



GRI Second G4 Public Comment Period

OVERVIEW

INTRODUCTION

GRI is issuing, for public comment, an exposure draft of the next generation of its reporting Guidelines (G4). The document will be available for comment from 25 June to 25 September 2012. During this second Public Comment Period, any interested party can provide feedback on specific proposed revisions to the current Guidelines.

This document outlines the G4 project development and the proposed significant changes to the current Guidelines. This document also explains how you can provide comments on the five proposed areas of revision on which GRI is seeking public feedback. **Your feedback is essential to assist GRI in achieving the objectives set for G4 (below).**

GRI intends to open a complementary Public Comment Period in August 2012 to gather feedback on proposed updates to two or more of the following thematic topics: Anti-corruption, Biodiversity, Greenhouse Gas (GHG) Emissions and Occupational Health and Safety. More information will be provided at a later date.

BACKGROUND

In September 2010, GRI's Board of Directors (the Board) approved plans to start developing the next generation of its reporting Guidelines (G4), and set out the following objectives:

- to offer guidance in a **user-friendly** way, so that new reporters can easily understand and use the Guidelines
- to improve the **technical quality** of the Guidelines' content in order to eliminate ambiguities and differing interpretations – for the benefit of reporters and information users alike
- to **harmonize as much as possible with other internationally accepted standards**
- to **improve guidance on identifying 'material' issues – from different stakeholders' perspective** – to be included in the **sustainability reports**
- to **offer** guidance on how to **link the sustainability reporting process to the preparation of an Integrated Report** aligned with the guidance to be developed by the International Integrated Reporting Council (IIRC)

In May 2011, GRI began informal external consultations¹, to understand what was considered to be needed in order to achieve the objectives stated above. Formally, all GRI Reporting Framework development must follow a Due Process², which ensures that all efforts are made to involve and consider the interests of all GRI's stakeholders (businesses, civil society organizations, financial markets, consultancy services, labor representatives, academics, to name a few).

¹ Informal consultations included a Primer Survey, Call for Topics and a call to register participation in G4. Visit the [G4 development process](#) page on GRI's website to download a copy of these documents.

² Download a copy of GRI's Due Process document from the [Due Process Reporting Framework page](#) on GRI's website

The first Public Comment Period (PCP) for G4 (August to November 2011) was the start of the formal consultation process. It attracted around 2300 participants, 1832 of whom provided a submission via an online survey³. Based on the G4 objectives set by the Board of Directors, the results of this consultation and previous informal consultations, the following Working Groups were created to develop revised content for the Guidelines:

- [Application Levels](#)
- [Boundary](#)
- [Disclosure on Management Approach](#)
- [Governance and Remuneration](#)
- [Supply Chain Disclosure](#)

As defined in the GRI Due Process, Working Groups are formed by the Secretariat, under the direction of the Board and consultation with Technical Advisory Committee. Selection criteria include expertise, stakeholder diversity, and availability. Proposed revisions to the text of the Guidelines or Protocols are drafted by the Working Groups as outlined under overarching [Due Process principles](#). [The Technical Advisory Committee](#) is responsible for reviewing proposals put forth by the Working Groups.

The G4 exposure draft represents the combined efforts, under the direction of the Board (which consults the Stakeholder Council), of the Working Groups, the Secretariat and the Technical Advisory Committee. In addition, a Technical Editing Task Force was created to review the content of the Guidelines and make recommendations to improve their clarity and enhance the consistency of their application. For detailed information, download the [G4 Development Process Overview document](#).

PROPOSED SIGNIFICANT CHANGES TO THE CURRENT GUIDELINES TO COMMENT

The proposed significant changes to the current Guidelines are summarized below. At the core of these changes is a focus on materiality – in combination with other reporting principles – in all stages of sustainability reporting, from the identification of the content and boundaries of the report, to the disclosures provided by the organization.

Application Levels

The Application Levels were introduced with the launch of the G3 Guidelines to assist organizations in communicating the degree of transparency of their sustainability reports against the Guidelines. This system has served organizations well in allowing them the start of a journey, in most cases on voluntary basis, in sustainability reporting. In recent years, however, concerns have been expressed by different stakeholders that the Application Levels are wrongly understood by some report users to be an opinion on the quality of the report, or even a reflection of the sustainability performance of the organization.

To remedy these concerns and, more importantly, to align with other international disclosure standards, it is proposed that the Application Levels as they presently exist in the G3 and G3.1 Guidelines be discontinued. They will be replaced in G4 by criteria that must be met for an organization to claim that the report has been prepared 'in accordance with' G4. In addition, in recognition of the time and effort required to prepare an initial sustainability report, transitional provisions are proposed to allow first time reporters, for two reporting periods, to incrementally apply G4 by disclosing in the report the required information that has been omitted, as well as stating their commitment for the report to be fully in accordance with G4 once the transition period is over.

While G4 is meant to apply to all organizations regardless of size or experience in reporting, GRI recognizes the specific needs of small and medium sized entities (SMEs) and intends to develop supporting guidance and other materials after the launch of G4.

³ Download a report on the findings from the [First Public Comment Period](#) on GRI's website

Boundary

The process in the existing Technical Protocol *Applying the Report Content Principles* has been revised to direct organizations on how to define the content and boundaries of a sustainability report in one sequence of process steps, thus to answer the question of what to report. The process begins with the mapping of a value chain(s) and the identification of relevant topics and boundaries, followed by the prioritization of relevant topics as material GRI Aspects, for validation. The outcomes of the process consist of (1) a map of the organization's value chain, (2) a list of material Aspects (and where the impact occurs within the value chain(s)) and (3) related Standard Disclosures to be included in the sustainability report. The Standard Disclosures include the core indicators which are required to be disclosed by the organization; if a core indicator is not disclosed, the organization is required to explain the reasons why it is not provided.

Disclosure on Management Approach

The Disclosures on Management Approach are intended to provide organizations with an opportunity to explain how they are managing material economic, environmental, and social impacts. The G4 exposure draft outlines a generic approach for all topics and proposes that the Disclosures on Management Approach should be provided at the Aspect level to reflect management practices. However, when a topic is managed at a different level, the Disclosures on Management Approach are reported at that level. That level may be general (applicable to Categories), or more detailed (applicable to Aspects or an organization's self-defined topics), or specific (applicable to Indicators).

Governance

G4 is proposing a number of changes to governance and remuneration disclosures to strengthen the link between governance and sustainability performance, taking into account the consistency within existing governance frameworks and developments in that field. The proposed changes include new disclosures in the Profile section of the report on the ratio of executive compensation to median compensation, the ratio of executive compensation to lowest compensation and the ratio of executive compensation increase to median compensation.

Supply Chain

New and amended disclosures on the supply chain have been included in G4. They include a new definition of supply chain and of supplier, as well as new disclosures on the supply chain, including procurement practice, screening and assessment as well as remediation. In addition, guidance is now included on how to apply the supply chain reporting requirements.

Structure and format of the G4 Guidelines

Throughout the development of the G4 exposure draft, an editorial review was conducted to improve the clarity and technical quality of the text as well as to facilitate the implementation of the guidelines. One of the changes has been the split of the text in the Indicator Protocols into standard disclosures and guidance, to facilitate the identification of the reporting requirements by organizations and to offer guidance in a user-friendly way.

GRI plans to offer the finally approved G4 content through a web-based platform which will present other user-friendly features.

INTEGRATED REPORTING

One of the objectives of the Board in the development of G4 is to offer guidance on “how to link the sustainability reporting process to the preparation of an integrated report aligned with the guidance to be developed by the International Integrated Reporting Council (IIRC)”. The G4 exposure draft does not include such guidance at this time, as it was not possible to do so due to the differing timelines between the development process of G4 and that of the IIRC’s Integrated Reporting Framework. However, GRI remains committed to provide such guidance in due course.

YOUR OPPORTUNITY TO COMMENT

The second G4 Public Comment Period is open from 25 June to 25 September 2012.

GRI invites the public to provide:

1. General Comments in response to questions GRI is asking about the entire set of changes
2. General Comments in response to questions GRI is asking about specific proposed content
3. Editorial comments on the text in the G4 Exposure Draft

The questions (General Comments) follow this overview. Editorial comments on the text in the G4 Exposure Draft are limited to changes proposed by the G4 working groups. This text is marked up in black and indicates it is for comment. Text in grey is either unchanged, or has been changed as a result of the editorial review (see structure and format of the G4 Guidelines above) and are presented for contextual purposes only. These parts are not for comment.

How to submit your comments

The [GRI Consultation Platform](#) is a secure website where you can submit your comments. You will need to register your details and choose a password before you begin. This password and your email address will allow you to enter the site to add to your comments over time. This means you can save your feedback, and return later, until you have said all you want to say. Your comments will remain private until you are ready to submit them to GRI.

Comments are most helpful if they include a rationale for the comments and, where appropriate, make specific suggestions for any proposed changes to wording. Any comments submitted without a rationale and/or that do not relate to the section where the text it is placed (i.e. out of context), will not be considered by GRI.

The [GRI Consultation Platform](#) is the easiest and preferred method for you to provide your comments.

Written or email submissions are not ideal, but are accepted. If you choose to provide your comments in this format, you must be as precise as possible in indicating what your comments relate to. Submissions must be received at GRI’s offices by 25 September 2012.

Submissions in languages other than English should be sent via email or by post. The GRI Consultation Platform supports English only.

Email submissions can be sent to: G4@globalreporting.org

Postal submissions can be sent to: G4 Second Public Comment Period, GRI Secretariat, Postbus 10039, 1001 EA Amsterdam, The Netherlands

GRI Second G4 Public Comment Period

Questions for General Comment

INTRODUCTION

GRI invites the public to provide:

1. Comment on questions GRI has asked about the entire set of changes (General Questions)
2. Comment on questions GRI has asked about specific proposed content (Specific Questions)

None of the questions listed below are mandatory. Please answer those questions that allow you to provide the most useful feedback to GRI.

Responses should be submitted in English via the [GRI Consultation Platform](#). Follow G4 Exposure Draft > General Comments section. See the Overview document for submissions in other languages.

The proposed new content and changes can be found at the following locations in the G4 Exposure Draft:

New content & changes	Pages
Governance & Remuneration	32-40, 312, 314-315
Disclosure on Management Approach	42-46, 48, 55-56, 66-68, 75-76, 82-83, 88
Supply Chain	26-31, 45, 48-49, 52-54, 56, 64-68, 73-74, 76-81, 83, 86-87, 105, 111-117, 177-182, 215-221, 224-225, 229-234, 238-239, 242-248, 268-273, 314-315
Boundary	19-21, 27, 29-32, 291-298, 300-310, 312, 316
Application Levels	14

QUESTIONS FOR GENERAL COMMENT

GENERAL QUESTIONS

1. Do you believe that the greater focus on materiality introduced in the G4 Exposure Draft will assist organizations in better defining report content, boundaries and issues so as to contribute to better and more relevant reports (as opposed to longer reports)?
 - Yes
 - No, please clarify: _____
2. Is the G4 Exposure Draft (including the new structure) clear and understandable in terms of what is expected of organizations for the sustainability report to be in accordance with the guidelines?
 - Yes
 - No, please suggest how it could be improved: _____

3. Does the G4 Exposure Draft clearly explain the interaction between the guidelines, the technical protocols and the sector supplements?
 - Yes
 - No, please suggest how it could be improved: _____
 4. Do you think that the G4 Guidelines can apply to organizations of various sizes in your region?
 - Yes
 - No, please clarify: _____
 5. Do you believe that the G4 Guidelines will drive the cost effective preparation of a sustainability report for all organizations?
 - Yes
 - No, please clarify: _____
-

SPECIFIC QUESTIONS

Governance & Remuneration

1. Do you consider the proposed disclosures related to Governance & Remuneration disclosures appropriate and/or complete?
 - Yes
 - No, please clarify: _____
2. Do you have other general comments related to Governance & Remuneration?

Disclosure on Management Approach

1. Do the requirements for Disclosures on Management Approach offer sufficient flexibility to enable organizations to provide answers that will add value without making the report unduly repetitive and lengthy?
 - Yes
 - No, please clarify: _____
2. Do you consider the proposed Disclosures on Management Approach an improvement over the current approach?
 - Yes
 - No, please clarify: _____
3. Do you consider the proposed disclosures related to Disclosures on Management Approach appropriate/ and or complete?
 - Yes
 - No, please clarify: _____
4. Do you consider the proposed guidance provided to support the Disclosures on Management Approach appropriate and/or complete?
 - Yes
 - No, please clarify: _____
5. Do you have other general comments about the Management Approach Disclosures?



Supply Chain

1. Do you consider the proposed definitions of “supply chain” and “supplier” appropriate and complete?
 - Yes
 - No, please clarify:_____
2. Do you consider the proposed supply chain-specific Indicators to be effective measures for performance and feasible to report?
 - Yes
 - No, please clarify:_____
3. Do you consider the proposed disclosures related to supply chain appropriate and/or complete?
 - Yes
 - No, please clarify:_____
4. Do you consider the proposed guidance provided to support disclosure on supply chain related issues appropriate and/or complete?
 - Yes
 - No, please clarify:_____
5. Do you consider the proposed supply chain-related references appropriate and complete?
 - Yes
 - No, please clarify and suggest references:_____
6. Do you have other general comments related to the Supply Chain Disclosures?

Boundary

1. Do you think that the new version of the Technical Protocol helps organizations to express better the relationship between material topics and value chain?
 - Yes
 - No, please clarify:_____
2. Do you think mapping the value chain is a helpful exercise for defining boundaries of material topics?
 - Yes
 - No, please clarify:_____
3. Is the difference between the term “Aspect” and “Topic” clear when each term is used in the Technical Protocol?
 - Yes
 - No, please clarify:_____
4. Do you have other general comments related to the approach for setting boundaries proposed in the Technical Protocol?

Application Levels

1. Do you agree with the proposal to discontinue with the Application Levels and to replace them with criteria that define when a report has been prepared “in accordance with” the G4 Guidelines?
 - Yes



- No, please clarify: _____
- 2. Do you support the introduction of transitional provisions to allow new reporters two reporting periods in order for their reports to gradually be in accordance with the G4 Guidelines?
 - Yes
 - No, please clarify: _____

External references

GRI invites suggestions for the names of recent and useful documents that can assist organizations in either understanding more about the topics listed in the Guidelines, or help them to manage and report on topics.

GRI has strict criteria for assessing if a reference should be listed in its Guidelines. Please refer to these before suggesting a document. Please include a hyperlink to the document if publicly available.

- The organization provides publicly-available information about the development process of this reference
- The reference was developed using a collaborative, representative, robust, and transparent process; or developed in an inter-governmental setting
- The reference is generally applicable
- The reference is applicable to all organizations regardless of size or sector
- The reference is available in English
- The reference is available free of charge
- The reference is current and in use

OTHER COMMENTS

Please provide any other general comments on the G4 Exposure Draft:





G4 Development

Second G4 Public Comment Period

G4 Exposure Draft

Open for Comment 25 June – 25 September, 2012

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PREFACE

[New text to be included in the final version of the Guidelines.]



INTRODUCTION TO THE GUIDELINES



1. The purpose of the GRI Sustainability Reporting Guidelines

The GRI Sustainability Reporting Guidelines (the Guidelines) offer standard disclosures and guidance for the preparation of sustainability reports by organizations, regardless of their size, sector or location. The Guidelines also offer an international reference to all those interested in the disclosure of governance approach and of the environmental, social and economic performance and impacts of organizations. The Guidelines are useful in the preparation of any type of document which requires such disclosures.

The Guidelines are developed through a global multi-stakeholder process involving representatives from business, labor, civil society, and financial markets, as well as auditors and experts in various fields; and in close dialogue with regulators and governmental agencies in several countries.

The Due Process followed by GRI to develop the Guidelines (and GRI's Sector Supplements) is well documented. The Due Process establishes the decision-making processes which define: the content to be developed, the timeline, the role of each GRI governance body, the role of the GRI Secretariat, and the formation of multi-stakeholder Working Groups to develop new content or make profound revisions. A complete description of the Due Process can be found on GRI's website (www.globalreporting.org).

The Guidelines are developed in alignment with internationally-recognized reporting documents, which are mentioned throughout the Guidelines' texts.

GRI Sector Supplements are available for organizations in particular sectors; in such cases, the Guidelines are to be used in combination with these Sector Supplements.

2. The reporting elements – an overview

Overview

The **GRI Sustainability Reporting Guidelines**¹ include Reporting Principles, Disclosure items, Guidance (advice and information for report preparation), Technical Protocols, and Indicator Protocols. The combination of these elements guides organizations in the process of preparing a sustainability report.

A sustainability report

A sustainability report refers to a single, consolidated disclosure that provides a reasonable and balanced presentation of performance over a fixed time period. Stakeholders should be able to directly access all of the report information from a single location. There is no minimum length for a report using the GRI Framework, as long as the organization has properly applied the Guidelines and other Framework documents.

In the context of the Guidelines, a sustainability report is the result of a reporting process. This reporting process is implemented by following ten GRI Reporting Principles, which guide the organization through defining report content and ensure report information quality. 'Sustainability report' is a broad term that is considered synonymous with other terms used to describe reporting on governance, and economic, environmental, and social performance and impacts.

¹ The GRI Sustainability Reporting Guidelines, Sector Supplements and Protocols together form the GRI Sustainability Reporting Framework.



Sustainability reporting

Sustainability reporting using the GRI Guidelines is the practice of measuring, disclosing, and being accountable to internal and external stakeholders for organizational performance towards the goal of sustainable development, based on the GRI Reporting Principles.

By following the GRI Reporting Principles, a sustainability report based on the GRI Reporting Guidelines should provide a clear representation of the economic, environmental and social performance and impacts of an organization – including both its positive and negative contributions.

GRI Sector Supplements are complementary documents to the Guidelines, and are available for organizations in particular sectors. In such cases, the Guidelines are to be used in combination with this sector-specific guidance. These documents are presented on GRI's website for public access, as are all GRI documents.

There are established criteria for a report to be considered to be 'in accordance' with the GRI Guidelines. For its sustainability report to be in accordance with the Guidelines, the organization is expected to follow the GRI reporting guidance when preparing the sustainability report.

a. Reporting Principles for Defining Report Content and Boundaries

Reporting Principles are intended to help organizations achieve transparency. Transparency can be defined as the complete disclosure of information on those topics, which reflect an organization's performance and impacts, and that would substantively influence the assessments and decisions of stakeholders relating to the organization, as well as disclosure of the processes, procedures, and assumptions used to prepare the information.

The first set of GRI Reporting Principles is designed for determining the material topics² and, consequently, the disclosure items on which an organization should report.

There are four Reporting Principles for defining report content:

- Stakeholder Inclusiveness
- Sustainability Context
- Materiality
- Completeness

These Reporting Principles are used in combination with the process to define the Boundaries of the information published in the report.

By following these Principles in combination with the Boundary definition process, the organization will be able to prepare a report that is focused on material topics identified as highly significant by the organization and its stakeholders. It will also be able to communicate clearly where in the organization's value chain each topic has impacts and is to be managed. These material topics can be identified in different categories – Economic, Environmental and Social – which are again subdivided into Aspects (see the table below under "Indicators" for a complete explanation). The Guidelines will offer a list of Aspects and related Disclosure for Management Approach & Indicators to help organizations determining the content of the report.

The definitions of these Principles, as well as information on how to use them when preparing a sustainability report focused on material Aspects, are in further sections of the Guidelines and in the

² The word 'topic' is used in the Guidelines to refer to any possible sustainability issue.



Technical Protocol: *Defining Report Content and Boundaries*. This Technical Protocol is a fundamental part of the Reporting Framework, and has been updated.

b. Reporting Principles for ensuring report quality

The second set of GRI Reporting Principles features those that guide choices on ensuring the quality of reported information, including its proper presentation.

These Principles are:

- Balance
- Accuracy
- Timeliness
- Comparability
- Clarity
- Reliability

Decisions related to the process of preparing information for a report should be consistent with these Principles. All of these Principles are fundamental for achieving transparency. Information of good quality enables stakeholders to make sound and reasonable assessments of performance, and take appropriate action.

The definitions of these Principles, as well as how to use them when preparing a sustainability report, are explained in further sections of the Guidelines.

c. Disclosure items

Disclosure items specify the content that organizations **should present in a sustainability report**.

Each Standard Disclosure item is identified by a label. There are three different types of Disclosure items:

Strategy, Profile and Governance: Disclosures that set the overall context for understanding an organization's performance, such as its strategy, profile, and governance.

They are subdivided into:

- a. Strategy and Analysis
- b. Organizational Profile
- c. Report Parameters
- d. Governance
- e. Commitments to External Initiatives
- f. GRI Content Index
- g. Assurance

Disclosure on Management Approach: Disclosures that provide narrative information on how an organization analyzes and responds to its economic, environmental, and social impacts related to material Aspects.



These disclosures are intended to give each organization an opportunity to explain how they are managing their material impacts.

Organizations are encouraged to:

- Provide more detailed management approach information for material topics, and brief contextual management approach information for topics with less significant impacts
- Combine the Disclosure on Management Approach for groups of GRI Aspects (see table below for an explanation of Aspects) where there is a common management approach for those Aspects

Disclosure on Management Approach ordinarily should be provided at GRI Aspect level to reflect management practices. Where the impacts are managed at a different level, Disclosure on Management Approach should be reported at that level.

Indicators: Indicators that elicit comparable information on the economic, environmental, and social performance or impacts of an organization.

GRI’s Indicators are divided into **Categories** – Economic, Environmental and Social. GRI **Aspects** are presented within each Category. The table below displays the complete set of Categories and Aspects present in the Guidelines.

Table 1: Categories and Aspects in the Guidelines

Category	Economic		Environmental	
Aspects	<ul style="list-style-type: none"> • Economic performance • Market presence • Indirect economic impacts • Procurement practices 		<ul style="list-style-type: none"> • Materials • Energy • Water • Biodiversity • Emissions, effluents, and waste • Products and services • Compliance • Transport • Overall • Screening and assessment • Remediation 	
Category	Social			
Sub categories	Labor Practices and Decent Work	Human Rights	Society	Product Responsibility
Aspects	<ul style="list-style-type: none"> • Employment • Labor/management relations • Occupational health and safety • Training and education • Diversity and equal opportunity • Equal remuneration for women and men • Screening and assessment • Remediation 	<ul style="list-style-type: none"> • Investment • Non-discrimination • Freedom of association and collective bargaining • Child labor • Forced and compulsory labor • Security practices • Indigenous rights • Screening and assessment • Remediation 	<ul style="list-style-type: none"> • Local communities • Corruption • Public policy • Anti-competitive behavior • Compliance • Screening and assessment • Remediation 	<ul style="list-style-type: none"> • Customer health and safety • Product and service labeling • Marketing communications • Customer privacy • Compliance



d. **Guidance texts**

Guidance texts provide advice and information for report preparation. They offer references and/or explanations of how to prepare the information to be disclosed.

Guidance texts present information that may be important for the organization when preparing any disclosure item, and limit interpretations around the content of the disclosure item. They are not the description of the information to be disclosed.

e. **Technical Protocols**

Technical Protocols, such as the Technical Protocol: *Defining Report Content and Boundaries*, provide additional guidance on reporting process. There is currently one published Protocol. It is designed to be used in conjunction with the Guidelines (and Sector Supplements). This Technical Protocol provides process guidance on how to define the scope and boundaries of a sustainability report. This includes mapping the organization's value chain, determining the scope and boundaries of a report, defining each reported topic's relative reporting priority and depth of disclosure.

f. **Indicator Protocols**

Indicator Protocols exist for each of the Indicators contained in the Guidelines under each of the Aspects. Indicator Protocols provide both: **Standard Disclosure**, specifying the information to be included in the report, and **Guidance** on how to prepare the information for each Indicator.

g. **Sector Supplements**

Sector Supplements are complementary to the Guidelines. They present additional material Aspects, Disclosure items, and related Indicators to be considered by organizations in particular sectors when preparing sustainability reports.

h. **Reporting 'In Accordance' with the Guidelines**

GRI encourages the use of the GRI Guidelines by all organizations, regardless of their size, sector or location. In the Guidelines there is a list of criteria an organization has to follow in order for its report to be 'in accordance' with the Guidelines.

The complete set of criteria is described in Part 1.

3. **How to use the Guidelines**

a. **Four steps to be followed when using the Guidelines**

1. Understand the criteria required to be 'in accordance' with the GRI Guidelines, which are described in Part 1. These criteria establish the minimum content to be included in a GRI report for any type of organization in any size, sector or location.
2. Understand how to define the material content to be collected and reported, and how to identify and explain the 'boundaries' of the information in the report. The definitions and guidance for these processes are presented in Part 1 and 3.
3. Understand how to implement processes to ensure the quality or information to be collected and reported. The Principles that guide the organization in this process are presented in Part 1.



4. Collect information and prepare the sustainability report by using the Disclosure Items in the Guidelines. The Guidance texts and the Technical Protocol “Defining Report Content and Boundaries” are to be consulted throughout this process. Disclosure Items, including Disclosure on Management Approach and Indicators, are presented in Part 2 of the Guidelines. The Indicator Protocols which support organizations when reporting Indicators, and the Technical Protocol, are presented in Part 3 and 4 respectively.

b. Request for notification of use

Organizations that have used the Guidelines and/or other elements of the GRI Reporting Framework as the basis for their report are requested to notify the Global Reporting Initiative upon its release. While notifying GRI, organizations can choose either or both of the following options:

- Notify GRI of the report and provide hard and/or soft copy
- Register the report in GRI’s Sustainability Disclosure Database: database.globalreporting.org

c. General Reporting Notes

Data Gathering

DATA AGGREGATION AND DISAGGREGATION

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

Report Form and Frequency

MEDIUM OF REPORTING

Digital media (e.g. CD ROM), internet and print are appropriate media for reporting. Organizations may choose to produce a combination of web and paper-based reports or use only one medium. The choice will likely depend on the organization’s decisions on its reporting period, its plans for updating content, the target audience of the report, and other practical factors such as its distribution strategy. At least one medium (internet or print) should provide users with access to the complete set of information for the reporting period.

FREQUENCY OF REPORTING

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



Reporting economic, environmental, and social performance could coincide or be integrated with other organizational reporting, such as annual financial statements. Coordinated timing will reinforce the linkages between financial performance and economic, environmental and social performance.

UPDATING REPORT CONTENT

When preparing a new report, an organization may identify information that has not changed since the previous report (e.g. a policy that has not been amended). The organization may choose to update only the topics and Indicators that have changed and to re-publish the Disclosures that have not changed. For example, an organization may choose to reproduce the information on policies that have not changed and only update the reported Indicators. The flexibility to take such an approach will depend in large part on the organization's choice of reporting medium. Disclosure on topics such as strategy and analysis and Indicators are likely to show changes each reporting period, while others, such as organizational profile or governance, may change at a slower pace. Regardless of the strategy used, the full set of applicable information for the reporting period should be accessible in a single location (web-based or print).

Assurance

CHOICES ON ASSURANCE

Organizations use a variety of approaches to enhance the credibility of their reports. Organizations may have systems of internal controls in place, including internal audit functions, as part of their processes for managing and reporting information. These internal systems are important to the overall integrity and credibility of a report. However, GRI recommends the use of external assurance for sustainability reports in addition to any internal systems.

A variety of approaches are currently used by organizations to implement external assurance, including the use of professional assurance providers, stakeholder panels, and other external groups or individuals. However, regardless of the specific approach, assurance should be conducted by competent groups or individuals external to the organization. These assurance engagements may employ groups or individuals that follow professional standards for assurance, or they may involve approaches that follow systematic, documented, and evidence-based processes but that are not governed by a specific standard.

GRI uses the term 'external assurance' to refer to activities designed to result in published conclusions on the quality of the report and the information contained within it. This includes, but is not limited to, consideration of underlying processes for preparing this information. This is different from activities designed to assess or validate the quality or level of performance of an organization, such as issuing performance certifications or compliance assessments.

Overall, the key qualities for external assurance of a report prepared using the GRI Reporting Framework are that it:

- Is conducted by groups or individuals external to the organization who are demonstrably competent in both the subject matter and assurance practices
- Is implemented in a manner that is systematic, documented, evidence-based, and characterized by defined procedures
- Assesses whether the report provides a reasonable and balanced presentation of performance, taking into consideration the veracity of data in a report as well as the overall selection of content



- Utilizes groups or individuals to conduct the assurance who are not unduly limited by their relationship with the organization or its stakeholders to reach and publish an independent and impartial conclusion on the report
- Assesses the extent to which the organization has applied the GRI Reporting Framework (including the Reporting Principles) in the course of reaching its conclusions
- Results in an opinion or set of conclusions that is publicly available in written form, and a statement from the assurance provider on their relationship to the organization.

As indicated in Disclosure Item DI 73, organizations should disclose information on their approach to external assurance.

Maximizing Report Value

Sustainability reporting is a dynamic process and tool, and does not begin or end with a printed or online publication. Reporting should fit into a broader process for setting organizational strategy, implementing action plans, and assessing outcomes. Reporting enables a robust assessment of the organization's performance, and can support continuous improvement of performance over time. It also serves as a tool for engaging with stakeholders and securing useful input to organizational processes.



THE REPORTING GUIDELINES

Part 1: The reporting process



1. 'In accordance' criteria

GRI encourages the use of the GRI Guidelines by all organizations, regardless of their size, sector or location.

Organizations may wish to indicate that their report has been prepared in accordance with the GRI Guidelines. In order to do so, the report must include:

1. All of the Profile Disclosure Items.
2. Disclosures on Management Approach and Core Indicators related to all of the material Aspects identified by applying the Technical Protocol: Defining Report Content and Boundaries.
3. All disclosures identified in any applicable GRI Sector Supplement(s).
4. A GRI Content Index as specified in the GRI Guidelines.
5. A statement, signed by the highest governance body or Chief Executive Officer (CEO), that the report has been prepared in accordance with the GRI Guidelines and that it is a balanced and reasonable presentation of the organization's economic, environmental and social impacts.

The unavailability of data or specific legal prohibitions may result in an inability to disclose certain information required by points 1-3 above. If such information is not disclosed, the statement required by point 5 above must also clearly:

- I. Indicate what information has been omitted,
- II. Explain the reasons why the information has been omitted, and
- III. In the case of the unavailability of data, identify the steps being taken to obtain the data and the expected timeframe for doing so.

First time reporters who wish to incrementally apply the GRI Guidelines may, for the first two reporting periods, state that their report is in accordance with the GRI Guidelines if the statement required by point 5 above also clearly:

- I. Identifies what information has been omitted, and
- II. State the organization's commitment for the report to fully be in accordance with the GRI Guidelines once the transition period is over.

2. Principles and guidance for Defining Report Content and Boundaries

In order to ensure a balanced and reasonable presentation of the organization's impacts and performance, a determination should be made about what content the report should cover. This determination should be made by considering both the organization's purpose and the reasonable expectations and interests of the organization's stakeholders. Both are important reference points when deciding what to include in the report.

The GRI Guidelines offers a list of Aspects to be used as reference when identifying which content the report should cover.

In order to be able to understand and explain where each Aspect is material, the organization should define its value chain.

A sustainability report should cover at least the elements or areas in the value chain where the organization has or experiences significant impacts.



The organization should also report which entities' (e.g., subsidiaries and joint ventures) performance and impacts will be represented in the report.

a. Guidance for defining content and boundaries

The following approach governs the use of the GRI Reporting Framework in defining reporting content and boundaries. More detailed guidance on defining report content and boundaries is located in the Technical Protocol – Defining Report Content and Boundaries. Here a summary of protocol's content is presented.

1. Map the value chain. The value chain consists of the parties that are linked by the organization's activities, products, services, and relationships, and may therefore impact and be impacted by the organization. The outcome of this step is a holistic view of the value chain, throughout which impacts are identified.
2. Identification. Identify the topics that are relevant based on their associated impacts, and therefore may be appropriate to report, by undergoing an iterative process using the Principles of Materiality, Stakeholder Inclusiveness, and Sustainability Context. When identifying topics, consider the relevance of all Aspects identified in the GRI Guidelines and applicable Sector Supplements. Also consider other topics, if any, that are relevant to report. Determine boundary for each relevant Aspect by identifying the elements or areas of the value chain where each topic has associated impacts.
3. Prioritization. From the set of relevant Aspects identified, use the tests listed for each Principle to assess which Aspects are material, and therefore should be reported³. The specific methods or processes used for assessing materiality should:
 - a. Differ for, and be defined by, each organization;
 - b. Always take into account the guidance and tests found in the GRI Reporting Principles; and
 - c. Be disclosed.
4. **Validation.** Assess material topics against the Reporting Principle of Completeness. This ensures that Aspects (or other topics) identified in the Prioritization step are checked against the dimensions of Scope, Boundary and Time. If necessary, adjustments should be made to the selection and coverage of the material Aspects.

In applying this approach:

- The default content to be included in a report should cover every element of the organization's value chain where significant impacts occur.
- All other information (e.g., organization-specific Indicators) included in the report should be subject to the same Reporting Principles and have the same technical rigor as GRI Standard Disclosures.
- To be 'in accordance' with the Guidelines, disclosures on Management Approach and Core Indicators related to all of the material Aspects identified by applying the Technical Protocol Defining Report Content and Boundaries are expected; as well as disclosures on all items identified in the existing GRI Sector Supplements applicable to the organization.
- Practical challenges such as the availability of data, the cost of gathering it, the confidentiality of information, privacy or other legal concerns, the reliability of available information, and other factors, may result in a legitimate decision not to disclose certain information. If information

³ GRI Organizational Profile Disclosures (DI 3 – DI 10) apply to all organizations.



related to material Aspects is not disclosed, the organization must clearly indicate this and explain the reasons why the information has been omitted.

b. Reporting Principles for defining content and boundaries

These Principles should be used in conjunction to define the report content and the boundaries of the information presented, as elaborated in the Technical Protocol (Part 4). Each Principle has a definition and an explanation on how to apply the Principle.

STAKEHOLDER INCLUSIVENESS

Principle: The organization should provide information on how it identifies its stakeholders, and explain how it has responded to their reasonable expectations and interests.

Applying the Principle: Stakeholders are defined as entities or individuals that can reasonably be expected to be significantly affected by the organization's activities, products, and/or 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 (e.g., employees, shareholders, suppliers) as well as those who have other relationships to the organization (e.g., vulnerable groups within local communities, civil society).

The reasonable expectations and interests of stakeholders are a key reference point for many decisions in the preparation of a report, such as the Scope, Boundary, application of Indicators, and assurance approach. However, not all of an organization's stakeholders will use the report. This presents challenges in balancing the specific interests/expectations of stakeholders who can reasonably be expected to use the report with broader expectations of accountability to all stakeholders.

For some decisions, such as the report Scope or Boundary of a report, the reasonable expectations and interests of a wide range of stakeholders will need to be considered. There may be, for example, stakeholders who are unable to articulate their views on a report and whose concerns are presented by proxies. There may also be stakeholders who choose not to express views on reports because they rely on different means of communication and engagement. The reasonable expectations and interests of these stakeholders should still be acknowledged in decisions about the content of the report. However, other decisions, such as the level of detail required to be useful to stakeholders, or expectations of different stakeholders about what is required to achieve clarity, may require greater emphasis on those who can reasonably be expected to use the report. It is important to document the processes and approach taken in making these decisions.

Stakeholder engagement processes can serve as tools for understanding the reasonable expectations and interests of stakeholders. Organizations typically initiate different types of stakeholder engagement as part of their regular activities, which can provide useful inputs for decisions on reporting. These may include, for example, stakeholder engagement for the purpose of compliance with internationally-agreed standards, or informing ongoing organizational/ business processes. In addition, stakeholder engagement may also be implemented specifically to inform the report preparation process. Organizations can also use other means such as the media, the scientific community, or collaborative activities with peers and stakeholders. These means can help the organization better understand stakeholders' reasonable expectations and interests.

For a report to be assurable, the process of stakeholder engagement should be documented. When stakeholder engagement processes are used for reporting purposes, they should be based on systematic or generally accepted approaches, methodologies, or principles. The overall approach should be sufficiently effective to ensure that stakeholders' information needs are properly understood. The



organization should document its approach for defining which stakeholders it engaged with, how and when it engaged with them, and how engagement has influenced the report content and the organization's sustainability activities. These processes should be capable of identifying direct input from stakeholders as well as legitimately established societal expectations. An organization may encounter conflicting views or differing expectations among its stakeholders, and will need to be able to explain how it balanced these in reaching its reporting decisions.

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

Tests:

- The organization can describe the stakeholders to whom it considers itself accountable.
- The report content draws upon the outcomes of stakeholder engagement processes used by the organization in its ongoing activities, and as required by the legal and institutional framework in which it operates.
- The report content draws upon the outcomes of any stakeholder engagement processes undertaken specifically for the report.
- The stakeholder engagement processes that inform decisions about the report are consistent with the scope and boundary of the report.

SUSTAINABILITY CONTEXT

Principle: The report should present the organization's performance in the wider context of sustainability.

Applying the Principle: Information on performance should be placed in context. The underlying question of sustainability reporting is how an organization contributes, or aims to contribute in the future, to the improvement or deterioration of economic, environmental, and social conditions, developments, and trends at the local, regional, or global level. Reporting only on trends in individual performance (or the efficiency of the organization) will fail to respond to this underlying question. Reports should therefore seek to present performance in relation to broader concepts of sustainability. This will involve discussing the performance of the organization in the context of the limits and demands placed on environmental or social resources at the sectoral, local, regional, or global level. For example, this can mean that in addition to reporting on trends in eco-efficiency, an organization may also present its absolute pollution loading in relation to the capacity of the regional ecosystem to absorb the pollutant.

This concept is often most clearly articulated in the environmental arena in terms of global limits on resource use and pollution levels. However, it can also be relevant with respect to social and economic objectives such as national or international socio-economic and sustainable development goals. For example, an organization can report on employee wages and social benefit levels in relation to nationwide minimum and median income levels, and the capacity of social safety nets to absorb those in poverty or those living close to the poverty line. Organizations operating in a diverse range of locations, sizes, and sectors will need to consider how to best frame their overall organizational performance in the broader context of sustainability. This may require distinguishing between topics or factors that drive global impacts (such as climate change) and those that have more regional or local impacts (such as community development). When reporting on topics that have positive or negative local impacts, it is important to provide insight into how the organization affects communities in different locations.



Similarly, distinctions may need to be made between trends or patterns of impacts across the range of operations versus contextualizing performance location by location.

The organization's own sustainability and business strategy provides the context in which to discuss performance. The relationship between sustainability and organizational strategy should be made clear, as should the context within which performance is reported.

Tests:

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

MATERIALITY

Principle: The report should cover topics and Indicators that:

- reflect the organization's significant economic, environmental, and social impacts or that
- substantively influence the assessments and decisions of stakeholders.

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

In financial reporting, materiality is commonly thought of as a threshold for influencing the economic decisions of those using an organization's financial statements, investors in particular. The concept of a threshold is also important in sustainability reporting, but it is concerned with a wider range of impacts and stakeholders. Materiality for sustainability reporting is not limited only to those sustainability topics that have a significant financial impact on the organization. Determining materiality for a sustainability report also includes considering economic, environmental, and social impacts that cross a threshold in affecting the ability to meet the needs of the present without compromising the needs of future generations.⁴ These material topics often have a significant financial impact in the near term or long-term on an organization. They are therefore also relevant for stakeholders who focus strictly on the financial condition of an organization.

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



These internal and external factors should be considered when evaluating the importance of information for reflecting significant economic, environmental, and social impacts, or stakeholder decision making.⁵ A range of established methodologies can be used to assess the significance of impacts. In general, ‘significant impacts’ refer to those that are a subject of established concern for expert communities, or that have been identified using established tools such as impact assessment methodologies or life cycle assessments. Impacts that are considered important enough to require active management or engagement by the organization can likely be considered to be significant.

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

In addition to guiding the selection of topics to report, the Materiality Principle also applies to the use of Indicators. When disclosing performance data, there are varying degrees of comprehensiveness and detail that can be provided in a report. In some cases, GRI guidance exists on the level of detail generally considered appropriate for a specific Indicator. Overall, decisions on how to report data should be guided by the importance of the information for assessing the performance of the organization, and facilitating appropriate comparisons.

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

Tests:

In defining material topics, take into account the following:

- Reasonably estimable sustainability impacts, risks, or opportunities (e.g., global warming, HIV-AIDS, poverty) identified through sound investigation by people with recognized expertise, or by expert bodies with recognized credentials in the field.

27 Significance of impact to Stakeholders, including:

BOUNDARY

- Main sustainability interests/topics and Indicators raised by stakeholders (e.g., vulnerable groups within local communities, civil society).
- The main topics and future challenges for the sector reported by peers and competitors.
- Relevant laws, regulations, international agreements, or voluntary agreements with strategic significance to the organization and its stakeholders.

28 Significance of impact to the Organization, including:

BOUNDARY

- Key organizational values, policies, strategies, operational management systems, goals, and targets.
- The interests/expectations of stakeholders specifically invested in the success of the organization (e.g., employees, shareholders, and suppliers).
- Significant risks to the organization.
- Critical factors for enabling organizational success.
- The core competencies of the organization and the manner in which they can or could contribute to sustainable development.

Prioritizing

- The report prioritizes material topics and Indicators.



COMPLETENESS

29 **Principle:** The report should include coverage of material topics and their boundaries, sufficient to
 30 reflect significant economic, environmental, and social impacts, and to enable stakeholders to assess the
 31 organization's performance in the reporting period.

32 ~~**Definition:** Coverage of the material topics and Indicators and definition of the report boundary~~
 33 ~~should be sufficient to reflect significant economic, environmental, and social impacts; and enable~~
 34 ~~stakeholders to assess the reporting organization's performance in the reporting period.~~

35 ~~**Explanation Applying the Principle:** Completeness primarily encompasses the dimensions of scope,~~
 36 ~~boundary, and time. The concept of completeness can may also be used to refer to practices in~~
 37 ~~information collection (for example, ensuring that compiled data includes results from all sites within~~
 38 ~~the Report Boundary all elements of the value chain) and whether the presentation of information is~~
 39 ~~reasonable and appropriate. These topics are related to report quality, and are addressed in greater~~
 40 ~~detail under the Principles of accuracy and balance later in Part 1.~~

'Scope' refers to the range of sustainability topics covered in a report. The sum of the topics and Indicators reported should be sufficient to reflect significant economic, environmental, and social impacts. It should also enable stakeholders to assess the organization's performance. In determining whether the information in the report is sufficient, the organization should consider both the results of stakeholder engagement processes and broad-based societal expectations that may not have surfaced directly through stakeholder engagement processes.

41 'Boundary' refers to the range of value chain elements or areas covered in the report for each material
 42 topic. In setting the boundaries for material topics, an organization should consider impacts throughout
 43 its entire value chain, regardless of whether it exercises control or influence over the elements in its
 44 value chain. Boundaries vary based on the topic being reported.

45 ~~'Boundary' refers to the range of entities (e.g., subsidiaries, joint ventures, sub-contractors, etc.)~~
 46 ~~whose performance is represented by the report. In setting the boundary for its report, an~~
 47 ~~organization must consider the range of entities over which it exercises control (often referred to~~
 48 ~~as the 'organizational boundary', and usually linked to definitions used in financial reporting) and~~
 49 ~~over which it exercises influence (often called the 'operational boundary'). In assessing influence,~~
 50 ~~the organization will need to consider its ability to influence entities upstream (e.g., in its supply~~
 51 ~~chain) as well as entities downstream (e.g., distributors and users of its products and services).~~
 52 ~~The boundary may vary based on the specific Aspect or type of information being reported.~~

53 'Time' refers to the need for the selected information to be complete for the time period specified by
 54 the report. As far as practicable, Activities, events, and impacts should be presented for the reporting
 55 period in which they occur. This includes reporting on activities that produce minimal short-term
 56 impact, but which have a significant and reasonably foreseeable cumulative effect that may become
 57 unavoidable or irreversible in the longer term (e.g., bio-accumulative or persistent pollutants). In making
 58 estimates of future impacts (both positive and negative), the reported information should be based on
 59 well-reasoned estimates that reflect the likely size and nature, and scope of impacts. Although such
 60 estimates are by nature subject to uncertainty, they can provide useful information for decision-making
 61 as long as the basis for estimates is clearly disclosed and the limitations of the estimates are clearly
 62 acknowledged. Disclosing the nature and likelihood of such impacts, even if they may only materialize in
 63 the future, is consistent with the goal of providing a balanced and reasonable representation of the
 64 organization's economic, environmental, and social performance.



Tests:

- 65 • The report ~~was developed taking~~ takes into account the organization's entire value chain
66 ~~of entities upstream and downstream~~, and covers and prioritizes all material information
67 ~~that should reasonably be considered material~~ on the basis of the Principles of Materiality,
68 Sustainability Context, and Stakeholder Inclusiveness
- 69 • ~~The report includes all entities that meet the criteria of being subject to control or~~
70 ~~significant influence of the reporting organization unless otherwise declared.~~ The report
71 includes Disclosure on Management Approach for all elements of the value chain where
72 significant impacts occur
- 73 • The information in the report includes all significant ~~actions or events~~ impacts in the
74 reporting period, and reasonable estimates of significant future impacts ~~of past events~~
75 when those impacts are reasonably foreseeable and may become unavoidable or
76 irreversible
- 77 • The report does not omit relevant information that ~~would~~ influences or informs
78 stakeholder assessments or decisions, or that ~~would~~ reflects significant economic,
79 environmental, and social impacts

3. Principles for Defining Report Quality

This section contains Principles that guide choices on ensuring the quality of reported information, including its proper presentation. Decisions related to the process of preparing information in a report should be consistent with these Principles. All of these Principles are fundamental for achieving transparency. The quality of information enables stakeholders to make sound and reasonable assessments of performance, and take appropriate action.

BALANCE

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

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

Tests:

- The report discloses both favorable and unfavorable results and topics.
- The information in the report is presented in a format that allows users to see positive and negative trends in performance on a year-to-year basis.
- The emphasis on the various topics in the report is proportionate to their relative materiality.



COMPARABILITY

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

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

Maintaining consistency with the methods used to calculate data, with the layout of the report, and with explaining the methods and assumptions used to prepare information, all facilitates comparability over time. As the relative importance of topics to a given organization and its stakeholders change over time, the content of reports will also evolve. However, within the confines of the Principle of Materiality, organizations should aim for consistency in their reports over time. An organization should include total numbers (i.e., absolute data such as tons of waste) as well as ratios (i.e., normalized data such as waste per unit of production) to enable analytical comparisons.

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

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.
- Any significant variation between reporting periods in the Boundary, Scope, length of reporting period, or information covered in the report can be identified and explained.
- Where they are available, the report utilizes generally accepted protocols for compiling, measuring, and presenting information, including the GRI Technical Protocols for Indicators contained in the Guidelines.
- The report uses GRI Sector Supplements, where available.

ACCURACY

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

Applying the Principle: Responses to economic, environmental, and social topics and Indicators can be expressed in many different ways, ranging from qualitative responses to detailed quantitative measurements. The characteristics that determine accuracy vary according to the nature of the information and the user of the information. For example, the accuracy of qualitative information is largely determined by the degree of clarity, detail, and balance in presentation within the appropriate report Boundary. The accuracy of quantitative information, on the other hand, may depend on the specific methods used to gather, compile, and analyze data. The specific threshold of accuracy that is



necessary will depend partly on the intended use of the information. Certain decisions will require higher levels of accuracy in reported information than others.

Tests:

- The report indicates the data that has been measured.
- The data measurement techniques and bases for calculations are adequately described, and can be replicated with similar results.
- The margin of error for quantitative data is not sufficient to substantially influence the ability of stakeholders to reach appropriate and informed conclusions on performance.
- The report indicates which data has been estimated and the underlying assumptions and techniques used to produce the estimates, or where that information can be found.
- The qualitative statements in the report are valid on the basis of other reported information and other available evidence.

TIMELINESS

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

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

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

Tests:

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

CLARITY

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

Applying the Principle: The report should present information in a way that is understandable, accessible, and usable by the organization's range of stakeholders (whether in print form or through other channels). A stakeholder should be able to find desired information without unreasonable effort. Information should be presented in a manner that is comprehensible to stakeholders who have a reasonable understanding of the organization and its activities. Graphics and consolidated data tables can help make the information in the report accessible and understandable. The level of aggregation of



information can also affect the clarity of a report if it is either significantly more or less detailed than stakeholders expect.

