Tests:**

- 642 • The scope and extent of external assurance is identified
- 643 • The original source of the information in the report can be identified by the organization
- 644 • Reliable evidence to support assumptions or complex calculations can be identified by the
645 organization
- 646 • Representation is available from the original data or information owners, attesting to its accuracy
647 within acceptable margins of error

648 *Timeliness*

649 **Principle:** The organization should report on a regular schedule so that information is
650 available in time for stakeholders to make informed decisions.

651 **Guidance**

652 **Applying the Principle:**

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

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

663 **Tests:**

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

669 General Reporting Notes

670 *Reporting on Trends*

671 Information should be presented for the current reporting period (such as the current year ~~such as~~) and
672 at least two previous periods, as well as future targets, where they have been established, for the short-
673 and medium-term.

674 *Presentation of Data*

675 In some cases, ratios or normalized data are useful and appropriate formats for data presentation. If ratios
676 or normalized data are used, absolute data should also be provided. Explanatory notes are advisable.

677 *Data Aggregation and Disaggregation*

678 Organizations will need to determine the level of aggregation at which to present information. This
679 requires balancing the effort required against the added meaningfulness of information reported on a
680 disaggregated basis (such as country or site). Aggregation of information can result in the loss of a
681 significant amount of meaning, and can also fail to highlight particularly strong or poor performance in
682 specific areas. On the other hand, unnecessary disaggregation of data can affect the ease of understanding
683 the information. Organizations should disaggregate information to an appropriate level using the Principles
684 and the Guidance in the *Implementation Manual*. Disaggregation may vary by Indicator, but will generally
685 provide more insight than a single, aggregated figure.

686 *Metrics*

687 Reported data should be presented using generally accepted international metrics (such as kilograms,
688 tonnes, litres) and calculated using standard conversion factors. When specific international conventions
689 exist (such as GHG equivalents), these are typically specified in the Indicators' Guidance presented in the
690 *Implementation Manual*.

691 *Report Form and Frequency*

692 REPORTING REQUIRED STANDARD DISCLOSURES BY USING REFERENCES

693 Information related to Standard Disclosures required by the 'in accordance' options may already be
694 included in other reports prepared by the organization, such as its annual report to shareholders or other
695 regulatory or voluntary reports. In these circumstances, the organization may elect to not repeat those
696 disclosures in its sustainability report and instead add a reference to where the relevant information can
697 be found.

698 This presentation is acceptable as long as the reference is specific (for example, a general reference to the
699 annual report to shareholders would not be acceptable, unless it includes the name of the section, table,
700 etc.) and the information is publicly available and readily accessible. This is likely the case when the
701 sustainability report is presented in electronic or web based format and links are provided to other
702 electronic or web based reports.

703 MEDIUM OF REPORTING

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

710 At least one medium (web or paper) should provide users with access to the complete set of information
711 for the reporting period.

712 FREQUENCY OF REPORTING

713 Organizations should define a consistent reporting period for issuing a report. For many organizations,
714 this will be annually, although some organizations choose to report biannually. An organization may choose
715 to update information between the issuing of consolidated accounts of performance. This has advantages
716 in terms of providing stakeholders with more immediate access to information, but has disadvantages in
717 terms of comparability of information. However, organizations should still maintain a predictable cycle in
718 which all of the information that is reported covers a specific time period.

719 Reporting on economic, environmental and social performance could coincide or be integrated with other
720 organizational reporting, such as annual financial statements. Coordinated timing reinforces the linkages
721 between financial performance and economic, environmental and social performance.

722 UPDATING REPORT CONTENT

723 When preparing a new report, an organization may identify areas of information that have not changed
724 since the prior report (such as a policy that has not been amended). The organization may choose to only
725 update the topics and Indicators that have changed and to re-publish the Standard Disclosures that have
726 not changed. For example, an organization may choose to reproduce the information on policies that have
727 not changed and only update its Indicators. The flexibility to take such an approach will depend in large
728 part on the organization's choice of reporting medium. Some topics such as Strategy and Analysis and
729 DMA and Indicators, are likely to show changes each reporting period, while other topics, such as
730 organizational profile or governance, may change at a slower pace. Regardless of the strategy used, the full
731 set of applicable information for the reporting period should be accessible in a single location (either a
732 paper or web-based document).