Tests:

- The report contains the level of information required by stakeholders, but avoids excessive and unnecessary detail.
- Stakeholders can find the specific information they want without unreasonable effort through tables of contents, maps, links, or other aids.
- The report avoids technical terms, acronyms, jargon, or other content likely to be unfamiliar to stakeholders, and 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 (e.g., differing abilities, language, or technology).

RELIABILITY

Principle: The organization should gather, record, compile, analyze and disclose information using processes that can be subject to examination and that establish the quality and materiality of the information.

Applying the Principle: Stakeholders should have confidence that a report can be checked to establish the veracity of its contents and the extent to which it has appropriately applied Reporting Principles. The information and data included in a report should be supported by internal controls or documentation that could be reviewed by individuals other than those who prepared the report. Disclosures about performance that are not substantiated by evidence should not appear in a sustainability report unless they represent material information, and the report provides unambiguous explanations of any uncertainties associated with the information. The decision-making processes underlying a report should be documented in a manner that allows the basis of key decisions (such as processes for determining the report content and Boundary or stakeholder engagement) to be examined. In designing information systems, organizations should anticipate that the systems could be examined as part of an external assurance process.

Tests:

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



THE REPORTING GUIDELINES

Part 2: Disclosure items



1. Strategy, Profile and Governance

a. Strategy and Analysis

This section is intended to provide a high-level, strategic view of the organization’s relationship to sustainability in order to provide context for subsequent and more detailed reporting against other sections of the Guidelines. It may draw on information provided in other parts of the report, but this section is intended to produce insight on strategic topics rather than simply summarize the contents of the report. The strategy and analysis should consist of the statement outlined in DI 1 and a concise narrative outlined in DI 2.

[Disclosure] DI 1

Statement from the most senior decision-maker of the organization (e.g., CEO, chair, or equivalent senior position) about the relevance of sustainability to the organization and its strategy.

SUPPLY CHAIN

80 The statement should present the overall vision and strategy for the short-term, medium-term (e.g. 3-5
81 years), and long-term, particularly with regard to managing the ~~key challenges associated with~~
82 economic, environmental, and social performance impacts of the organization. This includes impacts it
83 causes, contributes to, or that can be linked to its activities as a result of relationships with others (e.g.,
84 suppliers, people or organizations in local communities). The statement should include:

- Strategic priorities and key topics for the short/medium-term with regard to sustainability, including respect for internationally agreed standards and how they relate to long-term organizational strategy and success;
- Broader trends (e.g., macroeconomic or political) affecting the organization and influencing sustainability priorities;
- Key events, achievements, and failures during the reporting period;
- Awards received in the reporting period.
- Views on performance with respect to targets;
- Outlook on the organization’s main challenges and targets for the next year and goals for the coming 3-5 years; and
- Other items pertaining to the organization’s strategic approach.

[Disclosure] DI 2

Description of key impacts, risks, and opportunities.

The organization should provide two concise narrative sections on key impacts, risks, and opportunities.

Section One should focus on the organization’s key impacts on sustainability and effects on stakeholders, including rights as defined by national laws and relevant internationally agreed standards. This should take into account the range of reasonable expectations and interests of the organization’s stakeholders. This section should include:

- A description of the significant impacts the organization has on sustainability and associated challenges and opportunities. This includes the effect on stakeholders’ rights as defined by national laws and the expectations in internationally-agreed standards and norms;
- An explanation of the approach to prioritizing these challenges and opportunities;



- Key conclusions about progress in addressing these topics and related performance in the reporting period. This includes an assessment of reasons for underperformance or over-performance; and
- A description of the main processes in place to address performance and/or relevant changes.

Section Two should focus on the impact of sustainability trends, risks, and opportunities on the long-term prospects and financial performance of the organization. This should concentrate specifically on information relevant to financial stakeholders or that could become so in the future. Section Two should include the following:

- A description of the most important risks and opportunities for the organization arising from sustainability trends;
- Prioritization of key sustainability topics as risks and opportunities according to their relevance for long-term organizational strategy, competitive position, qualitative, and (if possible) quantitative financial value drivers;
- Table(s) summarizing:
 - Targets, performance against targets, and lessons-learned for the current reporting period; and
 - Targets for the next reporting period and mid-term objectives and goals (i.e., 3-5 years) related to key risks and opportunities.
- Concise description of governance mechanisms in place to specifically manage these risks and opportunities, and identification of other related risks and opportunities.

b. Organizational Profile

[Disclosure] DI 3

Name of the organization.

SUPPLY CHAIN

[Disclosure] DI 4

Primary brands, products, and/or services.

85 ~~The reporting organization should indicate the nature of its role in providing these products and~~
86 ~~services, and the degree to which it utilizes outsourcing.~~

[Disclosure] DI 5

Operational structure of the organization, including main divisions, operating companies, subsidiaries, and joint ventures.

[Disclosure] DI 6

Location of organization's headquarters.

BOUNDARY

[Disclosure] DI 7

87 Disclose tThe number of countries where the organization operates, and names of countries with either
88 major operations or that are specifically relevant to the sustainability issues covered in the report. and
89 significant impacts linked to the organization's activities, products, services, and relationships.



[Disclosure] DI 8

Nature of ownership and legal form.

[Disclosure] DI 9

Markets served (including geographic breakdown, sectors served, and types of customers/beneficiaries).

[Disclosure] DI 10

Scale of the organization, including:

1. Number of employees;
2. Number of operations;
3. Net sales (for private sector organizations) or net revenues (for public sector organizations);
4. Total capitalization broken down in terms of debt and equity (for private sector organizations); and
5. Quantity of products or services provided.

In addition to the above, organizations are encouraged to provide additional information, as appropriate, such as:

6. Total assets;
7. Beneficial ownership (including identity and percentage of ownership of largest shareholders); and
8. Breakdowns by country/region of the following:
 - a. Sales/revenues by countries/regions that make up 5 percent or more of total revenues;
 - b. Costs by countries/regions that make up 5 percent or more of total revenues; and
 - c. Employees.

SUPPLY CHAIN

[Disclosure] DI 11

90 Significant changes during the reporting period regarding size, structure, ~~or~~ ownership, or supply chain
91 including:

- 92 1. The location of, or changes in operations, including facility openings, closings, and expansions;
93 ~~and~~
- 94 2. Changes in the share capital structure and other capital formation, maintenance, and alteration
95 operations (for private sector organizations); and
- 96 3. The location of suppliers, or changes in relationships with suppliers, including selection and
97 termination



98 **[Disclosure] DI 12**

99 Describe the organization's supply chain.

100 **[Guidance]** A description of the supply chain may include but is not limited to:

- 101 1. Total number of suppliers
- 102 2. Total monetary value and/or volume of materials, products and services purchased directly from
103 suppliers, broken down by:
 - 104 a. The types of materials, products and services provided by suppliers that are used for the
105 organization's primary brands, products and/or services, as reported under DI 4
 - 106 b. Types of suppliers
 - 107 c. Location of suppliers by country and/or region. Where it will provide appropriate
108 context on relevant risks and impacts, identify the location of suppliers within a country.
109 List those suppliers that are located in weak governance zones and Export Processing
110 Zones (also called Special Economic Zones or Free Trade Zones)

111 **Definitions**

112 See the Glossary for the definitions of supply chain and supplier.

113 **References**

- 114 • OECD Risk Awareness Tool for Multinational Enterprises in Weak Governance Zones (in particular
115 chapters 2, 4 & 7), 2006.
- 116 • Employment and social policy in respect of export processing zones (EPZs), Governing Body,
117 286th Session, Geneva, 2003, International Labour Organization

c. **Report Parameters****REPORT PROFILE****[Disclosure] DI13**

Reporting period (e.g. fiscal/calendar year) for information provided.

[Disclosure] DI14

Date of most recent previous report (if any).

[Disclosure] DI15

Reporting cycle (annual, biennial, etc.).

[Disclosure] DI16

Contact point for questions regarding the report or its contents.

118 **IDENTIFIED MATERIAL ASPECTS**119 **[Disclosure] DI 17**120 List the identified material Aspects (and other material topics).

121 **[Disclosure] DI 18**122 Describe the organization's value chain.123 **[Guidance]** For guidance on how to map value chains, refer to the Technical Protocol: *Defining Report*
124 Content and Boundaries.125 **[Disclosure] DI 19**126 Place material Aspects (or other material topics) in the value chain.**STAKEHOLDER ENGAGEMENT**

The following Disclosure Items refer to general stakeholder engagement conducted by the organization over the course of the reporting period. These Disclosures do not have to be limited to stakeholder engagement implemented for the purposes of preparing a sustainability report.

[Disclosure] DI 20

List of stakeholder groups engaged by the organization.

[Guidance] Examples of stakeholder groups are:

- Civil society;
- Customers;
- Employees, other workers, and their trade unions;
- Local communities;
- Shareholders and providers of capital; and
- Suppliers.

[Disclosure] DI 21

Basis for identification and selection of stakeholders with whom to engage.

[Guidance] This includes the organization's process for defining its stakeholder groups, and for determining the groups with which to engage and not to engage.

[Disclosure] DI 22

Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group.

127 **[Guidance]** This could include surveys, focus groups, community panels, corporate advisory panels,
128 written communication, management/union structures, supplier satisfaction surveys, and other
129 vehicles. The organization should indicate whether any of the engagement was undertaken specifically
130 as part of the report preparation process.



[Disclosure] DI 23

131 Key topics and concerns that have been raised through stakeholder engagement, broken down by
 132 stakeholder group, and how the organization has responded to those key topics and concerns, including
 133 through its reporting.

134 **DEFINING REPORT CONTENT AND BOUNDARIES**135 **[Disclosure] DI 24**

136 Explain the process for defining report content, including:

- 137 1. How the value chain was determined
- 138 2. How relevant topics were identified
- 139 3. How material topics were prioritized
- 140 4. How the report content is validated to ensure all relevant GRI Reporting Principles have been
 141 applied

142 **[Guidance]** For guidance on how to identify material topics, refer to sections 'Part 1: Principles and
 143 guidance for Defining Report Content and Boundaries and Part 4: Technical Protocol for Defining Report
 144 Content and Boundaries.

145 ~~Process for defining report content, including:~~

- 146 ~~• Determining materiality;~~
- 147 ~~• Prioritizing topics within the report; and~~
- 148 ~~• Identifying stakeholders the organization expects to use the report.~~

149 **[Disclosure] DI 25**

150 State any specific limitations on the scope ~~or boundary~~ of the report. If ~~boundary and the~~ scope does
 151 not address the full range of ~~material significant~~ economic, environmental, and social impacts of the
 152 organization, state the strategy and projected timeline for providing complete coverage.

153
 154 **[Guidance]** The definition for report scope can be found in the Completeness Principle.

155 **[Disclosure] DI 26**

156 For each material topic:

- 157 1. Disclose which elements of the value chain from Disclosure DI 18 are included, and which
 158 elements are excluded. The description of value chain elements should include their geographic
 159 location and the nature of the organization's relationship to them (such as full or partial
 160 ownership, influence, contractual relationship, or other).
- 161 2. Disclose the depth of disclosure of reported information:
 - 162 • Management Approach
 - 163 • Indicators

164 ~~Boundary of the report (e.g., countries, divisions, subsidiaries, leased facilities, joint ventures, suppliers).~~

165 **[Guidance]** The default content to be included in a report should cover every element of the
 166 organization's value chain where significant impacts occur.

167 **[Disclosure] DI 27**168 For each material topic:169 State any specific limitations on the boundary of the topic.

170 **[Guidance]** If the chosen boundary for the material topics does not address the full range of significant
 171 economic, environmental, and social impacts throughout the organization's value chain, state the
 172 strategy and projected timeline for providing complete coverage for such impacts and the reasons for
 173 omissions.

174 **[Disclosure] DI 28**175 For each material topic:

- 176 1. List ~~Do~~ data measurement techniques and the bases of calculations, including assumptions and
 177 techniques underlying estimations applied to the compilation of the Indicators and other
 178 information in the report
- 179 2. Disclose the approach taken to report performance data such as equity, financial or operational
 180 control methods where relevant
- 181 3. Explain any decisions not to apply, or to substantially diverge from, the GRI Technical and
 182 Indicator Protocols.

183 **[Guidance]** Include basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced
 184 operations, and other elements of the value chain.

185 **[Disclosure] DI 29**186 For each material topic:

Explain the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statements (e.g., mergers/acquisitions, change of base years/periods, nature of business, measurement methods).

187 **[Disclosure] DI 30**188 For each material topic:

189 Disclose significant changes from previous reporting periods in the scope, boundary, or measurement
 190 methods applied in the report.

191 **d. Governance**192 **[Disclosure] DI31**

193 Describe the governance structure of the organization including committees under the highest
 194 governance body.

195 **HIGHEST GOVERNANCE BODY'S ROLE IN SETTING PURPOSE, VALUES, AND STRATEGY**

196 **[Disclosure] DI 32**

197 Describe the highest governance body's role in the inclusion of economic, environmental, and social
198 topics in the organization's purpose and in its value or mission statements.

199 **[Disclosure] DI 33**

200 Describe the highest governance body's and senior executives' roles in the development, approval, and
201 updating of strategies, policies, and goals related to economic, environmental, and social topics.

202 **[Disclosure] DI 34**

203 Describe how economic, environmental, and social criteria are included in the decision-making
204 processes of the highest governance body.

205 **[Guidance] Definitions**

206 **HIGHEST GOVERNANCE BODY**

207 The formalized group of persons charged with ultimate authority in an organization. In instances where
208 the highest governance body consists of two tiers, both tiers should be included when responding to GRI
209 disclosures.

210 **SENIOR EXECUTIVE**

211 A top ranking member of the management of an organization that includes a Chief Executive Officer
212 (CEO) and individuals reporting directly to the CEO or the highest governance body. Individual
213 organizations define which members of their management teams are senior executives.

214 **GOVERNANCE STRUCTURE AND COMPOSITION**

215 **Governance Structure**

216 **[Disclosure] DI 35**

217 Describe the process for delegating authority for economic, environmental, and social topics, from the
218 highest governance body to senior executives and other employees.

219 **[Disclosure] DI 36**

220 Report whether the organization has appointed an executive-level position or positions with
221 responsibility for economic, environmental, and social topics, and whether post holders report directly
222 to the highest governance body.

223 **[Disclosure] DI 37**

224 Describe processes for consultation between stakeholders and the highest governance body on
225 economic, environmental, and social topics. If consultation is delegated, describe to whom and any
226 feedback processes to the highest governance body.



227 **Governance Body Composition**

228 **[Disclosure] DI 38**

229 Report the composition of each governance body and governance body committee by:

- 230 1. Executive vs. non-executive
- 231 2. Independence
- 232 3. Tenure on the governance body
- 233 4. Number of each individual's other positions and commitments, and the nature of the
234 commitments
- 235 5. Gender
- 236 6. Membership of under-represented social groups

237 **[Disclosure] DI 39**

238 Describe stakeholder representation on the highest governance body.

239 **[Disclosure] DI 40**

240 List committee(s) responsible for decision making on economic, environmental, and social topics.
241 Identify which committee is responsible for which topic.

242 **[Disclosure] DI 41**

243 Report whether the Chair of the highest governance body is also an executive officer (and, if so, their
244 function within the organization's management and the reasons for this arrangement).

245 **[Disclosure] DI 42**

246 Describe the nomination and selection processes for the highest governance body and its committees,
247 and the criteria used for selecting governance body members, including:

- 248 7. whether and how diversity is considered
- 249 8. whether and how independence is considered
- 250 9. whether and how expertise and experience related to economic, environmental, and social
251 topics are considered
- 252 10. whether and how stakeholders (including shareholders) are involved

253 **[Disclosure] DI 43**

254 Report processes for the highest governance body to ensure conflicts of interest are avoided, managed,
255 and disclosed to stakeholders.

256 **[Guidance] Definitions**

257 **UNDER-REPRESENTED SOCIAL GROUP**

258 A population that, relative to its numbers in a given society, has less opportunity to express its
259 economic, social, or political needs and views.



260 References

261 Organization for Economic Co-operation and Development (2004), 'OECD Principles of Corporate
262 Governance', OECD Publishing, <http://www.oecd.org/dataoecd/32/18/31557724.pdf> (accessed
263 February 29, 2012).

264 **HIGHEST GOVERNANCE BODY'S COMPETENCIES AND PERFORMANCE EVALUATION**

265 **Competency**

266 **[Disclosure] DI 44**

267 List measures taken to develop and enhance the highest governance body's knowledge of economic,
268 environmental, and social topics.

269 **[Disclosure] DI 45**

270 List the highest governance body's members' qualifications, experience, and expertise related to
271 economic, environmental, and social topics.

272 **Performance Evaluation**

273 **[Disclosure] DI 46**

274 Describe processes for evaluation of the highest governance body's performance with respect to
275 governance, the organization's codes of conduct, and economic, environmental, and social topics. State
276 whether such evaluation is independent or not, and its frequency.

277 **[Disclosure] DI 47**

278 List actions taken in response to evaluation of the highest governance body's performance, including
279 but not limited to changes in membership and organizational practice.

280 **HIGHEST GOVERNANCE BODY'S ROLE IN RISK MANAGEMENT**

281 **[Disclosure] DI 48**

282 Describe the highest governance body's oversight of the identification and management of economic,
283 environmental, and social impacts, risks, and opportunities. Include the highest governance body's role
284 in the implementation of due diligence processes, if applicable.

285 **[Disclosure] DI 49**

286 Report whether stakeholder consultation is used to support the highest governance body's identification
287 and management of economic, environmental, and social risks and opportunities.

288 **[Disclosure] DI 50**

289 Describe the highest governance body's role in reviewing the effectiveness of the organization's risk
290 management processes for economic, environmental, and social topics.



291 **[Disclosure] DI 51**

292 Report the frequency of the highest governance body's review of economic, environmental, and social
 293 impacts, risks, and opportunities.

294 **[Guidance] References**

- 295 • Organization for Economic Co-operation and Development (2004), 'OECD Principles of
 296 Corporate Governance', OECD Publishing,
 297 <http://www.oecd.org/dataoecd/32/18/31557724.pdf> (accessed February 29, 2012).
- 298 • John Ruggie, "Report of the Special Representative of the Secretary-General on the issue of
 299 human rights and transnational corporations and other business enterprises", Human Rights
 300 Council, [http://www.business-humanrights.org/media/documents/ruggie/ruggie-guiding-](http://www.business-humanrights.org/media/documents/ruggie/ruggie-guiding-principles-21-mar-2011.pdf)
 301 principles-21-mar-2011.pdf (accessed December 5, 2011).

302 **HIGHEST GOVERNANCE BODY'S ROLE IN SUSTAINABILITY REPORTING**303 **[Disclosure] DI 52**

304 Report whether the highest governance body formally reviews and approves the organization's
 305 sustainability report and ensures that all material Aspects are covered.

306 **[Disclosure] DI 53**

307 Describe the highest governance body's role in commissioning assurance of the sustainability report.

308 **HIGHEST GOVERNANCE BODY'S ROLE IN EVALUATING ECONOMIC, ENVIRONMENTAL, AND SOCIAL**
 309 **PERFORMANCE**310 **[Disclosure] DI 54**

311 Report the frequency of the highest governance body's review of economic, environmental, and social
 312 goals and performance.

313 **[Disclosure] DI 55**

314 Describe the process for escalating complaints to the highest governance body.

315 **[Disclosure] DI 56**

316 Report the nature and number of complaints that are communicated to the highest governance body.

317 **[Disclosure] DI 57**

318 Describe processes to encourage the internal and external reporting of unlawful and unethical behavior
 319 and to promote ethical behavior. Describe whistleblowing processes, use of hotlines and other similar
 320 mechanisms and whether or not these are independent of the organization.

321 **REMUNERATION AND INCENTIVES**322 **[Disclosure] DI 58**

323 Provide a summary of remuneration policies for the highest governance body and senior executives for:



- 324 1. Variable pay, if applicable, and fixed pay:
325 a. Performance based pay
326 b. Equity based pay
327 c. Bonuses
328 d. Deferred vs. vested shares
329 2. Termination payments
330 3. Clawbacks

331 **[Disclosure] DI 59**

332 Describe the process for determining remuneration. Report whether remuneration consultants are
333 involved and whether they are independent of management. Identify any other relationships the
334 remuneration consultants have with the organization.

335 **[Disclosure] DI 60**

336 Describe how stakeholders' views are sought and taken into account regarding remuneration, including
337 the results of votes on remuneration policies and proposals, if applicable.

338 **[Disclosure] DI 61**

339 If a remuneration committee exists, describe its membership, independence, and selection process.

340 **[Disclosure] DI 62**

341 Describe how remuneration and incentive-related pay are designed to reward longer-term
342 performance.

343 **[Disclosure] DI 63**

344 If termination payments are used, report whether:

- 345 1. notice periods for governance body members and senior executives are different from those for
346 other employees
347 2. termination payments for governance body members and senior executives are different from
348 those for other employees
349 3. any payments other than those related to the notice period are paid to departing governance
350 body members and senior executives

351 **[Disclosure] DI 64**

352 If performance-related pay is used, describe how performance criteria in the remuneration policy relate
353 to employees' economic, environmental, and social objectives for the reporting period and the period
354 ahead. Break down the information by governance body, senior executives, and all other employees.
355 Include all applicable types of compensation used by the organization such as salary, bonuses, stock
356 awards, option awards, and all others.



357 **[Disclosure] DI 65**

358 Describe retirement benefits, including the difference between benefit schemes and contribution rates
 359 for governance body members, senior executives, senior management, middle management, and all
 360 other employees.

361 **[Disclosure] DI 66**

362 Report the ratio of the annual total compensation for the organization's highest-paid individual in each
 363 country of significant operations to the median annual total compensation for all employees in the same
 364 country (excluding the highest-paid individual).

365 **[Guidance]** For each country of significant operations:

366 Identify the highest-paid individual for the reporting year, defined by total compensation. Define and
 367 disclose the composition of the highest-paid individual's annual total compensation.

368 Calculate median annual total compensation for all employees except the highest-paid individual.
 369 Define and disclose the composition of the annual total compensation for all employees as follows:

- 370 • List types of compensation included in the calculation. Depending on the organization's
 371 remuneration policy and availability of data, the following components may be considered for
 372 the calculation:
 - 373 ○ Base salary: guaranteed, short-term, non-variable cash compensation
 - 374 ○ Cash compensation: sum of base salary + cash allowances + bonuses + commissions +
 375 cash profit-sharing + other forms of variable cash payments
 - 376 ○ Direct compensation: sum of total cash compensation + total fair value of all annual
 377 long-term incentives (e.g., stock option awards, restricted stock shares/units,
 378 performance stock shares/units, phantom stock shares, stock appreciation rights, and
 379 long-term cash awards).
- 380 • Indicate whether full-time, part-time, and contracted employees are included in this calculation.
 381 If full-time equivalent pay rates for each part-time employee are used, indicate this.
- 382 • If an organization chooses to not consolidate this ratio for the entire organization, state clearly
 383 which operations or countries are included.

384 Calculate the ratio of the annual total compensation of the highest-paid individual to the median annual
 385 total compensation for all employees.

386 **[Disclosure] DI 67**

387 Report the ratio of the annual total compensation of the organization's highest-paid individual in each
 388 country of significant operations to the annual total compensation of the organization's lowest-paid
 389 individual in the same country.

390 **[Guidance]** For each country of significant operations:

391 Identify the highest-paid individual for the reporting year, defined by total compensation.

392 Identify the lowest-paid individual for the reporting year, defined by total compensation.

393 Define and disclose the composition of the total compensation for the highest and lowest paid
 394 individuals as follows:

395 • List types of compensation included in the calculation. Depending on the organization's
 396 remuneration policy and availability of data, the following components may be considered for
 397 the calculation:

- 398 ○ Base salary: guaranteed, short-term, non-variable cash compensation
- 399 ○ Cash compensation: sum of base salary + cash allowances + bonuses + commissions +
 400 cash profit-sharing + other forms of variable cash payments
- 401 ○ Direct compensation: sum of total cash compensation + total fair value of all annual
 402 long-term incentives (e.g., stock option awards, restricted stock shares/units,
 403 performance stock shares/units, phantom stock shares, stock appreciation rights, and
 404 long-term cash awards).

405 • If an organization chooses to not consolidate this ratio for the entire organization, state clearly
 406 which operations or countries are included.

407 Calculate the ratio of the annual total compensation of the highest-paid individual to the annual total
 408 compensation of the lowest paid individual in the organization.

409 **[Disclosure] DI 68**

410 Report the ratio of the annual total compensation percentage increase for the organization's highest-
 411 paid individual in each country of significant operations to the median annual total compensation
 412 percentage increase for all employees in the same country (excluding the highest-paid individual).

413 **[Guidance]** For each country of significant operations:

414 Identify the highest-paid individual for the reporting year, defined by total compensation.

415 Calculate the percentage increase in the highest-paid individuals' compensation from prior year to the
 416 reporting year.

417 Calculate median annual total compensation for all employees except the highest-paid individual.

418 Define and disclose the composition of the annual total compensation for the highest-paid individual
 419 and for all employees as follows:

420 • List types of compensation included in the calculation. Depending on the organization's
 421 remuneration policy and availability of data, the following components may be considered for
 422 the calculation:

- 423 ○ Base salary: guaranteed, short-term, non-variable cash compensation
- 424 ○ Cash compensation: sum of base salary + cash allowances + bonuses + commissions +
 425 cash profit-sharing + other forms of variable cash payments
- 426 ○ Direct compensation: sum of total cash compensation + total fair value of all annual
 427 long-term incentives (e.g., stock option awards, restricted stock shares/units,
 428 performance stock shares/units, phantom stock shares, stock appreciation rights, and
 429 long-term cash awards).

430 • Indicate whether full-time, part-time, and contracted employees are included in this calculation.
 431 If full-time equivalent pay rates for each part-time employee are used, indicate this.

432 • If an organization chooses to not consolidate this ratio for the entire organization, state clearly
 433 which operations or countries are included.

434 Calculate the percentage increase of the median total annual compensation from prior year to the
 435 reporting year.



436 Calculate the ratio of the of the annual total compensation percentage increase of the highest-paid
 437 individual to the median annual total compensation percentage increase for all employees.

438 Definitions

439

440 **CLAWBACK**

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

443 Annual total compensation includes:

- 444 • Salary
- 445 • Bonus
- 446 • Stock awards
- 447 • Option awards
- 448 • Non-equity incentive plan compensation
- 449 • Change in pension value and nonqualified deferred compensation earnings
- 450 • All other compensation

e. Commitments to External Initiatives

[Disclosure] DI 69

Explanation of whether and how the precautionary approach or principle is addressed by the organization.

[Guidance] Article 15 of the Rio Principles introduced the precautionary approach. A response to this disclosure could address the organization's approach to risk management in operational planning or the development and introduction of new products.

[Disclosure] DI 70

Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or endorses.

[Guidance] Include date of adoption, countries/operations where applied, and the range of stakeholders involved in the development and governance of these initiatives (e.g., multi-stakeholder, etc.). Differentiate between non-binding, voluntary initiatives and those with which the organization has an obligation to comply.

[Disclosure] DI 71

Memberships in associations (such as industry associations) and/or national/international advocacy organizations in which the organization:

1. Has positions in governance bodies;
2. Participates in projects or committees;
3. Provides substantive funding beyond routine membership dues; or
4. Views membership as strategic.

This refers primarily to memberships maintained at the organizational level.



f. GRI Content Index

[Disclosure] DI 72

Table identifying the location of the Standard Disclosures in the report.

Identify the page numbers or web links where the following can be found:

[New text will be prepared for the final version of the Guidelines.]

g. Assurance

[Disclosure] DI 73

Policy and current practice with regard to seeking external assurance for the report. If not included in the assurance report accompanying the sustainability report, explain the scope and basis of any external assurance provided. Also explain the relationship between the organization and the assurance provider(s).



451 **2. Disclosure on Management Approach**

452 **Introduction**

453 Disclosure on Management Approach is intended to give each organization an opportunity to explain
 454 how they are managing material economic, environmental, and social impacts.

455 In a GRI sustainability report, organizations should primarily disclose information about material topics.
 456 Material topics should be identified by using GRI's Report Content Principles. For guidance on defining
 457 report content, refer to Part 1: *The reporting process* and Part 4: *Technical Protocol – Defining Report*
 458 *Content and Boundaries*.

459 Organizations are encouraged to:

- 460 • Report on topics that have been identified as material, and focus on the organization's impacts
 461 that relate to the topic
- 462 • Provide more detailed management approach information for topics with highly significant
 463 impacts, and brief contextual management approach information for topics with less significant
 464 impacts
- 465 • Combine the Disclosure on Management Approach for groups of Aspects where there is a
 466 common management approach for those Aspects

467 Disclosure on Management Approach ordinarily should be provided at Aspect level to reflect
 468 management practices. Where the impacts related to topics are managed at a different level, Disclosure
 469 on Management Approach should be reported at that level. This level may be general (applicable to
 470 Categories), more detailed (applicable to Aspects or an organization's self-defined topics), or specific
 471 (applicable to Indicators).

472 **Purpose**

473 Disclosure on Management Approach provides narrative information on how an organization analyzes
 474 and responds to its actual and potential material economic, environmental, and social impacts.
 475 Disclosure on Management Approach also provides context for the performance reported by an
 476 organization, including Indicators if applicable.

477 Disclosure on Management Approach enables an organization to make explicit:

- 478 1. What the material topic is
- 479 2. Why the topic is material
- 480 3. How the topic is managed
- 481 4. How management approach is monitored, evaluated, and adjusted

482 **Generic Content**

483 Disclosure on Management Approach should contain sufficient information to explain an organization's
 484 response to material topics. This includes but is not limited to the following disclosures:



485 **[Disclosure] Disclosure 1**

486 Report the material topic. Sufficient information should be provided for report users to understand
 487 what the material topic is, and to understand the organization's approach when managing its impacts
 488 related to the topic.

489 **[Disclosure] Disclosure 2**

490 Report why the topic is material. Report impacts that relate to the material topic.

491 **[Guidance]** Explain why the topic is material. As a minimum, this includes information on an
 492 organization's impacts, whether positive or negative.

493 When explaining why the topic is material, include information on how the topic was identified as
 494 material.

495 When reporting on assessments used to identify a material topic, include a description of each
 496 assessment's boundary, frequency, assessment criteria, and stakeholders engaged. The boundary of
 497 these assessments extends to an organization's relationships with other parties such as workers, trade
 498 unions, suppliers, business partners, and governments.

499 **[Disclosure] Disclosure 3**

500 Report how the organization manages the impacts related to the material topic.

501 **[Guidance]** Explain how the organization manages the impacts related to the material topic, specifying
 502 whether the management approach is intended to avoid, mitigate, or remediate negative material
 503 impacts, or enhance positive material impacts.

504 Describe the components of the management approach. While the following list is not exhaustive or
 505 absolute, management approach components may include (in no particular order):

- 506 • Policies
- 507 • Commitments
- 508 • Goals
- 509 • Responsibilities
- 510 • Resources
- 511 • Specific actions
- 512 • Challenges and dilemmas

513 **GUIDANCE FOR DISCLOSURES ON POLICY**

514 Identify the policy that is used to guide the organization's approach to the management of the material
 515 topic. Include an abstract, summary, or link to the publicly available policy that covers the material
 516 topic, including but not limited to the following:

- 517 • Range and location of entities covered by the policy
- 518 • Identification of the person or committee responsible for approving the policy
- 519 • References to international standards and widely-recognized initiatives
- 520 • The date of issue and last review date



521 **GUIDANCE FOR DISCLOSURES ON COMMITMENTS**

522 Provide:

- 523 • A statement of intent to manage the organization's impacts related to the material topic

524 Where no such statement is available describe:

- 525 • The organization's position towards the material topic
- 526 • Compliance with international standards and widely-recognized initiatives
- 527 • Whether the commitment is based on regulatory compliance or extends beyond it

528 **GUIDANCE FOR DISCLOSURES ON GOALS**

529 Explain:

- 530 • The boundary of each goal (the range of entities covered)
- 531 • The expected result (quantitative or qualitative)
- 532 • The expected timeline for achieving each goal

533 GRI Indicators or organization-specific indicators may be used to set goals.

534 For guidance on disclosing performance against goals, see the Guidance for Disclosure 4 of '2. Disclosure
535 of Management Approach: Generic Content'.

536 **GUIDANCE FOR DISCLOSURES ON RESPONSIBILITIES**

537 When disclosing responsibilities, explain for the material topic:

- 538 • Who is assigned responsibility for managing the material topic
- 539 • The roles of different departments in the overall process of managing the material topic
- 540 • Whether the responsibility is linked to performance assessments or incentive mechanisms

541 For guidance on disclosing highest governance bodies' responsibilities, see section '1. Strategy, Profile
542 and Governance'.

543 **GUIDANCE FOR DISCLOSURES ON RESOURCES**

544 Identify the resources allocated for managing the material topic and explain the rationale for the
545 allocation.

546 **GUIDANCE FOR DISCLOSURES ON SPECIFIC ACTIONS**

547 Identify specific actions related to the material topic. When disclosing specific actions, explain the
548 actions taken to achieve goals.

549 Specific actions may include but are not limited to:

- 550 • Processes
- 551 • Projects
- 552 • Programs
- 553 • Initiatives

554 On a more detailed level, specific actions may take the form of:

- 555 • Training
- 556 • Awareness raising



- 557 • Operational changes
- 558 • Innovation
- 559 • Certification of operations
- 560 • Agreements and partnerships with external parties

561 For each of the specific actions identified, explain:

- 562 • Whether the actions are ad hoc or systemic
- 563 • Whether the actions are short, medium, or long term
- 564 • How actions are prioritized
- 565 • Whether specific actions aim to avoid, mitigate, or remediate the impacts of the material topic.
 - 566 ○ Avoidance refers to an organization's processes for avoiding potential adverse economic,
 - 567 environmental, and social impacts. This includes deciding not to become involved in, or
 - 568 action to withdraw from, situations where there is a risk of an adverse impact
 - 569 ○ Mitigation refers to how, and to what extent, an organization acts to limit or reduce actual
 - 570 adverse impacts. These include adverse impacts directly caused by the organization's
 - 571 activities as well as those that the organization has contributed to
 - 572 ○ Remediation refers to the extent to which actual adverse impacts are compensated or
 - 573 rectified. Remediation may include grievance and complaint mechanisms, apologies,
 - 574 restitution, rehabilitation, compensation, or guarantees of non-repetition

575 If specific actions are part of broader processes, such as or including due diligence, explain the

576 processes' components. Refer to the following for further guidance:

- 577 • Organization for Economic Co-operation and Development (OECD) Guidelines for Multinational
- 578 Enterprises¹
- 579 • United Nations (UN) 'Protect, Respect, Remedy' framework and its guiding principles² for
- 580 additional information on due diligence.

581 For specific actions related to the supply chain, explain practices for:

SUPPLY CHAIN

- 582 • Supplier selection; list the economic, environmental and social criteria used when selecting new
- 583 suppliers; and describe how the use of these criteria is encouraged within the organization
- 584 • Supplier management; explain how expectations are established and defined in contracts with
- 585 suppliers to promote improvement in economic, environmental and social performance
- 586 (including targets and objectives); how suppliers are incentivized and rewarded for economic,
- 587 environmental and social performance; and feedback and dialogue mechanisms for suppliers
- 588 • Product and service design; identify changes, and describe their outcomes and progress
- 589 • Certifying and auditing suppliers; list the type, system, scope, frequency and current status of
- 590 certification and audit
- 591 • Supplier termination; describe systems in place to assess the potential economic, environmental
- 592 and social impacts of terminating a relationship with a supplier, and strategy to mitigate the
- 593 impacts

¹ Organization for Economic Co-operation and Development (2011), 'OECD Principles of Corporate Governance', OECD Publishing, <http://www.oecd.org/dataoecd/32/18/31557724.pdf> (accessed February 29, 2012).

² John Ruggie, "Report of the Special Representative of the Secretary-General on the issue of human rights and transnational corporations and other business enterprises", Human Rights Council, <http://www.business-humanrights.org/media/documents/ruggie/ruggie-guiding-principles-21-mar-2011.pdf> (accessed December 5, 2011).

594 **GUIDANCE FOR DISCLOSURES ON CHALLENGES AND DILEMMAS**595 **Identify:**

- 596 • Whether there are material topics for which the organization does not have a management
- 597 approach
- 598 • Plans to implement a management approach
- 599 • Reasons for not implementing a management approach
- 600 • The organization's handling of conflicting requirements and stakeholder expectations
- 601 • If a legal or socio-economic environment prevents managing the material topic

602 Using the information above, describe challenges and dilemmas that are relevant for the material topics.
 603 Explain obstacles encountered, unsuccessful endeavors, and any lessons learnt in the process.

604 **[Disclosure] Disclosure 4**

605 Report how the effectiveness of the management approach is monitored and evaluated. Report the
 606 results and the related adjustments to the management approach.

607 **[Guidance]** When disclosing the evaluation of its management approach, an organization may focus its
 608 explanation on three items:

- 609 • Mechanisms for monitoring the effectiveness of the management approach. This may include
 610 the following:
 - 611 ○ Internal or external auditing or verification (type, system, scope)
 - 612 ○ Measurement systems
 - 613 ○ External performance ratings
 - 614 ○ Benchmarking
 - 615 ○ Stakeholder feedback
- 616 • Explanation of results
 - 617 ○ GRI Indicators or organization-specific indicators may be used to report results
 - 618 ○ Performance against goals: key successes and shortcomings
 - 619 ○ Whether the results meet expectations
 - 620 ○ Challenges and gaps in management approach
 - 621 ○ Progress in implementing a management approach
- 622 • What is the organization doing differently as a result
 - 623 ○ Changes in the allocation of resources, goals, and specific actions aimed at improving the
 624 performance
 - 625 ○ Other changes to the management approach



3. Indicators

The section on Indicators is organized by economic, environmental, and social Categories. Social Indicators are further sub categorized by Labor Practices and Decent Work, Human Rights, Society, and Product Responsibility. Each Category includes Aspects. Core and Additional Indicators are organized by Aspects.

Core Indicators are intended to identify generally applicable Indicators and are assumed to be material for most organizations. An organization should report on Core Indicators unless they are deemed not material on the basis of the GRI Reporting Principles and the Technical Protocol - *Defining Report Content and Boundaries*. Additional Indicators represent emerging practice or address topics that may be material for some organizations, but are not material for others. See Guidance on Defining Report Content for further details.

In reporting on the Indicators, the following guidance on data compilation applies:

- **Reporting on Trends:** Information should be presented for the current reporting period (e.g., one year) and at least two previous periods, as well as future targets, where they have been established, for the short- and medium-term.
- **Use of Protocols:** Organizations should use the Protocols that accompany the Indicators when reporting on the Indicators. These give basic guidance on interpreting and compiling information.
- **Presentation of Data:** In some cases, ratios or normalized data are useful and appropriate formats for data presentation. If ratios or normalized data are used, absolute data should also be provided.
- **Data aggregation:** Organizations should determine the appropriate level of aggregation of information. See additional guidance in the General Reporting Notes section of the Guidelines.
- **Metrics:** Reported data should be presented using generally accepted international metrics (e.g., kilograms, tonnes, litres) and calculated using standard conversion factors. Where specific international conventions exist (e.g., GHG equivalents), these are typically specified in the Indicator Protocols.

[In the final version of the Guidelines, a table will be included with a summary of all Indicators.]



4. Disclosure on Management Approach and Indicators per category: economic, environmental and social

This section is organized by economic, environmental, and social Categories. Social Indicators are further categorized by Labor Practices and Decent Work, Human Rights, Society, and Product Responsibility. Each Category includes Aspects and corresponding Disclosure on Management Approach and Indicators.

Economic

The economic dimension of sustainability concerns the organization’s impacts on the economic conditions of its stakeholders and on economic systems at local, national, and global levels. The Economic Indicators illustrate:

- Flow of capital among different stakeholders; and
- Main economic impacts of the organization throughout society.

Financial performance is fundamental to understanding an organization and its own sustainability. However, this information is normally already reported in financial accounts. What is often reported less, and is frequently desired by users of sustainability reports, is the organization’s contribution to the sustainability of a larger economic system.

DISCLOSURE ON MANAGEMENT APPROACH

626 **Disclosure on Management Approach**

627 For each material Economic Aspect, provide the Disclosure on Management Approach items outlined in

628 section ‘2. Disclosure on Management Approach’. Provide the additional Disclosure items listed below

629 for each material Aspect:

- Economic Performance
- Market Presence
- Indirect Economic Impacts

630 **[Disclosure]**

631 Report whether the organization conducted a community needs assessment to determine the

632 need for infrastructure and other services. If so, report on the results of the assessment.

633 Report work undertaken to understand indirect economic impacts at national, regional, or local

634 level.

635 Report the significance of the indirect economic impacts in the context of external benchmarks

636 and stakeholder priorities, such as national and international standards, protocols, and policy

637 agendas.

SUPPLY CHAIN

638 • Procurement Practices

639 **[Disclosure]**

640 Report policies and practices used to select locally-owned suppliers, either organization-wide or

641 for specific locations.

642 Report policies and practices used to promote economic inclusion when selecting suppliers.

643 Report how relationships with suppliers are maintained to enable improvement in economic,

644 environmental and social performance.



645 Report actions taken to identify and adjust the organization's procurement practices that affect
 646 suppliers' performance.

647 Report how dialogue with suppliers is used to identify how procurement practices affect their
 648 performance.

649 Report the rationale and methodology for tracing the source, origin or production conditions of
 650 raw materials and production inputs purchased.

651 **[Guidance]**

652 Forms of economic inclusion may include but are not limited to:

- 653 • Suppliers owned by women
- 654 • Suppliers owned or staffed by members of vulnerable, marginalized or
 655 underrepresented social groups
- 656 • Small and medium sized suppliers

657 The procurement practices that affect suppliers' performance may include but are not limited
 658 to:

- 659 • Lead times
- 660 • Ordering and payment routines
- 661 • Purchasing prices
- 662 • Changing or cancelling orders

Economic Indicators

ASPECT: ECONOMIC PERFORMANCE

CORE EC1 Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments

[Standard Disclosure]

Economic value data generated and distributed (EVG&D) should generally be presented on an accruals basis in a table that includes the basic components for the organization's global operations as included in the table below. Data can also be presented on a cash basis where this can be justified and disclosed in a table that includes the basic components as listed below.

Component	Comment
Direct economic value generated	
a) Revenues	Net sales plus revenues from financial investments and sales of assets
Economic value distributed	
b) Operating costs	Payments to suppliers, non-strategic investments, royalties, and facilitation payments
c) Employee wages and benefits	Total monetary outflows for employees (current payments, not future commitments)
d) Payments to providers of capital	All financial payments made to the providers of the organization's capital
e) Payments to government (by country – see note below)	Gross taxes
f) Community investments	Voluntary contributions and investment of funds in the broader community (includes donations)
Economic value retained (calculated as Economic value generated less Economic value distributed)	Investments, equity release, etc.

To better assess local economic impacts, EVG&D should be presented separately at country, regional, or market levels, where significant. Organizations should identify and explain their criteria for defining significance.

CORE EC2 Financial implications and other risks and opportunities for the organization's activities due to climate change

[Standard Disclosure]

~~Report whether the organization's senior governance body considered climate change and the risks and opportunities it presents to the organization.~~

Report risks and/or opportunities posed by climate change that have potential financial implications for the organization, including:

- Risks due to physical changes associated with climate change;
- Regulatory risks;
- Opportunities to provide new technologies, products, or services to address challenges related to climate change; and
- Potential competitive advantages created for the organization by regulatory or other technology changes linked to climate change.

Report how management has quantitatively estimated the financial implications for the organization.

CORE EC3 Coverage of the organization's defined benefit plan obligations

[Standard Disclosure]

Where the plan's liabilities are met by the organization's general resources, report the estimated value of those liabilities.



Where a separate fund exists to pay the plan's pension liabilities, report:

- The extent to which the scheme's liabilities are estimated to be covered by the assets that have been set aside to meet them;
- The basis on which that estimate has been arrived at; and
- When that estimate was made.

Where a fund set up to pay the plan's pension liabilities is not fully covered, explain the strategy, if any, adopted by the employer to work towards full coverage, and the timescale, if any, by which the employer hopes to achieve full coverage.

Report the percentage of salary contributed by employee or employer.

Report the level of participation in retirement plans (e.g., participation in mandatory or voluntary schemes, regional or country-based schemes, or those with financial impact).

CORE EC4 Financial assistance received from government

[Standard Disclosure]

Report the total monetary value of financial assistance received by the organization from governments during the reporting period. This should include but is not limited to:

- Tax relief/credits;
- Subsidies;
- Investment grants, research and development grants, and other relevant types of grants;
- Awards;
- Royalty holidays;
- Financial assistance from Export Credit Agencies (ECAs);
- Financial incentives; and
- Other financial benefits received or receivable from any government for any operation.

The information above shall be reported by country.

Report whether and then the extent to which, the government is present in the shareholding structure.

ASPECT: MARKET PRESENCE

ADD EC5 Ratios of standard entry level wage by gender compared to local minimum wage at significant locations of operation

[Standard Disclosure]

Where a significant proportion of the workforce is compensated based on wages subject to minimum wage rules;

- Report the ratio of the entry level wage by gender and significant locations to the minimum wage.
- Report the definition used for 'significant locations'.

Report whether a local minimum wage is absent or variable in significant locations of operation, by gender. In circumstances in which different minimums could be used as a reference, explain which minimum wage is being used.



663 ~~CORE EC6~~ Policy, practices, and proportion of spending on locally based suppliers at significant
 664 ~~locations of operation~~

665 **[Standard Disclosure]**

666 Report the organization's geographic definition of 'local'.

667 Report whether the organization has a policy or common practices for preferring locally based suppliers
 668 either organization-wide or for specific locations.

669 If so, state the percentage of the procurement budget used for significant locations of operation that is
 670 spent on suppliers local to that operation (e.g., % of goods and supplies purchased locally).

671 Indicate the factors that influence supplier selection (e.g., costs, environmental and social performance)
 672 in addition to their geographic location.

[See new proposal for EC6 under Aspect: Procurement Practices.]

CORE EC7 Procedures for local hiring and proportion of senior management hired from the local
 community at significant locations of operation

[Disclosure]

Report whether the organization has a global policy or common practices for granting preference to
 local residents when hiring in significant locations of operation.

Report the percentage of senior management in significant locations of operation that are hired from
 the local community.

Report the definition of 'senior management' used.

ASPECT: INDIRECT ECONOMIC IMPACTS

CORE EC8 Development and impact of infrastructure investments and services provided primarily
 for public benefit through commercial, in-kind, or pro bono engagement

[Disclosure]

Report whether the organization conducted a community needs assessment to determine infrastructure
 and other services needed. If so, briefly explain the results of the assessment.

Report the extent of the development of significant infrastructure investments and support.

Report the current or expected impacts on communities and local economies. Positive and negative
 impacts should be reported where relevant.

Report whether these investments and services are commercial, in-kind, or pro bono engagements.

ADD EC9 ~~Understanding and describing~~ Significant indirect economic impacts, including the
 extent of impacts

[Standard Disclosure]

Explain work undertaken to understand the indirect economic impacts the organization has at the
 national, regional, or local level.



Report on the identified positive and negative indirect economic impacts the organization has.

These may include but are not limited to:

- Changing the productivity of organizations, sectors, or the whole economy;
- Economic development in areas of high poverty;
- Economic impact of improving or deteriorating social or environmental conditions;
- Availability of products and services for those on low incomes;
- Enhancing skills and knowledge amongst a professional community or in a geographical region;
- Jobs supported in the supply chain or distribution chain;
- Stimulating, enabling, or limiting foreign direct investment;
- Economic impact of change in location of operations or activities; and
- Economic impact of the use of products and services.

Report the significance of the impacts in the context of external benchmarks and stakeholder priorities, such as national and international standards, protocols, and policy agendas.

SUPPLY CHAIN

673 **ASPECT: PROCUREMENT PRACTICES**

674 **CORE EC6** Spending on locally-owned suppliers broken down by other forms of economic inclusion,
675 at significant locations of operation

676 **[Standard Disclosure]**

677 Report the total monetary value of spending on locally-owned suppliers at significant locations of
678 operation. Provide information on how locally-owned suppliers and significant locations of operations
679 were defined.

680 Report the percentage of total monetary value of spending on locally-owned suppliers at significant
681 locations of operation.

682 Report the percentage of total monetary value of spending on locally-owned suppliers at significant
683 locations of operation broken down by other forms of economic inclusion, if applicable. Provide the
684 definition used for ‘other forms of economic inclusion’.

685 **CORE G4 1** Spending on suppliers with which long-term agreements exist

686 **[Standard Disclosure]**

687 Report the percentage of total supplier expenditure spent on suppliers with which long-term
688 agreements exist.

689 **CORE G4 2** Percentage of suppliers with which orders were placed for the first time during the
690 reporting period

691 **[Standard Disclosure]**

692 Report the percentage of total suppliers with which orders were placed for the first time during the
693 reporting period.



694 **CORE G4 3** Time taken to pay suppliers

695 **[Standard Disclosure]**

696 Report the average number of days taken to pay supplier invoices.

697 Report the percentage of total payments to suppliers that were made late.

698 **ADD G4 4** Percentage of monetary value of each type of materials, products and services
699 purchased that have been verified or certified as being in accordance with credible,
700 widely-recognized economic, environmental and social standards

701 **[Standard Disclosure]**

702 For each type of material, product or service purchased, report the percentage of the monetary value
703 that has been verified or certified as being in accordance with credible, widely-recognized economic,
704 environmental and social standards, broken down by standard.



Environmental

The environmental dimension of sustainability concerns an organization’s impacts on living and non-living natural systems, including ecosystems, land, air, and water. Environmental Indicators cover performance related to inputs (e.g., material, energy, water) and outputs (e.g., emissions, effluents, waste). In addition, they cover performance related to biodiversity, environmental compliance, and other relevant information such as environmental expenditure and the impacts of products and services.

DISCLOSURE ON MANAGEMENT APPROACH

705 **Disclosure on Management Approach**

706 For each material Environmental Aspect, provide the Disclosure on Management Approach items
707 outlined in section ‘2. Disclosure on Management Approach’. Provide the additional Disclosure items
708 listed below for each material Aspect:

- Materials
- Energy

709 **[Disclosure]**

710 Report initiatives to reduce indirect energy use.

711 Report initiatives to reduce the energy requirements of major products, product groups or
712 services.

- Water
- Biodiversity

713 **[Disclosure]**

714 Report the organization’s strategy for achieving its policy on biodiversity management, including
715 but not limited to:

- Integration of biodiversity considerations in analytical tools such as environmental site impact assessments
- Engagement with relevant stakeholders
- Methodology for establishing risk exposure to biodiversity
- Setting specific targets and objectives
- Monitoring processes
- Public reporting

723 Report actions undertaken to manage biodiversity risks, or plans to undertake such activities in
724 the future.

725 Report whether national regulations have influenced the strategies, actions, or plans.

- Emissions, Effluents, and Waste

726 **[Disclosure]**

727 Report the organization’s initiatives to reduce greenhouse gas emissions, including the locations
728 where the initiatives were implemented.

- Products and Services



729	[Disclosure]
730	<u>Report the organization's initiatives to mitigate the environmental impacts of its products and</u>
731	<u>services.</u>

- Compliance
- Transport
- Overall

732	• <u>Screening and Assessment</u>
733	• <u>Remediation</u>
734	[Disclosure]
735	<u>Report the availability and accessibility of grievance mechanisms and remediation processes,</u>
736	<u>and the involvement of local community/workers' representatives' in monitoring their</u>
737	<u>effectiveness.</u>
738	<u>Report the types of training on the availability and accessibility of grievance mechanisms and</u>
739	<u>remediation processes.</u>

Environmental Indicators

ASPECT: MATERIALS

CORE EN1 Materials used by weight or volume

[Standard Disclosure]

Report the total weight or volume of materials that are used to produce and package the organization's products and services during the reporting period, broken down by:

- Non-renewable materials used; and
- Direct materials used.

CORE EN2 Percentage of materials used that are recycled input materials

[Standard Disclosure]

Report the percentage of recycled input materials used to manufacture the organization's primary products and services during the reporting period.

ASPECT: ENERGY

CORE EN3 Direct energy consumption by primary energy source

[Standard Disclosure]

Report total direct energy consumption from renewable primary sources in joules or multiples.

Report total direct energy consumption from non-renewable primary sources in joules or multiples.

CORE EN4 Indirect energy consumption by primary source



[Standard Disclosure]

Report the total amount of indirect energy used, broken down by indirect non-renewable and indirect renewable sources in terms of intermediate energy.

Report on the corresponding primary energy consumed in the production of this intermediate energy.

ADD EN5 Energy saved due to conservation and efficiency improvements

[Standard Disclosure]

Report the total amount of energy saved due to conservation and efficiency improvements in joules or multiples, such as gigajoules.

ADD EN6 ~~Initiatives to provide energy-efficient or renewable energy based products and services, and~~ Reductions in energy requirements as a result of these initiatives

[Standard Disclosure]

~~Report existing initiatives to reduce the energy requirements of major products/product groups or services.~~

Report quantified reductions in the energy requirements of products and services achieved during the reporting period.

Where use-oriented figures are employed, report any assumptions about underlying consumption patterns or normalization factors.

ADD EN7 ~~Initiatives to reduce~~ Indirect energy consumption and reductions achieved

[Standard Disclosure]

~~Report initiatives to reduce indirect energy use.~~

Report up and downstream quantitative reductions in indirect energy consumption achieved in the reporting period for the following four areas:

- Use of energy-intensive materials;
- Subcontracted production;
- Business-related travel; and
- Employee commuting.

Report underlying assumptions and methodologies used to calculate indirect energy use and indicate the source of this information.

ASPECT: WATER

CORE EN8 Total water withdrawal by source

[Standard Disclosure]

Report the total volume of water withdrawn in cubic meters per year (m³/year) by the following sources:

- Surface water, including water from wetlands, rivers, lakes, and oceans;



- Ground water;
- Rainwater collected directly and stored by the organization;
- Waste water from another organization; and
- Municipal water supplies or other water utilities.

ADD EN9 Water sources significantly affected by withdrawal of water

[Standard Disclosure]

Report the total number of significantly affected water sources by type indicating the following:

- Size of water source in cubic meters (m³);
- Whether or not the source is designated as a protected area (nationally and/or internationally);
- Biodiversity value (e.g., species diversity and endemism, number of protected species); and
- Value/importance of water source to local communities.

ADD EN10 Percentage and total volume of water recycled and reused

[Standard Disclosure]

Report the total volume of water recycled/reused by the organization in cubic meters per year (m³/year) and also as a percentage of the total water withdrawal reported under Indicator EN8.

ASPECT: BIODIVERSITY

CORE EN11 Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas

[Standard Disclosure]

Report the following information for each operational site identified:

- Geographic location;
- Subsurface and/or underground land that may be owned, leased, or managed by the organization;
- Position in relation to protected area (in the area, adjacent to, or containing portions of the protected area) and high biodiversity value area outside protected areas;
- Type of operation (office, manufacturing/production, or extractive);
- Size of operational site in km²;
- Biodiversity value characterized by:
 - The attribute of the protected area and high biodiversity value area outside protected area (terrestrial, freshwater, or maritime ecosystem); and
 - Listing of protected status (e.g., IUCN Protected Area Management Category, Ramsar Convention, national legislation, Natura 2000 site, etc.).



CORE EN12 Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas

[Standard Disclosure]

Report the nature of significant direct and indirect impacts on biodiversity with reference to one or more of the following:

- Construction or use of manufacturing plants, mines, and transport infrastructure;
- Pollution (introduction of substances that do not naturally occur in the habitat from point and non-point sources);
- Introduction of invasive species, pests, and pathogens;
- Reduction of species;
- Habitat conversion; and
- Changes in ecological processes outside the natural range of variation (e.g., salinity or changes in groundwater level).

Report significant direct and indirect positive and negative impacts with reference to the following:

- Species affected;
- Extent of areas impacted;
- Duration of impacts; and
- Reversibility or irreversibility of the impacts.

ADD EN13 Habitats protected or restored

[Standard Disclosure]

Report the size and location of all habitat protected areas and/or restored areas (in hectares), and whether the success of the restoration measure was/is approved by independent external professionals

Report whether partnerships exist with third parties to protect or restore habitat areas distinct from where the organization has overseen and implemented restoration or protection measures.

Report on the status of each area based on its condition at the close of the reporting period.

~~**ADD EN14** Strategies, current actions, and future plans for managing impacts on biodiversity~~

~~**[Standard Disclosure]**~~

~~If national regulations have influenced the specific strategies, actions, or plans reported under this indicator, this should be noted.~~

~~Report the organization's strategy for achieving its policy on biodiversity management including:~~

- ~~• Integration of biodiversity considerations in analytical tools such as environmental site impact assessments;~~
- ~~• Engagement with relevant stakeholders;~~
- ~~• Methodology for establishing risk exposure to biodiversity;~~
- ~~• Setting specific targets and objectives;~~
- ~~• Monitoring processes; and~~
- ~~• Public reporting.~~



Report actions underway to manage biodiversity risks identified in EN11 and EN12, or plans to undertake such activities in the future.

[The content of EN 14 is incorporated in the Disclosure on Management Approach proposal]

ADD EN15 Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk

[Standard Disclosure]

Report the number of species in habitats affected by the organization during the reporting period, indicating one of the following levels of extinction risk:

- Critically endangered;
- Endangered;
- Vulnerable;
- Near threatened; and
- Least concern.

ASPECT: EMISSIONS, EFFLUENTS, AND WASTE

CORE EN16 Total direct and indirect greenhouse gas emissions by weight

[Standard Disclosure]

Report total greenhouse gas emissions as the sum of direct and indirect emissions in tonnes of CO₂ equivalent.

CORE EN17 Other relevant indirect greenhouse gas emissions by weight

[Standard Disclosure]

Report the sum of other relevant indirect greenhouse gas emissions identified in tonnes of CO₂ equivalent, excluding indirect emissions from imported electricity heat or steam as these are covered by EN16.

ADD EN18 ~~Initiatives to reduce~~ Greenhouse gas emissions reductions

[Standard Disclosure]

~~Report initiatives to reduce greenhouse gas emissions, include the areas where the initiatives were implemented.~~

Report the quantitative amount of greenhouse gas emissions reductions achieved during the reporting period as a direct result of the initiative(s) in tonnes of CO₂ equivalent.

CORE EN19 Emissions of ozone-depleting substances by weight

[Standard Disclosure]

Report the emissions of specific ozone-depleting substances in tonnes and tonnes of CFC-11 equivalent.



CORE EN20 NO_x, SO_x, and other significant air emissions by type and weight

[Standard Disclosure]

Report the weight of significant air emissions (in kilograms or multiples such as tonnes) for each of the following categories:

- NO_x;
- SO_x;
- Persistent organic pollutants (POP);
- Volatile organic compounds (VOC);
- Hazardous air pollutants (HAP);
- Stack and fugitive emissions;
- Particulate matter (PM);
- Noise pollution; or
- Other standard categories of air emissions identified in regulations.

CORE EN21 Total water discharge by quality and destination

[Standard Disclosure]

Report the total volume of planned and unplanned water discharges in cubic meters per year (m³/year) by:

- Destination;
- Quality of the water including treatment method if relevant; and
- Whether it was reused by another organization.

CORE EN22 Total weight of waste by type and disposal method

[Standard Disclosure]

Report the total weight of hazardous and non-hazardous waste created in the reporting period, broken down by the following disposal methods as relevant:

- Reuse;
- Recycling;
- Composting;
- Recovery, including Energy Recovery;
- Incineration (mass burn);
- Deep well injection;
- Landfill;
- On-site storage; and
- Other (to be specified by the organization).



CORE EN23 Total number and volume of significant spills

[Standard Disclosure]

Report the total number and total volume of recorded significant spills.

For spills that were reported in the organization's financial statements, report the additional following information for each such spill:

- Location of spill;
- Volume of spill; and
- Material of spill, categorized by:
 - Oil spills (soil or water surfaces);
 - Fuel spills (soil or water surfaces);
 - Spills of wastes (soil or water surfaces);
 - Spills of chemicals (mostly soil or water surfaces); and
 - Other.

Report the impacts of significant spills.

ADD EN24 Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III, and VIII, and percentage of transported waste shipped internationally

[Standard Disclosure]

Report the total weight for each of the following:

- Hazardous waste transported;
- Hazardous waste imported;
- Hazardous waste exported.

Report on the total weight of hazardous waste treated.

Report the percentage of hazardous waste shipped internationally.

ADD EN25 Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the organization's discharges of water and runoff

[Standard Disclosure]

Report water bodies and related habitats that are significantly affected by water discharges based on the criteria above, adding information on:

- Size of water body and related habitat;
- Whether the water body and related habitat is designated as a protected area (nationally and/or internationally); and
- Biodiversity value (e.g., number of protected species).



ASPECT: PRODUCTS AND SERVICES

CORE EN26 ~~Initiatives to mitigate environmental impacts of products and services, and~~ Extent of impact mitigation

[Standard Disclosure]

~~Report initiatives in the reporting period to mitigate the most significant environmental impacts of products/service groups in relation to:~~

- ~~• Materials use (e.g., use of non-renewable, energy-intensive, toxic materials);~~
- ~~• Water use (e.g., volumes used during production and/or use);~~
- ~~• Emissions (e.g., GHG, toxic, ozone-depleting emissions);~~
- ~~• Effluents (e.g., quality of water used during production and/or use);~~
- ~~• Noise; and~~
- ~~• Waste (e.g., non-reclaimable, toxic materials/compounds).~~

Report quantitatively the extent to which environmental impacts of products and services have been mitigated during the reporting period. If use-oriented figures are employed, clearly indicate the underlying assumptions regarding consumption patterns or normalization factors.

CORE EN27 Percentage of products sold and their packaging materials that are reclaimed by category

[Standard Disclosure]

Report the percentage of reclaimed products and their packaging materials for each product category.

Report how the data for this indicator has been collected.

ASPECT: COMPLIANCE

CORE EN28 Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations

[Standard Disclosure]

Report significant fines and non-monetary sanctions in terms of:

- Total monetary value of significant fines;
- Number of non-monetary sanctions; and
- Cases brought through dispute resolution mechanisms.

Where organizations have not identified any non-compliance with laws or regulations, a brief statement to this fact is sufficient.

ASPECT: TRANSPORT

ADD EN29 Significant environmental impacts of transporting products and other goods and materials used for the organization's operations, and transporting members of the workforce

[Standard Disclosure]



Report the significant environmental impacts of transportation used for logistical purposes and for transportation of members of the organization’s workforce. Where quantitative data is not stated in the report, disclose the reason.

Report how the environmental impacts of transporting products, members of the organization’s workforce, and other goods and materials are mitigated.

Report the criteria and methodology used to determine which environmental impacts are significant.

ASPECT: OVERALL

ADD EN30 Total environmental protection expenditures and investments by type

[Standard Disclosure]

Report total environmental protection expenditures broken down by:

- Waste disposal, emissions treatment, and remediation costs; and
- Prevention and environmental management costs.

SUPPLY CHAIN

740 **ASPECT: SCREENING AND ASSESSMENT**

741 **CORE G4 5** Percentage of new suppliers and other business partners screened for environmental
742 performance, and actions taken

743 **[Standard Disclosure]**

744 Report the percentage of new suppliers and other business partners screened for environmental
745 performance, broken down by the location of the supplier and other business partner.

746 Break down the following four disclosures by:

- 747 • The location of the supplier and other business partner
- 748 • The nature of the issue
- 749 • The location of the issue (if different to the location of the supplier and other business partner)

750 Report issues identified through screening.

751 Report the percentage of new suppliers and other business partners where performance expectations
752 were set as a result of screening.

753 Report the percentage of new suppliers and other business partners that were not selected or
754 contracted as a result of screening.

755 Report other actions taken to address the issues identified.

756 **CORE G4 6** Percentage of existing suppliers and other business partners identified as having actual
757 and potential adverse impacts on the environment assessed on environmental
758 performance, and actions taken

759 **[Standard Disclosure]**



760 Report the number of existing suppliers and other business partners identified as having actual and
 761 potential adverse impacts on the environment, broken down by the location of the supplier and other
 762 business partner.

763 Report the percentage of total existing suppliers and other business partners identified as having actual
 764 and potential adverse impacts on the environment, broken down by the location of the supplier and
 765 other business partner.

766 For suppliers and other business partners identified as having actual and potential adverse
 767 environmental impacts: report the percentage of contracts that included clauses setting expectations on
 768 environmental performance, broken down by the location of the supplier and other business partner.

769 Report the percentage of existing suppliers and other business partners identified as having actual and
 770 potential adverse impacts on the environment that were assessed on environmental performance,
 771 broken down by the location of the supplier and other business partner.

772 Break down the following four disclosures by:

- 773 • The location of the supplier and other business partner
- 774 • The nature of the issue
- 775 • The location of the issue (if different to the location of the supplier and other business partner)

776 Report issues identified through assessment.

777 Report the percentage of contracts with suppliers and other business partners identified as having
 778 actual and potential adverse impacts on the environment where improvements were agreed upon and
 779 achieved as a result of assessment.

780 Report the percentage of contracts with suppliers and other business partners identified as having
 781 actual and potential adverse impacts on the environment that were terminated as a result of
 782 assessment.

783 Report other actions taken to address the issues identified.

784 **ASPECT: REMEDIATION**

785 **CORE G4 7** Number of grievances about environmental impacts filed, addressed, and resolved
 786 through formal grievance mechanisms

787 **[Standard Disclosure]**

788 Report the total number of grievances about environmental impacts filed through formal organizational
 789 grievance mechanisms, broken down by the nature and location of the grievance.

790 Report which of the following parties filed each grievance:

- 791 • Internal stakeholders
- 792 • External stakeholders, including suppliers
- 793 • Individuals or groups of people identified by:
 - 794 ○ Membership of underrepresented social groups
 - 795 ○ Other indicators of diversity, if applicable

796 Of the identified grievances, report how many were:



- 797 • Addressed during the reporting period
- 798 • Resolved during the reporting period
- 799 • Filed prior to the reporting period but resolved during the reporting period
- 800 Break down the above disclosure by the nature and location of the grievance, and the party that filed
- 801 the grievance.

Social

The social dimension of sustainability concerns the impacts an organization has on the social systems within which it operates.

The GRI Social Indicators identify key Performance Aspects surrounding labor practices, human rights, society, and product responsibility.

Labor Practices and Decent Work

The specific Aspects under the category of Labor Practices are based on internationally recognized universal standards, including:

- United Nations Universal Declaration of Human Rights;
- United Nations Convention: International Covenant on Civil and Political Rights;
- United Nations Convention: International Covenant on Economic, Social, and Cultural Rights;
- Convention on the Elimination of all Forms of Discrimination against Women (CEDAW);
- ILO Declaration on Fundamental Principles and Rights at Work (in particular the eight core Conventions of the ILO consisting of Conventions 100, 111, 87, 98, 138, 182, 29, 105); and
- The Vienna Declaration and Programme of Action.

The Labor Practices Indicators also draw upon the two instruments directly addressing the social responsibilities of business enterprises: the ILO Tripartite Declaration Concerning Multinational Enterprises and Social Policy, and the Organisation for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises.

DISCLOSURE ON MANAGEMENT APPROACH

802 **Disclosure on Management Approach**

803 For each material Labor Practices and Decent Work Aspect, provide the Disclosure on Management

804 Approach items outlined in section '2. Disclosure on Management Approach'. Provide the additional

805 Disclosure items listed below for each material Aspect.

806 Use the ILO Tripartite Declaration Concerning Multinational Enterprises and Social Policy (in particular

807 the eight core Conventions of the ILO) and the Organisation for Economic Co-operation and

808 Development Guidelines for Multinational Enterprises as the primary reference points.

- Employment

SUPPLY CHAIN

809 **[Disclosure]**

810 Report actions taken to determine whether work undertaken within the organization's supply

811 chain takes place within appropriate institutional and legal frameworks.

812 Report actions taken to address situations where work undertaken within the organization's

813 supply chain does not take place within appropriate institutional and legal frameworks.



814 Report actions taken to determine whether the working conditions of persons working for
815 suppliers are consistent with international labor standards and/or national labor law.

816 Report actions taken to determine whether persons working for suppliers are provided the
817 social and labor protection that they are entitled to receive by national labor law.

818 Report actions taken to address situations where working conditions in the organization's
819 supply chain were found to not meet international standards and/or national labor law.

820 Report actions taken to determine whether persons working for suppliers are adequately
821 remunerated.

822 Report actions taken to address situations where work undertaken within the organization's
823 supply chain is inadequately remunerated.

824 Report actions taken to determine whether suppliers use sub-contractors or intermediaries, and
825 whether there are disguised employment relationships where workers are falsely considered to
826 be self-employed or where there is no legally recognized employer.

827 Report actions taken to address situations of disguised employment relationships where
828 workers in the organization's supply chain are falsely considered to be self-employed or where
829 there is no legally recognized employer.

830 Report actions taken to determine whether work undertaken within the organization's supply
831 chain is performed at home and whether it is performed subject to a legally-recognized
832 contract.

833 Report actions taken to address situations where work undertaken within the organization's
834 supply chain performed at home is not performed subject to a legally-recognized contract.

835 **[Guidance]**

836 Work taking place within an appropriate institutional and legal framework will usually entail a
837 recognized employment relationship with an identifiable and legally recognized employer.

838 Conditions of work include but are not limited to compensation, working time, rest periods,
839 holidays, disciplinary and dismissal practices, maternity protection, the workplace environment,
840 the quality of living accommodations where provided, and welfare matters such as safe drinking
841 water, canteens and access to medical services.

842 Adequately remunerated work means that wages and compensation for a standard working
843 week, excluding overtime, meet legal and industry minimum standards and are sufficient to
844 meet the basic needs of workers and their families and provide some discretionary income.

845 Actions taken to address situations where work is inadequately remunerated may include but
846 are not limited to:

- 847 • Dialogue with suppliers regarding the relationship of the prices paid to suppliers and the
848 wages paid to workers
- 849 • Changes to the organization's procurement practices
- 850 • Support for collective bargaining to determine wages
- 851 • Determining the extent that overtime is used, whether it is mandatory, and whether it is
852 compensated at a premium rate

- Labor/Management Relations
- Occupational Health and Safety

853 **[Disclosure]**



854 Report programs related to assisting workforce members, their families, or community
 855 members regarding serious diseases, including whether such programs involve
 856 education/training, counseling, prevention/risk control measures, or treatment.

- Training and Education
- Diversity and Equal Opportunity
- Equal remuneration for women and men

857 **[Disclosure]**

858 Report the legal and socio-economic environment that provides opportunities for, and barriers
 859 to, gender equity in the workforce. This should include but is not limited to women's workforce
 860 participation rates, their participation at highest governance level, and equal remuneration.

861 • Screening and Assessment

SUPPLY CHAIN

862 • Remediation

863 **[Disclosure]**

864 Report the availability and accessibility of grievance mechanisms and remediation processes,
 865 and the involvement of local community/workers' representatives' in monitoring their
 866 effectiveness.

867 Report the types of training on the availability and accessibility of grievance mechanisms and
 868 remediation processes.

Labor Practices and Decent Work Indicators

ASPECT: EMPLOYMENT

CORE LA1 Total workforce by employment type, employment contract, and region, broken down by gender

[Standard Disclosure]

Report the total number of employees broken down by employment contract and gender.

Report the total number of permanent employees broken down by employment type and gender.

Report the total workforce broken down by employees and supervised workers, and by gender.

Report the total workforce broken down by region and gender.

Report if a substantial portion of the organization's work is performed by workers who are legally recognized as self-employed, or by individuals other than employees or supervised workers.

If applicable, explain any significant variations in employment numbers (e.g., in the tourism or agricultural industries).

CORE LA2 Total number and rate of new employee hires and employee turnover by age group, gender, and region

[Standard Disclosure]



Report the total number and rate of new employee hires entering and employees leaving employment during the reporting period, broken down by age group (e.g., <30;30-50;>50), gender and region

ADD LA3 Benefits provided to full-time employees that are not provided to temporary or part-time employees, by significant locations of operation

[Standard Disclosure]

Report the benefits which are standard for full-time employees of the organization but are not provided to temporary or part-time employees, broken down by significant locations of operation. These could include but are not limited to:

- Life insurance;
- Health care;
- Disability/invalidity coverage;
- Parental leave;
- Retirement provision;
- Stock ownership; and
- Others.

CORE LA15 Return to work and retention rates after parental leave, by gender

[Standard Disclosure]

Report the number of employees by gender that were entitled to parental leave.

Report the number of employees by gender that took parental leave.

Report the number of employees who returned to work after parental leave ended, by gender.

Report the number of employees who returned to work after parental leave ended who were still employed twelve months after their return to work, by gender.

Report the return to work and retention rates of employees who took parental leave, by gender.

ASPECT: LABOR/MANAGEMENT RELATIONS

CORE LA4 Percentage of employees covered by collective bargaining agreements

[Standard Disclosure]

Report the percentage of total employees covered by collective bargaining agreements.

CORE LA5 Minimum notice period(s) regarding operational changes, including whether it is specified in collective agreements

[Standard Disclosure]

Report the minimum number of weeks' notice typically provided to employees and their elected representatives prior to the implementation of significant operational changes that could substantially affect them.



For organizations with collective bargaining agreements, report whether the notice period and/or provisions for consultation and negotiation are specified in collective agreements.

ASPECT: OCCUPATIONAL HEALTH AND SAFETY

ADD LA6 Percentage of total workforce represented in formal joint management–worker health and safety committees that help monitor and advice on occupational health and safety programs

[Standard Disclosure]

Report the level at which each joint management-worker, health and safety committee typically operates within the organization.

Report the percentage of the total workforce represented in formal joint management-worker health and safety committees. This information should be broken down into the following categories:

- None;
- Up to 25%;
- Between 25% and 50%;
- Between 50% and 75%; and
- Over 75%.

CORE LA7 Rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities, by region and by gender

[Standard Disclosure]

Report on the organization’s health and safety performance during the reporting period. This information includes fatalities, rates of injury, occupational diseases, lost days and absentee rates, broken down by:

- Total workforce;
- Independent contractors;
- Geographic location; and
- Gender.



CORE LA8 Education, training, counseling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases

[Standard Disclosure]

Report the programs related to assisting workforce members, their families, or community members regarding serious diseases using the table below:

Assistance Programs								
	Education/ Training		Counseling		Prevention/ Risk-Control		Treatment	
	Yes	No	Yes	No	Yes	No	Yes	No
Program recipients								
Workers								
Workers' families								
Community members								

Report whether there are workers who are involved in occupational activities who have a high incidence or high risk of specific diseases.

ADD LA9 Health and safety topics covered in formal agreements with trade unions

[Standard Disclosure]

Report whether formal agreements (either local or global) with trade unions cover health and safety.

If yes, report the extent, as a percentage, to which various health and safety topics are covered by these agreements.

ASPECT: TRAINING AND EDUCATION

CORE LA10 Average hours of training per year per employee by gender, and by employee category

[Standard Disclosure]

Report the average hours of training that the organization's employees have undertaken during the reporting period. This should be broken down into the following categories:

- Per employee
- By gender
- By employee category



ADD LA11 Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings

[Standard Disclosure]

Report on the type and scope of programs implemented and assistance provided to facilitate continued employability and the management of career endings resulting from retirement.

Report on the type and scope of assistance provided to facilitate continued employability and the management of career endings resulting from forced or voluntary redundancy or retrenchment.

ADD LA12 Percentage of employees receiving regular performance and career development reviews, by gender

[Standard Disclosure]

Report the percentage of total employees by gender who received a regular performance and career development reviews during the reporting period.

ASPECT: DIVERSITY AND EQUAL OPPORTUNITY

CORE LA13 Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity

[Standard Disclosure]

Report the percentage of individuals within the organization's governance bodies in each of the following diversity categories:

- Gender;
- Age groups: Under 30 years old, 30-50 years old, over 50 years old.
- Minority groups; and
- Other indicators of diversity where relevant.

Report the percentage of employees per employee category in each of the following diversity categories:

- Gender;
- Age groups: Under 30 years old, 30-50 years old, over 50 years old.
- Minority groups; and
- Other indicators of diversity where relevant.

ASPECT: EQUAL REMUNERATION FOR WOMEN AND MEN

CORE LA14 Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation

[Standard Disclosure]

Report the ratio of the basic salary and remuneration of women to men for each employee category, by significant locations of operation.



869 **ASPECT: SCREENING AND ASSESSMENT**

870 **CORE G4 8** Percentage of new suppliers and other business partners screened for labor practices,
871 and actions taken

872 **[Standard Disclosure]**

873 Report the percentage of new suppliers and other business partners screened for labor practices,
874 broken down by the location of the supplier and other business partner.

875 Break down the following four disclosures by:

- 876 • The location of the supplier and other business partner
- 877 • The nature of the issue
- 878 • The location of the issue (if different to the location of the supplier and other business partner)

879 Report issues identified through screening.

880 Report the percentage of new suppliers and other business partners where performance expectations
881 were set as a result of screening.

882 Report the percentage of new suppliers and other business partners that were not selected or
883 contracted as a result of screening.

884 Report other actions taken to address the issues identified.

885 **CORE G4 9** Percentage of existing suppliers and other business partners identified as having actual
886 and potential adverse impacts for labor practices assessed on labor practices, and
887 actions taken

888 **[Standard Disclosure]**

889 Report the number of existing suppliers and other business partners identified as having actual and
890 potential adverse impacts for labor practices, broken down by the location of the supplier and other
891 business partner.

892 Report the percentage of total existing suppliers and other business partners identified as having actual
893 and potential adverse impacts for labor practices, broken down by the location of the supplier and other
894 business partner.

895 For suppliers and other business partners identified as having actual and potential adverse impacts for
896 labor practices: report the percentage of contracts that included clauses setting expectations on labor
897 practices, broken down by the location of the supplier and other business partner.

898 Report the percentage of existing suppliers and other business partners identified as having actual and
899 potential adverse impacts for labor practices that were assessed on labor practices, broken down by the
900 location of the supplier and other business partner.

901 Break down the following four disclosures by:

- 902 • The location of the supplier and other business partner
- 903 • The nature of the issue
- 904 • The location of the issue (if different to the location of the supplier and other business partner)



905 Report issues identified through assessment.

906 Report the percentage of contracts with suppliers and other business partners identified as having
 907 actual and potential adverse impacts for labor practices where improvements were agreed upon and
 908 achieved as a result of assessment.

909 Report the percentage of contracts with suppliers and other business partners identified as having
 910 actual and potential adverse impacts for labor practices that were terminated as a result of assessment.

911 Report other actions taken to address the issues identified.

912 **ASPECT: REMEDIATION**

913 **[Standard Disclosure]**

914 **CORE G4 10** Number of grievances about labor practices filed, addressed, and resolved through
 915 formal grievance mechanisms

916 Report the total number of grievances about labor practices filed through formal organizational
 917 grievance mechanisms, broken down by the nature and location of the grievance.

918 Report which of the following parties filed each grievance:

- 919 • Internal stakeholders
- 920 • External stakeholders, including suppliers
- 921 • Individuals or groups of people identified by:
 - 922 ○ Gender
 - 923 ○ Membership of underrepresented social groups
 - 924 ○ Other indicators of diversity, if applicable

925 Of the identified grievances, report how many were:

- 926 • Addressed during the reporting period
- 927 • Resolved during the reporting period
- 928 • Filed prior to the reporting period but resolved during the reporting period

929 Break down the above disclosure by the nature and location of the grievance, and the party that filed
 930 the grievance.



Human Rights

There is growing global consensus that organizations have the responsibility to respect human rights. Human rights Indicators require organizations to report on the extent to which processes have been implemented, on incidents of human rights violations and on changes in the stakeholders' ability to enjoy and exercise their human rights, occurring during the reporting period. Among the human rights issues included are non-discrimination, gender equality, freedom of association, collective bargaining, child labor, forced and compulsory labor, and indigenous rights.

The international legal framework for human rights is comprised of a body of law made up of treaties, conventions, declarations and other instruments. The corner stone of human rights is the International Bill of Rights which is formed by three instruments:

- I. the Universal Declaration of Human Rights (1948);
- II. the International Covenant on Civil and Political Rights (1966); and
- III. the International Covenant on Economic, Social and Cultural Rights (1966).

These are the first reference points for any organization reporting on human rights. In addition to these three key instruments, the international legal framework for human rights is underpinned by over 80 other instruments: ranging from soft declarations and guiding principles to binding treaties and conventions, and ranging from universal instruments to regional.

Organizations can affect a wide range of human rights. In assessing which human rights are relevant for reporting, an organization should consider all human rights. Some additional instruments which may be useful for an organization to reflect upon are:

- ILO Declaration on Fundamental Principles and Rights at Work (1998) (which builds upon the eight core Conventions of the ILO consisting of Conventions 100, 111, 87, 98, 138, 182, 29, 105) ;
- The regional conventions, adhering to the principle of universality in the International Bill of Rights, for areas where the organization operates, including: the African Charter on Human and Peoples Rights (1981), the Arab Charter on Human Rights (1994), the American Convention on Human Rights (1969), the European Convention on Human Rights (ECHR) (1950); and
- Conventions protecting the rights of individuals who may be impacted by the organization's work, including but not limited to the Convention on the Elimination of Discrimination Against Women (CEDAW) (1979), the Convention on the Rights of the Child (1989), the International Convention on the Elimination of All Forms of Racial Discrimination (1966), ILO Convention 107 Indigenous and Tribal Populations Convention (1957), ILO Convention 169 Concerning Indigenous and Tribal Peoples in Independent Countries (1991), UN Declaration on the Rights of Indigenous Peoples (2007) and Convention on the Rights of Persons with Disabilities (2007).

It is important to note that many Aspects that provide insight into human rights performance can be found in other Categories in the Guidelines, and are not limited to the Human Rights Category.

DISCLOSURE ON MANAGEMENT APPROACH

931 **Disclosure on Management Approach**

932 For each material Human Rights Aspect, provide the Disclosure on Management Approach items
933 outlined in section '2. Disclosure on Management Approach'. Provide the additional Disclosure items
934 listed below for each material Aspect.

935 Use the ILO Tripartite Declaration Concerning Multinational Enterprises and Social Policy and the
936 Organisation for Economic Cooperation and Development Guidelines for Multinational Enterprises as
937 the primary reference points.



938 **[Disclosure]**939 Report which human rights have been identified as priorities by the organization.

- 940
- Investment and Procurement Practices

941 **[Disclosure]**942 Report strategies for extending and embedding human rights policies, goals and processes
943 across the organization.944 Report strategies for extending applicable policies and procedures to external parties such as
945 joint ventures and subsidiaries.946 Report the use of human rights criteria or clauses in contracts, including the types of clauses and
947 the types of contracts and agreements in which they are commonly applied (e.g., investments,
948 joint ventures).

- Non-discrimination
- Freedom of Association and Collective Bargaining

949 **[Disclosure]**950 Report the policy or policies which may be considered likely to affect employees' decisions to
951 join a trade union, or bargain collectively.

- Child Labor
- Prevention of Forced and Compulsory Labor
- Security Practices
- Indigenous Rights

- 952
- Screening and Assessment

- 953
- Remediation

954 **[Disclosure]**955 Report the availability and accessibility of grievance mechanisms and remediation processes,
956 and the involvement of local community/workers' representatives' in monitoring their
957 effectiveness.958 Report the types of training on the availability and accessibility of grievance mechanisms and
959 remediation processes.**Human Rights Indicators**960 **ASPECT: INVESTMENT AND PROCUREMENT PRACTICES****CORE HR1** Percentage and total number of significant investment agreements and contracts that include human rights clauses or that have undergone human rights screening**[Standard Disclosure]**

Report the total number and percentage of significant investment agreements and contracts that include human rights clauses or that underwent human rights screening.

Report the definition of "significant agreements" used by the organization.



961 **CORE HR2** Percentage of significant suppliers, contractors, and other business partners that have
 962 undergone human rights screening, and actions taken.

963 **[Standard Disclosure]**

964 Report the percentage of contracts with significant suppliers, contractors and other business partners
 965 that included clauses or screening on human rights.

966 Report the percentage of contracts with significant suppliers, contractors and other business partners
 967 that were either declined or imposed performance conditions, or were subject to other actions as a
 968 result of human rights screening.

[See new proposal for HR2 under Human Rights Aspect: Screening and Assessment]

CORE HR3 Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained

[Standard Disclosure]

Report the total number of hours in the reporting period devoted to training on policies and procedures concerning aspects of human rights that are relevant to operations.

Report the percentage of employees in the reporting period trained in policies and procedures concerning aspects of human rights that are relevant to operations.

ASPECT: NON-DISCRIMINATION

CORE HR4 Total number of incidents of discrimination and corrective actions taken

[Standard Disclosure]

Report the total number of incidents of discrimination during the reporting period.

Report the status of the incidents and the actions taken with reference to the following:

- Organization has reviewed the incident;
- Remediation plan is being implemented;
- Remediation plan has been implemented and results reviewed through routine internal management review processes; and
- Incident is no longer subject to action

ASPECT: FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING

969 **CORE HR5** Operations and significant suppliers identified in which the right to exercise freedom of
 970 association and collective bargaining may be violated or at significant risk, and actions
 971 taken to support these rights

[Standard Disclosure]

Report on operations and suppliers in which employee rights to exercise freedom of association or collective bargaining may be violated or at risk. Provide information on:

- Type of operations (e.g., manufacturing plant); or



- Countries or geographical areas with operations considered at risk.

Report on any measures taken by the organization in the reporting period intended to support rights to freedom of association and collective bargaining.

ASPECT: CHILD LABOR

SUPPLY CHAIN

972	CORE HR6	Operations and significant suppliers identified as having significant risk for incidents of child labor, and measures taken to contribute to the effective abolition of child labor
973		

[Standard Disclosure]

Report operations considered to have significant risk for incidents of:

- Child labor; and/or
- Young workers exposed to hazardous work.

Report operations considered to have significant risk for incidents of child labor either in terms of:

- Type of operations (e.g. manufacturing plant); or
- Countries or geographical areas with operations considered at risk.

Report on any measures taken by the organization in the reporting period intended to contribute to the elimination of child labor.

ASPECT: FORCED AND COMPULSORY LABOR

SUPPLY CHAIN

974	CORE HR7	Operations and significant suppliers identified as having significant risk for incidents of forced or compulsory labor, and measures taken to contribute to the elimination of all forms of forced or compulsory labor
975		
976		

[Standard Disclosure]

Report on operations considered to have significant risk for incidents of forced or compulsory labor either in terms of:

- Type of operations (e.g. manufacturing plant); or
- Countries or geographical areas with operations considered at risk.

Report on any measures taken by the organization in the reporting period intended to contribute to the elimination of all forms of forced or compulsory labor.

ASPECT: SECURITY PRACTICES

ADD HR8 Percentage of security personnel trained in the organization’s policies or procedures concerning aspects of human rights that are relevant to operations

[Standard Disclosure]

Report the percentage of security personnel who have received formal training in the organization’s policies on, or specific procedures for, human rights issues and their application to security. This can refer either to training dedicated to the topic or a module within a more general training program.

Report whether training requirements also apply to third party organizations providing security personnel.



ASPECT: INDIGENOUS RIGHTS

ADD HR9 Total number of incidents of violations involving rights of indigenous people and actions taken

[Standard Disclosure]

Report the total number of identified incidents involving indigenous rights during the reporting period.

Report the status of the incidents and actions taken with reference to the following:

- Organization has reviewed the incident;
- Remediation plan is being implemented;
- Remediation plan has been implemented and results reviewed through routine internal management review processes; and
- Incident is no longer subject to action.

SUPPLY CHAIN

977 **ASPECT: SCREENING AND ASSESSMENT**

978 **CORE HR2** Percentage of new suppliers and other business partners screened for human rights
979 performance, and actions taken

980 [Standard Disclosure]

981 Report the percentage of new suppliers and other business partners screened for human rights
982 performance, broken down by the location of the supplier and other business partner.

983 Break down the following four disclosures by:

- 984 • The location of the supplier and other business partner
- 985 • The nature of the issue
- 986 • The location of the issue (if different to the location of the supplier and other business partner)

987 Report issues identified through screening.

988 Report the percentage of new suppliers and other business partners where performance expectations
989 were set as a result of screening.

990 Report the percentage of new suppliers and other business partners that were not selected or
991 contracted as a result of screening.

992 Report other actions taken to address the issues identified.

CORE HR 10 Percentage and total number of operations that have been subject to human rights reviews and/or impact assessments

[Standard Disclosure]

Report the total number and percentage of operations that have undergone human rights reviews or human rights impact assessments, by country.



993 **CORE G4 11** Percentage of existing suppliers and other business partners identified as having actual
 994 and potential adverse human rights impacts assessed on human rights performance, and
 995 actions taken

996 **[Standard Disclosure]**

997 Report the number of existing suppliers and other business partners identified as having actual and
 998 potential adverse human rights impacts, broken down by location of the supplier and other business
 999 partner.

1000 Report the percentage of total existing suppliers and other business partners identified as having actual
 1001 and potential adverse human rights impacts, broken down by location of the supplier and other business
 1002 partner.

1003 For suppliers and other business partners identified as having actual and potential adverse human rights
 1004 impacts: report the percentage of contracts that included clauses setting expectations on human rights,
 1005 broken down by the location of the supplier or other business partner.

1006 Report the percentage of existing suppliers and other business partners identified as having actual and
 1007 potential adverse human rights impacts that were assessed on human rights, broken down by the
 1008 location of the supplier or other business partner.

1009 Break down the following four disclosures by:

- 1010 • The location of the supplier and other business partner
- 1011 • The nature of the issue
- 1012 • The location of the issue (if different to the location of the supplier and other business partner)

1013 Report issues identified through assessment.

1014 Report the percentage of contracts with suppliers and other business partners identified as having
 1015 actual and potential adverse human rights impacts where improvements were agreed upon and
 1016 achieved as a result of the assessment.

1017 Report the percentage of contracts with suppliers and other business partners identified as having
 1018 actual and potential adverse human rights impacts that were terminated as a result of assessment.

1019 Report other actions taken to address the issues identified.

ASPECT: REMEDIATION

1020 **CORE HR 11** ~~— Number of grievances related to human rights filed, addressed, and resolved through~~
 1021 ~~formal grievance mechanisms~~

1022 ~~**[Standard Disclosure]**~~

1023 ~~Report the total number of grievances related to human rights filed through formal organizational~~
 1024 ~~grievance mechanisms during the reporting period.~~

1025 ~~Report the total number of addressed grievances related to human rights from those filed in the~~
 1026 ~~reporting period, broken down by:~~

- 1027 ~~• Internal Stakeholders;~~
- 1028 ~~• External stakeholders; and~~



1029 ~~• Gender, minority group membership and other indicators of diversity (for grievances filed by an~~
1030 ~~individual or group of people and not an organization).~~

1031 ~~Report the total number of resolved grievances related to human rights from those filed in the reporting~~
1032 ~~period, broken down by:~~

1033 ~~• Internal Stakeholders;~~

1034 ~~• External stakeholders; and~~

1035 ~~• Gender, minority group membership and other indicators of diversity (for grievances filed by an~~
1036 ~~individual or group of people and not an organization).~~

1037 ~~Report the total number of grievances related to human rights addressed and resolved during the~~
1038 ~~reporting period that were filed before the reporting period, broken down by:~~

1039 ~~• Internal Stakeholders;~~

1040 ~~• External stakeholders; and~~

1041 ~~• Gender, minority group membership and other indicators of diversity (for grievances filed by an~~
1042 ~~individual or group of people and not an organization).~~

1043 **CORE HR 11** Number of grievances about human rights impacts filed, addressed and resolved
1044 through formal grievance mechanisms

1045 **[Standard Disclosure]**

1046 Report the total number of human rights grievances that were filed through formal organizational
1047 grievance mechanisms, broken down by the nature and location of the grievance.

1048 Report which of the following parties filed each grievance:

1049 • Internal stakeholders

1050 • External stakeholders, including suppliers

1051 • Individuals or groups of people identified by:

1052 ○ Gender

1053 ○ Membership of underrepresented social groups

1054 ○ Other indicators of diversity, if applicable

1055 Of the identified grievances, report how many were:

1056 • Addressed during the reporting period

1057 • Resolved during the reporting period

1058 • Filed prior to the reporting period but resolved during the reporting period

1059 Break down the above disclosure by the nature and location of the grievance, and the party that filed
1060 the grievance.



Society

Society Indicators focus attention on the impacts organizations have on the local communities in which they operate, and disclosing how the risks that may arise from interactions with other social institutions are managed and mediated. In particular, information is sought on the risks associated with bribery and corruption, undue influence in public policy-making, and monopoly practices.

- Community members have individual rights based on:
- Universal Declaration of Human Rights;
- International Covenant on Civil and Political Rights;
- International Covenant on Economic, Social and Cultural Rights; and
- Declaration on the Right to Development.

While there is ongoing debate about collective community rights, indigenous and tribal peoples have collective rights recognized by ILO Conventions 107 and 169 and the UN Declaration on Indigenous Rights. In terms of identity, these peoples’ rights are based on both the collective and the individual. Their right to free, prior and informed consultation in order to seek consent is a fundamental right expressly recognized in the reference points above.

DISCLOSURE ON MANAGEMENT APPROACH

1061 **Disclosure on Management Approach**

1062 For each material Society Aspect, provide the Disclosure on Management Approach items outlined in
 1063 section ‘2. Disclosure on Management Approach’. Provide the additional Disclosure items listed below
 1064 for each material Aspect:

- Local Communities

1065 **[Disclosure]**

1066 Report:

- 1067 • References and statements regarding the collective rights of local communities
- 1068 • Risk assessment for impacts on local communities
- 1069 • Mitigation of impacts on local communities
- 1070 • Engagement with both women and men in local communities
- 1071 • Application of policy for local communities within different levels of the organization
- 1072 • How works councils, occupational health and safety committees or other independent
 1073 employee representation bodies are empowered to deal with, and have dealt with,
 1074 impacts on local communities

1075 For the significant impacts reported in SO9, report the following:

- 1076 • the implementation of prevention and mitigation measures
- 1077 • whether prevention and mitigation measures were implemented in order to:
 - 1078 I. Remediate non-compliance with laws or regulations
 - 1079 II. Maintain compliance with laws or regulations
 - 1080 III. Achieve a standard beyond legal compliance
- 1081 • Whether prevention and mitigation objectives were achieved or not

- Corruption
- Public Policy



1082	[Disclosure]
1083	<u>Report the significant issues that are the focus of the organization's participation in public policy development and lobbying. This refers to participation at the level of the entire organization,</u>
1084	<u>rather than individual operations.</u>
1085	
1086	<u>Report the organization's core position for each of the identified issues, and explain any</u>
1087	<u>significant differences between lobbying positions and stated policies, sustainability goals, or</u>
1088	<u>other public positions.</u>

- Anti-Competitive Behavior
- Compliance

1089	• <u>Screening and Assessment</u>
1090	• <u>Remediation</u>
1091	[Disclosure]
1092	<u>Report the availability and accessibility of grievance mechanisms and remediation processes,</u>
1093	<u>and the involvement of local community/workers' representatives' in monitoring their</u>
1094	<u>effectiveness.</u>
1095	<u>Report the types of training on the availability and accessibility of grievance mechanisms and</u>
1096	<u>remediation processes.</u>

Society Indicators

ASPECT: LOCAL COMMUNITIES

CORE SO1 Percentage of operations with implemented local community engagement, impact assessments, and development programs

[Standard Disclosure]

Report the percentage of operations with implemented local community engagement, impact assessments, and development programs including, but not limited to, the use of:

- Social impact assessments, including gender impact assessments, based on participatory processes;
- Environmental impact assessments and ongoing monitoring;
- Public disclosure of results of environmental and social impact assessments;
- Local community development programs based on local communities' needs;
- Stakeholder engagement plans based on stakeholder mapping;
- Broad based local community consultation committees and processes that include vulnerable groups;
- Works councils, occupational health and safety committees and other employee representation bodies to deal with impacts; and
- Formal local community grievance processes



CORE SO9 Operations with significant potential or actual negative impacts on local communities

[Standard Disclosure]

Report:

- Operations and associated communities with significant potential or actual negative impacts;
- Location of the operations with significant potential or negative impacts; and
- Potential or actual negative impacts of operations.

~~**CORE SO10** Prevention and mitigation measures implemented in operations with significant potential or actual negative impacts on local communities~~

~~**[Standard Disclosure]**~~

~~Report whether, for the significant potential and actual negative impacts reported in SO9:~~

- ~~• Prevention and mitigation measures were implemented;~~
- ~~• Prevention and mitigation measures were implemented in order to:~~
 - ~~i. Remediate non-compliance with laws or regulations;~~
 - ~~ii. Maintain compliance with laws or regulations;~~
 - ~~iii. Achieve a standard beyond legal compliance;~~

~~Prevention and mitigation objectives were achieved or not.~~

[The content of SO 10 is incorporated in the Disclosure on Management Approach proposal]

ASPECT: CORRUPTION

CORE SO2 Percentage and total number of business units analyzed for risks related to corruption

[Standard Disclosure]

Report the total number and percentage of business units analyzed for risks related to corruption.

CORE SO3 Percentage of employees trained in organization's anti-corruption policies and procedures

[Standard Disclosure]

Report, separately, the percentage of both management and non-management employees who have received anti-corruption training during the reporting period.

CORE SO4 Actions taken in response to incidents of corruption

[Standard Disclosure]

Report total number of incidents of corruption and actions taken in response to these incidents, including but not limited to:

- the total number of incidents in which employees were dismissed or disciplined for corruption; and
- the total number of incidents when contracts with business partners were not renewed due to violations related to corruption



Report any concluded legal cases regarding corrupt practices brought against the organization or its employees during the reporting period and the outcomes of such cases.

ASPECT: PUBLIC POLICY

~~**CORE SO5** — Public policy positions and participation in public policy development and lobbying~~

~~[Standard Disclosure]~~

~~Report the significant issues that are the focus of the reporting organization's participation in public policy development and lobbying. This refers to participation at the level of the organization rather than individual operations.~~

~~Report the core positions held on each of the reported issues above and explain any significant differences between lobbying positions and stated policies, sustainability goals, or other public positions.~~

[The content of SO 5 is incorporated in the Disclosure on Management Approach proposal]

ADD SO6 Total value of financial and in-kind contributions to political parties, politicians, and related institutions by country

[Standard Disclosure]

Report, by country, the total monetary value of financial and in-kind contributions made by the organization during the reporting period to political parties, politicians, and related institutions. This information should be broken down by country.

ASPECT: ANTI-COMPETITIVE BEHAVIOR

ADD SO7 Total number of legal actions for anticompetitive behavior, anti-trust, and monopoly practices and their outcomes

[Standard Disclosure]

Report the number of legal actions pending or completed during the reporting period regarding anti-competitive behavior and violations of anti-trust and monopoly legislation in which the organization has been identified as a participant.

Report the main outcomes of completed legal actions, including any decisions or judgements.

ASPECT: COMPLIANCE

CORE SO8 Monetary value of significant fines and total number of non-monetary sanctions for noncompliance with laws and regulations

[Standard Disclosure]

Report significant fines and non-monetary sanctions in terms of:

- Total monetary value of significant fines;
- Number of non-monetary sanctions; and
- Cases brought through dispute resolution mechanisms.



Where the organization has not identified any non-compliance with laws or regulations, a brief statement to this fact is sufficient.

Report the context against which significant fines and non-monetary sanctions were incurred.

SUPPLY CHAIN

1097 **ASPECT: SCREENING AND ASSESSMENT**

1098 **CORE G4 12** Percentage of new suppliers and other business partners screened for society-related
1099 performance, and actions taken

1100 **[Standard Disclosure]**

1101 Report the percentage of new suppliers and other business partners screened for society-related
1102 performance, broken down by location of the supplier and other business partner.

1103 Break down the following four disclosures by:

- 1104 • The location of the supplier and other business partner
- 1105 • The nature of the issue
- 1106 • The location of the issue (if different to the location of the supplier and other business partner)

1107 Report issues identified through screening.

1108 Report the percentage of new suppliers and other business partners where performance expectations
1109 were set as a result of screening.

1110 Report the percentage of new suppliers or other business partners that were not selected or contracted
1111 as a result of screening.

1112 Report other actions taken to address the issues identified.

1113 **CORE G4 13** Percentage of existing suppliers and other business partners identified as having actual
1114 and potential adverse impacts on society assessed on society-related performance, and
1115 actions taken

1116 **[Standard Disclosure]**

1117 Report the number of existing suppliers and other business partners identified as having actual and
1118 potential adverse impacts on society, broken down by the location of the supplier and other business
1119 partner.

1120 Report the percentage of total existing suppliers and other business partners identified as having actual
1121 and potential adverse impacts on society, broken down by the location of the supplier and other
1122 business partner.

1123 For suppliers and other business partners identified as having actual and potential adverse impacts on
1124 society: report the percentage of contracts that included clauses setting expectations on society-related
1125 performance, broken down by the location of the supplier and other business partner.

1126 Report the percentage of existing suppliers and other business partners identified as having actual and
1127 potential adverse impacts on society that were assessed on society-related performance, broken down
1128 by the location of the supplier and other business partner.

1129 Break down the following four disclosures by:



- 1130 • The location of the supplier and other business partner
- 1131 • The nature of the issue
- 1132 • The location of the issue (if different to the location of the supplier and other business partner)

1133 Report issues identified through assessment.

1134 Report the percentage of contracts with suppliers and other business partners identified as having
 1135 actual and potential adverse impacts on society where improvements were agreed upon and achieved
 1136 as a result of assessment.

1137 Report the percentage of contracts with suppliers and other business partners identified as having
 1138 actual and potential adverse impacts on society that were terminated as a result of assessment.

1139 Report other actions taken to address the issues identified.

1140 **CORE G4 14** Number of grievances about society-related impacts filed, addressed, and resolved
 1141 through formal grievance mechanisms

1142 **[Standard Disclosure]**

1143 Report the total number of grievances about society-related impacts filed through formal organizational
 1144 grievance mechanisms, broken down by the nature and location of the grievance.

1145 Report which of the following parties filed each grievance:

- 1146 • Internal stakeholders
- 1147 • External stakeholders, including suppliers
- 1148 • Individuals or groups of people identified by:
 - 1149 ○ Gender
 - 1150 ○ Membership of underrepresented social groups
 - 1151 ○ Other indicators of diversity, if applicable

1152 Of the identified grievances, report how many were:

- 1153 • Addressed during the reporting period
- 1154 • Resolved during the reporting period
- 1155 • Filed prior to the reporting period but resolved during the reporting period

1156 Break down the above disclosure by the nature and location of the grievance, and the party that filed
 1157 the grievance.

Product Responsibility

Product Responsibility Indicators address the aspects of an organization's products and services that directly affect customers, namely, health and safety, information and labelling, marketing, and privacy.

These aspects are chiefly covered through disclosure on internal procedures and the extent to which these procedures are not complied with.

DISCLOSURE ON MANAGEMENT APPROACH

1158 **Disclosure on Management Approach**

1159 For each material Product Responsibility Aspect, provide the Disclosure on Management Approach
1160 items outlined in section '2. Disclosure on Management Approach'. Provide the additional Disclosure
1161 items listed below for each material Aspect:

- Customer Health and Safety

1162 **[Disclosure]**

1163 In each of the following life cycle stages, report whether the health and safety impacts of
1164 products and services are assessed for improvement:

- 1165 • Development of product concept
- 1166 • Research and development
- 1167 • Certification
- 1168 • Manufacturing and production
- 1169 • Marketing and promotion
- 1170 • Storage distribution and supply
- 1171 • Use and service
- 1172 • Disposal, reuse, or recycling

- Product and Service Labeling

1173 **[Disclosure]**

1174 Report organization-wide practices in place to assess and maintain customer satisfaction. These
1175 should include but are not limited to:

- 1176 • Frequency of measuring customer satisfaction
- 1177 • Standard requirements regarding methodologies of surveys
- 1178 • Mechanisms for customers to provide feedback

- Marketing Communications

1179 **[Disclosure]**

1180 Report any codes or voluntary standards that relate to marketing communications applied
1181 across the organization.

1182 Report the frequency with which the organization reviews its compliance with these codes or
1183 voluntary standards.

- Customer Privacy
- Compliance



Product Responsibility Indicators

ASPECT: CUSTOMER HEALTH AND SAFETY

CORE PR1 ~~Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and~~ Percentage of significant products and services categories subject to such procedures

[Standard Disclosure]

~~In each of the following life cycle stages, report whether the health and safety impacts of products and services are assessed for improvement:~~

	yes	no
Development of product concept		
R & D		
Certification		
Manufacturing and production		
Marketing and promotion		
Storage distribution and supply		
Use and service		
Disposal, reuse, or recycling		

Report the percentage of significant product or service categories for which health and safety impacts are assessed for improvement.

ADD PR2 Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services during their life cycle, by type of outcomes

[Standard Disclosure]

Report the total number of incidents of non-compliance with the health and safety of products and services, broken down by:

- Incidents of non-compliance with regulations resulting in a fine or penalty;
- Incidents of non-compliance with regulations resulting in a warning; and
- Incidents of non-compliance with voluntary codes.

Where the organization has not identified any non-compliance with regulations and voluntary codes, a brief statement to this fact is sufficient.

ASPECT: PRODUCT AND SERVICE LABELING

CORE PR3 Type of product and service information required by procedures, and percentage of significant products and services subject to such information requirements



[Standard Disclosure]

Report whether the following product and service information is required by the organization’s procedures for product and service information and labelling:

	yes	no
The sourcing of components of the product or service		
Content, particularly with regard to substances that might produce an environmental or social impact		
Safe use of the product or service		
Disposal of the product and environmental/social impacts		
Other (explain)		

Report the percentage of significant product or service categories covered by and assessed for compliance with such procedures.

ADD PR4 Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes

[Standard Disclosure]

Report the total number of incidents of non-compliance with regulations concerning product and service information and labelling, broken down by:

- Incidents of non-compliance with regulations resulting in a fine or penalty;
- Incidents of non-compliance with regulations resulting in a warning; and
- Incidents of non-compliance with voluntary codes.

Where the organization has not identified any non-compliance with regulations and voluntary codes, a brief statement to this fact is sufficient.

ADD PR5 ~~Practices related to customer satisfaction, including~~ Results of surveys measuring customer satisfaction

[Standard Disclosure]

~~Report on organization-wide practices in place to assess and maintain customer satisfaction, such as:~~

- ~~• Frequency of measuring customer satisfaction;~~
- ~~• Standard requirements regarding methodologies of surveys; and~~
- ~~• Mechanisms for customers to provide feedback.~~

Report the results or key conclusions of customer satisfaction surveys (based on statistically relevant sample sizes) conducted in the reporting period relating to information about:

- The organization as a whole;
- A major product/service category; or



- Significant locations of operation.

ASPECT: MARKETING COMMUNICATIONS

CORE PR6 Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship

[Standard Disclosure]

~~Report any codes or voluntary standards relating to marketing communications applied across the organization.~~

~~Report the frequency with which the organization reviews its compliance with these standards or codes.~~

Report whether the organization sells products that are:

- Banned in certain markets; or
- The subject of stakeholder questions or public debate.

Report how the organization has responded to questions or concerns regarding these products.

ADD PR7 Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship by type of outcomes

[Standard Disclosure]

Report the total number of incidents of non-compliance with regulations concerning marketing communications, broken down by:

- Incidents of non-compliance with regulations resulting in a fine or penalty;
- Incidents of non-compliance with regulations resulting in a warning; and
- Incidents of non-compliance with voluntary codes.

Where the organization has not identified any non-compliance with regulations and voluntary codes, a brief statement to this fact is sufficient.

ASPECT: CUSTOMER PRIVACY

ADD PR8 Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data

[Standard Disclosure]

Report the total number of substantiated complaints received concerning breaches of customer privacy, categorized by:

- Complaints received from outside parties and substantiated by the organization; and
- Complaints from regulatory bodies.

Report the total number of identified leaks, thefts, or losses of customer data.

If a number of these breaches relate to events in preceding years, this should be indicated.

ASPECT: COMPLIANCE



CORE PR9 Monetary value of significant fines for noncompliance with laws and regulations concerning the provision and use of products and services

[Standard Disclosure]

Report total monetary value of significant fines.

Where the organization has not identified any non-compliance with laws or regulations, a brief statement to this fact is sufficient.



THE REPORTING GUIDELINES

Part 3: Indicator Protocols



Economic Indicators

ASPECT: ECONOMIC PERFORMANCE

CORE EC1 **Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments**

[Standard Disclosure]

Compilation

Economic value data generated and distributed (EVG&D) should generally be presented on an accruals basis in a table that includes the basic components for the organization’s global operations as included in the table below. Data can also be presented on a cash basis where this can be justified and disclosed in a table that includes the basic components as listed below.

Component	Comment
Direct economic value generated	
a) Revenues	Net sales plus revenues from financial investments and sales of assets
Economic value distributed	
b) Operating costs	Payments to suppliers, non-strategic investments, royalties, and facilitation payments
c) Employee wages and benefits	Total monetary outflows for employees (current payments, not future commitments)
d) Payments to providers of capital	All financial payments made to the providers of the organization’s capital
e) Payments to government (by country – see note below)	Gross taxes
f) Community investments	Voluntary contributions and investment of funds in the broader community (includes donations)
Economic value retained (calculated as Economic value generated less Economic value distributed)	Investments, equity release, etc.

To better assess local economic impacts, EVG&D should be presented separately at country, regional, or market levels, where significant. Organizations should identify and explain their criteria for defining significance.



[Guidance]

Relevance

Data on the creation and distribution of economic value provide a basic indication of how the organization has created wealth for stakeholders. Several components of the Economic Value Generated and Distributed (EVG&D) table also provide an economic profile of the organization, which may be useful for normalizing other performance figures. If presented in country-level detail, EVG&D can provide a useful picture of the direct monetary value added to local economies.

Methodology for data collection

The EVG&D data is compiled, where possible, from data in the organization's audited financial or profit and loss (P&L) statement, or its internally audited management accounts.

Guidance on EVG&D Table Line Entries

a) Revenues:

- Net sales equal gross sales from products and services minus returns, discounts, and allowances.
- Revenue from financial investments includes cash received as interest on financial loans, as dividends from shareholdings, as royalties, and as direct income generated from assets (e.g., property rental).
- Revenues from sale of assets include physical assets (property, infrastructure, equipment) and intangibles (e.g., intellectual property rights, designs, and brand names).

b) Operating costs:

- Cash payments made outside the organization for materials, product components, facilities, and services purchased. This includes property rental, license fees, facilitation payments (since these have a clear commercial objective), royalties, payments for contract workers, employee training costs (where outside trainers are used), employee protective clothing, etc.

c) Employee wages and benefits:

- Total payroll means employee salaries, including amounts paid to government institutions (employee taxes, levies, and unemployment funds) on behalf of employees. Non-employees working in an operational role are normally not be included here, but rather under Operating Costs as a service purchased.
- Total benefits include regular contributions (e.g., to pensions, insurance, company vehicles, and private health), as well as other employee support such as housing, interest-free loans, public transport assistance, educational grants, and redundancy payments. They do not include training, costs of protective equipment, or other cost items directly related to the employee's job function.

d) Payments to providers of funds:

- Dividends to all shareholders;
- Interest payments made to providers of loans.
- This includes interest on all forms of debt and borrowings (not only long-term debt) and also arrears of dividends due to preferred shareholders.



e) Payments to government:

- All organization taxes (corporate, income, property, etc.) and related penalties paid at the international, national, and local levels. This figure does not have to include deferred taxes because they may not be paid. For organizations operating in more than one country, report taxes paid by country. The organization is to report which definition of segmentation has been used.

f) Community investments:

- Voluntary donations and investment of funds in the broader community where the target beneficiaries are external to the organization. These include contributions to charities, NGOs and research institutes (unrelated to the organization's commercial R&D), funds to support community infrastructure (e.g., recreational facilities) and direct costs of social programs (including arts and educational events). The amount included are meant to account for actual expenditures in the reporting period, not commitments.
- For infrastructure investments, the calculation of the total investment is meant to include costs of goods and labor in addition to capital costs. For support of ongoing facilities or programs (e.g., an organization funds the daily operations of a public facility), the reported investment needs to include operating costs.
- This excludes legal and commercial activities or where the purpose of the investment is exclusively commercial. Donations to political parties are included but are also addressed separately in more detail in SO6.
- Any infrastructure investment that is driven primarily by core business needs (e.g., building a road to a mine or factory) or to facilitate the business operations of the organization is not included. The calculation of investment may include infrastructure built outside the main business activities of the organization, such as a school or hospital for employees and their families.

Definitions

None.

Documentation

Finance, treasury, or accounting departments should have the information required by this Indicator.

References

- International Accounting Standard (IAS) 12 on Income Taxes, IAS 14 on segment Reporting, IAS 18 on Revenues, and IAS 19 on Employee Benefits should be consulted.



ASPECT: ECONOMIC PERFORMANCE

CORE EC2 Financial implications and other risks and opportunities for the organization's activities due to climate change

[Standard Disclosure]

Compilation

~~Report whether the organization's senior governance body considered climate change and the risks and opportunities it presents to the organization.~~

Report risks and/or opportunities posed by climate change that have potential financial implications for the organization, including:

- Risks due to physical changes associated with climate change;
- Regulatory risks;
- Opportunities to provide new technologies, products, or services to address challenges related to climate change; and
- Potential competitive advantages created for the organization by regulatory or other technology changes linked to climate change.

Report how management has quantitatively estimated the financial implications for the organization.

[Guidance]

Relevance

Climate change presents risks and opportunities to organizations, their investors, and their stakeholders. Organizations may face physical risks due to changes in the climate system and weather patterns. These risks may include the impact of increased storms; changes in sea level, ambient temperature, and water availability; impacts on the workforce such as health effects (e.g., heat-related illness or disease); or the need to relocate operations.

As governments move to regulate activities that contribute to climate change, organizations that are directly or indirectly responsible for emissions face regulatory risk through increased costs or other factors impacting competitiveness. Limits on greenhouse gas emissions can also create opportunities for organizations as new technologies and markets are created. This is especially the case for organizations that can use or produce energy and energy products more efficiently.

EN16 allows for disclosure on total amount of greenhouse gas emissions, while EN18 discloses total reductions achieved and initiatives for reducing the amount of emissions the organization produces.

Methodology for data collection

Identify risks and/or opportunities posed by climate change that have potential financial implications for the organization. This includes but is not limited to:

- Risks due to physical changes associated with climate change (e.g., impacts of modified weather patterns and heat-related illness);
- Regulatory risks (e.g., the cost of activities and systems to comply with new regulations);



- Opportunities to provide new technologies, products, or services to address challenges related to climate change; and
- Potential competitive advantages created for the organization by regulatory or other technology changes linked to climate change.

Identify whether management has quantitatively estimated the financial implications (e.g., cost of insurance and carbon credits) of climate change for the organization. Where possible, quantification would be beneficial. If quantified, disclose the implications and the tools used to quantify.

Definitions

None .

Documentation

Records or minutes of the organization's governance bodies, including environmental committees may have the information required by this Indicator.

References

None.



CORE EC3 Coverage of the organization's defined benefit plan obligations

[Standard Disclosure]

Compilation

Where the plan's liabilities are met by the organization's general resources, report the estimated value of those liabilities.

Where a separate fund exists to pay the plan's pension liabilities, report:

- The extent to which the scheme's liabilities are estimated to be covered by the assets that have been set aside to meet them;
- The basis on which that estimate has been arrived at; and
- When that estimate was made.

Where a fund set up to pay the plan's pension liabilities is not fully covered, explain the strategy, if any, adopted by the employer to work towards full coverage, and the timescale, if any, by which the employer hopes to achieve full coverage.

Report the percentage of salary contributed by employee or employer.

Report the level of participation in retirement plans (e.g., participation in mandatory or voluntary schemes, regional or country-based schemes, or those with financial impact).

[Guidance]

Relevance

When an organization provides a retirement plan for its workforce, these benefits could become commitments that members of the schemes plan on for their long-term economic well-being. Defined benefits plans have potential implications for employers in terms of the obligations that need to be met. Other types of plans, like defined contributions, do not guarantee access to a retirement plan or the quality of benefits. The type of plan chosen has implications for both employees and employers. Conversely, a properly funded pension plan can help to attract and maintain a stable workforce and support long-term financial and strategic planning on the part of the employer.

Methodology for data collection

Identify whether the structure of retirement plans offered to employees are based on:

- Defined benefit plans;
- Defined contribution plans; or
- Other types of retirement benefits.

For defined benefit plans, identify whether the employer's obligations to pay pensions under the plan are to be met directly by the organization's general resources or through a fund held and maintained separately from the resources of the organization.

Different jurisdictions (e.g., countries) have varying interpretations and guidance regarding calculations used to determine plan coverage. Calculate in accordance with the regulations and methods for relevant jurisdictions, and report aggregated totals. Consolidation techniques should be the same as those applied in preparing the financial accounts of the organization. Note that benefit pension plans are part of the International Accounting Standard (IAS) 19, however, IAS 19 covers more issues.

Definitions

FULL COVERAGE

Plan assets that meet or exceed plan obligations.

Documentation

Finance or accounting departments should have the information required by this Indicator.

References

- International Accounting Standard (IAS) 19 on Employee Benefits.



ASPECT: ECONOMIC PERFORMANCE

CORE EC4 Financial assistance received from government

[Standard Disclosure]

Compilation

Report the total monetary value of financial assistance received by the organization from governments during the reporting period. This should include but is not limited to:

- Tax relief/credits;
- Subsidies;
- Investment grants, research and development grants, and other relevant types of grants;
- Awards;
- Royalty holidays;
- Financial assistance from Export Credit Agencies (ECAs);
- Financial incentives; and
- Other financial benefits received or receivable from any government for any operation.

The information above shall be reported by country.

Report whether and then the extent to which, the government is present in the shareholding structure.

[Guidance]

Relevance

This Indicator provides a measure of host governments' contributions to the organization. The significant financial assistance received from a government, in comparison with taxes paid, can be useful for developing a balanced picture of the transactions between the organization and government.

Methodology for data collection

Identify the monetary value of assistance provided by government for each of the mentioned categories. This is to be undertaken through consistent application of generally accepted accounting principles.

Definitions

FINANCIAL ASSISTANCE

Direct or indirect financial benefits that do not represent a transaction of goods and services, but which are an incentive or compensation for actions taken, the cost of an asset, or expenses incurred. The provider of financial assistance does not expect a direct financial return from the assistance offered.

Documentation

Potential sources of information include the Legal Department of the organization or the Finance, Treasury or Accounting Departments.



References

Financial accountants include items of IAS 20 individually but these are not consolidated, as this Indicator requires.



ASPECT: MARKET PRESENCE

ADD EC5 Ratios of standard entry level wage by gender compared to local minimum wage at significant locations of operation

[Standard Disclosure]

Compilation

Where a significant proportion of the workforce is compensated based on wages subject to minimum wage rules;

- Report the ratio of the entry level wage by gender and significant locations to the minimum wage.
- Report the definition used for 'significant locations'.

Report whether a local minimum wage is absent or variable in significant locations of operation, by gender. In circumstances in which different minimums could be used as a reference, explain which minimum wage is being used.

[Guidance]

Relevance

Economic well-being is one of the ways in which an organization invests in its employees. This Indicator helps demonstrate how an organization contributes to the economic well-being of employees in significant locations of operation. The Indicator also provides an indication of the competitiveness of the organization's wages, and information relevant for assessing the effect of wages on the local labor market. Offering wages above the minimum can be one factor in building strong community relations, employee loyalty, and strengthening an organization's social license to operate. This Indicator is most relevant for organizations in which a substantial portion of their workforce is compensated in a manner or scale that is closely linked to laws or regulations on minimum wage.

Methodology for data collection

For all significant locations of operation identify and compare (in percentage terms) local minimum wage to the organization's entry level wage by gender .

For organizations that only offer salaried employment, the salary is converted into an hourly estimate.

Definitions

LOCAL MINIMUM WAGE

Minimum wage refers to compensation per hour or other unit of time for employment allowed under law. Since some countries have numerous minimum wages (e.g., by state/province or by employment category), identify which minimum wage is being used.

ENTRY LEVEL WAGE

Entry level wage should be defined by the full-time wage offered to an employee in the lowest employment category. Intern or apprentice wages should not be considered.



Documentation

Potential sources of information include the payroll department of the organization or finance, treasury, or accounting departments. Pertinent legislation in each country/region of operation may also provide information for this Indicator.

References

- Convention on the Elimination of all Forms of Discrimination Against Women (CEDAW), 1979.



1184 **ASPECT: MARKET PRESENCE**1185 **CORE EC6 — Policy, practices, and proportion of spending on locally-based**
1186 **suppliers at significant locations of operation.**1187 **1. Relevance**

1188 The influence an organization can have on a local economy goes beyond direct jobs and payment of
1189 wages and taxes. By supporting local business in the supply chain, an organization can indirectly attract
1190 additional investment to the local economy.

1191 Reporting organizations can gain or retain their 'social license to operate' in part by demonstrating
1192 positive local economic impacts. Local sourcing can be a strategy to help ensure supply, support a stable
1193 local economy, and can prove to be more efficient for remote settings. The proportion of local spending
1194 can also be an important factor in contributing to the local economy and maintaining community
1195 relations. However, the overall impact of local sourcing will also depend on the sustainability of the
1196 supplier over the long term.

1197 **2. Compilation**

1198 2.1 — Report the organization's geographic definition of 'local'.

1199 2.2 — For the following calculations, note that percentages should be based on invoices or
1200 commitments made during the reporting period (i.e., accruals accounting).

1201 2.3 — Report whether the organization has a policy or common practices for preferring locally based
1202 suppliers either organization-wide or for specific locations.

1203 2.4 — If so, state the percentage of the procurement budget used for significant locations of operation
1204 that is spent on suppliers local to that operation (e.g., % of goods and supplies purchased locally). Local
1205 purchases can be made either from a budget managed at the location of operation or at the
1206 organization's headquarters.

1207 2.5 — Indicate the factors that influence supplier selection (e.g., costs, environmental and social
1208 performance) in addition to their geographic location.

1209 **3. Definitions**1210 **LOCALLY-BASED SUPPLIERS**

1211 Providers of materials, products, and services that are based in the same geographic market as the
1212 reporting organization (i.e., no trans-national payments to the supplier are made). The geographic
1213 definition of 'local' may vary because, in some circumstances, cities, regions within a country, and even
1214 small countries could be reasonably viewed as 'local'.

1215 **4. Documentation**

1216 None.

1217 **5. References**

1218 None.



ASPECT: MARKET PRESENCE

CORE EC7 Procedures for local hiring and proportion of senior management hired from the local community at significant locations of operation

[Standard Disclosure]

Compilation

Report whether the organization has a global policy or common practices for granting preference to local residents when hiring in significant locations of operation

Report the percentage of senior management in significant locations of operation that are hired from the local community.

Report the definition of 'senior management' used.

[Guidance]

Relevance

Ensuring that senior management is populated with local residents can benefit the local community and the organization's ability to understand local needs. Diversity within a management team and the inclusion of members from the local area can enhance human capital, the economic benefit to the local community, and the organization's ability to understand local needs.

Methodology for data collection

Use data on full-time employees to calculate this percentage.

Definitions

LOCAL

Local refers to individuals either born in or who have the legal right to reside indefinitely (e.g., naturalized citizens or permanent visa holders) in the same geographic market as the operation. Organizations can choose their own definition of 'local' because, in some cases, cities, regions, and even small countries could be reasonably viewed as local. However, the definition is clearly disclosed.

Documentation

Personnel or human resources departments should have the information required by this Indicator.

References

None.



ASPECT: INDIRECT ECONOMIC IMPACTS

CORE EC8 Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro bono engagement

[Standard Disclosure]

Compilation

~~Report whether the organization conducted a community needs assessment to determine infrastructure and other services needed. If so, briefly explain the results of the assessment.~~

Report the extent of the development of significant infrastructure investments and support.

Report the current or expected impacts on communities and local economies. Report positive and negative impacts where relevant.

Report whether these investments and services are commercial, in-kind, or pro bono engagements.

[Guidance]

Relevance

As well as generating and distributing economic value, an organization can affect an economy through its investments in infrastructure. The impacts of infrastructure investment can extend beyond the scope of the organization's own business operations and over a longer timescale. This might include transport links, utilities, community social facilities, sports centers, health and welfare centers, etc. Along with investment in its own operations, this is one measure of an organization's capital contribution to the economy.

Methodology for data collection

Identify the size, cost and duration of each significant infrastructure investment or support initiative that has been implemented.

Identify both the current and expected impacts of each investment. Information on both positive and negative impacts on the community or local economies is collected. Where different communities or local economies are impacted by the organizations operations, this information is collected.

Identify the financial arrangements associated with each of the infrastructure or service investments. These are broken down into the three categories of commercial, in kind or pro-bono.

Definitions

INFRASTRUCTURE

Facilities (e.g., water supply facility, road, school, or hospital) built primarily to provide a public service or good rather than a commercial purpose, and from which the organization does not seek to gain direct economic benefit.



SERVICES SUPPORTED

Providing a public benefit either through direct payment of operating costs or through staffing the facility/service with the organization's own employees. Public benefit can also include public services.

Documentation

Finance, treasury, or accounting departments should have the information required by this Indicator.

References

None.



ASPECT: INDIRECT ECONOMIC IMPACTS

ADD EC9 ~~Understanding and describing s~~Significant indirect economic impacts, including the extent of impacts

[Standard Disclosure]

Compilation

~~Explain work undertaken to understand the indirect economic impacts the organization has at the national, regional, or local level.~~

Report on the identified positive and negative indirect economic impacts the organization has.

These may include but are not limited to:

- Changing the productivity of organizations, sectors, or the whole economy;
- Economic development in areas of high poverty;
- Economic impact of improving or deteriorating social or environmental conditions;
- Availability of products and services for those on low incomes;
- Enhancing skills and knowledge amongst a professional community or in a geographical region;
- Jobs supported in the supply chain or distribution chain;
- Stimulating, enabling, or limiting foreign direct investment;
- Economic impact of change in location of operations or activities; and
- Economic impact of the use of products and services.

~~Report the significance of the impacts in the context of external benchmarks and stakeholder priorities, such as national and international standards, protocols, and policy agendas.~~

[Guidance]

Relevance

Indirect economic impacts are an important part of an organization's economic influence in the context of sustainable development. Whereas direct economic impacts and market influence tend to focus on the immediate consequences of monetary flows to stakeholders, indirect economic impacts include the additional impacts generated as money circulates through the economy.

Direct economic impacts are often measured as the value of transactions between the organization and its stakeholders, while indirect economic impacts are the results - sometimes non-monetary - of the transaction. Indirect impacts are an important aspect of an organization's role as a participant or agent in socio-economic change, particularly in developing economies. Indirect impacts are particularly important to assess and report in relation to local communities and regional economies.

For management purposes, indirect economic impacts are an important indication of where risks to reputation may develop, or where opportunities may emerge to expand market access or a social license to operate.



Methodology for data collection

Identify examples of indirect economic impacts, both positive and negative, these may include but are not limited to:

- Changing the productivity of organizations, sectors, or the whole economy (e.g., through greater adoption or distribution of information technology);
- Economic development in areas of high poverty (e.g., number of dependents supported through income from one job);
- Economic impact of improving or deteriorating social or environmental conditions (e.g., changing job market in an area converted from small family farms to large plantations or the economic impacts of pollution);
- Availability of products and services for those on low incomes (e.g., preferential pricing of pharmaceuticals contributes to a healthier population that can participate more fully in the economy; pricing structures that exceed the economic capacity of those on low incomes);
- Enhancing skills and knowledge amongst a professional community or in a geographical region (e.g., need for a supplier base creates a magnet for organizations with skilled workers, which in turn engenders new learning institutes);
- Jobs supported in the supply chain or distribution chain (e.g., assessing the impacts of growth or contraction of the organization on its suppliers)
- Stimulating, enabling, or limiting foreign direct investment (e.g., expansion or closure of an infrastructure service in a developing country can lead to increased or reduced foreign direct investment);
- Economic impact of change in location of operations or activities (e.g., outsourcing of jobs to an overseas location); and
- Economic impact of the use of products and services (e.g., linkage between economic growth patterns and use of particular products and services).

Definitions

INDIRECT ECONOMIC IMPACT

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

ECONOMIC IMPACT

A change in the productive potential of the economy that can have an influence on a community's or stakeholder's well-being and longer-term prospects for development.

Documentation

None.

References

None.



1219 **ASPECT: PROCUREMENT PRACTICES**1220 **CORE EC6 Spending on locally-owned suppliers broken down by other forms**
1221 **of economic inclusion, at significant locations of operation**1222 **[Standard Disclosure]**1223 **Compilation**

1224 Report the total monetary value of spending on locally-owned suppliers at significant locations of
1225 operation. Provide information on how locally-owned suppliers and significant locations of operations
1226 were defined.

1227 Report the percentage of total monetary value of spending on locally-owned suppliers at significant
1228 locations of operation.

1229 Report the percentage of total monetary value of spending on locally-owned suppliers at significant
1230 locations of operation, broken down by other forms of economic inclusion, if applicable. Provide the
1231 definition used for 'other forms of economic inclusion'.

1232 **[Guidance]**1233 **Relevance**

1234 By supporting local business in the supply chain, an organization can attract additional investment to the
1235 local economy. Local sourcing can also be more efficient for remote settings.

1236 An organization can increase its contribution to a local economy, and help to maintain community
1237 relations, by adopting procurement practices based on economic inclusion.

1238 **Methodology for data collection**

1239 Identify the total monetary value of materials, products, and services purchased at significant locations
1240 of operations. Using this information, identify the percentage spent on locally-owned suppliers.

1241 Local purchases can be made either from a budget managed at the location of operation or at the
1242 organization's headquarters.

1243 Percentages should be based on invoices, or commitments made (e.g., accruals accounting).

1244 'Other forms of economic inclusion' may include but are not limited to:

- 1245 • suppliers owned by women
- 1246 • suppliers owned or staffed by members of vulnerable, marginalized or underrepresented social
1247 groups
- 1248 • small and medium sized suppliers

1249 The organization's definition of 'local' may include, but it is not limited to, the community surrounding
1250 operations, a city, a region, or country.



1251 **Definitions**

1252 **ECONOMIC INCLUSION**

1253 For the purpose of this Indicator, the selection of suppliers that may not be able to participate fully in the
1254 mainstream economic life of a given society, such as locally-owned suppliers, women-owned suppliers,
1255 suppliers owned or staffed by members of vulnerable, marginalized or underrepresented social groups,
1256 or small and medium sized suppliers.

1257 **LOCALLY-OWNED SUPPLIER**

1258 A supplier owned by persons residing in a local area where the reporting organization operates. The
1259 organization's definition of 'local' may include, but it is not limited to, the community surrounding
1260 operations, a city, a region, or country.

1261 **SIGNIFICANT LOCATIONS OF OPERATION**

1262 Locations where single-market revenues, costs, stakeholder payments, production, or employee
1263 numbers represent a significant share of the organization's global total, and are sufficient to be
1264 particularly important to decision-making by the organization or its stakeholders. Combined, these
1265 locations would likely represent the majority of the above figures. Reporting organizations should use
1266 International Accounting Standards 14 (IAS14) as a reference in defining significant locations of
1267 operation.

1268 **SUPPLIER**

1269 See the Glossary for the definition of supplier.

1270 **Documentation**

1271 Potential sources of information include the organization's procurement or purchasing departments.

1272 **References**

1273 None.



1274 **ASPECT: PROCUREMENT PRACTICES**1275 **CORE G4 1 Spending on suppliers with which long-term agreements exist**1276 **[Standard Disclosure]**1277 **Compilation**

1278 Report the percentage of total supplier expenditure spent on suppliers with which long-term agreements
 1279 exist.

1280 **[Guidance]**1281 **Relevance**

1282 This Indicator helps quantify the stability of an organization's supplier base. Long-term relationships with
 1283 suppliers enable an organization to work with their suppliers to improve their economic, environmental
 1284 and social performance through, for example, capacity building.

1285 **Methodology for data collection**

1286 Identify the total monetary value of materials, products, and services purchased.

1287 Identify long-term agreements with suppliers.

1288 Identify the total monetary value of materials, products, and services purchased from suppliers with
 1289 long-term agreements, as identified above.

1290 Calculate the percentage of total supplier expenditure spent on suppliers with which long-term
 1291 agreements exist by using the following formula:

1292
$$\frac{\text{Total monetary value spent on suppliers with which long-term agreements exist}}{\text{Total monetary value of materials, products, and services purchased}} \times 100$$

1293 = Percentage of total supplier expenditure spent on suppliers with which long-term agreements exist.

1294 **Definitions**1295 **LONG-TERM AGREEMENT**

1296 A contractual agreement that exceeds a single order and extends beyond the reporting period.

1297 **SUPPLIER**

1298 See the Glossary for the definition of supplier.

1299 **Documentation**

1300 Potential sources of information include the organization's procurement or purchasing departments.

1301 **References**

1302 None.



1303 **ASPECT: PROCUREMENT PRACTICES**1304 **CORE G4 2 Percentage of suppliers with which orders were placed for the first**
1305 **time during the reporting period**1306 **[Standard Disclosure]**1307 **Compilation**1308 Report the percentage of total suppliers with which orders were placed for the first time during the
1309 reporting period.1310 **[Guidance]**1311 **Relevance**1312 This Indicator helps quantify the stability of an organization's supplier base. A high turnover of suppliers
1313 may indicate that supplier selection or relationship management are ineffective, undermining the
1314 organization's ability to effect sustainability improvements. A low turnover may indicate that an
1315 organization is not assessing supplier performance adequately, or enabling wealth creation by exercising
1316 its buying power widely.1317 **Methodology for data collection**1318 Identify the total number of suppliers with which orders were placed during the reporting period.1319 Identify the number of suppliers with which orders were placed for the first time during the reporting
1320 period.1321 Calculate the percentage of total suppliers with which orders were placed for the first time during the
1322 reporting period by using the following formula:1323
$$\frac{\text{Number of suppliers with which orders were placed for the first time during the reporting period}}{\text{Total number of suppliers with which orders were placed during the reporting period}} \times 100$$
1324 = Percentage of total suppliers with which orders were placed for the first time during the reporting
1325 period.1326 **Definitions**1327 **SUPPLIER**1328 See the Glossary for the definition of supplier.1329 **Documentation**1330 Potential sources of information include the organization's procurement or purchasing departments.1331 **References**1332 None.

1333 **ASPECT: PROCUREMENT PRACTICES**

1334 **CORE G4 3 Time taken to pay suppliers**

1335 **[Standard Disclosure]**

1336 **Compilation**

1337 Report the average number of days taken to pay supplier invoices.

1338 Report the percentage of total payments to suppliers that were made late.

1339 **[Guidance]**

1340 **Relevance**

1341 This Indicator identifies the average length of time taken to pay suppliers.

1342 The length of time taken to pay suppliers can impact suppliers' flow of capital, and their ability to meet such expenditures as worker pay and taxes.

1344 **Methodology for data collection**

1345 Identify the total number of supplier invoices paid.

1346 Identify the number of days taken to pay each supplier invoice (the number of days from accepting each supplier invoice to making payment).

1348 Calculate the average number of days taken to pay supplier invoices by using the following formula:

$$\frac{\text{Total number of days taken to pay supplier invoices} \\ \text{(number of days from accepting each supplier invoice to making payment)}}{\text{Total number of supplier invoices paid}}$$

1349 = Average number of days taken to pay supplier invoices.

1350 Identify the time designated, agreed and/or contracted to pay each supplier invoice.

1351 Identify number of payments that were made late to suppliers. Late payments are payments that exceed the time designated, agreed and/or contracted to pay suppliers' invoices.

1353 **Definitions**

1354 **SUPPLIER**

1355 See the Glossary for the definition of supplier.

1356 **Documentation**

1357 Potential information sources include procurement or purchasing departments.

1358 **References**

1359 None.



1360 **ASPECT: PROCUREMENT PRACTICES**

1361 **ADD G4 4 Percentage of monetary value of each type of materials, products**
 1362 **and services purchased that have been verified or certified as**
 1363 **being in accordance with credible, widely-recognized economic,**
 1364 **environmental and social standards**

1365 **[Standard Disclosure]**1366 **Compilation**

1367 For each type of material, product or service purchased, report the percentage of the monetary value
 1368 that has been verified or certified as being in accordance with credible, widely-recognized economic,
 1369 environmental and social standards, broken down by standard.

1370 **[Guidance]**1371 **Relevance**

1372 Credible, widely-recognized economic, environmental and social standards have been developed for a
 1373 large number of materials, products and services. Detailed sustainability requirements are included in
 1374 these standards. These standards enable organizations to demonstrate sustainable procurement
 1375 practices.

1376 **Methodology for data collection**

1377 Identify the types of materials, products and services purchased. Examples of types of materials,
 1378 products and services include timber, metals, coffee, and manual labor.

1379 Identify the total monetary value of each of these types of materials, products and services.

1380 Identify the types and monetary value of materials, products and services purchased that have been
 1381 verified or certified in accordance with credible, widely-recognized economic, environmental and social
 1382 standards.

1383 For each type, calculate the certified percentage of total monetary value by using the following formula:

$$1384 \frac{\text{Total monetary value of a type of material, product and service purchased verified or certified} \\ \text{as being in accordance with credible, widely-recognized economic, environmental and social standards}}{\text{Total monetary value of the type of material, product and service purchased}} \times 100$$

1385 = Percentage of total monetary value for each type of material, product and service purchased that has
 1386 been verified or certified as being in accordance with credible, widely-recognized economic,
 1387 environmental and social standards.

1388 **Definitions**1389 **CREDIBLE, WIDELY-RECOGNIZED ECONOMIC, ENVIRONMENTAL AND SOCIAL STANDARDS**

1390 A set of criteria on economic, environmental and social qualities which has been developed using a
 1391 collaborative, representative, robust and transparent process, and which is subject to verification or
 1392 certification by a representative body. A body verifying or certifying the standard must work to rules and
 1393 be accountable for following those rules, and be independent of the reporting organization.



1394 **Documentation**

1395 Potential sources of information include self-assessment reports, verification reports, purchasing orders,
1396 delivery orders, bills and certificates.

1397 **References**

1398 None.



Environmental Indicators

ASPECT: MATERIALS

CORE EN1 Materials used by weight or volume

[Standard Disclosure]

Compilation

Report the total weight or volume of materials that are used to produce and package the organization's products and services during the reporting period, broken down by:

- Non-renewable materials used; and
- Direct materials used.

[Guidance]

Relevance

This Indicator describes the organization's contribution to the conservation of the global resource base and efforts to reduce the material intensity and increase the efficiency of the economy. These are expressed goals of the OECD Council and various national sustainability strategies. For internal managers and others interested in the financial state of the organization, material consumption relates directly to overall costs of operation. Tracking this consumption internally, either by product or product category, facilitates the monitoring of material efficiency and cost of material flows.

Methodology for data collection

Identify total materials used. This includes but is not limited to:

- Raw materials (i.e., natural resources used for conversion to products or services such as ores, minerals, wood, etc.);
- Associated process materials (i.e., materials that are needed for the manufacturing process but are not part of the final product, such as lubricants for manufacturing machinery);
- Semi-manufactured goods or parts, including all forms of materials and components other than raw materials that are part of the final product; and
- Materials for packaging purposes. These materials include but are not limited to paper, cardboard and plastics.

Identify non-renewable and direct materials used.

For each material type identify whether it was purchased from external suppliers or sourced internally (e.g. captive production and extraction activities).

For each material type identify whether it was derived from renewable or non-renewable sources.

For each material type identify whether it is a direct material or a material that assists with the weight or volume used during the reporting period. State whether this data is estimated or sourced from direct measurements. If estimation is required, the methods used needs to be stated. Usage data is not to be



further manipulated and is to be presented "as is" rather than by "dry substance/weight".

Definitions

DIRECT MATERIALS

Materials that are present in a final a product.

NON-RENEWABLE MATERIALS

Resources that do not renew in short time period, such as minerals, metals, oil, gas, coal, etc.

RENEWABLE MATERIALS

Resources capable of being replenished within a short time through ecological cycles e.g. timber and plant products (as opposed to resources such as mineral, metals, oil, gas, coal that do not renew in short time periods).

Documentation

Potential information sources include billing and accounting systems, and the procurement or supply management department.

References

- OECD, Recommendation of the Council on Material Flows and Resource Productivity, 2004.



ASPECT: MATERIALS

CORE EN2 Percentage of materials used that are recycled input materials

[Standard Disclosure]

Compilation

Report the percentage of recycled input materials used to manufacture the organization's primary products and services during the reporting period.

[Guidance]

Relevance

This Indicator seeks to identify the organization's ability to use recycled input materials. Using these materials helps to reduce the demand for virgin material and contribute to the conservation of the global resource base. For internal managers and others interested in the financial performance of the organization, substituting recycled materials can contribute to lowering overall costs of operation. The trends revealed by this indicator indicate management's progress in reducing the organization's dependence on natural resources.

Methodology for data collection

Identify the total weight or volume of materials used as reported under EN1.

Of these materials, identify the total weight or volume of recycled input materials. If estimation is required, state the estimation methods.

Using the above information calculate the percentage of recycled input material used during the reporting period by applying the following formula:

$$EN2 = \frac{\text{Total recycled input materials used}}{\text{Input materials used}} \times 100$$

If material weight and volume measurements are stated as different units, conversion calculations may need to be undertaken to standardize units.

Definitions

RECYCLED INPUT MATERIALS

Materials that replace virgin materials that are purchased or obtained from internal or external sources, and that are not by-products and non-product outputs (NPO) produced by the reporting organization.

Documentation

Potential information sources include billing and accounting systems, the procurement or supply management department, and internal production and waste disposal records.

References

- OECD Working Group on Waste Prevention and Recycling.



ASPECT: ENERGY

CORE EN3 Direct energy consumption by primary energy source

[Standard Disclosure]

Compilation

Report total direct energy consumption from renewable primary sources in joules or multiples.

Report total direct energy consumption from non-renewable primary sources in joules or multiples.

[Guidance]

Relevance

The ability of the organization to use energy efficiently can be revealed by calculating the amount of energy it consumes. Energy consumption has a direct effect on operational costs and exposure to fluctuations in energy supply and prices. The environmental footprint of the organization is shaped in part by its choice of energy sources. Changes in the balance of these sources can indicate the organization's efforts to minimize its environmental impacts.

Information on the consumption of primary energy sources supports an assessment of how the organization might be affected by emerging environmental regulations such as the Kyoto Protocol. The consumption of fossil fuels is a major source of greenhouse gas emissions, and energy consumption is directly linked to the organization's greenhouse gas emissions.

Replacing fossil fuel energy sources with renewable ones is essential for combating climate change and other environmental impacts created by the extraction and processing of energy. Supporting renewable and efficient energy technology also reduces the organization's current and future dependency on non-renewable energy sources, and its exposure to potential volatility in prices and supply.

This Indicator measures the organization's consumption of direct primary energy sources. The Indicator covers scope 1 of the WRI/WBCSD GHG Protocol. Indicator EN4 measures the consumption of primary energy sources to supply the organization with intermediate energy such as electricity, heating and cooling, etc.

Methodology for data collection

DIRECT ENERGY SOURCES PURCHASED

Identify the sources and amount of primary energy purchased by the organization for its own consumption during the reporting period. This includes:

- Direct non-renewable energy sources including but not limited to:
 - Coal;
 - Natural gas; and
 - Fuel distilled from crude oil, including gasoline, diesel, liquefied petroleum gas (LPG), compressed natural gas (CNG), liquefied natural gas (LNG), butane, propane, ethane, etc.
- Direct renewable energy sources including but not limited to:
 - Biofuels;
 - Ethanol; and



- Hydrogen.

Note: Biomass is excluded from direct renewable energy sources for the purpose of reporting to the WRI/WBCSD GHG Protocol. For alignment with the WRI/WBCSD GHG Protocol, direct CO₂ emissions from the combustion of biomass should be reported separately.

DIRECT ENERGY SOURCES PRODUCED

Identify the amount of primary energy the reporting organization acquires by producing, extracting, harvesting, collecting, or converting it from other forms of energy into joules or multiples. This can include the same energy sources listed under Direct Energy Sources Purchased. Both renewable and non-renewable sources are identified.

DIRECT ENERGY SOURCES EXPORTED

Identify the amount of primary energy exported outside the reporting boundary for use by third parties in joules or multiples. Both renewable and non-renewable sources are to be identified. renewable sources are identified.

CALCULATION OF TOTAL DIRECT ENERGY

Using the identified sources of primary energy purchased, produced and exported, calculate total energy consumption in joules or multiples such as gigajoules using the following equation:

$$\text{Total direct energy consumption} = \text{direct primary energy purchased} + \text{direct primary energy produced} - \text{direct primary energy exported}$$

Refer to the following table to convert volumes of primary sources to gigajoules:

Coal	GJ	Crude Oil	GJ	Gasoline	GJ	Natural Gas	GJ	Electricity	GJ
tonne (metric)	26,00	barrel	6,22	US gallon	0,125	therm	0,1055	kilowatt-hour	0,0036
ton (short)	23,59	tonne (metric)	44,80	tonne (metric)	44,80	1000 cubic feet	1,1046	megawatt-hour	3,6000
ton (long)	26,42	ton (short)	40,64	Diesel		1000 cubic meters	39,01	gigawatt-hour	3600,0
		ton (long)	45,52	US gallon	0,138	MMBtu	1,055		
				tonne (metric)	43,33				
				Fuel Oil					
				US gallon	0,144				
				tonne (metric)	40,19				

Definitions

RENEWABLE RESOURCES

Resources capable of being replenished within a short time through ecological cycles (as opposed to resources such as minerals, metals, oil, gas, coal that do not renew in short time periods).



Documentation

Information can be obtained from invoices, measured (or calculated) heat/fuel accounting, estimations, defaults, etc. Amounts of joules can be taken directly or converted from invoices or delivery notes. Information about the combination of primary sources used to generate intermediate energy can be obtained from suppliers.

References

- The Greenhouse Gas Protocol (GHG) Initiative - A corporate accounting and reporting standard (Revised Edition, 2004) of the World Resources Institute (WRI) and the World Business Council for Sustainable Development (WBCSD).



ASPECT: ENERGY

CORE EN4 Indirect energy consumption by primary source

[Standard Disclosure]

Compilation

Report the total amount of indirect energy used, broken down by indirect non-renewable and indirect renewable sources in terms of intermediate energy.

Report on the corresponding primary energy consumed in the production of this intermediate energy.

[Guidance]

Relevance

The amount and primary source of energy the organization uses indirectly through the purchase of electricity, heat, or steam, can indicate efforts by the organization to manage environmental impacts and reduce its contribution to climate change. The particular effect indirect energy usage has on climate change depends on the type of primary energy used to generate intermediate energy.

For most organizations, electricity will be the only significant form of intermediate energy. For a small percentage of organizations, other intermediate energy products might also be important, such as steam or water provided from a district heating plant or chilled water plant, or refined fuels such as synthetic fuels, biofuels, etc.

This Indicator measures the energy required to produce and deliver purchased electricity and any other intermediate energy products (such as district heat) that involve significant energy consumption upstream from the organization's reporting boundary. This information also enables calculations of indirect greenhouse gas emissions. It covers Scope 2 of the WRI/WBCSD GHG Protocol.

Methodology for data collection

Identify the amount of intermediate energy purchased and consumed from sources external to the organization in joules or multiples, such as gigajoules. This includes:

- Intermediate energy purchased and consumed from non-renewable energy sources as listed under EN3, including but not limited to:
 - Electricity;
 - Heating and Cooling;
 - Steam;
 - Nuclear Energy; and
 - Other forms of imported energy.
- Intermediate energy purchased and consumed from renewable energy sources including but not limited to:
 - Solar;
 - Wind;
 - Geothermal;



- Hydro energy;
- Biomass based intermediate energy; and
- Hydrogen based intermediate energy.
- Identify the amount of primary fuels consumed to produce intermediate energy based on the total amount of energy purchased from external suppliers (EN3- Energy Purchased). To estimate the fuels consumed to produce purchased energy, use either:
 - Fuel consumption data acquired from the electricity provider if these data are available;
 - Default data for electricity and heat; or
 - Estimations where default figures are not available.

Note: The sum of primary energy sources (expressed in joules) used to generate intermediate energy will, depending on the primary source used, significantly exceed the amount of intermediate energy purchased (in joules) due to grid and efficiency losses when converting and transporting energy.

Definitions

INTERMEDIATE ENERGY

Intermediate energy refers to forms of energy that are produced by converting primary energy into other forms.

Documentation

Suppliers of energy and related services are the most important informational source for this Indicator. Other information can be obtained from invoices, measured (or calculated) (heat/fuel accounting, estimations, defaults, etc.). Besides default data drawn from the International Energy Agency (IEA), information can be obtained from the annual reports submitted by governments to the United Nations Framework Convention on Climate Change (UNFCCC). These reports detail country energy use and associated emissions for country specific defaults, etc.

References

- International Energy Agency's (IAE) annual publication of Energy Balances for OECD and non-OECD countries.
- The Greenhouse Gas Protocol (GHG) Initiative – A corporate accounting and reporting standard (Revised Edition, 2004) of the World Resources Institute (WRI) and the World Business Council for Sustainable Development (WBCSD).
- Kyoto Protocol, 1997.



ASPECT: ENERGY

ADD EN5 Energy saved due to conservation and efficiency improvements

[Standard Disclosure]

Compilation

Report the total amount of energy saved due to conservation and efficiency improvements in joules or multiples, such as gigajoules.

[Guidance]

Relevance

This Indicator demonstrates the results of proactive efforts to improve energy-efficiency through technological improvements of processes and other energy conservation initiatives. Improved energy efficiency can result in cost savings and can lead to competitive advantages and market differentiation. Supporting efficient energy technology has a direct impact on operational costs, and reduces the organization's future dependency on non-renewable energy sources. Efficient energy use is one key strategy in combating climate change and other environmental impacts created by the extraction and processing of energy.

Methodology for data collection

Identify total energy saved by efforts to reduce energy use and increase energy efficiency. Reduced energy consumption from reduced production capacity or outsourcing is not included in this Indicator.

Take into consideration energy saved due to initiatives that include but are not limited to:

- Process redesign;
- Conversion and retrofitting of equipment; and
- Changes in personnel behaviour.

State whether energy savings are estimated, modelled, or sourced from direct measurements. If estimation or modelling is required, the methods used are disclosed.

Definitions

ENERGY SAVED

The reduced amount of energy needed to carry out the same processes or tasks. The term does not include overall reduction in energy consumption from reduced organizational activities (e.g., partial outsourcing of production).

CONSERVATION AND EFFICIENCY IMPROVEMENTS

Organizational or technological innovations that allow a defined process or task to be carried out at a reduced level of energy consumption. This includes process redesign, the conversion and retrofitting of equipment (e.g., energy-efficient lighting), or the elimination of unnecessary energy use due to changes in behavior.



Documentation

Information can be obtained from internal energy measurements and supplier information (e.g., energy related specification of new machinery, light bulbs, etc.).

References

None.



ASPECT: WATER

ADD EN6 ~~Initiatives to provide energy-efficient or renewable energy based products and services, and r~~ **Reductions in energy requirements as a result of these initiatives**

[Standard Disclosure]

Compilation

~~Report existing initiatives to reduce the energy requirements of major products/product groups or services.~~

Report quantified reductions in the energy requirements of products and services achieved during the reporting period.

Where use-oriented figures are employed, report any assumptions about underlying consumption patterns or normalization factors.

[Guidance]

Relevance

Energy consumption is a major contributor to climate change since the burning of fossil fuel energy sources ultimately generates carbon dioxide (a greenhouse gas). Using energy more efficiently is essential to combating climate change, which is the aim of the Kyoto Protocol. Providing energy efficient products and services is an important part of product stewardship initiatives.

These products and services can be a source of competitive advantage by enhancing product differentiation and reputation. Energy-efficient technologies can also reduce the cost of consumer goods. When initiatives of different organizations in the same sector are compared, it can give an indication of likely trends in the market for a product or service.

Methodology for data collection

Use-oriented figures are, for instance, energy requirements of a computer.

Consumption patterns or normalization factors are for instance 10% less energy use per average working day, assuming operation for 8 hours with changing processor load.

Refer to available industry use standards (e.g., fuel consumption of cars for 100 km at 90 km/h) where they are available.

Definitions

None.

Documentation

Information can be obtained from internal product testing/measurements, research concerning usage patterns, industry standards, etc.



References

- Energy efficiency standards and relevant testing procedures are available from the International Electrotechnical Commission (IEC).
- Energy efficiency standards and relevant testing procedures are available from the International Electrotechnical Commission (IEC).



ASPECT: WATER

ADD EN7 ~~Initiatives to reduce I~~ Indirect energy consumption and reductions achieved

[Standard Disclosure]

Compilation

~~Report initiatives to reduce indirect energy use.~~

Report up and downstream quantitative reductions in indirect energy consumption achieved in the reporting period for the following four areas:

- Use of energy-intensive materials;
- Subcontracted production;
- Business-related travel; and
- Employee commuting.

Report underlying assumptions and methodologies used to calculate indirect energy use and indicate the source of this information.

[Guidance]

Relevance

Indirect energy use occurs through purchasing materials and components or services such as travel, commuting, and subcontracted production. When monitored comprehensively, indirect energy use can be reduced effectively (e.g., by carefully selecting energy-efficient materials, services, or production capacities, or substituting phone or video conferences for travel).

Quantifying indirect energy use provides a basis for calculating 'other relevant indirect greenhouse gas emissions' as requested in EN17. Tracking and reducing indirect energy use can improve the overall life-cycle performance of products and services, and serve as part of a comprehensive design-for-environment program.

Finally, this Indicator covers energy savings achieved in the indirect energy consumption of the organization's activities.

Methodology for data collection

Identify relevant upstream/downstream indirect energy use in the following four areas:

- Use of energy-intensive materials;
- Subcontracted production;
- Business-related travel; and
- Employee commuting.

Calculate or estimate the reductions achieved in the above four areas.

For this Indicator, exclude indirect energy use associated with the purchase of intermediate energy



sources as reported in EN4.

Definitions

None.

Documentation

Relevant data can be drawn from supplier information, life-cycle calculations/estimations (carried out internally or by research organizations), etc.

References

- International Energy Agency's (IAE) annual publication of Energy Balances for OECD and non-OECD countries.



ASPECT: WATER

CORE EN8 Total water withdrawal by source

[Standard Disclosure]

Compilation

Report the total volume of water withdrawn in cubic meters per year (m³/year) by the following sources:

- Surface water, including water from wetlands, rivers, lakes, and oceans;
- Ground water;
- Rainwater collected directly and stored by the organization;
- Waste water from another organization; and
- Municipal water supplies or other water utilities.

[Guidance]

Relevance

Reporting the total volume of water withdrawn by source contributes to an understanding of the overall scale of potential impacts and risks associated with the organization's water use. The total volume withdrawn provides an indication of the organization's relative size and importance as a user of water, and provides a baseline figure for other calculations relating to efficiency and use.

The systematic effort to monitor and improve the efficient use of water in the organization is directly linked to water consumption costs. Total water use can also indicate the level of risk posed by disruptions to water supplies or increases in the cost of water. Clean freshwater is becoming increasingly scarce, and can impact production processes that rely on large volumes of water. In regions where water sources are highly restricted, the organization's water consumption patterns can also influence relations with other stakeholders.

Methodology for data collection

Identify the total volume of water withdrawn from any water source. This may include water that was either withdrawn directly by the organization or through intermediaries such as water utilities. This includes the abstraction of cooling water. State whether these calculations are estimated, modelled or sourced from direct measurements. If estimation or modelling is required the methods are disclosed.

Definitions

TOTAL WATER WITHDRAWAL

The sum of all water drawn into the boundaries of the organization from all sources (including surface water, ground water, rainwater, and municipal water supply) for any use over the course of the reporting period.

Documentation

Information on organizational water withdrawal can be drawn from water meters, water bills, calculations derived from other available water data or (if neither water meters nor bills or reference



data exist) the organization's own estimates.

References

None.



ASPECT: WATER

ADD EN9 Water sources significantly affected by withdrawal of water

[Standard Disclosure]

Compilation

Report the total number of significantly affected water sources by type indicating the following:

- Size of water source in cubic meters (m³);
 - Whether or not the source is designated as a protected area (nationally and/or internationally);
 - Biodiversity value (e.g., species diversity and endemism, number of protected species); and
 - Value/importance of water source to local communities.
-

[Guidance]

Relevance

Withdrawals from a water system can affect the environment by lowering the water table, reducing volume of water available for use, or otherwise altering the ability of an ecosystem to perform its functions. Such changes have wider impacts on the quality of life in the area, including economic and social consequences.

This Indicator measures the scale of impacts associated with the organization's water use. In terms of relations with other users of the same water sources, this Indicator also enables an assessment of specific areas of risk or improvement, as well as the stability of the organization's own water sources.

Methodology for data collection

Identify water sources significantly affected by water withdrawal by the reporting organization. Significant withdrawals meet one or more of the following criteria:

- Withdrawals that account for an average of 5 % or more of the annual average volume of a given water body;
- Withdrawals from water bodies that are recognized by professionals to be particularly sensitive due to their relative size, function, or status as a rare, threatened, or endangered system (or to their support of a particular endangered species of plant or animal); or
- The water source has been identified as having high biodiversity value (e.g. species diversity and endemism, number of protected species); and/or
- The water source has been identified as having a high value/importance to local communities.

Note: If the water is provided by a public or private water supplier, the original water body/source is identified and reported.

Definitions

None.



Documentation

Information on the characteristics of a water source or protected area can be obtained from local or national water-related ministries or government departments, or research such as environmental impact assessments.

References

- IUCN Red List of Threatened Species.
- Ramsar Convention on Wetlands, 1971.



ASPECT: WATER

ADD EN10 Percentage and total volume of water recycled and reused

[Standard Disclosure]

Compilation

Report the total volume of water recycled/reused by the organization in cubic meters per year (m³/year) and also as a percentage of the total water withdrawal reported under Indicator EN8.

[Guidance]

Relevance

The rate of water reuse and recycling can be a measure of efficiency and can demonstrate the success of the organization in reducing total water withdrawals and discharges. Increased reuse and recycling can result in a reduction of water consumption, treatment, and disposal costs. The reduction of water consumption over time through reuse and recycling can also contribute to local, national, or regional goals for managing water supplies.

Methodology for data collection

This Indicator measures both water that was treated prior to reuse and water that was not treated prior to reuse. Grey water (i.e., collected rainwater and wastewater generated by household processes such as washing dishes, laundry, and bathing) is included.

Identify the volume of recycled/reused water. For example, if the organization has a production cycle that requires 20 cubic meters of water per cycle, the organization withdraws 20 cubic meters of water for one production process cycle and then reuses it for an additional three cycles. The total volume of water recycled/reused for that process is 60 cubic meters.

Definitions

RECYCLING/REUSE

The act of processing used water/wastewater through another cycle before discharge to final treatment and/or discharge to the environment. In general, there are three types of water recycling/re-use:

- Wastewater recycled back in the same process or higher use of recycled water in the process cycle;
- Wastewater recycled/re-used in a different process, but within the same facility; and
- Wastewater re-used at another of the organization's facilities.

Documentation

Information can be obtained from water or flow meters. If these do not exist and estimation of modelling is required, this is to be stated.



References

None.



ASPECT: BIODIVERSITY

CORE EN11 Location and size of land owned, leased, managed in, or adjacent to protected areas and areas of high biodiversity value outside protected areas

[Standard Disclosure]

Compilation

Report the following information for each operational site identified:

- Geographic location;
- Subsurface and/or underground land that may be owned, leased, or managed by the organization;
- Position in relation to protected area (in the area, adjacent to, or containing portions of the protected area) and high biodiversity value area outside protected areas;
- Type of operation (office, manufacturing/production, or extractive);
- Size of operational site in km²; and
- Biodiversity value characterized by:
 - The attribute of the protected area and high biodiversity value area outside protected area (terrestrial, freshwater, or maritime ecosystem); and
 - Listing of protected status (e.g., IUCN Protected Area Management Category, Ramsar Convention, national legislation, Natura 2000 site, etc.).

[Guidance]

Relevance

By reporting on the potential impact on land that lies within, contains, or is adjacent to legally protected areas, as well as areas of high biodiversity value outside protected areas, an organization can identify and understand certain risks associated with biodiversity. Monitoring which activities are taking place in both protected areas and areas of high biodiversity value outside protected areas makes it possible for the organization to reduce the risks of impacts. It also makes it possible for the organization to manage impacts on biodiversity or avoid mismanagement. Failure to adequately manage such impacts may result in reputational damage, delays in obtaining planning permission, and the loss of a social license to operate.

Methodology for data collection

Identify the location and size of operational sites that are owned, leased, managed in, located in, adjacent to, or that contain protected areas and areas of high biodiversity value outside protected areas.

Information disclosed by this indicator also includes sites for which future operations have been formally announced.

Definitions

PROTECTED AREAS

A geographically defined area that is designated, regulated, or managed to achieve specific conservation objectives.



AREAS OF HIGH BIODIVERSITY VALUE

Areas not subject to legal protection but recognized for important biodiversity features by a number of governmental and non-governmental organizations. These include habitats that are a priority for conservation (often defined in National Biodiversity Strategies and Action Plans prepared under the Convention on Biological Diversity). In addition, several international conservation organizations have identified particular areas of high biodiversity value.

Documentation

Sources of information for the required data could include purchase contracts, lease contracts, or the national/regional land registry.

On the national level, public agencies responsible for environmental protection and conservation might keep information on internationally and nationally protected areas and areas of high biodiversity value. In addition, National Biodiversity Strategies and Action Plans often include information and registers of protected areas and areas of high biodiversity value.

References

- Ramsar Convention on Wetlands, 1971.
- UNESCO World Heritage Sites.
- United Nations Biosphere Reserves.
- National Biodiversity Strategies and Action Plans prepared under the Convention on Biological Diversity.
- Conservation International's Biodiversity Hotspots and Wilderness Areas.
- WWF's Global 200 Ecoregion.
- Bird Life International's Important Bird Areas.
- IUCN's Centres of Plant Diversity.



ASPECT: BIODIVERSITY

CORE EN12 Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas

[Standard Disclosure]

Compilation

Report the nature of significant direct and indirect impacts on biodiversity with reference to one or more of the following:

- Construction or use of manufacturing plants, mines, and transport infrastructure;
- Pollution (introduction of substances that do not naturally occur in the habitat from point and non-point sources);
- Introduction of invasive species, pests, and pathogens;
- Reduction of species;
- Habitat conversion; and
- Changes in ecological processes outside the natural range of variation (e.g., salinity or changes in groundwater level).

Report significant direct and indirect positive and negative impacts with reference to the following:

- Species affected;
- Extent of areas impacted;
- Duration of impacts; and
- Reversibility or irreversibility of the impacts.

[Guidance]

Relevance

This Indicator provides information on the significant direct and indirect impacts of the organization on biodiversity in protected areas and areas of high biodiversity value outside protected areas. It also provides the background for understanding (and developing) an organizational strategy to mitigate these impacts. Through the presentation of structured and qualitative information, the Indicator enables comparison of the relative size, scale, and nature of impacts over time and across organizations.

Methodology for data collection

Identify significant positive and negative impacts on biodiversity associated with activities, products, and services of the organization, including both direct impacts as well as indirect impacts (e.g., in the supply chain).

Areas of impact are not limited to areas that are formally protected and include consideration of impacts on buffer zones as well as formally designated areas of special importance or sensitivity.



Definitions

SIGNIFICANT IMPACT

Impacts that may adversely affect the integrity of a geographical area/region, either directly or indirectly. This occurs by substantially changing its ecological features, structures, and functions across its whole area and over the long term. This means that the habitat, its population level, and/or the particular species that make that habitat important cannot be sustained.

On a species level, a significant impact causes a population decline and/or change in distribution so that natural recruitment (reproduction or immigration from unaffected areas) cannot return to former levels within a limited number of generations. A significant impact can also affect subsistence or commercial resource use to the degree that the well-being of users is affected over the long term.

Documentation

Information for this Indicator can be found in the organization's environmental management system or other internal documentation. If available, information can also be obtained from environmental and social impact assessments and/or lifecycle assessments, and from other organizations upstream/downstream in the supply chain.

References

- GRI Cross-Reference: GRI Biodiversity Resource Document.



ASPECT: BIODIVERSITY

ADD EN13 Habitats protected or restored

[Standard Disclosure]

Compilation

Report the size and location of all habitat protected areas and/or restored areas (in hectares), and whether the success of the restoration measure was/is approved by independent external professionals.

Report whether partnerships exist with third parties to protect or restore habitat areas distinct from where the organization has overseen and implemented restoration or protection measures.

Report on the status of each area based on its condition at the close of the reporting period.

[Guidance]

Relevance

Ensuring the integrity of natural habitats can enhance the reputation of the organizations, the stability of its surrounding natural environment and resources, and its acceptance by surrounding communities. A biodiversity strategy contains a combination of elements related to the prevention, management, and remediation of damage to natural habitats resulting from the organization's activities. This Indicator measures the implementation of a specific strategy for preventing or redressing negative impacts associated with activities.

Methodology for data collection

This Indicator refers to areas in which remediation has been completed or the area is actively protected (see Definitions). Areas in which operations are still active can be counted if they conform to the definitions of 'restored' or 'protected'.

If there are regulatory or licence requirements for the protection or restoration of habitats, the information presented in this indicator is to align with those requirements.

Definitions

AREAS RESTORED

Areas that were used during or affected by operational activities, and where remediation measures have either restored the environment to its original state or to a state where it is a healthy and functioning ecosystem.

AREAS PROTECTED

Areas that are protected from any harm during operational activities, and the environment remains in its original state with a healthy functioning ecosystem.

Documentation

Information on protected areas can be found in the documentation of the organization's environmental management system, site plans, environmental and social impact assessments, or organizational policies.



Information on land restoration (i.e., requirements for land restoration) can be found in lease, rent, or purchase contracts of the land, or in environmental and social impact assessments or risk registers.

References

None.



[The content of EN14 is incorporated in the Disclosure on Management Approach proposal]

ADD EN14 — Strategies, current actions, and future plans for managing impacts on biodiversity

1. — Relevance

Performance against biodiversity policies, objectives, and commitments depends on having structured programs in place for managing impacts. The presence and structure of programs is particularly important when national regulations do not provide clear reference points for an organization planning its biodiversity management.

Members of local communities often have unique knowledge of biodiverse areas and their value to local communities that is important for managing impacts on biodiversity.

This Indicator enables both internal and external stakeholders to analyze how well the reporting organization's strategies, current actions, and future plans address potential impacts on biodiversity. The quality of the organization's approach to managing impacts on biodiversity (as identified in EN11 and EN12) will affect its exposure to risks such as reputational damage, fines, or rejection of planning or operating permissions. Actions to protect or restore habitats and species are of particular relevance.

2. — Compilation

2.1 — If national regulations have influenced the specific strategies, actions, or plans reported under this Indicator, this should be noted.

2.2 — Report the organization's strategy for achieving its policy on biodiversity management including:

- Integration of biodiversity considerations in analytical tools such as environmental site impact assessments;
- Engagement with relevant stakeholders;
- Methodology for establishing risk exposure to biodiversity;
- Setting specific targets and objectives;
- Monitoring processes; and
- Public reporting.

2.3 — Report actions underway to manage biodiversity risks identified in EN11 and EN12, or plans to undertake such activities in the future.

3. — Definitions

None.

4. — Documentation

Information on programs and targets can be found in management guidelines or obtained from the organization's Environmental Management System, Environmental and Social Impact Assessments, Corporate Social Responsibility policies, or Risk Registers.

5. — References

None.



ASPECT: BIODIVERSITY

ADD EN15 **Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk**

[Standard Disclosure]

Compilation

Report the number of species in habitats affected by the organization during the reporting period, indicating one of the following levels of extinction risk:

- Critically endangered;
- Endangered;
- Vulnerable;
- Near threatened; and
- Least concern.

[Guidance]

Relevance

This Indicator helps the organization to identify where its activities can pose a threat to endangered plant and animal species. By identifying these threats, the organization can initiate appropriate steps to avoid harm and to prevent the extinction of species.

Methodology for data collection

Identify the location of habitats affected by the operations of the reporting organization that include species on the IUCN Red List, and on national or regional conservation lists.

The IUCN Red List and national conservation list species. These lists can serve as authorities on the sensitivity of habitat in areas affected by operations, and on the relative importance of these habitats from a management perspective.

Compare the information in the abovementioned lists with the species outlined in planning documentation and monitoring records to ensure consistency. Use this information to identify the number of species in habitats for each extinction risk category.

Definitions

IUCN RED LIST SPECIES

An inventory of the global conservation status of plant and animal species developed by the International Union for the Conservation of Nature and Natural Resources (IUCN).

Documentation

Information on the presence of species on the IUCN Red List and national conservation lists can be obtained from national/regional conservation agencies, local authorities, or environmental NGOs. For



organizations operating in or adjacent to protected areas or areas of high-biodiversity value, planning studies or other permit materials may also contain information about the biodiversity within the protected areas.

References

- IUCN Red List of Threatened Species.



ASPECT: EMISSIONS, EFFLUENTS, AND WASTE

CORE EN16 Total direct and indirect greenhouse gas emissions by weight

[Standard Disclosure]

Compilation

Report total greenhouse gas emissions as the sum of direct and indirect emissions in tonnes of CO₂ equivalent.

[Guidance]

Relevance

Greenhouse gas emissions are the main cause of climate change and are governed by the United Nations Framework Convention on Climate Change (UNFCCC) and the subsequent Kyoto Protocol. As a result, different national and international regulations and incentive systems (such as trading climate certificates) aim to control the volume and reward the reduction of greenhouse gas emissions.

This Indicator can be used in combination with EN17 to explain targets for regulations or trading systems at international or national levels. The combination of direct and indirect emissions also provides insights into the potential cost implications of taxation or trading systems for reporting organizations.

Methodology for data collection

Direct greenhouse gas emissions

Identify direct emissions of greenhouse gases from all sources owned or controlled by the organization, including:

- Generation of electricity, heat, or steam (as reported in EN3);
- Other combustion processes such as flaring;
- Physical or chemical processing;
- Transportation of materials, products, and waste; and
- Fugitive emissions.

Emissions from combustion processes and sources correspond to the direct primary energy from non-renewable and renewable sources as reported in EN3. Note that the direct CO₂ emissions from the combustion of biomass is not included but reported separately under GHG Protocol Corporate Standard (revised edition).

Indirect greenhouse gas emissions

Identify indirect emissions of greenhouse gases resulting from the generation of purchased electricity, heat, or steam (this corresponds with energy consumption reported under EN4).

Other indirect emissions (e.g., from organizational travel) are not included since they are accounted for in EN17.



Calculation of greenhouse gas emissions

Using the sources identified above, calculate the total direct and indirect greenhouse gas emissions generated by the organization during the reporting period.

Indicate the standard and methodology used in this calculation. This includes but is not limited to:

- Direct measurement (e.g., continuous online analyzers, etc.);
- Calculation based on site specific data (e.g., for fuel composition analysis, etc.);
- Calculation based on published criteria; and
- Estimations. If estimations are used due to a lack of default figures, indicate which basis figures were obtained.

Further details on the compilation of this Indicator are available in the WRI /WBCSD GHG Protocol and in the IPCC document as listed under references.

Definitions

DIRECT EMISSIONS

Emissions from sources that are owned or controlled by the organization. For example, direct emissions related to combustion would arise from burning fuel for energy within the organization's operational boundaries.

INDIRECT EMISSIONS

Emissions that result from the activities of the organization but are generated at sources owned or controlled by another organization. In the context of this Indicator, indirect emissions refer to greenhouse gas emissions from the generation of electricity, heat, or steam that is imported and consumed by the organization.

CARBON DIOXIDE EQUIVALENT

CO₂ (Carbon Dioxide) equivalent is the measure used to compare the emissions from various greenhouse gases based on their global warming potential (GWP). The CO₂ equivalent for a gas is derived by multiplying the tonnes of the gas by the associated GWP.

Documentation

Emissions resulting from direct and indirect energy use can be calculated from the data reported in EN3 and EN4.

References

- The Greenhouse Gas Protocol (GHG) Initiative - A corporate accounting and reporting standard (Revised Edition, 2004) of the World Resources Institute (WRI) and the World Business Council for Sustainable Development (WBCSD).
- Kyoto Protocol, 1997.
- Intergovernmental Panel on Climate Change (IPCC), Climate Change 2001, Working Group 1: The Scientific Basis.



ASPECT: EMISSIONS, EFFLUENTS, AND WASTE

CORE EN17 Other relevant indirect greenhouse gas emissions by weight

[Standard Disclosure]

Compilation

Report the sum of other relevant indirect greenhouse gas emissions identified in tonnes of CO₂ equivalent, excluding indirect emissions from imported electricity heat or steam as these are covered by EN16.

[Guidance]

Relevance

Greenhouse gas emissions are the main cause of climate change and are governed by the United Nations Framework Convention on Climate Change (UNFCCC) and the subsequent Kyoto Protocol. For some organizations, indirect greenhouse gas emissions are significantly greater than their direct emissions. They are also sufficiently under the influence of the organization that changes in its practices can lead to significant reductions. Measuring and demonstrating efforts to reduce indirect emissions can demonstrate leadership in combating climate change and can enhance the organization's reputation.

Methodology for data collection

Identify the greenhouse gas emissions resulting from indirect energy use that are not reported within EN16.

Additionally, identify which of the organization's activities cause indirect emissions and assess their amounts (e.g., employee commuting, business travel, etc.).

When deciding on the relevance of these activities, consider whether emissions of the activity:

- Are large compared to other activities generating direct emissions or energy related indirect emissions (as reported in EN16);
- Are judged to be critical by stakeholders; and
- Could be substantially reduced through actions taken by the organization.

Definitions

INDIRECT EMISSIONS

Emissions that are consequences of the activities of the organization but are generated at sources owned or controlled by another organization. In the context of this Indicator, indirect emissions do not include those generated from imported electricity, heat, or steam consumed by the reporting organization (e.g., transport, packaging)..

CARBON DIOXIDE EQUIVALENT

CO₂ (Carbon Dioxide) equivalent is the measure used to compare emissions from various greenhouse gases based on their global warming potential (GWP). The CO₂ equivalent for a gas is derived by multiplying the tonnes of the gas by the associated GWP.



Documentation

Information can be obtained from external suppliers of products and services. For certain types of indirect emissions such as business travel, the organization may need to combine its own records with data from external sources to arrive at an estimate.

References

- The Greenhouse Gas Protocol (GHG) Initiative - A corporate accounting and reporting standard (Revised Edition, 2004) of the World Resources Institute (WRI) and the World Business Council for Sustainable Development (WBCSD).
- Intergovernmental Panel on Climate Change (IPCC), Climate Change 2001, Working Group I: The Scientific Basis.
- Kyoto Protocol, 1997.



ASPECT: EMISSIONS, EFFLUENTS, AND WASTE

ADD EN18 ~~Initiatives to reduce g~~ **Greenhouse gas emissions and reductions achieved**

[Standard Disclosure]

Compilation

~~Report initiatives to reduce greenhouse gas emissions, include the areas where the initiatives were implemented.~~

Report the quantitative amount of greenhouse gas emissions reductions achieved during the reporting period as a direct result of the initiative(s) in tonnes of CO2 equivalent.

[Guidance]

Relevance

Greenhouse gas emissions are the main cause of climate change and are governed by the United Nations agreed on the Framework Convention on Climate Change (UNFCCC) and the subsequent Kyoto Protocol. As a result, different national and international regulations and incentive systems (such as trading climate certificates) aim to control the volume and reward the reduction of greenhouse gas emissions. When monitored comprehensively, emissions can be reduced effectively (e.g., by carefully selecting energy-efficient materials, services, or production capacities). Tracking and reducing greenhouse gas emissions can improve the overall life cycle performance of products and services, and serve as part of a comprehensive design-for-environment program.

This Indicator can be used in combination with EN16 and EN17 to set and monitor reduction targets with reference to regulations or trading systems at international or national levels.

Methodology for data collection

Identify emissions reductions from all sources owned or controlled by the organization as reported under EN16 and resulting from indirect energy use and activities of the organization as reported under EN17.

Distinguish between mandatory and voluntary emissions reductions.

Definitions

None.

Documentation

Information can be drawn from data reported under EN16 and EN17, from emissions measurements, calculated from accounting data and defaults, or from estimates. Information on initiatives can likely be found in records maintained by departments responsible for environmental management.

References

- The Greenhouse Gas Protocol (GHG) Initiative - A corporate accounting and reporting standard (Revised Edition, 2004) of the World Resources Institute (WRI) and the World Business Council



for Sustainable Development (WBCSD).

- Kyoto Protocol, 1997.
- Intergovernmental Panel on Climate Change (IPCC), Climate Change 2001, Working Group I: The Scientific Basis.



CORE EN19 Emissions of ozone-depleting substances by weight

[Standard Disclosure]

Compilation

Report the emissions of specific ozone-depleting substances in tonnes and tonnes of CFC-11 equivalent.

[Guidance]

Relevance

The ozone layer (O₃) filters out most of the sun's biologically harmful ultraviolet (UV-B) radiation. The Montreal Protocol regulates the phase-out of ozone-depleting substances (ODS) internationally. Measuring ODS emissions enables an assessment of how well the reporting organization complies with current and future legislation, and its likely risks in this area. This is particularly relevant for organizations whose processes, products, and services have used ODS and must transition to new technologies in order to comply with phase-out commitments. The organization's results on ODS phase-out can help indicate its level of technology leadership and competitive position in markets for products and services affected by ODS rules.

Methodology for data collection

Ozone-depleting substances contained or emitted from products during their usage and disposal are not covered by this Indicator.

Emissions of substances covered in Annexes A, B, C, and E of the Montreal Protocol on Substances that Deplete the Ozone Layer are included.

Using the information above: calculate the emissions of ozone-depleting substances using the following formulas:

$$\text{Emissions} = \text{Production} + \text{Imports} - \text{Exports of Substances}$$

$$\text{Production} = \text{Substances Produced} - \text{Substances Destroyed by Technology} - \text{Substances used entirely as feedstock in the manufacture of other chemicals}$$

Note: ODS that is recycled and reused is not considered production.

Definitions

OZONE-DEPLETING SUBSTANCE (ODS)

Any substance with an ozone depletion potential (ODP) greater than 0 that can deplete the stratospheric ozone layer. Most ozone-depleting substances are controlled under the Montreal Protocol and its amendments, and include CFCs, HCFCs, halons, and methyl bromide.

CFC-11 EQUIVALENT

CFC-11 is a measure used to compare various substances based on their relative ozone depletion potential. The reference level of 1 is the potential of CFC-11 and CFC-12 to cause ozone depletion.



Documentation

Information can be drawn from emissions measurements, calculated from accounting data and defaults, or estimated.

References

- The Montreal Protocol on substances that deplete the ozone layer.
- United Nations Environment Programme (UNEP) Halon Handbook.



ASPECT: EMISSIONS, EFFLUENTS, AND WASTE

CORE EN20 NO_x, SO_x, and other significant air emissions by type and weight

[Standard Disclosure]

Compilation

Report the weight of significant air emissions (in kilograms or multiples such as tonnes) for each of the following categories:

- NO_x;
- SO_x;
- Persistent organic pollutants (POP);
- Volatile organic compounds (VOC);
- Hazardous air pollutants (HAP);
- Stack and fugitive emissions;
- Particulate matter (PM);
- Noise pollution; or
- Other standard categories of air emissions identified in regulations.

[Guidance]

Relevance

Air pollutants have adverse effects on habitats and human and animal health. Deterioration of air quality, acidification, forest degradation, as well as public health concerns has led to local and international regulations to control air emissions. Reductions in regulated pollutants lead to improved health conditions for workers and neighboring communities. Reductions or demonstrated performance beyond compliance can enhance relations with affected communities and workers, and the ability to maintain or expand operations. In regions with emission caps, the volume of emissions also has direct cost implications for the organization.

This Indicator can also measure the scale of the organization's air emissions and demonstrate the relative size and importance of these emissions compared to other organizations.

Methodology for data collection

Identify significant air emissions and calculate their weight.

Since calculating certain air emissions e.g. NO_x requires complex quantification efforts, indicate the methodology used for calculations, selecting one of the following approaches:

- Direct measurement of emissions (e.g., online analyzers, etc.);
- Calculation based on site specific data;
- Calculation based on published criteria; or
- Estimation (if estimations are used due to a lack of default figures, indicate on what basis figures were obtained).



Definitions

SIGNIFICANT AIR EMISSIONS

Air emissions that are regulated under international conventions and/or national laws or regulations, including those listed on environmental permits for the organization's operations.

Documentation

Information can be drawn from emissions measurements, calculated from accounting data and defaults, or estimated.

References

- Geneva Protocol to the Convention on Long-Range Transboundary Air Pollution, 1979.
- Helsinki Protocol to the Convention on Long-Range Transboundary Air Pollution, 1985.
- Rotterdam Convention on the Prior Informed Consent (PIC) Procedure, 1998.
- Stockholm Convention on Persistent Organic Pollutants (POPs) (Annex A, B, and C), 2001.
- Sofia Protocol to the Convention on Long-Range Transboundary Air Pollution, 1988.
- Gothenburg Protocol to the 1979 Convention on Long-Range Transboundary Air Pollution to abate acidification, eutrophication, and ground-level ozone.



ASPECT: EMISSIONS, EFFLUENTS, AND WASTE

CORE EN21 Total water discharge by quality and destination

[Standard Disclosure]

Compilation

Report the total volume of planned and unplanned water discharges in cubic meters per year (m³/year) by:

- Destination;
- Quality of the water including treatment method if relevant; and
- Whether it was reused by another organization.

[Guidance]

Relevance

The amount and quality of the water discharged by the organization is directly linked to ecological impact and operational costs. By progressively improving the quality of discharged water and/or reducing volumes, the organization has the potential to reduce its impact on the surrounding environment. Unmanaged discharge of effluents with a high chemical or nutrient load (principally nitrogen, phosphorous, or potassium) can have a significant impact on receiving waters. This, in turn, can affect the quality of the water supply available to the organization and its relationship with communities and other water users.

Discharging effluents or process water to a facility for treatment not only reduces pollution levels, but can also lower the organization's financial costs and the risk of regulatory action for non-compliance with environmental regulation. All of this enhances the organization's social license to operate.

Methodology for data collection

Identify planned and unplanned water discharges (excluding collected rainwater and domestic sewage) by destination and indicate how it is treated. If the organization does not have a meter to measure water discharges, this figure needs to be estimated by subtracting the approximate volume consumed on-site from the volume withdrawn as reported in EN8.

TOTAL WATER DISCHARGE

The sum of water effluents discharged over the course of the reporting period to subsurface waters, surface waters, sewers that lead to rivers, oceans, lakes, wetlands, treatment facilities, and ground water either through:

- A defined discharge point (point source discharge);
- Over land in a dispersed or undefined manner (non-point source discharge); or
- Wastewater removed from the organization via truck. Discharge of collected rainwater and domestic sewage is not regarded as water discharge.

Organizations that discharge effluents or process water report water quality in terms of total volumes of effluent using standard effluent parameters such as Biological Oxygen Demand (BOD), Total Suspended Solids (TSS), etc. The specific choice of quality parameters will vary depending on the organization's



products/services/operations. The selection of parameters are to be consistent with those used in the organization's sector.

Water quality metrics may vary depending national or regional regulations.

Definitions

None.

Documentation

Information sources about the volume of water discharged by the organization include flow meters (point-source discharges or when discharges are released through a pipe) and regulatory permits.

References

- MARPOL Convention (International Convention for the Prevention of Pollution of Ships), 1973.
- Stockholm Convention on Persistent Organic Pollutants (POPs), 2001.



ASPECT: EMISSIONS, EFFLUENTS, AND WASTE

CORE EN22 Total weight of waste by type and disposal method

[Standard Disclosure]

Compilation

Report the total weight of hazardous and non-hazardous waste created in the reporting period, broken down by the following disposal methods as relevant:

- Reuse;
- Recycling;
- Composting;
- Recovery, including Energy Recovery;
- Incineration (mass burn);
- Deep well injection;
- Landfill;
- On-site storage; and
- Other (to be specific by the organization).

[Guidance]

Relevance

Data on waste generation figures over several years can indicate the level of progress the organization has made toward waste reduction efforts. It can also indicate potential improvements in process efficiency and productivity. From a financial perspective, the reduction of waste contributes directly to lower costs for materials, processing, and disposal.

Information about the disposal destination reveals the extent to which an organization has managed the balance between disposal options and uneven environmental impacts. For example, land filling and recycling create very different types of environmental impacts and residual effects. Most waste minimization strategies emphasize prioritizing options for reuse, recycling, and then recovery over other disposal options.

Methodology for data collection

Identify the weight of waste created by the organization's operations, by:

- Hazardous waste (as defined by national legislation at the point of generation); and
- Non-hazardous waste (all other forms of solid or liquid waste excluding wastewater).

If no weight data are available, estimate the weight using available information on waste density and volume collected, mass balances, or similar information.

State whether these methods are used.



Definitions

DISPOSAL METHOD

The method by which waste is treated or disposed, including composting, reuse, recycling, recovery, incineration, landfill, deep well injection, and on-site storage.

Documentation

Potential information sources include external waste audits by providers of disposal services or waste balance sheets from these providers, as well as internal billing and accounting systems, and the procurement or supply management department.

References

- Ban Amendment to the Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and their Disposal, 1989.
- London Dumping Convention, 1972.
- MARPOL Convention (International Convention for the Prevention of Pollution of Ships), 1973.



ASPECT: EMISSIONS, EFFLUENTS, AND WASTE

CORE EN23 Total number and volume of significant spills

[Standard Disclosure]

Compilation

Report the total number and total volume of recorded significant spills.

For spills that were reported in the organization's financial statements, report the additional following information for each such spill:

- Location of spill;
- Volume of spill; and
- Material of spill, categorized by:
 - Oil spills (soil or water surfaces);
 - Fuel spills (soil or water surfaces);
 - Spills of wastes (soil or water surfaces);
 - Spills of chemicals (mostly soil or water surfaces); and
 - Other.

Report the impacts of significant spills.

[Guidance]

Relevance

Spills of chemicals, oils, and fuels can have significant negative impacts on the surrounding environment, potentially affecting soil, water, air, biodiversity, and human health. The systematic effort to avoid spills of hazardous materials is directly linked to the organization's compliance with regulations, its financial risk from the loss of raw materials, remediation costs, the risk of regulatory action, as well as damage to reputation. This Indicator also serves as an indirect measure for evaluating the monitoring skills of the organization.

Methodology for data collection

Identify all recorded significant spills and the volume of these spills.

Identify which of these spills have been or will be reported in the organization's financial statements.

For spills reported in the annual financial statements, collate the following information:

- Location of spill;
- Volume of spill; and
- Material of spill, categorized by:
 - Oil spills (soil or water surfaces);
 - Fuel spills (soil or water surfaces);
 - Spills of wastes (soil or water surfaces);



- Spills of chemicals (mostly soil or water surfaces); and
- Other.

Definitions

SPILL

Accidental release of a hazardous substance that can affect human health, land, vegetation, water bodies, and ground water.

SIGNIFICANT SPILL

All spills that are included in the organization's financial statements (e.g., due to resulting liabilities) or recorded as a spill by the organization.

Documentation

Potential information sources regarding spills of fuel, oils, and chemicals can be internal records within an existing environmental management system as well as official statements made to/by the relevant environmental regulatory agency.

References

None.



ASPECT: EMISSIONS, EFFLUENTS, AND WASTE

ADD EN24 **Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III, and VIII, and percentage of transported waste shipped internationally**

[Standard Disclosure]

Compilation

Report the total weight for each of the following:

- Hazardous waste transported;
- Hazardous waste imported; and
- Hazardous waste exported.

Report on the total weight of hazardous waste treated.

Report the percentage of hazardous waste shipped internationally.

[Guidance]

Relevance

Hazardous waste management is a key area of concern for many stakeholders. Improper transport of dangerous wastes, particularly to countries that lack the infrastructure and national regulations to handle such waste, can pose harm to both human health and the environment. In addition, poor management of hazardous waste creates liabilities associated with non-compliance with national and international regulations, as well as potential damage to reputation.

Methodology for data collection

Identify hazardous wastes transported by or on behalf of the organization within the reporting period by destination. This includes transport across operational boundaries and within operations.

Using this Information, calculate the total weight of transported hazardous waste using the following equation:

$$\begin{aligned} &\text{Total weight of hazardous waste transported by destination} \\ &= \\ &\text{Weight of hazardous waste imported} \\ &+ \\ &\text{Weight of hazardous waste exported} \\ &+ \\ &\text{Weight of hazardous waste transferred} \end{aligned}$$

The total weight information for total waste imported and exported can be derived from the above calculation. Convert volumes to weight with a brief explanation of the methodology used.

Identify the proportion of the total weight of waste transported that is treated either by the organization or by third parties.



Identify the total weight of imported and exported hazardous waste that crosses international borders. Waste transported between different locations of the organization is not counted as imported or exported. This is expressed as a percentage of total hazardous waste transported.

Definitions

IMPORTED HAZARDOUS WASTE

Hazardous waste that enters the operational boundary of the organizations from external sources/suppliers not owned by the organization.

EXPORTED HAZARDOUS WASTE

Hazardous waste that leaves the operational boundary of the organization to external sources/suppliers not owned by the organization.

TRANSFERS OF HAZARDOUS WASTE

Hazardous waste that is moved between different locations owned, leased, or managed by the organization, including inter-company transfer between local, national and international locations of operations.

Documentation

Potential information sources include billing data from logistic or disposal contractors, accounting systems, as well as the procurement or supply management department. Some countries require documentation to accompany hazardous waste shipments that would supply all relevant data for this Indicator.

References

- Ban Amendment to the Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and their Disposal, 1989.



ASPECT: EMISSIONS, EFFLUENTS, AND WASTE

ADD EN25 Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the organization's discharges of water and runoff

[Standard Disclosure]

Compilation

Report water bodies and related habitats that are significantly affected by water discharges based on the criteria above, adding information on:

- Size of water body and related habitat;
- Whether the water body and related habitat is designated as a protected area (nationally and/or internationally); and
- Biodiversity value (e.g., number of protected species).

[Guidance]

Relevance

This Indicator is a qualitative counterpart to quantitative Indicators of water discharge that helps to describe the impact of these discharges. Discharges and runoff affecting aquatic habitats can have a significant impact on the availability of water resources. Identifying water bodies affected by discharges provides an opportunity to identify activities in regions of significant concern, or areas where the organization may face specific risks due to community concerns, limited water resources, etc.

Methodology for data collection

Identify water bodies significantly affected by the organization's water discharges that meet one of more of the following criteria:

- Discharges account for an average of 5% or more of the annual average volume of the water body;
- Discharges that, on the advice of appropriate professionals (e.g., municipal authorities), are known to have or are highly likely to have significant impacts on the water body and associated habitats;
- Discharges to water bodies that are recognized by professionals to be particularly sensitive due to their relative size, function, or status as a rare, threatened, or endangered system (or support a particular endangered species of plant or animal); or
- Any discharge to a Ramsar-listed wetland or any other nationally or internationally proclaimed conservation area regardless of the rate of discharge.
- The water source has been identified as having high biodiversity value (e.g. species diversity and endemism, number of protected species); and/or
- The water source has been identified as having a high value/importance to local communities.



Definitions

None.

Documentation

Information on the status of a water source or protected area can be obtained from local or national water-related ministries or government departments, or through research initiated by the organization or other institutions, such as environmental impact studies.

References

- IUCN Red List of Threatened Species.
- Ramsar Convention on Wetlands.



ASPECT: PRODUCTS AND SERVICES

CORE EN26 ~~Initiatives to mitigate environmental impacts of products and services, and e~~ Extent of impact mitigation

[Standard Disclosure]

Compilation

Report initiatives in the reporting period to mitigate the most significant environmental impacts of products/service groups in relation to:

- ~~Materials use (e.g., use of non-renewable, energy intensive, toxic materials);~~
- ~~Water use (e.g., volumes used during production and/or use);~~
- ~~Emissions (e.g., GHG, toxic, ozone-depleting emissions);~~
- ~~Effluents (e.g., quality of water used during production and/or use);~~
- ~~Noise; and~~
- ~~Waste (e.g., non-reclaimable, toxic materials/compounds).~~

Report quantitatively the extent to which environmental impacts of products and services have been mitigated during the reporting period. If use-oriented figures are employed, clearly indicate the underlying assumptions regarding consumption patterns or normalization factors.

[Guidance]

Relevance

For some sectors, the impacts of products and services during their use phase (e.g., water consumption of a washing machine) and at the end of their useful life can be equal to or greater in significance than the production phase. The significance of such impacts is determined by both customer behavior and general product/service design. Organizations are expected to take more proactive approaches to assessing and improving the environmental impacts of their products and services.

This measure assesses the actions the organization has taken to reduce the negative environmental impacts and enhance the positive impacts of its product and service design and delivery. Design for environment can help identify new business opportunities, differentiate products and services, and stimulate innovation in technology. Integrating environmental considerations into product and service design can also decrease the risk of incompatibility with future environmental legislation, as well as enhance reputation.

Methodology for data collection

In this Indicator, the following impacts are excluded since they are covered in other Environmental Indicators:

- Reclaiming of products and product packaging (EN27); and
- Impacts on biodiversity (EN12).

Identify the specific initiatives undertaken in the reporting period to mitigate the most significant environmental impacts of products/service groups in relation to:



- Materials use (e.g., use of non-renewable, energy-intensive, toxic materials);
- Water use (e.g., volumes used during production and/or use);
- Emissions (e.g., GHG, toxic, ozone-depleting emissions);
- Effluents (e.g., quality of water used during production and/or use);
- Noise; and
- Waste (e.g., non-reclaimable, toxic materials/compounds).

Identify the extent to which environmental impacts of products and services have been mitigated during the reporting period.

Use-oriented figures are, for instance, water use of washing machine. Consumption patterns or normalization factors are for instance 10% less water use per 5 kg of laundry.

Definitions

None.

Documentation

Information can be drawn from product Lifecycle Assessments (LCA) or documents related to product design, development, and testing.

References

None.



ASPECT: PRODUCTS AND SERVICES

CORE EN27 Percentage of products sold and their packaging materials that are reclaimed by category

[Standard Disclosure]

Compilation

Report the percentage of reclaimed products and their packaging materials for each product category.

Report how the data for this indicator has been collected.

[Guidance]

Relevance

The disposal of products and packaging materials at the end of a use phase is a steadily growing environmental challenge. Establishing effective recycling and reuse systems to close product cycles can contribute significantly to increased material and resource efficiency. It also mitigates problems and costs related to disposal.

This Indicator provides insight into the extent to which the organization's products, components, or materials are collected and successfully converted into useful materials for new production processes. It also provides insight into the degree to which the organization has designed products and packages capable of being recycled or reused. This measure can be a particular source of competitive differentiation in sectors facing formal requirements to recycle products and their packaging materials.

Methodology for data collection

Identify the amount of products and their packaging materials reclaimed (i.e., recycled or reused) at the end of their useful life within the reporting period. Rejects and recalls of products are not to be counted.

To calculate the percentage of reclaimed products of each product category, use the following formula:

$$\% \text{ of reclaimed products} = \frac{\text{products and their packaging materials reclaimed within the reporting period}}{\text{products sold within the reporting period}} \times 100$$

Definitions

RECLAIMED

Refers to collecting, reusing, or recycling products and their packaging materials at the end of their useful life. Collection and treatment can be carried out by the manufacturer of the product or by a contractor. This refers to products and their packaging materials that are:

- Collected by or on behalf of the organization Ramsar Convention on Wetlands;
- Separated into raw materials (e.g., steel, glass, paper, some kinds of plastic, etc.) or components; and
- Used by the organization or other users.



Product category

A group of related products sharing a common, managed set of features that satisfy the specific needs of a selected market.

Documentation

Data is gathered from an internal collection system or data is provided by external collection systems reclaiming products on behalf of the organization.

References

None.



ASPECT: COMPLIANCE

CORE EN28 Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations

[Standard Disclosure]

Compilation

Report significant fines and non-monetary sanctions in terms of:

- Total monetary value of significant fines;
- Number of non-monetary sanctions; and
- Cases brought through dispute resolution mechanisms.

Where organizations have not identified any non-compliance with laws or regulations, a brief statement to this fact is sufficient.

[Guidance]

Relevance

The level of non-compliance within the organization helps indicate the ability of management to ensure that operations conform to certain performance parameters. From an economic perspective, ensuring compliance helps to reduce financial risks that occur either directly through fines or indirectly through impacts on reputation. In some circumstances, non-compliance can lead to clean-up obligations or other costly environmental liabilities. The strength of the organization's compliance record can also affect its ability to expand operations or gain permits.

Methodology for data collection

Identify administrative or judicial sanctions for failure to comply with environmental laws and regulations, including:

- International declarations/conventions/treaties, and national, sub-national, regional, and local regulations. Include non-compliances related to spills as disclosed under EN23 that meet the criteria for EN28;
- Voluntary environmental agreements with regulating authorities that are considered binding and developed as a substitute for implementing new regulations. In certain jurisdictions, such agreements are referred to as 'covenants'; and
- Cases brought against the organization through the use of international dispute mechanisms or national dispute mechanisms supervised by government authorities.

Definitions

ENVIRONMENTAL LAWS AND REGULATIONS

Refers to regulations related to all types of environmental issues (i.e., emissions, effluents, and waste, as well as material use, energy, water, and biodiversity) applicable to the organization. This includes binding voluntary agreements that are made with regulatory authorities and developed as a substitute for



implementing a new regulation. Voluntary agreements can be applicable if the organization directly joins the agreement or if public agencies make the agreement applicable to organizations in their territory through legislation or regulation.

Documentation

Data sources include audit results, regulatory tracking systems operated by the legal department, or environmental management systems. Information regarding the aggregate value of monetary fines can be found in accounting departments.

References

None.



ASPECT: TRANSPORT

ADD EN29 Significant environmental impacts of transporting products and other goods and materials for the organization's operations, and transporting members of the workforce

[Standard Disclosure]

Compilation

Report the significant environmental impacts of transportation used for logistical purposes and for transportation of members of the organization's workforce. Where quantitative data is not stated in the report, disclose the reason.

Report how the environmental impacts of transporting products, members of the organization's workforce, and other goods and materials are mitigated.

Report the criteria and methodology used to determine which environmental impacts are significant.

[Guidance]

Relevance

The environmental impacts of transportation systems have a wide reach, from global warming to local smog and noise. For some organizations, particularly those with extensive supply and distribution networks, environmental impacts associated with logistics can represent a major part of their environmental footprint. Assessing the impacts of transporting products, goods, and materials for logistical purposes, and transporting members of the organization's workforce, is part of a comprehensive approach to planning environmental management strategies.

Methodology for data collection

Identify the significant environmental impacts of the modes of transportation used by the organization. The analysis includes, but is not limited to:

- Energy use (e.g., oil, kerosene, fuel, electricity);
- Emissions (e.g., greenhouse gas emissions, ozone-depleting substances, NO_x, SO_x, and other air emissions);
- Effluents (e.g., different kinds of chemicals);
- Waste (e.g., different types of packaging material);
- Noise; and
- Spills (e.g., spills of chemicals, oils, and fuels).

Identify how the impacts of transporting products, members of the workforce and other goods and materials have been mitigated.

Definitions

TRANSPORTATION

The act of transferring resources and goods from one location to another (between suppliers, production



plants, warehouses, and the customer), using different modes of transport, including passenger transportation (e.g., employee commuting and business traveling).

LOGISTICAL PURPOSES

The forward or reverse flow and storage of goods and services between the point of origin and the point of consumption.

TRANSPORTATION OF THE MEMBERS OF THE ORGANIZATION'S WORKFORCE

Transportation used for commuting to work by members of the workforce or travel for business purposes including air, train, bus, and other forms of motorized and non-motorized travel.

Documentation

Potential sources of data include invoices from logistical service providers and suppliers, reports from the logistics department, records of vehicle usage and maintenance, and monitoring /measurement conducted by, for example, the environment department.

References

- United Nations Recommendations on Transport of Dangerous Goods.



ASPECT: OVERALL

ADD EN30 Total environmental protection expenditures and investments by type

[Standard Disclosure]

Compilation

Report total environmental protection expenditures broken down by:

- Waste disposal, emissions treatment, and remediation costs; and
- Prevention and environmental management costs.

[Guidance]

Relevance

Measuring environmental mitigation and protection expenditures allows organizations to assess the efficiency of their environmental initiatives. It also provides valuable input for internal cost-benefit analyses. Data on environmental performance measured against environmental mitigation and protection expenditures offers insights into how effectively the organization uses resources to improve performance. When tracked and analyzed in a comprehensive fashion over time, this expenditures data allows the organization to judge the value of complex organizational or technological investments for improving environmental performance.

It is possible to establish a full environmental management accounting system within an organization that tracks multiple categories of information. This Indicator focuses on waste disposal, emissions treatment, remediation costs, as well as prevention and environmental management costs.

Methodology for data collection

The compilation of the expenditures in this Indicator excludes the following categories as defined in the IFAC 'International Guidance Document on Environmental Management Accounting' document:

- Costs of non-product output; and
- Fines for non-compliance with environmental regulation (see EN28).

Identify waste disposal, emissions treatment, and remediation costs based on expenditures which include but are not limited to the following items:

- Treatment and disposal of waste;
- Treatment of emissions (e.g., expenditures for filters, agents);
- Expenditures for the purchase and use of emissions certificates;
- Expenditure on equipment, maintenance, and operating materials and services, and related personnel costs;
- Insurance for environmental liability; and
- Clean-up costs, including costs for remediation of spills as reported in EN23.

Identify prevention and environmental management costs based on expenditures which include but are not limited to the following items:



- Environmental education and training;
- External services for environmental management;
- External certification of management systems;
- External certification of management systems;
- Research and development;
- Extra expenditures to install cleaner technologies (e.g., additional cost beyond standard technologies);
- Extra expenditures on green purchases; and
- Other environmental management costs.

Definitions

ENVIRONMENTAL PROTECTION EXPENDITURES

All expenditures on environmental protection by the reporting organization, or on its behalf, to prevent, reduce, control, and document environmental aspects, impacts, and hazards. It also includes disposal, treatment, sanitation, and clean-up expenditure.

Documentation

Potential information sources include billing and accounting systems (e.g., Environmental Management Accounting) as well as procurement, human resource, and legal departments.

References

- IFAC- The International Federation of Accountants (2005) 'International Guidance Document on Environmental Management Accounting'.
- UNDSD - United Nations Division for Sustainable Development (2003): Environmental Management Accounting Procedures and Principles (EMARIC Environmental Management Accounting Research and Information Center, 2003).

1399



1400 **ASPECT: SCREENING AND ASSESSMENT**

1401 **CORE G4 5 Percentage of new suppliers and other business partners screened**
 1402 **for environmental performance, and actions taken**

1403 **[Standard Disclosure]**

1404 **Compilation**

1405
 1406 Report the percentage of new suppliers and other business partners screened for environmental
 1407 performance, broken down by the location of the supplier and other business partner.

1408 Break down the following four disclosures by:

- 1409 • The location of the supplier and other business partner
- 1410 • The nature of the issue
- 1411 • The location of the issue (if different to the location of the supplier and other business partner)

1412 Report issues identified through screening.

1413 Report the percentage of new suppliers and other business partners where performance expectations
 1414 were set as a result of screening.

1415 Report the percentage of new suppliers and other business partners that were not selected or
 1416 contracted as a result of screening.

1417 Report other actions taken to address the issues identified.

1418 **[Guidance]**

1419 **Relevance**

1420 This Indicator helps quantify the regularity of an organization’s risk management processes for the
 1421 environmental performance of new suppliers and other business partners.

1422 Processes to screen new suppliers and other business partners for environmental performance can help
 1423 organizations to identify actual and potential positive and negative impacts. This enables organizations
 1424 to respond to, and contribute to improvements in, suppliers’ and other business partners’ environmental
 1425 performance.

1426 **Methodology for data collection**

1427 Identify the total number of new suppliers and other business partners that the organization considered
 1428 selecting or contracting, broken down by the location of the supplier and other business partner.

1429 Identify the number of new suppliers and other business partners that were screened for environmental
 1430 performance, broken down by the location of the supplier and other business partner.

1431 Screening for environmental performance may cover, but is not limited to, the Aspects under the
 1432 Environmental Category.



1433 Identify issues revealed through screening and actions taken to address these issues. Actions may
1434 include, but are not limited to, setting performance expectations or not selecting or contracting suppliers
1435 and other business partners.

1436 **Definitions**

1437 **SCREENING**

1438 A formal or documented process that applies a set of performance criteria as one of the factors in
1439 determining whether to proceed with a relationship with a supplier or other business partner.

1440 **SUPPLIER**

1441 See the Glossary for the definition of supplier.

1442 **Documentation**

1443 Potential sources of information include the organization’s procurement, purchasing and legal
1444 departments.

1445 **References**

1446 None.

1447



1448 **ASPECT: SCREENING AND ASSESSMENT**

1449 **CORE G4 6 Percentage of existing suppliers and other business partners**
 1450 **identified as having actual and potential adverse impacts on the**
 1451 **environment assessed on environmental performance, and actions**
 1452 **taken**

1453 **[Standard Disclosure]**

1454 **Compilation**

1455 Report the number of existing suppliers and other business partners identified as having actual and
 1456 potential adverse impacts on the environment, broken down by the location of the supplier and other
 1457 business partner.

1458 Report the percentage of total existing suppliers and other business partners identified as having actual
 1459 and potential adverse impacts on the environment, broken down by the location of the supplier and
 1460 other business partner.

1461 For suppliers and other business partners identified as having actual and potential adverse
 1462 environmental impacts: report the percentage of contracts that included clauses setting expectations on
 1463 environmental performance, broken down by the location of the supplier and other business partner.

1464 Report the percentage of existing suppliers and other business partners identified as having actual and
 1465 potential adverse impacts on the environment that were assessed on environmental performance,
 1466 broken down by the location of the supplier and other business partner.

1467 Break down the following four disclosures by:

- 1468 • The location of the supplier and other business partner
- 1469 • The nature of the issue
- 1470 • The location of the issue (if different to the location of the supplier and other business partner)

1471 Report issues identified through assessment.

1472 Report the percentage of contracts with suppliers and other business partners identified as having actual
 1473 and potential adverse impacts on the environment where improvements were agreed upon and
 1474 achieved as a result of assessment.

1475 Report the percentage of contracts with suppliers and other business partners identified as having actual
 1476 and potential adverse impacts on the environment that were terminated as a result of assessment.

1477 Report other actions taken to address the issues identified.

1478 **[Guidance]**

1479 **Relevance**

1480 This Indicator helps quantify the regularity of an organization's risk and impact management processes
 1481 for the environmental performance of suppliers and other business partners.



1482 Processes to assess existing suppliers and other business partners on environmental performance can
1483 help organizations to identify actual and potential positive and negative impacts. This enables
1484 organizations to respond to, and contribute to improvements in, suppliers' and other business partners'
1485 environmental performance.

1486 **Methodology for data collection**

1487 Identify the total number of suppliers and other business partners that were active during the reporting
1488 period, broken down by the location of the supplier and other business partner. Active suppliers are
1489 those from which materials, products and services were purchased during the reporting period.

1490 Identify the number of suppliers and other business partners identified as having actual and potential
1491 adverse impacts on the environment, broken down by the location of the supplier and other business
1492 partner.

1493 Identify the number of suppliers and other business partners identified as having actual and potential
1494 adverse impacts on the environment that were assessed on environmental performance, broken down
1495 by the location of the supplier and other business partner.

1496 Assessment of environmental performance may cover, but is not limited to, the Aspects under the
1497 Environmental Category.

1498 Assessments must be made against agreed performance expectations which were set and
1499 communicated prior to the assessment.

1500 Assessments may include audits, contractual reviews, two-way engagement, and grievance and
1501 complaint mechanisms.

1502 Identify issues revealed through assessment and actions taken to address these issues. Actions may
1503 include, but are not limited to improvements or terminating the contract with the supplier or other
1504 business partner.

1505 Improvements may include the adjustment of performance expectations, capacity building, training, and
1506 changes to processes.

1507 **Definitions**

1508 **CLAUSE**

1509 For the purpose of this Indicator, a specific term in a written agreement that defines minimum
1510 performance expectations as a requirement for maintaining a relationship with a supplier or other
1511 business partner.

1512 **SUPPLIER**

1513 See the Glossary for the definition of supplier.

1514 **Documentation**

1515 Potential sources of information include procurement, purchasing and legal departments.

1516 **References**

1517 None.

1518



1519 **ASPECT: REMEDIATION**

1520 **CORE G4 7 Number of grievances about environmental impacts filed,**
1521 **addressed, and resolved through formal grievance mechanisms**

1522 **[Standard Disclosure]**

1523 **Compilation**

1524 Report the total number of grievances about environmental impacts filed through formal organizational
1525 grievance mechanisms, broken down by the nature and location of the grievance.

1526 Report which of the following parties filed each grievance:

- 1527 • Internal stakeholders
- 1528 • External stakeholders, including suppliers
- 1529 • Individuals or groups of people identified by:
 - 1530 • Membership of underrepresented social groups
 - 1531 • Other indicators of diversity, if applicable

1532 Of the identified grievances, report how many were:

- 1533 • Addressed during the reporting period
- 1534 • Resolved during the reporting period
- 1535 • Filed prior to the reporting period but resolved during the reporting period

1536 Break down the above disclosure by the nature and location of the grievance, and the party that filed the
1537 grievance.

1538 **[Guidance]**

1539 **Relevance**

1540 Disputes may occur over the environmental impacts of an organization’s operations, decisions and
1541 relationships with others, and the operations, decisions and relationships of its suppliers. Effective
1542 grievance mechanisms play an important role in remediating environmental impacts.

1543 **Methodology for data collection**

1544 Identify existing formal organizational grievance mechanisms.

1545 Identify the total number of grievances about environmental impacts filed through formal organizational
1546 grievance mechanisms.

1547 Identify the total number of grievances addressed or resolved during the reporting period from both
1548 current year and prior year grievance filings, broken down by the nature and location of the grievance,
1549 and the party that filed the grievance.



1550 **Definitions**

1551 **GRIEVANCE MECHANISMS**

1552 Systems consisting of specified procedures, roles and rules for methodically addressing complaints as
1553 well as resolving disputes. Grievance mechanisms are expected to be legitimate, accessible, predictable,
1554 equitable, rights-compatible, clear and transparent and based on dialogue and mediation.

1555 **SUPPLIER**

1556 See the Glossary for the definition of supplier.

1557 **Documentation**

1558 Potential sources of information include the organization’s legal, compliance, procurement or
1559 purchasing, and human resources departments.

1560 **References**

1561 None.

Labor Practices and Decent Work Indicators

ASPECT: EMPLOYMENT

CORE LA1 Total workforce by employment type, employment contract, and region, broken down by gender

[Standard Disclosure]

Compilation

Report the total number of employees broken down by employment contract and gender.

Report the total number of permanent employees broken down by employment type and gender.

Report the total workforce broken down by employees and supervised workers, and by gender.

Report the total workforce broken down by region and gender.

Report if a substantial portion of the organization's work is performed by workers who are legally recognized as self-employed, or by individuals other than employees or supervised workers.

If applicable, explain any significant variations in employment numbers (e.g., in the tourism or agricultural industries).

[Guidance]

Relevance

The size of a workforce provides insight into the scale of impacts created by labor issues. Breaking down the workforce by employment type, employment contract, and region (region refers to 'country' or 'geographical area') demonstrates how the organization structures its human resources to implement its overall strategy. It also provides insight into the organization's business model, and offers an indication of job stability and the level of benefits the organization offers. Breaking down this data by gender enables an understanding of gender representation across an organization, and of the optimal use of available labor and talent. As a basis for calculations in several other Indicators, the size of the workforce is a standard normalizing factor for many integrated Indicators. A rise or fall in net employment, evidenced by data reported over the course of three or more years, is an important element of the organization's contribution to the overall economic development and sustainability of the workforce.¹

Methodology for data collection

Identify the total workforce (employees and supervised workers) broken down by gender working for the organization at the end of the reporting period. Supply chain workers are not included in this Indicator.

Identify the contract type and full-time and part-time status of employees based on the definitions under the national laws of the country where they are based.

Combine country statistics to calculate global statistics and disregard differences in legal definitions. Although the definitions of what constitutes types of contract and a full-time or part-time employment relationship may vary between countries, the global figure will still reflect the relationships under law.



Employee numbers may be expressed as head count or Full Time Equivalent (FTE). The approach is disclosed and applied consistently in the period and between periods.

Unless there has been a material change in the reporting period, numbers as at the end of the reporting period are used.

The appropriate boundary for this indicator is that used for the preparation of consolidated financial statements where the reporter operates as a group of companies.

The regional breakdown of headcount is consistent with that used for reporting segmented financial data.

Definitions

EMPLOYMENT TYPES

Full time: A 'full-time employee' is defined according to national legislation and practice regarding working time (e.g., national legislation defines that 'full-time' means a minimum of nine months per year and a minimum of 30 hours per week).

Part-time: A 'part-time employee' is an employee whose working hours per week, month, or year are less than 'full time' as defined above.

EMPLOYMENT CONTRACT

An employment contract as recognized under national law or practice that may be written, verbal, or implicit (i.e., when all the characteristics of employment are present but without a written or witnessed verbal contract).

Indefinite or Permanent Contract:

A permanent contract of employment is a contract with an employee for full-time or part-time work for an indeterminate period.

Fixed Term or Temporary Contract:

A fixed term contract is a contract of employment as defined above that ends when a specific time period expires, or when a specific task that has a time estimate attached is completed.

A temporary contract of employment is of limited duration and terminated by a specific event, including the end of a project or work phase, return of replaced personnel, etc.

Documentation

Payroll and Human Resources information available at the national or site level should provide data for this Indicator.

References

- ILO: International Classification of Status in Employment.
- ILO: Key Indicators of the Labour Market.
- ILO: LABORSTA Internet Indicators.
- United Nations: World Macro Regions and Components.

¹ See GRI Guidelines on expectations regarding reporting of multiple years' data.



ASPECT: EMPLOYMENT

CORE LA2 Total number and rate of new employee hires and employee turnover by age group, gender, and region

[Standard Disclosure]

Compilation

Report the total number and rate of new employee hires entering and employees leaving employment during the reporting period, broken down by age group (e.g., <30, 30-50, >50), gender and region.

[Guidance]

Relevance

A high turnover rate can indicate levels of uncertainty and dissatisfaction among employees, or may signal a fundamental change in the structure of the organization's core operations. An uneven pattern of turnover by age or gender can indicate incompatibility or potential inequity in the workplace. Turnover results in changes to the human and intellectual capital of the organization and can impact productivity. Turnover has direct cost implications either in terms of reduced payroll or greater expenses for recruitment of workers.

The number, age, gender, and region of new employee hires of the organization can indicate the organization's strategy and ability to attract diverse qualified employees. This information can signify the organization's efforts to implement inclusive recruitment practices based on age and gender, and the optimal use of available labor and talent in different regions.

Methodology for data collection

Identify the total number of new employee hires during the reporting period, broken down by age group, gender and region.

Identify the total number of new employee hires leaving employment during the reporting period, broken down by age group, gender and region.

Employment net creation can be estimated using the data reported under Indicator LA1.

Rates are calculated using the total employee numbers at the end of the reporting period.

Definitions

EMPLOYMENT TURNOVER

Number of employees who leave the organization voluntarily or due to dismissal, retirement, or death in service.

NEW EMPLOYEE HIRES

New employees joining the organization for the first time.



Documentation

Potential sources of information include payroll information available at the national or site level. Operational plans and restatements of the organization's key strategic targets may provide explanations for large variations in this figure.

References

None.



ASPECT: EMPLOYMENT

ADD LA3 Benefits provided to full-time employees that are not provided to temporary or part-time employees, by significant locations of operation

[Standard Disclosure]

Compilation

Report the benefits which are standard for full-time employees of the organization but are not provided to temporary or part-time employees, broken down by significant locations of operation. These include but are not limited to:

- Life insurance;
- Health care;
- Disability/invalidity coverage;
- Parental leave;
- Retirement provision;
- Stock ownership; and
- Others.

[Guidance]

Relevance

Data reported under this Indicator provides a measure of the organization's investment in human resources and the minimum benefits it offers its full time employees. The quality of benefits for full-time staff is a key factor in retaining employees.

Methodology for data collection

Identify standard benefits offered to full-time employees, broken down by significant locations of operation.

Identify and disclose which of these standard benefits are not available to temporary or part-time employees, broken down by significant locations of operation.

Definitions

BENEFITS

This refers to either direct benefit provided in the form of financial contributions, care paid for by the organization, or the reimbursement of expenses borne by the employee. Redundancy payments over and above legal minimums, lay-off pay, extra employment injury benefit, survivors' benefits, and extra paid holiday entitlements could also be included under this Indicator. In-kind benefits such as provision of sports or child day care facilities, free meals during working time, and similar general employee welfare programs are excluded from this Indicator.



STANDARD BENEFITS

Standard benefits refer to those typically offered to at least the majority of full-time employees. This should not be interpreted as being offered to every single full-time employee of the organization. The intention of the Indicator is to disclose what full-time employees can reasonably expect.

Documentation

Potential sources of information include local or central collective agreements, which may provide examples of benefits paid beyond legal minimums. Other reference tools may include benefits summaries, employee orientation/commencement materials, and employee contracts.

References

- ILO Convention 102, 'Social Security (Minimum Standards) Convention', 1952.
- ILO Convention 121, 'Employment Injury Benefits Convention', 1964.
- ILO Convention 128, 'Invalidity, Old-Age and Survivors' Benefits Convention', 1967.
- ILO Convention 130, 'Medical Care and Sickness Benefits Convention', 1969.
- ILO Convention 132, 'Holidays with Pay Convention (Revised)' 1970.
- ILO Convention 140, 'Paid Educational Leave Convention', 1974.
- ILO Convention 156, 'Workers with Family Responsibilities Convention', 1981.
- ILO Convention 157, 'Maintenance of Social Security Rights', 1982.
- ILO Convention 168, 'Employment Promotion and Protection against Unemployment Convention', 1988.
- ILO Convention 183, 'Maternity Protection Convention', 2000.
- OECD Guidelines for Multinational Enterprises, Revision 2000.



ASPECT: EMPLOYMENT

CORE LA15 Return to work and retention rates after parental leave, by gender

[Standard Disclosure]

Compilation

Report the number of employees by gender that were entitled to parental leave.

Report the number of employees by gender that took parental leave.

Report the number of employees who returned to work after parental leave ended, by gender.

Report the number of employees who returned to work after parental leave ended who were still employed twelve months after their return to work, by gender.

Report the return to work and retention rates of employees who took parental leave, by gender.

[Guidance]

Relevance

Many countries have introduced legislation to provide a specific length of parental leave. However, the application of legislation will vary according to interpretation by government, employers and employees.

The aim of the legislation is to allow employees to take leave and return to work to the same or a comparable position. However, many women are discouraged from taking leave and returning to work by employer practices that affect their employment security, remuneration and career path. Many men are not encouraged to take the leave to which they are entitled.

Equitable gender choice for maternity and paternity leave, and other leave entitlements, can lead to the greater recruitment and retention of qualified staff, and boost employee morale and productivity. Men's uptake of paternity leave options can indicate the degree to which an organization encourages fathers to take such leave. More men taking advantage of leave entitlements has a positive effect for women in taking such leave without prejudicing their career path.

Methodology for data collection

Identify from HR records the proportion of employees, by gender, who are covered by organizational policies, agreements or contracts that contain parental leave entitlements.

Identify from HR records the number of employees, by gender:

- who took parental leave in the reporting period;
- who returned to work in the reporting period after the leave ended; and
- who after returning to work were still employed 12 months later.*

*to complete this part you would have to consult records from the prior reporting period(s).

Using the above information, calculate the following return to work and retention rates by gender.



Definitions

PARENTAL LEAVE

Leave granted to men and women workers on the grounds of the birth of a child.

Documentation

Potential sources of information include the human resources departments.

References

- ILO Convention 156, 'Workers with Family Responsibilities Convention', 1981
- ILO Convention 183, 'Maternity Protection Convention', 2000.



ASPECT: LABOR MANAGEMENT RELATIONS

CORE LA4 Percentage of employees covered by collective bargaining agreements

[Standard Disclosure]

Compilation

Report the percentage of total employees covered by collective bargaining agreements.

[Guidance]

Relevance

Freedom of association is a human right as defined by international declarations and conventions, particularly ILO Core Conventions 87 & 98. Collective bargaining is an important form of stakeholder engagement and particularly relevant for reporting guidelines. It is a form of stakeholder engagement that helps build institutional frameworks and is seen by many as contributing to a stable society. Together with corporate governance, collective bargaining is part of an overall framework that contributes to responsible management. It is an instrument used by parties to facilitate collaborative efforts to enhance the positive social impacts of an organization. The percentage of employees covered by collective bargaining agreements is the most direct way to demonstrate an organization's practices in relation to freedom of association.

Methodology for data collection

Use data from LA1 as the basis for calculating percentages for this Indicator.

Identify the total number of employees covered by collective bargaining agreements. Use this data to calculate the percentage.

Definitions

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.

Documentation

Records of formal recognition agreements and signed collective agreements with independent trade unions will normally be held by the human resources or personnel department of the organization.

References

- ILO Convention 87, 'Freedom of Association and Protection of the Right to Organise', 1948.
- ILO Convention 98, 'Right to Organise and Collective Bargaining', 1949.
- ILO Convention 135, 'Workers' Representatives Convention', 1971.



- ILO Convention 154, 'Collective Bargaining Convention', 1981 and Recommendations 91, 'Collective Agreements Recommendation' 1951, and 163, 'Collective Bargaining Recommendation', 1981.
- ILO Declaration on Fundamental Principles and Rights at Work, 86th Session, 1998, Article 2 (a).
- OECD Guidelines for Multinational Enterprises, Section IV, Paragraph 2 (a).



ASPECT: LABOR MANAGEMENT RELATIONS

CORE LA5 Minimum notice period(s) regarding operational changes, including whether it is specified in collective agreements

[Standard Disclosure]

Compilation

Report the minimum number of weeks' notice typically provided to employees and their elected representatives prior to the implementation of significant operational changes that could substantially affect them.

For organizations with collective bargaining agreements, report whether the notice period and/or provisions for consultation and negotiation are specified in collective agreements.

[Guidance]

Relevance

This Indicator provides insight into an organization's practice of ensuring timely discussion of significant operational changes, and engaging with its employees and their representatives to negotiate and implement these changes (which may have positive or negative implications for workers). Timely and effective consultation with workers and other relevant parties, where practicable (such as with governmental authorities), helps to minimize any adverse impacts from operating changes on workers and related communities.

Minimum notice period(s) are an indicator of an organization's ability to maintain employee satisfaction and motivation while implementing significant changes to operations. This Indicator also allows an assessment of an organization's consultation practices in relation to expectations expressed in relevant international norms. Consultative practices that result in good industrial relations can help provide positive working environments, reduce turnover, and minimize operational disruptions.

Methodology for data collection

Identify minimum notice periods existing in corporate policies and standard employment contracts. It should be noted that different policy statements may exist at a regional level.

Identify collective bargaining agreement as per LA4 and review the notice period clauses within these documents.

Definitions

SIGNIFICANT OPERATIONAL CHANGES

Alterations to the organization's pattern of operations that will have substantial positive or negative consequences for its employees. Such changes may include, for example, restructuring, outsourcing of operations, closures, expansions, new openings, takeovers, sale of all or part of the organization, or mergers.



Documentation

This information can be found in corporate policies, standard employment contracts and collective bargaining agreements held by the Human Resources, Corporate Governance or Legal departments.

References

- Declaration concerning the aims and purposes of the International Labour Organisation (Declaration of Philadelphia), 1944 - Annex to the ILO Constitution – Articles I (a) and III (e).
- ILO Convention 158, 'Termination of Employment Convention', 1982.
- ILO Tripartite Declaration of Principles Concerning Multinational Enterprises and Social Policy, 1997.
- ILO Recommendation 94, 'Co-operation at the Level of the Undertaking Recommendation', 1952.
- ILO Recommendation 135, 'Workers' Representatives' Convention', 1971.
- OECD Guidelines for Multinational Companies, Revision 2000, Article IV, (2) & (3).
- OECD Principles of Corporate Governance, 2004 (notably Article IV, C, D & E).



ASPECT: OCCUPATIONAL HEALTH AND SAFETY

ADD LA6 **Percentage of total workforce represented in formal joint management–worker health and safety committees that help monitor and advise on occupational health and safety programs**

[Standard Disclosure]

Compilation

Report the level at which each joint management-worker, health and safety committee typically operates within the organization.

Report the percentage of the total workforce represented in formal joint management-worker health and safety committees broken down into the following categories:

- None;
- Up to 25%;
- Between 25% and 50%;
- Between 50% and 75%; and
- Over 75%.

[Guidance]

Relevance

A health and safety committee with joint representation can facilitate a positive health and safety culture. The use of committees is one way to involve workers in driving the improvement of occupational health and safety in the workplace. This Indicator provides one measure of the extent to which the workforce is actively involved in health and safety.

Methodology for data collection

Identify formal health and safety committees that help monitor, collect feedback and advise on occupational safety programs. These committees may exist at the facility level and/or multi-facility, region, group or organization levels.

The total number of workers present on these committees is compared, as a percentage, with total workforce numbers.

Definitions

FORMAL COMMITTEE

‘Formal’ refers to committees whose existence and function are integrated in the organization’s organizational and authority structure, and that operate according to certain agreed, written rules.

Documentation

Potential sources of information include organizational procedures and minutes of occupational health & safety committee(s).



References

- ILO Convention 155, 'Occupational Safety and Health Convention' and Protocol 155, 1981.
- ILO Convention 161, 'Occupational Health Services Convention', 1985.



ASPECT: OCCUPATIONAL HEALTH AND SAFETY

CORE LA7 Rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities, by region and by gender

[Standard Disclosure]

Compilation

Report on the organization's health and safety performance during the reporting period. This information includes fatalities, rates of injury, occupational diseases, lost days and absentee rates, broken down by:

- Total workforce;
- Independent contractors;
- Geographic location; and
- Gender.

[Guidance]

Relevance

Health and safety performance is a key measure of an organization's duty of care. Low injury and absentee rates are generally linked to positive trends in staff morale and productivity. This Indicator shows whether health and safety management practices are resulting in fewer occupational health and safety incidents. An evaluation of trends and patterns may also indicate potential workplace inequity.

Methodology for data collection

RULES AND SYSTEMS

Identify the system of rules applied in recording and reporting accident statistics. The 'ILO Code of Practice on Recording and Notification of Occupational Accidents and Diseases' was developed for the reporting, recording, and notification of workplace accidents. Where national law follows the ILO recommendations, it is sufficient to state that fact and that practice follows the law. In situations where national law does not comply, indicate which system of rules it applies and their relationship to the ILO code.

Identify the system used to track and report on health and safety incidents and performance. Ensure that this system covers all significant operations and geographic locations. In some cases multiple systems may be used across an organization. The information in these systems will be used to calculate the statistics outlined below.

FATALITY

Identify the absolute number (not a rate) of fatalities that occurred during the reporting period. This information is to be reported for the following categories:

- Total workforce;
- Independent contractors;
- Geographic location; and



- Gender.

INJURY RATE

Identify the injury rate (IR) experienced during the reporting period. The following formula is used to calculate this rate.

$$IR = \frac{\text{Total \# of injuries}}{\text{Total hours worked}} \times 200,000^*$$

Note: The injury rate includes fatalities.

**Note: The factor 200,000 is derived from 50 working weeks @ 40 hours per 100 employees.*

By using this factor, the resulting rate is related to the number of employees, not the number of hours.

Since some organizations include minor (first-aid level) injuries in their data, indicate whether such injuries are included or excluded.

This information is reported for the following categories:

- Total workforce;
- Independent contractors;
- Geographic location; and
- Gender.

OCCUPATIONAL DISEASES RATE

Identify the occupational disease rate (ODR) experienced during the reporting period. The following formula is used to calculate this rate.

$$ODR = \frac{\text{Total \# of occupational diseases cases}}{\text{Total hours worked}} \times 200,000^*$$

This information is reported for the following categories:

- Total workforce;
- Independent contractors;
- Geographic location; and
- Gender.

LOST DAY RATE

Identify the lost day rate (LDR) experienced during the reporting period. The following formula is used to calculate this rate.

$$LDR = \frac{\text{Total \# of lost days}}{\text{Total hours worked}} \times 200,000^*$$

In calculating 'lost days' indicate:

- Whether 'days' means 'calendar days' or 'scheduled work days'; and
- At what point the 'lost days' count begins (e.g., the day after the accident or 3 days after the accident).



This information is reported for the following categories:

- Total workforce;
- Independent contractors;
- Geographic location; and
- Gender.

ABSENTEE RATE

Identify the absentee rate (AR) experienced during the reporting period. The following formula is used to calculate this rate.

$$AR = \frac{\text{Total \# of missed (absentee) days over the period}}{\text{Total \# of workforce days worked for same period}} \times 200,000^*$$

This information is reported for the following categories:

- Total workforce;
- Independent contractors;
- Geographic location; and
- Gender.

**Note: The factor 200,000 is derived from 50 working weeks @ 40 hours per 100 employees.*

By using this factor, the resulting rate is related to the number of employees, not the number of hours.

Definitions

INJURY

A non-fatal or fatal injury arising out of or in the course of work.

INJURY RATE

The frequency of injuries relative to the total time worked by the total workforce in the reporting period.

OCCUPATIONAL DISEASE

A disease arising from the work situation or activity (e.g., stress or regular exposure to harmful chemicals), or from a work-related injury.

OCCUPATIONAL DISEASE RATE

The frequency of occupational diseases relative to the total time worked by the total workforce in the reporting period.

LOST DAY

Time ('days') that could not be worked (and is thus 'lost') as a consequence of a worker or workers being unable to perform their usual work because of an occupational accident or disease. A return to limited duty or alternative work for the same organization does not count as lost days.



LOST DAY RATE

The impact of occupational accidents and diseases as reflected in time off work by the affected workers. It is expressed by comparing the total lost days to the total number of hours scheduled to be worked by the workforce in the reporting period.

ABSENTEE

An employee absent from work because of incapacity of any kind, not just as the result of work-related injury or disease. Permitted leave absences such as holidays, study, maternity/paternity, and compassionate leave are excluded.

ABSENTEE RATE

Refers to a measure of actual absentee days lost as defined above, expressed as a percentage of total days scheduled to be worked by the workforce for the same period.

FATALITY

The death of a worker occurring in the current reporting period, arising from an occupational injury or disease sustained or contracted while in the organization's employ.

Documentation

Employee records, employee contracts, attendance records, and accident records will provide relevant data for this Indicator.

References

- ILO Convention 155, 'Occupational Health & Safety Convention' and Protocol 155, 1981.
- ILO Code of Practice on Recording and Notification of Occupational Accidents and Diseases, 1995.
- ILO Guidelines on Occupational Safety and Health Management Systems, 2001.



ASPECT: OCCUPATIONAL HEALTH AND SAFETY

CORE LA8 Education, training, counseling, prevention, and risk control programs in place to assist workforce members, their families, or community members regarding serious diseases

[Standard Disclosure]

Compilation

Report the programs related to assisting workforce members, their families, or community members regarding serious diseases using the table below:

Assistance Programs								
	Education/ Training		Counseling		Prevention/ Risk Control		Treatment	
	Yes	No	Yes	No	Yes	No	Yes	No
Program recipients								
Workers								
Workers' families								
Community members								

Report whether there are workers who are involved in occupational activities who have a high incidence or high risk of specific diseases.

[Guidance]

Relevance

As part of a preventative strategy for managing the health and safety of its workforce, this Indicator is relevant for all organizations. It has specific relevance for organizations working in countries with a high risk or incidence of communicable diseases, and those in professions that have a high incidence of specific diseases. The Indicator helps demonstrate the extent to which such issues have been addressed in organizational programs and the degree to which best practices are applied. Preventing serious diseases contributes to the health, satisfaction, and stability of the workforce, and helps maintain the organization's social license to operate in a community or region.

Methodology for data collection

RISK CONTROL

Practices that seek to limit exposure and transmission of diseases.



SERIOUS DISEASES

Occupational or non-occupational related impairment of health with serious consequences for employees, their families, and communities. This may include but is not limited to HIV/AIDS, diabetes, RSI, malaria and stress.

Documentation

Potential sources of information include organizational policies and operating procedures, minutes of internal occupational health committee(s), and human resource and health center records.

References

- GRI Cross-Reference: Reporting Guidance on HIV/AIDS: A GRI Resource Document. LA8 is a standard Indicator relevant for HIV/AIDS. Organizations operating in areas with high prevalence should consider expanding their reporting on this issue and can view the GRI Resource Document for examples.



ASPECT: OCCUPATIONAL HEALTH AND SAFETY

ADD LA9 Health and safety topics covered in formal agreements with trade unions

[Standard Disclosure]

Compilation

Report whether formal agreements (either local or global) with trade unions cover health and safety.

If yes, report the extent, as a percentage, to which various health and safety topics are covered by these agreements.

[Guidance]

Relevance

This Indicator demonstrates one of the ways in which the health and safety of the workforce is ensured. Formal agreements can promote the acceptance of responsibilities by both parties and the development of a positive health and safety culture. This Indicator reveals the extent to which the workforce is actively involved in formal, labor-management agreements that determine health and safety management arrangements.

Methodology for data collection

Identify whether the organization had local or global agreements in place with Trade Unions during the reporting period.

Identify the extent and coverage of health and safety topics within these agreements.

Agreements at the local level typically address topics that may include but are not limited to:

- Personal protective equipment;
- Joint management-employee health and safety committees;
- Participation of worker representatives in health and safety inspections, audits, and accident investigations;
- Training and education;
- Complaints mechanism;
- Right to refuse unsafe work; and
- Periodic inspections.

Agreements at the global level typically address topics that may include but are not limited to:

- Compliance with the ILO;
- Arrangements or structures for resolving problems; and
- Commitments regarding target performance standards or level of practice to apply.

Using this information, calculate the percentage difference between those agreements that contain this information versus those that do not.



Definitions

FORMAL AGREEMENTS

Written documents signed by both parties declaring a mutual intention to abide by what is contained in the documents. These can include, for example, local collective bargaining agreements as well as national and international framework agreements.

Documentation

Potential sources of information include collective agreements with trade unions.

References

- ILO Convention 155, 'Occupational Safety and Health Convention' and its Protocol 155, 1981.



ASPECT: TRAINING AND EDUCATION

CORE LA10 Average hours of training per year per employee by gender, and by employee category

[Standard Disclosure]

Compilation

Report the average hours of training that the organization's employees have undertaken during the reporting period. This should be broken down into the following categories:

- By employee
- By gender
- By employee category

[Guidance]

Relevance

Maintaining and improving human capital, particularly through training that expands the knowledge base of employees, is a key element in organizational development. This Indicator provides insight into the scale of the organization's investment in this area and the degree to which the investment is made across the entire employee base. Access to training opportunities can also support progress in other areas of social performance, such as ensuring equal opportunity in the workplace. It also contributes to motivating improvement at the personal and organizational level.

Methodology for data collection

Identify the total number of employees, by gender in each employee category. This information can be drawn from LA1 and LA13.

Identify the total number of training hours undertaken throughout the reporting period for all employees and for each of the employment categories.

Identify the average number of training hours undertaken by employees during the reporting period. Use the following formula:

$$\text{Average} = \frac{\text{Total number of training hours per employee}}{\text{Total number of employees}}$$

Identify the average number of training hours undertaken by gender during the reporting period. Use the following formulas:

$$\text{Average female} = \frac{\text{Total number of training hours per female employee}}{\text{Total number of female employees}}$$

$$\text{Average male} = \frac{\text{Total number of training hours per male employee}}{\text{Total number of male employees}}$$

Identify the number of training hours undertaken by employee category during the reporting period. Use the following formula:

$$\text{Average} = \frac{\text{Total number of training hours per category of employee}}{\text{Total number of employees in category}}$$



A number of calculations are undertaken to report on employee categories. These calculations will be specific to each organization. For further guidance see employee category definition below.

Definitions

TRAINING

Refers to:

- All types of vocational training and instruction;
- Paid educational leave provided by the organization for its employees;
- Training or education pursued externally and paid for in whole or in part by the organization; and
- Training on specific topics such as health and safety.

Training does not include on-site coaching by supervisors.

EMPLOYEE CATEGORY

Breakdown of employees by level (e.g., highest governance bodies, senior management, middle management, etc) and function (e.g., technical, administrative, production, etc). Derived from an organization's own human resources system.

Documentation

Potential sources of information include employee records and training schedules.

References

- ILO Convention 142, 'Human Resources Development Convention', 1975.
- ILO Convention 140, 'Paid Educational Leave Convention', 1974.
- ILO Convention 155, 'Occupational Safety and Health Convention', 1981.
- OECD Guidelines for Multinational Enterprises, Revision 2000, Articles II, 4 & IV, 2 (c), 3 & 5.



ASPECT: TRAINING AND EDUCATION

ADD LA11 Programs for skills management and lifelong learning that support the continue employability of employees and assist them in managing career endings

[Standard Disclosure]

Compilation

Report on the type and scope of programs implemented and assistance provided to facilitate continued employability and the management of career endings resulting from retirement.

Report on the type and scope of assistance provided to facilitate continued employability and the management of career endings resulting from forced or voluntary redundancy or retrenchment.

[Guidance]

Relevance

Programs for skills management allow organizations to plan skills acquisitions that will equip employees to meet strategic targets in a changing work environment. A more skilled and aware workforce enhances the organization's human capital and contributes to employee satisfaction, which correlates strongly with improved performance. For those facing retirement, confidence and quality of work relations is improved by the knowledge that they will be supported in their transition from work to retirement. The goal of lifelong learning is to promote the development of knowledge and competencies that will enable each citizen to adapt to a rapidly-changing labor market and to participate actively in all spheres of economic life.

Methodology for data collection

Identify employee training programs that aim to upgrade skills in preparation for retirement. These include but are not limited to:

- Internal training courses;
- Funding support for external training or education; and
- The provision of sabbatical periods with guaranteed return to employment.

Identify if transitional assistance programs to support employees who are retiring or who have been terminated. This includes but is not limited to::

- Pre-retirement planning for intended retirees;
- Retraining for those intending to continue working;
- Severance pay;
- If severance pay is provided, does it take into account employee age and years of service;
- Job placement services; and
- Assistance (e.g., training, counselling) on transitioning to a non-working life



Definitions

CONTINUED EMPLOYABILITY

Adaptation to the changing demands of the workplace through the acquisition of new skills.

CAREER ENDINGS

Retirement by reaching statutory national retiring age or termination through retrenchment or redundancy in the face of restructuring.

SKILLS MANAGEMENT

Policies and programs that focus on developing employees' skills to meet the evolving strategic needs of the organization and/or the industry.

LIFELONG LEARNING

Acquiring and updating abilities, knowledge, qualifications, and interests throughout life, from pre-school years to post-retirement.

Documentation

Potential sources of information include organizational procedures for termination and employee records.

References

- ILO Convention 142, 'Human Resources Development Convention', 1975.
- ILO Convention 168, 'Employment Promotion and Protection against Unemployment Convention', 1988.



ASPECT: TRAINING AND EDUCATION

ADD LA12 Percentage of employees receiving regular performance and career development reviews, by gender

[Standard Disclosure]

Compilation

Report the percentage of total employees by gender who received a regular performance and career development reviews during the reporting period.

[Guidance]

Relevance

Appraising employee performance against common targets aids the personal development of individual employees and contributes to both skills management and the development of human capital within the organization. Employee satisfaction can also be enhanced, which correlates with improved organizational performance. This Indicator indirectly demonstrates how the organization works to monitor and maintain the skill sets of its employees. When reported in conjunction with LA12, the Indicator helps illustrate how the organization approaches skills enhancement. The percentage of employees receiving regular performance and career development reviews broken down by gender demonstrates the extent to which this system is applied throughout the organization and if there is inequity of access to these opportunities.

Methodology for data collection

Identify the total number of employees broken down by gender. The total number of employees should match that reported under LA1.

Identify the percentage of employees by gender, who have received a regular performance and career development reviews during the reporting period.

Definitions

REGULAR PERFORMANCE AND CAREER DEVELOPMENT REVIEW

Performance targets and reviews are based on criteria known to the employee and his/her superior. This review is undertaken with the knowledge of the employee at least once per year. It can include an evaluation by the employee's direct superior, peers, or a wider range of employees. The review may also involve personnel from the human resources department.

Documentation

Potential sources of information include personnel records.

References

- ILO Convention 142, 'Human Resources Development', 1975.



ASPECT: DIVERSITY AND EQUAL OPPORTUNITY

CORE LA13 Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity

[Standard Disclosure]

Compilation

Report the percentage of individuals within the organization's governance bodies in each of the following diversity categories:

- Gender;
- Age groups: Under 30 years old, 30-50 years old, over 50 years old.
- Minority groups; and
- Other indicators of diversity where relevant.

Report the percentage of employees per employee category in each of the following diversity categories:

- Gender;
- Age groups: Under 30 years old, 30-50 years old, over 50 years old.
- Minority groups; and
- Other indicators of diversity where relevant.

[Guidance]

Relevance

This Indicator provides a quantitative measure of diversity within an organization and can be used in conjunction with sectoral or regional benchmarks. The level of diversity within an organization provides insights into the human capital of the organization. Comparisons between broad workforce diversity and management team diversity also offer information on equal opportunity. Detailed information on the composition of the workforce can also help in assessing which issues may be of particular relevance to certain segments of the workforce.

Methodology for data collection

GOVERNANCE BODIES

Identify the governance bodies that exist within the organization, e.g., the board of directors, management committee, or similar body for non-corporate organizations.

Identify the total number of individuals and/or employees who comprise these governance bodies and analyse this information following the categories listed below:

- Gender;
- Age groups: Under 30 years old, 30-50 years old, over 50 years old.
- Minority groups; and
- Other indicators of diversity where relevant.



Identify any other diversity Indicators used by the organization in its own monitoring and recording that may be relevant for reporting.

EMPLOYEE CATEGORIES

Identify the total number of employees in each employee category. A number of calculations are undertaken to report on employee categories. These calculations are specific to each organization. For further guidance see employee category definition below.

The total number of employees should match that reported in LA1.

The number of employees within each category is to be broken down by:

- Gender;
- Age groups: Under 30 years old, 30-50 years old, over 50 years old.
- Minority groups; and
- Other indicators of diversity where relevant.

Identify any other diversity Indicators used by the organization in its own monitoring and recording that may be relevant for reporting.

Definitions

EMPLOYEE CATEGORY

Breakdown of employees by level (e.g., highest governance bodies, senior management, middle management, etc.) and function (e.g., technical, administrative, production, etc.). Derived from an organization's own human resources system.

GOVERNANCE BODIES

The committees or boards responsible for the strategic guidance of the organization, the effective monitoring of management, and the accountability of management to the broader organization and its stakeholders.

INDICATORS OF DIVERSITY

Indicators for which the organization gathers data may include, for example, citizenship, ancestry and ethnic origin, creed, and disability.

Documentation

Potential sources of information include employee records and minutes of equal opportunity committees.

References

- Convention on the Elimination of All Forms of Discrimination Against Women: UN GA: Resolution 34/180 of 18 December 1979.
- Declaration on the Elimination of All Forms of Intolerance and of Discrimination based on Religion or Belief: UN GA: Resolution 36/55 of 26 November 1981.
- Declaration on Race and Racial Prejudice: General Conference UNESCO 20th session on 27 November 1978.



- Declaration on the Rights of Persons Belonging to National or Ethnic, Religious and Linguistic Minorities: UN GA Resolution 47/135 of 18 December 1992.
- ILO Tripartite Declaration of Principles Concerning Multinational Enterprises and Social Policy: Art. 21, 22, 23, 1977.
- ILO Declaration on Fundamental Principles and Rights at Work, 1998.
- ILO Convention concerning Discrimination in Respect of Employment and Occupation, 1958 (No.111).
- International Convention on the Elimination of All Forms of Racial Discrimination of 4 January 1969.
- OECD Guidelines for Multinational Enterprises, Revision 2000 (Employment and Industrial Relations Section).
- United Nations Global Compact: Principle 6, 26 July 2000.
- United Nations Declaration on the Elimination of All Forms of Racial Discrimination: UN GA Resolution 1904 (XVIII) of 20 November 1963.



CORE LA14 Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation

[Standard Disclosure]

Compilation

Report the ratio of the basic salary and remuneration of women to men for each employee category, by significant locations of operation.

[Guidance]

Relevance

Many countries have introduced legislation to enforce the principle of equal pay for work of equal value. This issue is supported by ILO Convention 100 on 'Equal Remuneration for Men and Women Workers for Work of Equal Value'. Equality of remuneration is a factor in retaining qualified employees in the workforce. Where imbalances exist, an organization runs a risk to its reputation and legal challenges on the basis of discrimination.

Methodology for data collection

Identify the total number of employees in each employee category across the organization's operations, broken down by gender using the information from LA13. Employee categories are defined based on the organization's own human resources system. The total number of employees and the regions in which they are employed match that reported in LA1.

Identify the basic salary for women and for men in each employee category.

Identify the remuneration for women and men in each employee category. Remuneration is based upon the average pay of each gender grouping within each employment category.

Using the above information, calculate the ratios of basic salary and remuneration of women to men by employment category, by significant location of operation.

Definitions

BASIC SALARY

A fixed, minimum amount paid to an employee for performing his/her duties. This does not include any additional remuneration.

EMPLOYEE CATEGORY

Breakdown of employees by level (e.g., highest governance bodies, senior management, middle management, etc) and function (e.g., technical, administrative, production, etc). Derived from an organization's own human resources system.

REMUNERATION

Basic salary plus additional amounts such as those based on years of service, bonuses including cash and/or equity such as stocks and shares, benefit payments, overtime, time owed, and any additional allowances (e.g., transportation, living and childcare allowances).

Documentation

Sources of information for this Indicator include pay-scales, employee and payment records.

References

- ILO Convention 100, 'Equal Remuneration for Men and Women Workers for Work of Equal Value', 1951.
- ILO Convention 111, 'Discrimination in Respect of Employment and Occupation', 1958.
- ILO Declaration on Fundamental Principles and Rights at Work, 1998.



1562 **ASPECT: SCREENING AND ASSESSMENT**1563 **CORE G4 8 Percentage of new suppliers and other business partners screened**
1564 **for labor practices, and actions taken**1565 **[Standard Disclosure]**1566 **Compilation**1567 Report the percentage of new suppliers and other business partners screened for labor practices, broken
1568 down by the location of the supplier and other business partner.1569 Break down the following four disclosures by:

- 1570 • The location of the supplier and other business partner
- 1571 • The nature of the issue
- 1572 • The location of the issue (if different to the location of the supplier and other business partner)

1573 Report issues identified through screening.1574 Report the percentage of new suppliers and other business partners where performance expectations
1575 were set as a result of screening.1576 Report the percentage of new suppliers and other business partners that were not selected or
1577 contracted as a result of screening.1578 Report other actions taken to address the issues identified.1579 **[Guidance]**1580 **Relevance**1581 This Indicator helps quantify the regularity of an organization's risk management processes for the labor
1582 practices of suppliers and other business partners.1583 Processes to screen suppliers and other business partners for labor practices can help organizations to
1584 identify actual and potential positive and negative impacts. This enables organizations to respond to, and
1585 contribute to improvements in, suppliers' and other business partners' labor practices.1586 **Methodology for data collection**1587 Identify the total number of new suppliers and other business partners that the organization considered
1588 selecting or contracting, broken down by the location of the supplier and other business partner.1589 Identify the number of new suppliers or other business partners that were screened for labor practices,
1590 broken down by the location of the supplier and other business partner.1591 Screening for labor practices may cover, but is not limited to:

- 1592 • Disciplinary actions (e.g., for verbal, psychological, physical, and/or sexual abuse, coercion or
1593 harassment)
- 1594 • Employment practices



1595 • Health and safety practices

1596 • Industrial relations

1597 • Wages and compensation

1598 • Working hours

1599 Identify issues revealed through screening and actions taken to address these issues. Actions may
1600 include, but are not limited to setting performance expectations or not selecting or contracting suppliers
1601 and other business partners.

1602 **Definitions**

1603 **SCREENING**

1604 A formal or documented process that applies a set of performance criteria as one of the factors in
1605 determining whether to proceed with a relationship with a supplier or other business partner.

1606 **SUPPLIER**

1607 See the Glossary for the definition of supplier.

1608 **Documentation**

1609 Potential sources of information include the organization's procurement, purchasing and legal
1610 departments.

1611 **References**

1612 None.



1613 **ASPECT: SCREENING AND ASSESSMENT**

1614 **CORE G4 9 Percentage of existing suppliers and other business partners**
 1615 **identified as having actual and potential adverse impacts for labor**
 1616 **practices assessed on labor practices, and actions taken**

1617 **[Standard Disclosure]**1618 **Compilation**

1619 Report the number of existing suppliers and other business partners identified as having actual and
 1620 potential adverse impacts for labor practices, broken down by the location of the supplier and other
 1621 business partner.

1622 Report the percentage of total existing suppliers and other business partners identified as having actual
 1623 and potential adverse impacts for labor practices, broken down by the location of the supplier and other
 1624 business partner.

1625 For suppliers and other business partners identified as having actual and potential adverse impacts for
 1626 labor practices: report the percentage of contracts that included clauses setting expectations on labor
 1627 practices, broken down by the location of the supplier and other business partner.

1628 Report the percentage of existing suppliers and other business partners identified as having actual and
 1629 potential adverse impacts for labor practices that were assessed on labor practices, broken down by the
 1630 location of the supplier and other business partner.

1631 Break down the following four disclosures by:

- 1632 • The location of the supplier and other business partner
 1633 • The nature of the issue
 1634 • The location of the issue (if different to the location of the supplier and other business partner)

1635 Report issues identified through assessment.

1636 Report the percentage of contracts with suppliers and other business partners identified as having actual
 1637 and potential adverse impacts for labor practices where improvements were agreed upon and achieved
 1638 as a result of assessment.

1639 Report the percentage of contracts with suppliers and other business partners identified as having actual
 1640 and potential adverse impacts for labor practices that were terminated as a result of assessment.

1641 Report other actions taken to address the issues identified.1642 **[Guidance]**1643 **Relevance**

1644 This Indicator helps quantify the regularity of an organization's risk and impact management processes
 1645 for the labor practices of suppliers and other business partners.



1646 Processes to assess suppliers and other business partners on labor practices can help organizations to
 1647 identify actual and potential positive and negative impacts. This enables organizations to respond to, and
 1648 contribute to improvements in, suppliers' and other business partners' labor practices.

1649 **Methodology for data collection**

1650 Identify the total number of suppliers and other business partners that were active during the reporting
 1651 period, broken down by the location of the supplier and other business partner. Active suppliers are
 1652 those from which materials, products and services were purchased during the reporting period.

1653 Identify the number of suppliers and other business partners identified as having actual and potential
 1654 adverse impacts for labor practices, broken down by the location of the supplier and other business
 1655 partner.

1656 Identify the number of suppliers and other business partners identified as having actual and potential
 1657 adverse impacts for labor practices that were assessed on labor practices, broken down by the location
 1658 of the supplier and other business partner.

1659 Assessment of labor practices may cover, but is not limited to:

- 1660 • Disciplinary actions (e.g., for verbal, psychological, physical, and/or sexual abuse, coercion or
 1661 harassment)
- 1662 • Employment practices
- 1663 • Health and safety practices
- 1664 • Industrial relations
- 1665 • Wages and compensation
- 1666 • Working hours

1667 Assessments must be made against agreed performance expectations which were set and
 1668 communicated prior to the assessment.

1669 Assessments may include audits, contractual reviews, two-way engagement, and grievance and
 1670 complaint mechanisms.

1671 Identify issues revealed through assessment and actions taken to address these issues. Actions may
 1672 include, but are not limited to improvements or terminating the contract with the supplier or other
 1673 business partner.

1674 Improvements may include the adjustment of performance expectations, capacity building, training, and
 1675 changes to processes.

1676 **Definitions**

1677 **CLAUSE**

1678 For the purpose of this Indicator, a specific term in a written agreement that defines minimum
 1679 performance expectations as a requirement for maintaining a relationship with a supplier or other
 1680 business partner.

1681 **SUPPLIER**

1682 See the Glossary for the definition of supplier.



1683 **Documentation**

1684 Potential sources of information include procurement, purchasing and legal departments.

1685 **References**

1686 None.



1687 **ASPECT: REMEDIATION**1688 **CORE G4 10 Number of grievances about labor practices filed, addressed, and**
1689 **resolved through formal grievance mechanisms**1690 **[Standard Disclosure]**1691 **Compilation**1692 Report the total number of grievances about labor practices filed through formal organizational
1693 grievance mechanisms, broken down by the nature and location of the grievance.1694 Report which of the following parties filed each grievance:

- 1695 • Internal stakeholders
- 1696 • External stakeholders, including suppliers
- 1697 • Individuals or groups of people identified by:
 - 1698 ○ Gender
 - 1699 ○ Membership of underrepresented social groups
 - 1700 ○ Other indicators of diversity, if applicable

1701 Of the identified grievances, report how many were:

- 1702 • Addressed during the reporting period
- 1703 • Resolved during the reporting period
- 1704 • Filed prior to the reporting period but resolved during the reporting period

1705 Break down the above disclosure by the nature and location of the grievance, and the party that filed the
1706 grievance.1707 **[Guidance]**1708 **Relevance**1709 Disputes may occur over the labor practices of an organization and its suppliers. Effective grievance
1710 mechanisms play an important role in remediating impacts related to labor practices.1711 **Methodology for data collection**1712 Identify existing formal organizational grievance mechanisms.1713 Identify the total number of grievances about labor practices filed through formal organizational
1714 grievance mechanisms.1715 Identify the total number of grievances addressed or resolved during the reporting period from both
1716 current year and prior year grievance filings, broken down by the nature and location of the grievance,
1717 and the party that filed the grievance.

1718 **Definitions**

1719 **GRIEVANCE MECHANISMS**

1720 Systems consisting of specified procedures, roles and rules for methodically addressing complaints as
1721 well as resolving disputes. Grievance mechanisms are expected to be legitimate, accessible, predictable,
1722 equitable, rights-compatible, clear and transparent and based on dialogue and mediation.

1723 **SUPPLIER**

1724 See the Glossary for the definition of supplier.

1725 **Documentation**

1726 Potential sources of information include the organization's legal, compliance, procurement or
1727 purchasing, and human resources departments.

1728 **References**

1729 None.



Human Rights Indicators

ASPECT: INVESTMENT AND PROCUREMENT PRACTICES

CORE HR1 Percentage and total number of significant investment agreements and contracts that include human rights clauses or that have undergone human rights screening

[Standard Disclosure]

Compilation

Report the total number and percentage of significant investment agreements and contracts that include human rights clauses or that underwent human rights screening.

Report the definition of “significant agreements” used by the organization.

[Guidance]

Relevance

This measure is one indication of the extent to which human rights are integrated in an organization’s economic decisions. This is particularly relevant for organizations that operate within or are partners in ventures in regions where the protection of human rights is of significant concern. Integrating human rights criteria in screening or including human rights in performance requirements can be part of a strategy to reduce the risks of investment. Problems with an organization’s human rights record can result in reputational damage for the investing organization and can affect the stability of investments.

Methodology for data collection

Identify only the agreements and contracts that are significant in terms of size or strategic importance.

The significance may be determined by the level of approval required within the organization for the investment or other criteria that can be consistently applied to agreements.

Identify the total number of significant investment agreements and contracts finalized during the reporting period that either moved the organization into a position of ownership in another entity or initiated a capital investment project that was material to financial accounts.

If multiple significant investment agreements are undertaken and contracts signed with the same partner, the number of the agreements is to reflect the number of separate projects undertaken or entities created.

Review these agreements and contracts to identify if they contain clauses on Human Rights. If so count the number of agreements that contain these clauses.

Identify programs undertaken to screen existing agreements or contracts for Human Rights. If so count the number that was screened.

Using the above information add the total number of significant agreements and contracts that contain Human Rights clauses or have been screened.



Compare the number of significant agreements and contracts that contain clauses or were screened with those that do not contain clauses or were not screened to calculate the percentage.

Definitions

HUMAN RIGHTS CLAUSES

Specific terms in a written agreement that define minimum expectations of performance with respect to human rights as a requirement for investment.

HUMAN RIGHTS SCREENING

A formal or documented process that applies a set of human rights performance criteria as one of the factors in determining whether to proceed with a business relationship.

Documentation

Potential information sources include the organization's legal, investor relations, internal audit, and financial departments, as well as documentation collected through quality management systems.

References

None.



1730 **ASPECT: INVESTMENT AND PROCUREMENT PRACTICES**

1731 **CORE HR2 — Percentage of significant suppliers, contractors, and other**
1732 **business partners that have undergone human rights screening,**
1733 **and actions taken**

1734 **1. Relevance**

1735 The development of extensive networks of suppliers and contractors to produce products and services
1736 has generated interest in how reporting organizations apply their human rights policies to their supply
1737 networks. This is particularly relevant for organizations in sectors that rely heavily on outsourcing and
1738 global networks.

1739 Processes that screen and monitor human rights performance within the supply chain, contractors and
1740 other business partners can provide evidence of an organization’s positive and/or negative impact on the
1741 wider business community. Issues with human rights performance on the part of significant suppliers,
1742 contractors and other business partners can result in reputational damage for their business partners
1743 and/or create instability in the suppliers’ operations. Screening is part of risk management, and the
1744 percentage indicated here indicates how regularly an organization takes this particular risk into
1745 consideration.

1746 **2. Compilation**

1747 2.1 — Identify the total number of the reporting organization’s significant suppliers, contractors and
1748 other business partners.

1749 2.2 — Report the percentage of contracts with significant suppliers and contractors that included
1750 criteria clauses or screening on human rights. See HR1 for definitions of clauses.

1751 2.3 — Report the percentage of contracts with significant suppliers, and contractors and other business
1752 partners that were either declined or imposed performance conditions, or were subject to other actions
1753 as a result of human rights screening.

1754 **3. Definitions**

1755 **SIGNIFICANT SUPPLIERS, AND CONTRACTORS AND OTHER BUSINESS PARTNERS**

1756 External parties from whom products or services are obtained or with whom contracts are concluded for
1757 the provision of such products and services. In the context of this Indicator, ‘significant’ refers to
1758 suppliers and contractors who are:

- 1759 ● The primary providers of a given type of good or service and overall comprise the majority of the
1760 organization’s purchases; or
- 1761 ● Identified as having the highest risk of incidents of violations related to human rights.

1762 **HUMAN RIGHTS SCREENING**

1763 A formal or documented process that applies a set of human rights performance criteria as one of the
1764 factors in determining whether to proceed with a business relationship.

1765 **4. Documentation**

1766 Potential information sources include the reporting organization’s procurement or purchasing and legal
1767 departments.



1768 **5. References**

1769 **None.**



ASPECT: INVESTMENT AND PROCUREMENT PRACTICES

CORE HR3 Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained

[Standard Disclosure]

Compilation

Report the total number of hours in the reporting period devoted to training on policies and procedures concerning aspects of human rights that are relevant to operations.

Report the percentage of employees in the reporting period trained in policies and procedures concerning aspects of human rights that are relevant to operations.

[Guidance]

Relevance

Information generated from this Indicator offers insight into an organization's capacity to implement its human rights policies and procedures. Human rights have become well-established in international standards and laws, and this has obligated organizations to implement specialized training that equips employees to address human rights in the course of their regular work. The number of employees trained and the amount of training they receive both contribute to an assessment of an organization's depth of knowledge about human rights.

Methodology for data collection

Identify the total number of hours devoted to employee training, using data from LA10.

Identify the total number of employees, using data from LA1.

Identify employees who have received formal training in the organization's policies and procedures on human rights issues and their applicability to the employees' work. This can refer either to training dedicated to the topic of human rights or to a human rights module within a general training program.

Definitions

None.

Documentation

Potential sources of information include employee records of training and training schedules.

References

None.



ASPECT: NON-DISCRIMINATION

CORE HR4 Total number of incidents of discrimination and corrective actions taken

[Standard Disclosure]

Compilation

Report the total number of incidents of discrimination during the reporting period.

Report the status of the incidents and the actions taken with reference to the following:

- Organization has reviewed the incident;
 - Remediation plan is being implemented;
 - Remediation plan has been implemented and results reviewed through routine internal management review processes; and
 - Incident is no longer subject to action.
-

[Guidance]

Relevance

Human rights extend beyond the rights of employees in the workplace. Anti-discrimination policy is a key requirement of international conventions and social legislation and guidelines.

The issue of discrimination is also addressed by ILO Core Conventions 100 & 111. An effective monitoring system is necessary to ensure compliance throughout the organization's operations. Stakeholders will seek assurance that such policies and monitoring are effective.

Methodology for data collection

Identify incidents of discrimination on grounds of race, color, sex, religion, political opinion, national extraction, or social origin as defined by the ILO, or other relevant forms of discrimination involving internal and/or external stakeholders across operations in the reporting period.

Identify the status of each incident, including whether or not an organizational review of the original incident has been undertaken, a remediation plan implemented and results reviewed through routine internal management review processes, and whether or not the incident is no longer subject to action (i.e. resolved, case completed, no further action by company, etc.).

Definitions

DISCRIMINATION

The act and the result of treating a person unequally by imposing unequal burdens or denying benefits rather than treating the person fairly on the basis of individual merit. Discrimination can also include harassment, defined as a course of comments or actions that are unwelcome, or should reasonably be known to be unwelcome, to the person towards whom they are addressed.



INCIDENTS

Legal actions, complaints registered with the organization or competent authorities through a formal process, or instances of non-compliance identified by the organization through established procedures such as management system audits or formal monitoring programs.

Documentation

Potential information sources include the organization's legal and compliance departments.

References

- Declaration on the Elimination of All Forms of Intolerance and of Discrimination based on Religion or Belief, UN General Assembly Resolution 36/55 of 26 November 1981.
- Declaration on National or Ethnic, Religious and Linguistic Minorities: UN GA Resolution 47/135 of 18 December 1992.
- ILO Convention 100, 'Equal Remuneration Convention', 1951.
- ILO Convention 111, 'Discrimination in Respect of Employment and Occupation Convention', 1958.
- International Convention on Civil and Political Rights: GA Resolution 2200 A XX1 of 16 December 1966.
- International Convention on the Elimination of All Forms of Racial Discrimination GA Resolution 1904 (XV111) of 20 November 1963.
- United Nations Convention on the Elimination of all forms of Discrimination Against Women: UN, GA: Resolution 34/180 of 18 December 1979.
- United Nations Declaration on the Elimination of All Forms of Racial Discrimination: GA Resolution 1904 (XVIII) of 20 November 1963. Race and Racial Prejudice: General Conference UNESCO 20th session on 27 November 1978.
- Declaration on the Rights of Persons Belonging to National or Ethnic, Religious and Linguistic Minorities: UN GA Resolution 47/135 of 18 December 1992.
- ILO Convention 100, 'Equal Remuneration Convention', 1951.
- ILO Convention 111, 'Discrimination in Respect of Employment and Occupation Convention', 1958.
- International Convention on Civil and Political Rights: GA Resolution 2200 A XX1 of 16 December 1966.
- International Convention on the Elimination of All Forms of Racial Discrimination GA Resolution 1904 (XV111) of 20 November 1963.
- United Nations Convention on the Elimination of all forms of Discrimination Against Women: UN, GA: Resolution 34/180 of 18 December 1979.
- United Nations Declaration on the Elimination of All Forms of Racial Discrimination: GA Resolution 1904 (XVIII) of 20 November 1963.



1770 **CORE HR5** **Operations and significant suppliers identified in which the right to**
 1771 **exercise freedom of association and collective bargaining may be**
 1772 **violated or at significant risk, and actions taken to support these**
 1773 **rights**

[Standard Disclosure]

Compilation

1774 Report operations and significant suppliers in which employee rights to exercise freedom of association
 1775 or collective bargaining may be violated or at risk. Provide information on:

- Type of operations (e.g., manufacturing plant); or
- Countries or geographical areas with operations considered at risk.

Report on any measures taken by the organization in the reporting period intended to support rights to freedom of association and collective bargaining.

[Guidance]

Relevance

Inherent in the right to freedom of association and collective bargaining is the protection of the right of workers (and employers) to organize collectively in organizations of their own choice. The Right to Freedom of Association is a fundamental provision of the UN Universal Declaration of Human Rights and is defined by ILO Core Conventions 87 & 98.

This Indicator aims to reveal actions that the reporting organization has taken to evaluate whether opportunities exist for workers to exercise their rights to freedom of association and collective bargaining.

It also aims to reveal actions that have been taken to support these rights across the organization's range of operations. This Indicator does not require the reporting organization to express a specific opinion on the quality of national legal systems.

Methodology for data collection

1776 Identify operations and significant suppliers in which employee rights to exercise freedom of association
 1777 or collective bargaining may be violated or at risk.

The process of identification should reflect the organization's approach to risk assessment on this issue and can draw from recognized international data sources such as ILO reports (yearly report of ILO Committee of Experts on the implementation of ratified conventions and recommendations, as well as the Governing Body's reports on freedom of association).

1778 Identify operations and significant suppliers identified in which employee rights to exercise freedom of
 1779 association or collective bargaining may be violated or at risk either in terms of:

- Type of operations (e.g., manufacturing plant); or
- Countries or geographical areas with operations considered at risk.



Identify any measures taken by the organization in the reporting period intended to support rights to freedom of association and collective bargaining. See the ILO Tripartite Declaration and OECD Guidelines for further guidance.

Definitions

FREEDOM OF ASSOCIATION

Workers and employers may establish and join organizations of their own choosing without the need for prior authorization.

SUPPLY CHAIN

1780 **SIGNIFICANT SUPPLIERS**

1781 ~~External parties from whom products or services are obtained or with whom contracts are concluded for~~
1782 ~~the provision of such products and services. In the context of this Indicator, ‘significant’ refers to~~
1783 ~~suppliers who are:~~

- 1784 ~~• The primary providers of a given type of good or service and overall comprise the majority of the~~
1785 ~~organization’s purchases; or~~
- 1786 ~~• Identified as having the highest risk of incidents of violations related to human rights.~~

1787 **SUPPLIER**

1788 See the Glossary for the definition of supplier.

Documentation

Potential information sources include the reporting organization’s legal, compliance, and human resources departments.

References

- ILO Convention 87, ‘Freedom of Association and Protection of the Right to Organise Convention’, 1948.
- ILO Convention 98, ‘Right to Organise and Collective Bargaining Convention’, 1949
- United Nations Universal Declaration of Human Rights, 1948.
- International Covenant on Economic, Social and Cultural Rights, 1966.



ASPECT: CHILD LABOR

1789	CORE HR6	Operations and significant suppliers identified as having significant risk for incidents of child labor, and measures taken to contribute to the effective abolition of child labor
1790		
1791		

[Standard Disclosure]**Compilation**

Report operations considered to have significant risk for incidents of:

- Child labor; and/or
- Young workers exposed to hazardous work.

Report operations considered to have significant risk for incidents of child labor either in terms of:

- Type of operations (e.g., manufacturing plant); or
- Countries or geographical areas with operations considered at risk.

Report on any measures taken by the organization in the reporting period intended to contribute to the elimination of child labor.

[Guidance]**Relevance**

The abolition of child labor is a key principle and objective of major human rights declarations and legislation, and is subject to ILO Conventions 138 and 182. The presence and effective implementation of policies on child labor are a basic expectation of socially responsible conduct.

Methodology for data collection

Identify operations considered to have significant risk for incidents of:

- Child labor; and/or
- Young workers exposed to hazardous work.

The process of identification should reflect the organization's approach to risk assessment on this issue and can draw from recognized international data sources such as ILO reports.

Identify operations considered to have significant risk for incidents of child labor either in terms of and explain how they differ depending on type of operations (e.g., manufacturing plant); or countries or geographical areas with operations considered at risk.

Identify any measures taken by the organization in each of these areas that are intended to contribute to the elimination of child labor. See the ILO Tripartite Declaration and OECD Guidelines for further guidance.

Definitions

CHILD

This term applies to all persons under the age of 15 years or under the age of completion of compulsory schooling (whichever is higher), except in certain countries where economies and educational facilities are insufficiently developed and a minimum age of 14 years might apply.

These countries of exception are specified by the ILO in response to special application by the country concerned and consultation with representative organizations of employers and workers.

Note: ILO Convention 138 refers to both child labor and young workers. See below for the definition of 'young worker'.

SUPPLY CHAIN

1792 **SIGNIFICANT SUPPLIERS**

1793 ~~External parties from whom products or services are obtained or with whom contracts are concluded for~~

1794 ~~the provision of such products and services. In the context of this Indicator, 'significant' refers to~~

1795 ~~suppliers who are:~~

1796 • ~~The primary providers of a given type of good or service and overall comprise the majority of the~~

1797 ~~organization's purchases; or~~

1798 • ~~Identified as having the highest risk of incidents of violations related to human rights.~~

1799 **SUPPLIER**

1800 See the Glossary for the definition of supplier.

YOUNG WORKER

A person who is above the applicable minimum working age and younger than 18 years of age.

Documentation

Potential information sources include the reporting organization's legal, compliance, and human resources departments.

References

- ILO Convention 138, 'Minimum Age Convention', 1973.
- ILO Convention 182, 'Worst Forms of Child Labour Convention', 1999.
- ILO Declaration on Fundamental Principles and Rights at Work, 86th Session, 1998.
- United Nations Convention on the Rights of the Child, 1989.



1801	CORE HR7	Operations and significant suppliers identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of all forms of forced or compulsory labor
1802		
1803		
1804		

[Standard Disclosure]**Compilation**

Report operations considered to have significant risk for incidents of forced or compulsory labor either in terms of:

- Type of operations (e.g. manufacturing plant); or
- Countries or geographical areas with operations considered at risk.

Report on any measures taken by the organization in the reporting period intended to contribute to the elimination of all forms of forced or compulsory labor.

[Guidance]**Relevance**

Not to be subjected to forced or compulsory labor is considered a fundamental human right and is a provision of the UN Universal Declaration of Human Rights and subject to ILO Core Conventions 29 & 105. This type of labor can exist in a variety of forms and the data provided will indicate the reporting organization's challenges in contributing to the abolition of forced and compulsory labor.

Methodology for data collection

Identify operations considered to have significant risk for incidents of forced or compulsory labor. The process of identification should reflect the organization's approach to risk assessment on this issue and can draw from recognized international data sources such as ILO reports.

Identify operations considered to have significant risk for incidents of (forced or) compulsory labor and explain how they relate to different type of operations (e.g. manufacturing plant); or Countries or geographical areas with operations considered at risk.

Identify any measures taken by the organization in the reporting period intended to contribute to the elimination of all forms of forced or compulsory labor. See the ILO Tripartite Declaration and OECD Guidelines for further guidance.

Definitions**FORCED OR COMPULSORY LABOR**

All work and service which is exacted from any person under the menace of any penalty and for which the said person has not offered her/himself voluntarily (ILO Convention 29, Forced Labour Convention, 1930). The most extreme examples are slave labor and bonded labor, but debts can also be used as a means of maintaining workers in a state of forced labor. Withholding identity papers, requiring

compulsory deposits, or compelling workers, under threat of firing, to work extra hours to which they have not previously agreed, are all examples of forced labor.

SUPPLY CHAIN

1805 **SIGNIFICANT SUPPLIERS**

1806 External parties from whom products or services are obtained or with whom contracts are concluded for
1807 the provision of such products and services. In the context of this Indicator, 'significant' refers to
1808 suppliers who are:

- 1809 • The primary providers of a given type of good or service and overall comprise the majority of the
1810 organization's purchases; or
1811 • Identified as having the highest risk of incidents of violations related to human rights.

1812 **SUPPLIER**

1813 See the Glossary for the definition of supplier.

Documentation

Potential information sources include the reporting organization's legal, compliance, and human resources departments.

References

- ILO Conventions 29, 'Forced Labour Convention', 1930.
- ILO Convention 105, 'Abolition of Forced Labour', 1957.
- League of Nations (later UN) Slavery Convention, 1927.
- United Nations Supplementary Convention on the Abolition of Slavery, the Slave Trade, and Institutions and Practices Similar to Slavery, 226 U.N.T.S.3, 1957.
- Universal Declaration of Human Rights (United Nations General Assembly Resolution 217 A (III) of 10 December 1948), Articles 4 & 5.
- ILO Declaration on Fundamental Principles and Rights at Work, 86th Session, 1998.



ASPECT: SECURITY PRACTICES

ADD HR8 **Percentage of security personnel trained in the organization's policies or procedures concerning aspects of human rights that are relevant to operations**

[Standard Disclosure]

Compilation

Report the percentage of security personnel who have received formal training in the organization's policies on, or specific procedures for, human rights issues and their application to security. This can refer either to training dedicated to the topic or a module within a more general training program.

Report whether training requirements also apply to third party organizations providing security personnel.

[Guidance]

Relevance

The conduct of security personnel towards third parties is underpinned by their training in human rights issues, particularly regarding the use of force. Training security personnel can help prevent reputational and litigation risks that arise from inappropriate actions or approaches not condoned by the reporting organization. Information provided under this Indicator helps to demonstrate the extent to which management systems pertaining to human rights are implemented. This measure indicates the proportion of the security force that can reasonably be assumed to be aware of the organization's expectations of human rights performance.

Methodology for data collection

Identify the total number of security personnel the reporting organization employs directly.

Definitions

SECURITY PERSONNEL

Individuals employed for the purposes of guarding property of the organization, crowd control, loss prevention, and escorting persons, goods, and valuables.

Documentation

Potential information sources include the reporting organization's human resources department and training records received by internal security personnel and internal audit programmes.

Contractors may hold similar information with respect to their employees.

References

- ILO Convention 29, 'Forced Labour Convention', 1930.
- ILO Convention 105, 'Abolition of Forced Labour Convention', 1957.
- The Voluntary Principles on Security and Human Rights, 2000.



ASPECT: INDIGENOUS RIGHTS

ADD HR9 Total number of incidents of violations involving rights of indigenous people and actions taken

[Standard Disclosure]

Compilation

Report the total number of identified incidents involving indigenous rights during the reporting period.

Report the status of the incidents and actions taken with reference to the following:

- Organization has reviewed the incident;
- Remediation plan is being implemented;
- Remediation plan has been implemented and results reviewed through routine internal management review processes; and
- Incidents is no longer subject to action.

[Guidance]

Relevance

The number of recorded incidents involving the rights of indigenous peoples provides information about the implementation of an organization's policies relating to indigenous peoples. This information will help indicate the state of relations with these stakeholder communities, particularly in regions where indigenous people reside or have interests near operations of the organization. The information also provides an additional entry point for support groups. ILO Conventions 107 and 169 address the rights of indigenous peoples.

Methodology for data collection

Identify incidents involving indigenous rights among the organization's own employees, and in communities near existing operations that are likely to be affected by planned or proposed future operations of the organization.

Identify the status of processing, actions taken and resolution for each incident.

Definitions

INDIGENOUS PEOPLES

Indigenous peoples are those whose social, cultural, political, and economic conditions distinguish them from other sections of the dominant national community, or who are regarded as indigenous on account of their descent from the populations which inhabited the country, or a geographical region to which the country belongs, at the time of conquest or colonization or the establishment of present state boundaries and who, irrespective of their legal status, retain some or all of their own social, economic, cultural, and political institutions.



INCIDENTS

'Incidents' refer to legal actions, complaints registered with the organization or competent authorities through a formal process, or instances of non-compliance identified by the organization through established procedures such as management system audits or formal monitoring programs.

Documentation

Potential information sources include the organization's operating procedures and guidelines on the issue. Other information may be supplied by country managers and by legal specialists of the organization. Data on indigenous people within the workforce may be obtainable from employee records.

References

- Charter of the United Nations, Preamble, San Francisco, 1945.
- International Finance Corporation's Performance Standards on Social & Environmental Sustainability, 2006.
- ILO Convention (107) Indigenous and Tribal Populations Convention, 1957.
- ILO Convention (169) Concerning Indigenous and Tribal Peoples in Independent Countries, 1991.
- United Nations Declaration on the Rights of Indigenous Peoples, 2007.



1814 **ASPECT: SCREENING AND ASSESSMENT**1815 **CORE HR2 Percentage of new suppliers and other business partners screened**
1816 **for human rights performance, and actions taken**1817 **[Standard Disclosure]**1818 **Compilation**1819 Report the percentage of new suppliers and other business partners screened for human rights
1820 performance, broken down by the location of the supplier and other business partner.1821 Break down the following four disclosures by:

- 1822 • The location of the supplier and other business partner
- 1823 • The nature of the issue
- 1824 • The location of the issue (if different to the location of the supplier and other business partner)

1825 Report issues identified through screening.1826 Report the percentage of new suppliers and other business partners where performance expectations
1827 were set as a result of screening.1828 Report the percentage of new suppliers and other business partners that were not selected or
1829 contracted as a result of screening.1830 Report other actions taken to address the issues identified.1831 **[Guidance]**1832 **Relevance**1833 This Indicator helps quantify the regularity of an organization's risk management processes for the
1834 human rights performance of suppliers and other business partners.1835 The UN 'Protect, Respect and Remedy' Framework for Business and Human Rights has confirmed the
1836 expectation that organizations should respect human rights throughout their activities and relationships.1837 Processes to screen suppliers and other business partners for human rights performance can help
1838 organizations to identify actual and potential positive and negative impacts. This enables organizations
1839 to respond to, and contribute to improvements in, suppliers' and other business partners' human rights
1840 performance.1841 **Methodology for data collection**1842 Identify the total number of new suppliers and other business partners that the organization considered
1843 selecting or contracting, broken down by the location of the supplier and other business partner.1844 Identify the number of new suppliers and other business partners that were screened for human rights
1845 performance, broken down by the location of the supplier and other business partner.1846 Screening for human rights performance may cover, but is not limited to:

- 1847 • Child labor



- 1848 • Discrimination
- 1849 • Forced and compulsory labor
- 1850 • Freedom of association and collective bargaining
- 1851 • Indigenous rights
- 1852 • Security practices

1853 Identify issues revealed through screening and actions taken to address these issues. Actions may
1854 include, but are not limited to setting performance expectations or not selecting or contracting suppliers
1855 and other business partners.

1856 **Definitions**

1857 **SCREENING**

1858 A formal or documented process that applies a set of performance criteria as one of the factors in
1859 determining whether to proceed with a relationship with a supplier or other business partner.

1860 **SUPPLIER**

1861 See the Glossary for the definition of supplier.

1862 **Documentation**

1863 Potential sources of information include the organization’s procurement, purchasing and legal
1864 departments.

1865 **References**

- 1866 • Guiding Principles on Business and Human Rights: Implementing the United Nations “Protect,
1867 Respect and Remedy” Framework

ASPECT: SCREENING AND ASSESSMENT

CORE HR10 Percentage and total number of operations that have been subject to human rights reviews and/or impact assessments

[Standard Disclosure]

Compilation

Report the total number and percentage of operations that have undergone human rights reviews or human rights impact assessments, by country.

[Guidance]

Relevance

Reporting organizations need to be aware of their special responsibility to respect human rights. The presence of the reporting organization's operations can have positive and negative effects in relation to respecting on the protection of human rights. Organizations can affect human rights directly, through their own actions and operations, and indirectly, through their interaction and relationships with others, including governments, local communities and suppliers.

Information reported for this Indicator will provide insight into how far the reporting organization takes human rights considerations into account when making decisions on their locations of operations. It will also evaluate the potential of its being associated with, or considered complicit in, human rights abuse.

Methodology for data collection

Identify countries in which the reporting organization operates.

Definitions

HUMAN RIGHTS REVIEWS

A formal or documented assessment process that applies a set of human rights performance criteria.

Documentation

Potential information sources include the reporting organization's legal, compliance, and human resources departments, information supplied by country managers, internal audit programmes, the risk management office and any external assessment undertaken.

References

- Global Compact Business Guide for Conflict Impact Assessment and Risk Management, 2002.
- Guidance on Responsible Business in Conflict-Affected and High -Risk Areas: A Resource for Companies and Investors, UNGC/PRI, 2010.
- OECD Guidelines for Multinational Enterprises, Revision 2000.
- OECD Risk Awareness Tool for Multinational Enterprises in Weak Governance Zones (in particular ch. 2, 4 & 7), 2006.



- Multinational Enterprises in Situations of Violent Conflict and Widespread Human Rights Abuses, OECD, Working Papers on International Investment, number 2002/1, 2002.



1868 **ASPECT: SCREENING AND ASSESSMENT**

1869 **CORE G4 11 Percentage of existing suppliers and other business partners**
 1870 **identified as having actual and potential adverse human rights**
 1871 **impacts assessed on human rights performance, and actions taken**

1872 **[Standard Disclosure]**1873 **Compilation**

1874 Report the number of existing suppliers and other business partners identified as having actual and
 1875 potential adverse human rights impacts, broken down by the location of the supplier and other business
 1876 partner.

1877 Report the percentage of total existing suppliers and other business partners identified as having actual
 1878 and potential adverse human rights impacts, broken down by the location of the supplier and other
 1879 business partner.

1880 For suppliers and other business partners identified as having actual and potential adverse human rights
 1881 impacts: report the percentage of contracts that included clauses setting expectations on human rights,
 1882 broken down by the location of the supplier and other business partner.

1883 Report the percentage of existing suppliers and other business partners identified as having actual and
 1884 potential adverse human rights impacts that were assessed on human rights, broken down by the
 1885 location of the supplier and other business partner.

1886 Break down the following four disclosures by:

- 1887 • The location of the supplier and other business partner
- 1888 • The nature of the issue
- 1889 • The location of the issue (if different to the location of the supplier and other business partner)

1890 Report issues identified through assessment.

1891 Report the percentage of contracts with suppliers and other business partners identified as having actual
 1892 and potential adverse human rights impacts where improvements were agreed upon and achieved as a
 1893 result of assessment.

1894 Report the percentage of contracts with suppliers and other business partners identified as having actual
 1895 and potential adverse human rights impacts that were terminated as a result of assessment.

1896 Report other actions taken to address the issues identified.

1897 **[Guidance]**1898 **Relevance**

1899 This Indicator helps quantify the regularity of an organization's risk and impact management processes
 1900 for the human rights performance of suppliers and other business partners.

1901 The UN "Protect, Respect and Remedy" Framework for Business and Human Rights has affirmed the
 1902 expectation that organizations should respect human rights throughout their activities and relationships.



1903 Processes to assess suppliers and other business partners on human rights performance can help
 1904 organizations to identify actual and potential positive and negative impacts. This enables organizations
 1905 to respond to, and contribute to improvements in, suppliers' and other business partners' human rights
 1906 performance.

1907 **Methodology for data collection**

1908 Identify the total number of suppliers and other business partners that were active during the reporting
 1909 period, broken down by the location of the supplier and other business partner. Active suppliers are
 1910 those from which materials, products and services were purchased during the reporting period.

1911 Identify the number of suppliers and other business partners identified as having actual and potential
 1912 adverse human rights impacts, broken down by the location of the supplier and other business partner.

1913 Identify the number of suppliers and other business partners identified as having actual and potential
 1914 adverse human rights impacts that were assessed on human rights, broken down by the location of the
 1915 supplier and other business partner.

1916 Assessment of human rights performance may cover, but is not limited to:

- 1917 • Child labor
- 1918 • Discrimination
- 1919 • Forced and compulsory labor
- 1920 • Freedom of association and collective bargaining
- 1921 • Indigenous rights
- 1922 • Security practices

1923 Assessments must be made against agreed performance expectations which were set and
 1924 communicated prior to the assessment.

1925 Assessments may include audits, contractual reviews, two-way engagement, and grievance and
 1926 complaint mechanisms.

1927 Identify issues revealed through assessment and actions taken to address these issues. Actions may
 1928 include, but are not limited to improvements or terminating the contract with the supplier or other
 1929 business partner.

1930 Improvements may include the adjustment of performance expectations, capacity building, training, and
 1931 changes to processes.

1932 **Definitions**

1933 **CLAUSE**

1934 For the purpose of this Indicator, a specific term in a written agreement that defines minimum
 1935 performance expectations as a requirement for maintaining a relationship with a supplier or other
 1936 business partner.

1937 **SUPPLIER**

1938 See the Glossary for the definition of supplier.



1939 **Documentation**

1940 Potential sources of information include procurement, purchasing and legal departments.

1941 **References**

- 1942 • Guiding Principles on Business and Human Rights: Implementing the United Nations 'Protect,
1943 Respect and Remedy' Framework

1944 **ASPECT: REMEDIATION**1945 **CORE HR11 — Number of grievances related to human rights filed, addressed, and**
1946 **resolved through formal grievance mechanisms.**1947 **1. Relevance**

1948 Disputes over the human rights impact of an organization's operations and decisions may occur. Effective
1949 grievance mechanisms play an important role in the successful protection of human rights.

1950 **2. Compilation**

1951 2.1 — Identify existing formal organizational grievance mechanisms.

1952 2.2 — Report the total number of grievances related to human rights filed through formal
1953 organizational grievance mechanisms during the reporting period.

1954 2.3 — Report the total number of addressed grievances related to human rights from those filed in the
1955 reporting period, broken down by:

- 1956 ● Internal Stakeholders;
- 1957 ● External stakeholders; and
- 1958 ● Gender, minority group membership and other indicators of diversity (for grievances filed by an
1959 individual or group of people and not an organization).

1960 2.4 — Report the total number of resolved grievances related to human rights from those filed in the
1961 reporting period, broken down by:

- 1962 ● Internal Stakeholders;
- 1963 ● External stakeholders; and
- 1964 ● Gender, minority group membership and other indicators of diversity (for grievances filed by an
1965 individual or group of people and not an organization).

1966 2.5 — Report the total number of grievances related to human rights addressed and resolved during
1967 the reporting period that were filed before the reporting period, broken down by:

- 1968 ● Internal Stakeholders;
- 1969 ● External stakeholders; and
- 1970 ● Gender, minority group membership and other indicators of diversity (for grievances filed by an
1971 individual or group of people and not an organization).

1972 **3. Definitions**1973 **GRIEVANCE MECHANISMS**

1974 A system consisting of specified procedures, roles and rules for methodically addressing complaints as
1975 well as resolving disputes. Grievance mechanisms are expected to be legitimate, accessible, predictable,
1976 equitable, rights compatible, clear and transparent and based on dialogue and mediation.

1977 **4. Documentation**

1978 Potential information sources include the reporting organization's legal, compliance, and human
1979 resources departments.

1980 **5. References**

1981 None.



1982 **ASPECT: REMEDIATION**1983 **CORE HR11 Number of grievances about human rights impacts filed,**
1984 **addressed, and resolved through formal grievance mechanisms**1985 **[Standard Disclosure]**1986 **Compilation**1987 Report the total number of grievances about human rights impacts filed through formal organizational
1988 grievance mechanisms, broken down by the nature and location of the grievance.1989 Report which of the following parties filed each grievance:

- 1990 • Internal stakeholders
- 1991 • External stakeholders, including suppliers
- 1992 • Individuals or groups of people identified by:
 - 1993 • Gender
 - 1994 • Membership of underrepresented social groups
 - 1995 • Other indicators of diversity, if applicable

1996 Of the identified grievances, report how many were:

- 1997 • Addressed during the reporting period
- 1998 • Resolved during the reporting period
- 1999 • Filed prior to the reporting period but resolved during the reporting period

2000 Break down the above disclosure by the nature and location of the grievance, and the party that filed the
2001 grievance.2002 **[Guidance]**2003 **Relevance**2004 Disputes may occur over the human rights impacts of an organization's operations, decisions and
2005 relationships with others, and the operations, decisions and relationships of its suppliers. Effective
2006 grievance mechanisms play an important role in the successful protection of human rights.2007 **Methodology for data collection**2008 Identify existing formal organizational grievance mechanisms.2009 Identify the total number of grievances about human rights impact filed through formal organizational
2010 grievance mechanisms.2011 Identify the total number of grievances addressed or resolved during the reporting period from both
2012 current year and prior year grievance filings, broken down by the nature and location of the grievance,
2013 and the party that filed the grievance.2014 **Definitions**

2015 **GRIEVANCE MECHANISMS**

2016 Systems consisting of specified procedures, roles and rules for methodically addressing complaints as
2017 well as resolving disputes. Grievance mechanisms are expected to be legitimate, accessible, predictable,
2018 equitable, rights-compatible, clear and transparent and based on dialogue and mediation.

2019 **SUPPLIER**

2020 See the Glossary for the definition of supplier.

2021 **Documentation**

2022 Potential sources of information include the organization’s legal, compliance, procurement or
2023 purchasing, and human resources departments.

2024 **References**

- 2025 • OECD (2011), OECD Guidelines for Multinational Enterprises, OECD
- 2026 • Guiding Principles on Business and Human Rights: Implementing the United Nations “Protect,
2027 Respect and Remedy” Framework



Society Indicators

ASPECT: LOCAL COMMUNITY

CORE SO1 Percentage of operations with implemented local community engagement, impact assessments, and development programs

[Standard Disclosure]

Compilation

Report the percentage of operations with implemented local community engagement, impact assessments, and development programs including, but not limited to, the use of:

- Social impact assessments, including gender impact assessments, based on participatory processes;
- Environmental impact assessments and ongoing monitoring;
- Public disclosure of results of environmental and social impact assessments;
- Local community development programs based on local communities' needs;
- Stakeholder engagement plans based on stakeholder mapping;
- Broad based local community consultation committees and processes that include vulnerable groups;
- Works councils, occupational health and safety committees and other employee representation bodies to deal with impacts; and
- Formal local community grievance processes.

[Guidance]

Relevance

A key element in managing impacts on women and men in local communities is assessment and planning in order to understand the potential and actual impacts, and strong engagement with local communities in order to understand their expectations and needs. There are many elements that can be incorporated into engagement, impact assessments, and development programs. This Indicator seeks to identify which elements have been consistently applied, organization-wide.

Engagement, impact assessments, and development programs, combined with the consistency of their application, provide insight into the overall quality of an organization's efforts, as well as its degree of follow-up on policy or policies.

Methodology for data collection

Identify the total number of operations. (The total number of operations should match that reported under Profile Disclosure DI 10.)

Identify organization-wide local community engagement, impact assessments, and development programmes including, but not limited to, the use of:



- Social impact assessments, including gender impact assessments, based on participatory processes;
- Environmental impact assessments and ongoing monitoring;
- Public disclosure of results of environmental and social impact assessments;
- Local community development programs based on local communities' needs;
- Stakeholder engagement plans based on stakeholder mapping;
- Broad based local community consultation committees and processes that include vulnerable groups;
- Works councils, occupational health and safety committees and other employee representation bodies to deal with impacts; and
- Formal local community grievance processes.

Identify the number of operations including organization-wide local community engagement, impact assessments, and development programmes.

Using the above information, calculate the percentage of operations with implemented local community engagement, impact assessment, and development programmes.

Definitions

COMMUNITY DEVELOPMENT PROGRAMS

Plan that details actions to minimize, mitigate, and compensate for adverse social and economic impacts, and to identify opportunities and actions to enhance positive impacts of the project on the community.

Documentation

Potential information sources for this Indicator may include:

- Public consultation and consultation plans;
- Agenda and meeting reports of works councils, occupational health and safety committees and other employee representation bodies;
- Baseline studies – socio-economic, health, environment, cultural, etc;
- Social impact assessments;
- Gender impact assessments;
- Health impact assessments;
- Environmental impact assessments;
- Social action plans;
- Resettlement action plans;
- Community development plans;
- Grievance or complaints mechanisms; and
- Documents held in community information centers.

References

- International Finance Corporation's Performance Standards on Social & Environmental Sustainability, 2006.



- OECD Guidelines For Multinational Enterprises (in particular Ch ii.3 & v.2.b).
- OECD Risk Awareness Tool for Multinational Enterprises in Weak Governance Zones (in particular ch. 2, 4 & 7).



ASPECT: LOCAL COMMUNITY

CORE SO9 Operations with significant potential or actual negative impacts on local communities

[Standard Disclosure]

Compilation

Report:

- Operations and associated communities with significant potential or actual negative impacts;
- Location of the operations with significant potential or negative impacts; and
- Potential or actual negative impacts of operations.

[Guidance]

Relevance

Organizational operations related to entering, operating, and exiting can have a number of significant negative impacts on local communities. Indicators in the GRI Framework, such as environmental emissions or economic data, will offer an overall picture of positive and negative impacts, but may not be able to present them in relation to local communities.

This Indicator is focused on significant potential and actual negative impacts related to operations and not on community investments or donations (which are addressed under EC1).

The Indicator informs stakeholders about an organization's awareness of its impacts. It also enables an organization to better prioritize and improve its organization-wide attention to local communities.

Understanding operations with specific challenges, combined with information about organization-wide processes, enables stakeholders to better assess an organization's overall community performance. An analysis of negative impacts enables an organization to reflect its approach in management systems and consequently enhance the brand and reputation of the organization as a potential partner. It simultaneously strengthens the ability of an organization to maintain existing operations, and to initiate new ones.

Methodology for data collection

Identify internal sources of information about potential and actual negative impacts, including sources such as:

- Actual performance data;
- Internal investment plans and associated risk assessments;
- All data collected with GRI indicators (e.g. EC9, EN1, EN3, EN8, EN12, EN14-15, EN19-26, EN29, LA8, HR6-9, PR1-2) as relates to individual communities.

Identify significant potential negative impacts, including but not limited to consideration of:

- Vulnerability and risk to local communities from potential impacts due to factors such as:
 - Degree of physical or economic isolation of the local community;



- Level of socio-economic development including the degree of gender equality within the community ;
- State of socio-economic infrastructure (health, education);
- Proximity to operations;
- Level of social organization; and
- Strength and quality of the governance of local and national institutions around local communities.

Identify the exposure of the local community to operations due to higher than average use of/impact on shared resources. This may include but is not limited to:

- Use of hazardous substances that impact on the environment and human health in general, and specifically reproductive health;
- Volume and type of pollution released;
- Status as major employer in the local community;
- Land conversion and resettlement; and
- Natural resource consumption.

Identify the significant potential and actual negative economic, social, cultural, and environmental impacts on local communities and their rights. This may include consideration of, but is not limited to the following:

- Intensity/severity of the impact;
- Likely duration of the impact;
- Reversibility of the impact; and
- Scale of the impact.

Definitions

OPERATIONS WITH SIGNIFICANT POTENTIAL OR ACTUAL NEGATIVE IMPACTS ON LOCAL COMMUNITIES

This refers primarily to operations, considered alone or in combination with the characteristics of local communities, that have higher than average potential of negative impacts, or actual negative impacts, on the social, economic or environmental wellbeing of local communities (for example, local community health and safety).

Documentation

Potential information sources include organizational policies and risk assessment procedures, results of data collection from local community programs, and analysis results of external stakeholder forums, joint community committees, stakeholder reports, and other inputs. Both internal and external sources and references should be used.

References

- OECD Risk Awareness Tool for Multinational Enterprises in Weak Governance Zones, 2006.
- International Finance Corporation's Performance Standards on Social & Environmental Sustainability, 2006.



ASPECT: LOCAL COMMUNITY

[The content of SO 10 is incorporated in the Disclosure on Management Approach proposal]

CORE SO10 — Prevention and mitigation measures implemented in operations with significant potential or actual negative impacts on local communities

1. — Relevance

This Indicator demonstrates the measures implemented in response to the significant potential and actual negative impacts identified in Indicator SO9.

The quality and extent of prevention and mitigation measures is important in understanding the potential and actual impacts of organization-wide operations. The information also provides insight into the ability of the organization to respond appropriately to potential problems, and therefore the potential risks that impacts pose to the organization's reputation or ability to operate. The approach to prevention and mitigation measures can also provide insight into how an organization implements its mission, values, and commitments.

2. — Compilation

2.1 Use the information on potential and actual negative impacts reported in SO9.

2.2 Report whether, for the significant potential and actual negative impacts reported in SO9:

- Prevention and mitigation measures were implemented;
- Prevention and mitigation measures were implemented in order to:
 - i. Remediate non-compliance with laws or regulations;
 - ii. Maintain compliance with laws or regulations;
 - iii. Achieve a standard beyond legal compliance;
- Prevention and mitigation objectives were achieved or not.

3. — Definitions

None.

4. — Documentation

Potential information sources include:

- Baseline studies — socio-economic, health, environment, cultural, etc;
- Agenda and meeting reports of works councils, occupational health and safety committees and other employee representation bodies;
- Social impact assessments;
- Gender impact assessments;
- Health impact assessments;
- Environmental impact assessments;
- Social action plans; and
- Resettlement action plans.



5. References

- ~~OECD Guidelines for Multinational Enterprises (in particular Ch ii.3 & v.2.b), 2000.~~
- ~~OECD Risk Awareness Tool for Multinational Enterprises in Weak Governance Zones, 2006.~~
- ~~International Finance Corporation's Performance Standards on Social & Environmental Sustainability, 2006.~~



ASPECT: CORRUPTION

CORE SO2 Percentage and total number of business units analyzed for risks related to corruption

[Standard Disclosure]

Compilation

Report the total number and percentage of business units analyzed for risks related to corruption.

[Guidance]

Relevance

Efforts to manage reputational risks arising from corrupt practices by employees or business partners require a system that has supporting procedures in place. This measure identifies two specific actions for ensuring the effective deployment of the organization's policies and procedures by its own employees and its intermediaries or business partners. Risk analysis is an important and necessary management approach that helps to assess the potential for incidents of corruption within the organization.

Methodology for data collection

Identify business units analyzed for organizational risks related to corruption during the reporting period. This refers to either a formal risk assessment focused on corruption or the inclusion of corruption as a risk factor in overall risk assessments.

Definitions

None.

Documentation

Potential information sources include monitoring reports.

References

- OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions, 1997.
- OECD Guidelines for Multinational Enterprises, Revision 2000.
- Inter-American Convention Against Corruption, 1996.
- United Nations Convention Against Corruption, 2003.
- Business Principles for Countering Bribery, 2003.



ASPECT: CORRUPTION

CORE SO3 Percentage of employees trained in organization's anti-corruption policies and procedures

[Standard Disclosure]

Compilation

Report, separately, the percentage of both management and non-management employees who have received anti-corruption training during the reporting period.

[Guidance]

Relevance

Efforts to manage risks arising from corrupt practices by employees or business partners require a system that has supporting procedures in place. Training is an important element of such a system as it builds internal awareness and capacity necessary to prevent incidents of corruption. This measure reveals the proportion of the organization's employees that can reasonably be assumed to be aware of the anti-corruption issues.

Methodology for data collection

Identify the existence and scope of the organization's anti-corruption policies and procedures, and whether these contain processes for the training of employees in relation generally to the organization's operating environment and specifically in relation to its own procedures.

Identify the types of anti-corruption training undertaken. This may include but is not limited to anti-corruption, anti-bribery and/or code of conduct training.

Identify the total number of employees, distinguishing between management and non-management employees, using the data from LA1.

Calculate the percentage of employees that have undertaken training in accordance with the policies identified above.

Definitions

None.

Documentation

Potential information sources include training records and internal audit risk assessments.

References

- OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions, 1997.
- OECD Guidelines for Multinational Enterprises, Revision 2000.
- Inter-American Convention Against Corruption, 1996.



- United Nations Convention Against Corruption, 2003.
- Business Principles for Countering Bribery, 2003.



ASPECT: CORRUPTION

CORE SO4 Actions taken in response to incidents of corruption

[Standard Disclosure]

Compilation

Report total number of incidents of corruption and actions taken in response to these incidents, including but not limited to:

- the total number of incidents in which employees were dismissed or disciplined for corruption; and
- the total number of incidents when contracts with business partners were not renewed due to violations related to corruption.

Report any concluded legal cases regarding corrupt practices brought against the organization or its employees during the reporting period and the outcomes of such cases.

[Guidance]

Relevance

Corruption can be a significant risk to an organization's reputation and business. It is broadly linked to contributing to poverty in transition economies, damage to the environment, abuse of human rights, abuse of democracy, misallocation of investments, and undermining the rule of law. Organizations are increasingly expected by the marketplace, international norms, and stakeholders to demonstrate their adherence to integrity, governance, and good business practices. This Indicator demonstrates specific actions taken to limit exposure to sources of corruption and reduce the risk of new instances of corruption. For stakeholders, there is an interest in both the occurrence of incidents, but also how the organization chooses to respond.

Methodology for data collection

Identify the total number of incidents in which employees were dismissed or disciplined for corruption.

Identify the total number of incidents when contracts with business partners were not renewed due to violations related to corruption.

Identify concluded legal cases regarding corruption. Information on conditions, outcomes handed down is to be disclosed.

Definitions

None.

Documentation

Potential information sources include legal department records of cases brought against the organization, its employees, business partners, or contractors; minutes of the proceedings of internal disciplinary hearings; and contracts with business partners.



References

- United Nations Convention Against Corruption, 2003.
- OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions, 1997.
- Inter-American Convention Against Corruption, 1996.
- OECD Guidelines for Multinational Enterprises, Revision 2000.
- Anti-Corruption Instruments and the OECD Guidelines for Multinational Enterprises, 2003.
- Business Principles for Countering Bribery, 2003.



[The content of SO 5 is incorporated in the Disclosure on Management Approach proposal]

CORE SO5 — Public policy positions and participation in public policy development and lobbying

1. — Relevance

This Indicator provides information that allows organizations to compare public policy positions with formal sustainability policies and objectives. This information provides insight into the extent to which publicly expressed positions on sustainability are consistently embedded across the organization and aligned across different units. This allows a comparison of organizational priorities (particularly when making comparisons within the same sector) at the same time as the particular policy positions help to clarify the strategic relevance of sustainability issues for the organization. It also helps to provide transparency for lobbying activities for those concerned with the integrity of the practices and potential impacts on stakeholders.

2. — Compilation

2.1 Participation refers to efforts where the organization has taken a formal position or activities where participation has been formally recognized. While this could include activities through trade associations, roundtables, task forces, and other forms of lobbying with public policymakers, the disclosure relates to the position of the organization and not that of the bodies in which it is involved.

2.2 Report the significant issues that are the focus of the reporting organization's participation in public policy development and lobbying. This refers to participation at the level of the organization rather than individual operations.

2.3 Report the core positions held on each of the reported issues above and explain any significant differences between lobbying positions and stated policies, sustainability goals, or other public positions.

3. — Definitions

Public policy development

Organized or coordinated activities to effect government policy formulation.

Lobbying

Refers to efforts to persuade or influence persons holding political office, or candidates for such office, to sponsor policies, and/or to influence the development of legislation or political decisions. In this Indicator, this can relate to lobbying governments at any level or international institutions.

4. — Documentation

Potential information sources include the public policy statements of the reporting organization; internal minutes of government relations committees or departments; statements of positions adopted by the reporting organization in relevant trade associations; and records of interactions with public policy-makers.

5. — References

- — OECD Guidelines for Multinational Enterprises, Revision 2000.
- — OECD Principles of Corporate Governance, 2004.

ASPECT: PUBLIC POLICY

ADD SO6 Total value of financial and in-kind contributions to political parties, politicians, and related institutions by country

[Standard Disclosure]

Compilation

Report, by country, the total monetary value of financial and in-kind contributions made by the organization during the reporting period to political parties, politicians, and related institutions. This information should be broken down by country.

[Guidance]

Relevance

The purpose of this Indicator is to reflect the scale of the reporters' engagement in political funding and to ensure transparency in political dealings and relationships with the organization. Many countries have legislation that sets limits on official expenditure by parties and political candidates for campaigning purposes.

Methodology for data collection

Identify in which countries financial and in-kind contributions have been made to political parties, politicians, and related institutions. For those countries where:

- The organization has major operations and/or sales;
- The organization holds a significant share of the market in comparison to other organizations; or
- The sums contributed are significant compared to the total amount contributed globally.

Calculate these monetary contributions in accordance with national accounting rules (where these exist).

The value of in-kind contributions is to be estimated. Estimation methodologies need to be stated.

Definitions

CONTRIBUTIONS

Contributions can include donations, loans, sponsorships, purchase of tickets for fundraising events, advertising, use of facilities, design and printing, donation of equipment, retainers or jobs for elected politicians or candidates for office, etc.

RELATED INSTITUTIONS

Any bodies established with the primary purpose of arranging official or unofficial funding support for political parties, their elected representatives, or persons seeking political office. This definition also includes think-tanks, policy organs, trade associations, and other support organizations that are linked to the creation of support for political parties, their representatives, or candidates for office.



Documentation

Potential information sources include the accounting records of external payments and public disclosure statements.

References

- OECD Guidelines for Multinational Enterprises, Revision 2000.



ASPECT: ANTI-COMPETITIVE BEHAVIOR

ADD SO7 Total number of legal actions for anticompetitive behavior, anti-trust, and monopoly practices and their outcomes

[Standard Disclosure]

Compilation

Report the number of legal actions pending or completed during the reporting period regarding anti-competitive behavior and violations of anti-trust and monopoly legislation in which the organization has been identified as a participant.

Report the main outcomes of completed legal actions, including any decisions or judgements.

[Guidance]

Relevance

Anticompetitive behavior, anti-trust, and monopoly practices can affect consumer choice, pricing, and other factors that are essential to efficient markets. Legislation has been introduced in many countries that seeks to control or prevent monopolies, with the underlying assumption that competition between enterprises also promotes economic efficiency and sustainable growth. Legal action indicates a situation in which the market actions or status of the organization have reached a sufficient scale to merit concern by a third party. Legal decisions arising from these situations can carry the risk of significant disruption of market activities for the organization and/or punitive measures.

Methodology for data collection

Indicator pertains to legal actions initiated under national or international laws designed primarily for the purpose of regulating anti-competitive behavior, anti-trust, or monopoly practices.

Identify legal actions pending or completed during the reporting period regarding anticompetitive behavior and violations of anti-trust and monopoly legislation in which the organization has been identified as a participant.

Definitions

ANTI-COMPETITIVE BEHAVIOR

Actions of the organization and/or employees that may result in collusion with potential competitors to fix prices, coordinate bids, create market or output restrictions, impose geographic quotas, or allocate customers, suppliers, geographic areas, and product lines with the purpose of limiting the effects of market competition.

ANTI-TRUST AND MONOPOLY PRACTICES

Actions of the organization that may result in collusion to erect barriers to entry to the sector, unfair business practices, abuse of market position, cartels, anti-competitive mergers, price-fixing, and other collusive actions which prevent competition.



Documentation

Potential information sources the legal department records and public records.

References

- OECD Guidelines for Multinational Enterprises, Revision 2000.



ASPECT: COMPLIANCE

CORE SO8 Monetary value of significant fines and total number of non-monetary sanctions for noncompliance with laws and regulations

[Standard Disclosure]

Compilation

Report significant fines and non-monetary sanctions in terms of:

- Total monetary value of significant fines;
- Number of non-monetary sanctions; and
- Cases brought through dispute resolution mechanisms.

Where the organization has not identified any non-compliance with laws or regulations, a brief statement to this fact is sufficient.

Report the context against which significant fines and non-monetary sanctions were incurred.

[Guidance]

Relevance

The level of non-compliance within the organization helps to indicate the ability of management to ensure that operations conform to certain performance parameters. From an economic perspective, ensuring compliance helps to reduce financial risks that occur either directly through fines or indirectly through impacts on reputation. The strength of an organization's compliance record can also affect its ability to expand operations or gain permits.

Indicators EN28 and PR9 address compliance with specific aspects of law. An organization's overall record of compliance with the range of laws under which it must operate is equally of interest. This Indicator is intended to reflect significant fines and non-monetary sanctions under laws or regulations not covered by EN28 and PR9, such as laws and regulations related to accounting fraud, workplace discrimination, corruption, etc.

Methodology for data collection

Identify administrative or judicial sanctions levied against the organization for failure to comply with laws or regulations, including:

- International declarations/ conventions/ treaties, and national, sub-national, regional, and local regulations, and
- Cases brought against the organization through the use of international dispute mechanisms or national dispute mechanisms supervised by government authorities

The level of non-compliance within the organization helps to indicate the ability of management to ensure that operations conform to certain performance parameters. From an economic perspective, ensuring compliance helps to reduce financial risks that occur either directly through fines or indirectly through impacts on reputation. The strength of an organization's compliance record can also affect its ability to expand operations or gain permits.



Definitions

None.

Documentation

Data sources include audit results or regulatory tracking systems operated by the legal department. Information regarding monetary fines can be found in accounting departments.

References

None.



ASPECT: SCREENING AND ASSESSMENT

2028 **CORE G4 12 Percentage of new suppliers and other business partners screened**
 2029 **for society-related performance, and actions taken**

2030 **[Standard Disclosure]**

2031 **Compilation**

2032 Report the percentage of new suppliers and other business partners screened for society-related
 2033 performance, broken down by the location of the supplier and other business partner.

2034 Break down the following four disclosures by:

- 2035 • The location of the supplier and other business partner
- 2036 • The nature of the issue
- 2037 • The location of the issue (if different to the location of the supplier and other business partner)

2038 Report issues identified through screening.

2039 Report the percentage of new suppliers and other business partners where performance expectations
 2040 were set as a result of screening.

2041 Report the percentage of new suppliers and other business partners that were not selected or
 2042 contracted as a result of screening.

2043 Report other actions taken to address the issues identified.

2044 **[Guidance]**

2045 **Relevance**

2046 This Indicator helps quantify the regularity of an organization's risk management processes for the
 2047 society-related performance of suppliers and other business partners.

2048 Processes to screen suppliers and other business partners for society-related performance can help
 2049 organizations to identify actual and potential positive and negative impacts. This enables organizations
 2050 to respond to, and contribute to improvements in, suppliers' and other business partners' society-
 2051 related performance.

2052 **Methodology for data collection**

2053 Identify the total number of new suppliers and other business partners that the organization considered
 2054 selecting or contracting, broken down by the location of the supplier and other business partner.

2055 Screening for society-related performance may cover, but is not limited to, the Aspects under the Society
 2056 Category.

2057 Identify issues revealed through screening and actions taken to address these issues. Actions may
 2058 include, but are not limited to setting performance expectations or not selecting or contracting suppliers
 2059 and other business partners.



2060 **Definitions**

2061 **SCREENING**

2062 A formal or documented process that applies a set of performance criteria as one of the factors in
2063 determining whether to proceed with a relationship with a supplier or other business partner.

2064 **SUPPLIER**

2065 See the Glossary for the definition of supplier.

2066 **Documentation**

2067 Potential sources of information include the organization's procurement, purchasing and legal
2068 departments.

2069 **References**

2070 None.



2071 **ASPECT: SCREENING AND ASSESSMENT**

2072 **CORE G4 13 Percentage of existing suppliers and other business partners**
 2073 **identified as having actual and potential adverse impacts on**
 2074 **society assessed on society-related performance, and actions**
 2075 **taken**

2076 **[Standard Disclosure]**2077 **Compilation**

2078 Report the total number of existing suppliers and other business partners identified as having actual and
 2079 potential adverse impacts on society, broken down by the location of the supplier and other business
 2080 partner.

2081 Report the percentage of total existing suppliers and other business partners identified as having actual
 2082 and potential adverse impacts on society, broken down by the location of the supplier and other
 2083 business partner.

2084 For suppliers and other business partners identified as having actual and potential adverse impacts on
 2085 society: report the percentage of contracts that included clauses setting expectations on society-related
 2086 performance, broken down by the location of the supplier and other business partner.

2087 Report the percentage of existing suppliers and other business partners identified as having actual and
 2088 potential adverse impacts on society that were assessed on society-related performance, broken down
 2089 by the location of the supplier and other business partner.

2090 Break down the following four disclosures by:

- 2091 • The location of the supplier and other business partner
- 2092 • The nature of the issue
- 2093 • The location of the issue (if different to the location of the supplier and other business partner)

2094 Report issues identified through assessment.

2095 Report the percentage of contracts with suppliers and other business partners identified as having actual
 2096 and potential adverse impacts on society where improvements were agreed upon and achieved as a
 2097 result of assessment.

2098 Report the percentage of contracts with suppliers and other business partners identified as having actual
 2099 and potential adverse impacts on society that were terminated as a result of assessment.

2100 Report other actions taken to address the issues identified.

2101 **[Guidance]**2102 **Relevance**

2103 This Indicator helps quantify the regularity of an organization's risk and impact management processes
 2104 for the society-related performance of suppliers and other business partners.



2105 Processes to assess suppliers and other business partners on society-related performance can help
 2106 organizations to identify actual and potential positive and negative impacts. This enables organizations
 2107 to respond to, and contribute to improvements in, suppliers' and other business partners' society-
 2108 related performance.

2109 **Methodology for data collection**

2110 Identify the total number of suppliers and other business partners that were active during the reporting
 2111 period, broken down by the location of the supplier and other business partner. Active suppliers are
 2112 those from which materials, products and services were purchased during the reporting period.

2113 Identify the number of suppliers and other business partners identified as having actual and potential
 2114 adverse impacts on society, broken down by the location of the supplier and other business partner.

2115 Identify the number of suppliers and other business partners identified as having actual and potential
 2116 adverse impacts on society that were assessed on society-related performance, broken down by the
 2117 location of the supplier and other business partner.

2118 Assessment of society-related performance may cover, but is not limited to, the Aspects under the
 2119 Society Category.

2120 Assessments must be made against agreed performance expectations which were set and
 2121 communicated prior to the assessment.

2122 Assessments may include audits, contractual reviews, two-way engagement, and grievance and
 2123 complaint mechanisms.

2124 Identify issues revealed through assessment and actions taken to address these issues. Actions may
 2125 include, but are not limited to improvements or terminating the contract with the supplier or other
 2126 business partner.

2127 Improvements may include the adjustment of performance expectations, capacity building, training, and
 2128 changes to processes.

2129 **Definitions**

2130 **CLAUSE**

2131 For the purpose of this Indicator, a specific term in a written agreement that defines minimum
 2132 performance expectations as a requirement for maintaining a relationship with a supplier or other
 2133 business partner.

2134 **SUPPLIER**

2135 See the Glossary for the definition of supplier.

2136 **Documentation**

2137 Potential sources of information include procurement, purchasing and legal departments.

2138 **References**

2139 None.



2140 **ASPECT: REMEDIATION**2141 **CORE G4 14 Number of grievances about society-related impacts filed,**
2142 **addressed, and resolved through formal grievance mechanisms**2143 **[Standard Disclosure]**2144 **Compilation**2145 Report the total number of grievances about society-related impacts filed through formal organizational
2146 grievance mechanisms, broken down by the nature and location of the grievance.2147 Report which of the following parties filed each grievance:

- 2148 • Internal stakeholders
- 2149 • External stakeholders, including suppliers
- 2150 • Individuals or groups of people identified by:
 - 2151 ○ Gender
 - 2152 ○ Membership of underrepresented social groups
 - 2153 ○ Other indicators of diversity, if applicable

2154 Of the identified grievances, report how many were:

- 2155 • Addressed during the reporting period
- 2156 • Resolved during the reporting period
- 2157 • Filed prior to the reporting period but resolved during the reporting period

2158 Break down the above disclosure by the nature and location of the grievance, and the party that filed the
2159 grievance.2160 **[Guidance]**2161 **Relevance**2162 Disputes may occur over the society-related impacts of an organization's operations, decisions and
2163 relationships with others, and the operations, decisions and relationships of its suppliers. Effective
2164 grievance mechanisms play an important role in remediating society-related impacts.2165 **Methodology for data collection**2166 Identify existing formal organizational grievance mechanisms.2167 Identify the total number of grievances about society-related impacts filed through formal organizational
2168 grievance mechanisms.2169 Identify the total number of grievances addressed or resolved during the reporting period from both
2170 current year and prior year grievance filings, broken down by the nature and location of the grievance,
2171 and the party that filed the grievance.

2172 **Definitions**

2173 **GRIEVANCE MECHANISMS**

2174 Systems consisting of specified procedures, roles and rules for methodically addressing complaints as
2175 well as resolving disputes. Grievance mechanisms are expected to be legitimate, accessible, predictable,
2176 equitable, rights-compatible, clear and transparent and based on dialogue and mediation.

2177 **SUPPLIER**

2178 See the Glossary for the definition of supplier.

2179 **Documentation**

2180 Potential sources of information include the organization's legal, compliance, procurement or
2181 purchasing, and human resources departments.

2182 **References**

2183 None.



Product Responsibility Indicators

ASPECT: CUSTOMER HEALTH AND SAFETY

CORE PR1 ~~Life-cycle stages in which health and safety impacts of products and services are assessed for improvement, and p~~ **Percentage of significant products and services categories subject to such procedures**

[Standard Disclosure]

Compilation

In each of the following life cycle stages, report whether the health and safety impacts of products and services are assessed for improvement:

	yes	no
Development of product concept		
R & D		
Certification		
Manufacturing and production		
Marketing and promotion		
Storage distribution and supply		
Use and service		
Disposal, reuse, or recycling		

Report the percentage of significant product or service categories for which health and safety impacts are assessed for improvement.

[Guidance]

Relevance

This measure helps to identify the existence and scope of systematic efforts to address health and safety across the life cycle of a product and/or service. Customers expect products and services to perform their intended functions satisfactorily, and not pose a risk to health and safety. This responsibility is not only subject to laws and regulations, but is also addressed in voluntary codes such as the OECD Guidelines for Multi-national Enterprises.

Efforts made to protect the health and safety of those who use or deliver the product/service have direct impacts on an organization’s reputation, the organization’s legal and financial risk due to recall, market differentiation in relation to quality, and employee motivation.



Methodology for data collection

Identify significant product or service categories for which health and safety impacts are assessed for improvement.

Definitions

None.

Documentation

Potential information sources include the organization's legal and sales departments as well as the documentation collected through quality management systems.

References

- OECD Guidelines for Multinational Enterprises, Revision 2000.



ASPECT: CUSTOMER HEALTH AND SAFETY

ADD PR2 **Total number of incidents of non-compliance with regulations and voluntary codes concerning the health and safety impacts of products and services during their life cycle, by type of outcomes**

[Standard Disclosure]

Compilation

Report the total number of incidents of non-compliance with the health and safety of products and services within the reporting period, broken down by:

- Incidents of non-compliance with regulations resulting in a fine or penalty;
- Incidents of non-compliance with regulations resulting in a warning; and
- Incidents of non-compliance with voluntary codes.

Where the organization has not identified any non-compliance with regulations and voluntary codes, a brief statement to this fact is sufficient.

[Guidance]

Relevance

Protection of health and safety is a recognized goal of many national and international regulations. Failing to comply with legal requirements indicates either inadequate internal management systems and procedures, or lack of implementation. In addition to direct financial consequences (refer PR9), ongoing compliance failure poses increased financial risk due to damage to both reputation and employee motivation. This Indicator refers to incidents of non-compliance within the reporting period. If a number of incidents relate to events in preceding periods, this is indicated.

The trends revealed by this Indicator indicate improvements or deterioration in the effectiveness of internal controls.

This Indicator addresses the life cycle of the product or service once it is available for use and therefore subject to regulations and voluntary codes concerning the health and safety of products and services.

Reporting of financial penalties is dealt with in PR9.

Methodology for data collection

Identify the total number of incidents of non-compliance with regulations and voluntary codes concerning the health and safety of products and services during the reporting period.

Incidents of non-compliance in which the organization was determined not to be at fault are not counted in this Indicator.

Incidents related to labelling are dealt with in PR4.

Definitions

None.



Documentation

Potential information sources include the organization's legal, OHS, HR and R&D departments as well as documentation collected through quality management systems.

References

None.



ASPECT: PRODUCT AND SERVICE LABELING

CORE PR3 Type of product and service information required by procedures, and percentage of significant products and services subject to such information requirements

[Standard Disclosure]

Compilation

Report whether the following product and service information is required by the organization’s procedures for product and service information and labeling:

	yes	no
The sourcing of components of the product or service		
Content, particularly with regard to substances that might produce an environmental or social impact		
Safe use of the product or service		
Disposal of the product and environmental/social impacts		
Other (explain)		

Report the percentage of significant product or service categories covered by and assessed for compliance with such procedures.

[Guidance]

Relevance

Accessible and adequate information on the sustainability impacts of products and services (positive and negative) is necessary for customers and end users to make informed purchasing choices, and for these preferences to be reflected in the market. Providing appropriate information and labeling with respect to sustainability impacts is directly linked to compliance with certain types of regulations and codes (such as national laws or the OECD Guidelines for Multinational Enterprises) and, potentially, with strategies for brand and market differentiation. This measure provides an indication of the degree to which information and labeling addresses a product’s or a service’s impact on sustainability.

Methodology for data collection

Identify the total number of significant product or service categories.

Identify whether the following product and service information is required by the organization’s procedures for product service information and labeling:

- The sourcing of components of the product or service;
- Content, particularly with regard to substances that might produce an environmental or social impact
- Safe use of the product or service



- Disposal of the product and environmental /social impacts
- Other (explain)

Definitions

None.

Documentation

Potential information sources include legal and sales departments and the documentation collected through quality management systems.

References

- OECD Guidelines for Multinational Enterprises, Revision 2000.



ASPECT: PRODUCT AND SERVICE LABELING

ADD PR4 **Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes**

[Standard Disclosure]

Compilation

Report the total number of incidents of non-compliance with regulations concerning product and service information and labelling, broken down by:

- Incidents of non-compliance with regulations resulting in a fine or penalty;
- Incidents of non-compliance with regulations resulting in a warning; and
- Incidents of non-compliance with voluntary codes.

Where the organization has not identified any non-compliance with regulations and voluntary codes, a brief statement to this fact is sufficient.

[Guidance]

Relevance

The display and provision of information and labelling for products and services are subject to many regulations and laws. Non-compliance indicates either inadequate internal management systems and procedures or ineffective implementation. In addition to direct financial consequences (refer PR9), such as penalties and fines, non-compliance poses a risk to reputation and customer loyalty and satisfaction. The trends revealed by this Indicator can indicate improvements or deterioration in the effectiveness of internal controls.

This Indicator refers to incidents of non-compliance within the reporting period. If a number of incidents relate to events in preceding periods, this is indicated.

Reporting of financial penalties is dealt with in PR9.

Methodology for data collection

Identify the total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labelling during the reporting period.

Incidents of non-compliance in which the organization was determined not to be at fault are not counted in this Indicator.

Definitions

None.

Documentation

Potential information sources include the organization's legal and technical departments as well as documentation collected through quality management systems.



References

None.



ASPECT: PRODUCT AND SERVICE LABELING

ADD PR5 ~~Practices related to customer satisfaction, including r~~ Results of surveys measuring customer satisfaction

[Standard Disclosure]

Compilation

~~Report on organization-wide practices in place to assess and maintain customer satisfaction, such as:~~

- ~~• Frequency of measuring customer satisfaction;~~
- ~~• Standard requirements regarding methodologies of surveys; and~~
- ~~• Mechanisms for customers to provide feedback.~~

Report the results or key conclusions of customer satisfaction surveys (based on statistically relevant sample sizes) conducted in the reporting period relating to information about:

- The organization as a whole;
- A major product/service category; or
- Significant locations of operation.

[Guidance]

Relevance

Customer satisfaction is one measure of an organization's sensitivity to its customers' needs and, from an organizational perspective, is essential for long-term success. In the context of sustainability, customer satisfaction provides insight into how the organization approaches its relationship with one stakeholder group (customers). It can also be used in combination with other sustainability measures. Customers' needs and preferences may differ by gender and other diversity factors. Customer satisfaction can provide insights into the degree to which an organization considers the needs of other stakeholders.

Methodology for data collection

For any survey results reported, identify the product/service category or locations of operations to which they apply.

Definitions

None.

Documentation

Potential information sources include the organization's customer relations, marketing and R&D departments.

References

- UNIFEM & UNGC Women's Empowerment Principles: Principles 5 & 7, 2010.



ASPECT: MARKETING COMMUNICATIONS

CORE PR6 Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship

[Standard Disclosure]

Compilation

~~Report any codes or voluntary standards relating to marketing communications applied across the organization.~~

~~Report the frequency with which the organization reviews its compliance with these standards or codes.~~

Report whether the organization sells products that are:

- Banned in certain markets; or
- The subject of stakeholder questions or public debate.

Report how the organization has responded to questions or concerns regarding these products.

[Guidance]

Relevance

Marketing communications are designed to influence opinions and purchasing decisions. The growth of consumer activism shows that stakeholders consider marketing communications a significant issue when they:

- Do not conform to generally accepted ethical or cultural standards;
- Are irresponsible in relation to privacy intrusion and dual standards;
- Are irresponsible in their attempts to influence vulnerable audiences such as children; and
- Are irresponsible in portraying gender roles in ways that are not respectful

Marketing approaches that are seen as inappropriate can incur risks for organizations, including alienation of customers and other stakeholders, damage to reputation, financial costs, and legislative action.

In addition to frameworks of national or international law, voluntary and self-regulatory codes (such as the ICC International Code of Advertising Practice or the OECD Guidelines for Multinational Enterprises) seek to express concepts of responsibility in marketing communications. The adoption of such self-disciplinary codes or rules can assist organizations in ensuring that their marketing communications practices conform to generally accepted standards.

Methodology for data collection

Identify, by reviewing the organization's product portfolio, whether the organization sells products that are:

- Banned in certain markets; or
- The subject of stakeholder questions, media coverage or public debate.



Identify the mechanisms that the organization uses to track engagement with stakeholders on these issues and how the organization has responded to questions or concerns regarding these products

Definitions

None.

Documentation

Potential information sources include the organization's legal, sales, and marketing departments.

References

- International Chamber of Commerce recommendations (i.e., the ICC International Code of Advertising Practice) and related codes of conduct.
- OECD Guidelines for Multinational Enterprises, Revision 2000.
- Section J of The UN Beijing Platform For Action, 1995.



ASPECT: MARKETING COMMUNICATIONS

ADD PR7 Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship by type of outcomes

[Standard Disclosure]

Compilation

Report the total number of incidents of non-compliance with regulations concerning marketing communications, broken down by:

- Incidents of non-compliance with regulations resulting in a fine or penalty;
- Incidents of non-compliance with regulations resulting in a warning; and
- Incidents of non-compliance with voluntary codes.

Where the organization has not identified any non-compliance with regulations and voluntary codes, a brief statement to this fact is sufficient.

[Guidance]

Relevance

Marketing communications including advertising, promotion, and sponsorship for products and services are subject to many regulations and laws. Non-compliance indicates either inadequate internal management systems and procedures or ineffective implementation. In addition to direct financial consequences such as penalties and fines (refer PR9), non-compliance poses a risk to reputation and customer loyalty and satisfaction.

This Indicator refers to incidents of non-compliance within the reporting period. If a number of incidents relate to events in preceding periods, this is indicated.

The trends revealed by this Indicator can indicate improvements or deterioration in the effectiveness of internal controls.

Reporting of financial penalties is dealt with in PR9.

Methodology for data collection

Identify the total number of incidents of non-compliance with regulations concerning marketing communications during the reporting period.

Incidents of non-compliance in which the organization was determined not to be at fault are not counted in this Indicator.

Definitions

None.



Documentation

Potential information sources include the organization's legal, sales, and marketing departments.

References

None.



ASPECT: CUSTOMER PRIVACY

ADD PR8 Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data

[Standard Disclosure]

Compilation

Report the total number of substantiated complaints received concerning breaches of customer privacy, categorized by:

- Complaints received from outside parties and substantiated by the organization; and
- Complaints from regulatory bodies.

Report the total number of identified leaks, thefts, or losses of customer data.

If a number of these breaches relate to events in preceding periods, this should be indicated.

[Guidance]

Relevance

Protection of customer privacy is a generally recognized goal in national regulations and organizational policies. Non-compliance indicates either inadequate internal management systems and procedures or ineffective implementation. This Indicator provides an evaluation of the success of management systems and procedures relating to customer privacy protection. In addition to direct financial consequences such as penalties and fines, non-compliance poses a risk to reputation and customer loyalty and satisfaction. The trends revealed by this Indicator indicate improvements or deterioration in the effectiveness of internal controls.

If a substantial number of incidents relate to events in preceding years, this should be indicated.

Methodology for data collection

Identify the total number of complaints regarding breaches of customer privacy during the reporting period.

Definitions

BREACH OF CUSTOMER PRIVACY

Covers any non-compliance with existing legal regulations and (voluntary) standards of which the organization is a member regarding the protection of customer privacy.

SUBSTANTIATED COMPLAINT

Written statement by regulatory or similar official body addressed to the organization that identifies breaches of customer privacy, or a complaint lodged with the organization that has been recognized as legitimate by the organization.



Documentation

Information can be drawn from departments responsible for customer service, public relations, and/or legal concerns.

References

None.



ASPECT: COMPLIANCE

CORE PR9 Monetary value of significant fines for noncompliance with laws and regulations concerning the provision and use of products and services

[Standard Disclosure]

Compilation

Report total monetary value of significant fines.

Where the organization has not identified any non-compliance with laws or regulations, a brief statement to this fact is sufficient.

[Guidance]

Relevance

The level of non-compliance within an organization is an indicator of the ability of management to ensure that operations conform to certain performance parameters. From an economic perspective, ensuring compliance helps to reduce financial risks that occur either directly through fines or indirectly through impacts on reputation. The strength of an organization's compliance record can also affect its ability to expand operations or gain permits.

Methodology for data collection

Identify administrative or judicial sanctions levied against the organization for failure to comply with laws or regulations, including international declarations/conventions/ treaties, and national, sub-national, regional, and local regulations concerning the provision and use of the organization's products and services. Relevant information for this Indicator includes but is not limited to data from PR2, PR4, and PR7.

Definitions

None.

Documentation

Data sources include audit results or regulatory tracking systems operated by the legal department. Information regarding monetary fines can be found in accounting departments.

References

None.



Part 4. Technical Protocol for Defining Report Content and Boundaries

2184 **Technical Protocol - ~~Applying the Report Content Principles~~ Defining**
 2185 **report content and boundaries: an overview**

Introduction

2186 An ~~reporting~~ organization has to consider many topics¹ when compiling a sustainability report. In order
 2187 to provide a balanced and reasonable representation of its sustainability performance, topics that are
 2188 relevant and material for an organization should be covered in its report.

2189 Identifying the topics that are relevant for a sustainability report, and prioritizing those topics that are
 2190 material, is a challenge for most ~~reporting~~ organizations. The range of topics in a sustainability report
 2191 varies, depending on ~~the definition of report content and~~ the topics that are identified as material.
 2192 Material topics include those that reflect the organization's significant ~~economic, environmental and~~
 2193 ~~social~~ impacts; and topics that ~~would~~ substantively influence the assessments and decisions of
 2194 stakeholders.

2195 In GRI's Framework, unless otherwise stated the term 'impact' refers to significant economic,
 2196 environmental and social impacts that are:

- 2197 • Positive
- 2198 • Negative
- 2199 • Actual
- 2200 • Potential
- 2201 • Direct
- 2202 • Indirect
- 2203 • Short-term
- 2204 • Long-term

2205 In preparing a sustainability report, an ~~reporting~~ organization ~~also~~ needs to set a ~~boundary~~ boundaries.
 2206 This involves mapping its value chain, and identifying elements of the value chain where significant
 2207 impacts occur.

2208 Sustainability reporting poses a unique boundary challenge since an organization's ~~economic,~~
 2209 ~~environmental, and social impacts occur as a result of, and are linked to a complex network of activities~~
 2210 ~~and relationships involving a complex network of elements in its throughout the value chain. These~~
 2211 ~~activities and relationships are likely to extend beyond those entities over which the organization has~~
 2212 ~~control or influence. Therefore, reporting only on entities within the boundaries used for financial~~
 2213 ~~reporting may fail to provide a balanced and reasonable representation of the organization's impacts.~~

2214 Defining ~~report content~~ scope (the range of topics covered) and boundaries correctly is crucial in making
 2215 sustainability reporting a valuable exercise both for ~~reporting~~ organizations and report users.

2216 **What does the Technical Protocol – ~~Applying the Report Content Principles~~ Defining Report**
 2217 **Content and Boundaries cover?**

2218 This Technical Protocol provides process guidance on how to define the ~~content~~ scope and boundaries
 2219 of a sustainability report. This includes deciding on the Scope of a report, the range of topics covered,
 2220 each topic's relative reporting priority and level of coverage, and what to disclose in the report about

¹ The word 'topic' is used in the Guidelines to refer to any possible sustainability issue.



2221 ~~the process for defining its content.~~ This includes mapping the organization's value chain, determining
 2222 ~~the scope and boundaries of a report, defining each reported topic's relative reporting priority and~~
 2223 ~~depth of disclosure, and deciding what to disclose about the process for defining report content.~~

2224 It is important to note that the process of defining report ~~content~~ scope and boundaries is dependent
 2225 on the individual characteristics of ~~a an reporting~~ organization. It is an ~~highly~~ iterative and complex
 2226 process. The Protocol aims to help ~~reporting~~ organizations visualize the process as a series of steps.

2227 The Protocol is designed to be used in conjunction with the GRI Sustainability Reporting Guidelines ~~and~~
 2228 ~~the Sector Supplements and other Technical Protocols~~². It proposes a generic approach on how to apply
 2229 ~~the 'Reporting Guidance for Defining Content'~~³ and the ~~'Reporting Principles for Defining Content'~~ 'Part
 2230 1: The reporting process and 2. Principles and Guidance for Defining Report Content and
 2231 Boundaries' that are outlined in the GRI Sustainability Reporting Guidelines. Knowledge of the GRI
 2232 Reporting Framework is a prerequisite for using the Protocol. Definitions of key terms used throughout
 2233 this Protocol ~~can be found~~ are located in the Glossary of Terms, ~~on page 13.~~

2234 In applying the Protocol, the ~~reporting~~ organization ~~will be~~ is able to provide an explanation, and
 2235 documentation, on how it has applied the ~~'Reporting Guidance for Defining Content'~~ 'Part 1: The
 2236 reporting process 2. Principles and Guidance for Defining Report Content and Boundaries' and the
 2237 ~~'Reporting Principles for Defining Content'~~, as required by the Disclosure Items under 'Part 2. Report
 2238 Parameters' Standard Disclosures 3.5-3.7⁴ in the GRI Sustainability Reporting Guidelines.

Audience

2239 The Technical Protocol is intended primarily for the use of those involved in preparing, approving and
 2240 assuring sustainability reports. The Protocol is also of value for others, internal and external to the
 2241 ~~reporting~~ organization, who would like to learn more about the process for defining report scope and
 2242 boundaries ~~content~~ outlined by ~~under~~ the GRI Reporting Framework, including for analytical, research
 2243 and/or educational purposes. The Protocol is designed for use by organizations ~~of any~~ regardless of size,
 2244 sector, or location.

Materiality in the context of the GRI Reporting Framework

2245 ~~Material topics for a reporting organization should include those topics that have a direct or indirect~~
 2246 ~~impact on an organization's ability to create, preserve or erode economic, environmental and social~~
 2247 ~~value for itself, its stakeholders and society at large.~~ An reporting organization should identify material
 2248 topics related to all of its activities, products, services, and relationships. Material topics should include
 2249 those topics that:

- 2250 • reflect the organization's significant economic, environmental, and social impacts, or that
- 2251 • substantively influence the assessments and decisions of stakeholders

2252 ~~The operations and activities of an organization~~ An organization's activities, products, services, and
 2253 relationships lead to ~~positive and negative~~ economic, environmental and social impacts. Some of these
 2254 sustainability impacts ~~will be~~ are visible to stakeholders, who ~~will~~ express an interest in them directly.
 2255 But not all sustainability impacts ~~will be~~ are recognized by stakeholders. Some impacts may be slow and
 2256 cumulative. Others ~~will~~ occur at a distance from stakeholders, so that causal links may not be clear.

² For more information on the GRI Reporting Framework visit: www.globalreporting.org

³ See GRI Sustainability Reporting Guidelines Versions 3.1 and 3.0, pp.7-13.

⁴ See GRI Sustainability Reporting Guidelines Versions 3.1 and 3.0, pp.21-22.



2257 Sustainability impacts create both opportunities and risks for an organization. The ability of an
 2258 organization to recognize opportunities and risks, and act effectively in relation to them, will determine
 2259 whether the organization creates, preserves or erodes value.

2260 By following the 'Reporting Guidance for Defining Content', and applying the 'Reporting Principles for
 2261 Defining Content' in the GRI Sustainability Reporting Guidelines, the reporting organization should be
 2262 able to report on those topics that demonstrate its impacts, to recognize and set out to address
 2263 opportunities and risks, and to measure and understand its value in financial and non-financial terms.

2264 The materiality focus of sustainability reports is broader than the traditional measures of financial
 2265 materiality. In financial reporting, materiality is commonly thought of as a threshold for influencing the
 2266 economic decisions of those using an organization's financial statements, investors in particular. The
 2267 concept of a threshold is also important in sustainability reporting, but it is concerned with a wider
 2268 range of impacts and stakeholders.

2269 Materiality for sustainability reporting is not limited only to those sustainability topics that have a
 2270 significant financial impact on the organization. Determining materiality for a sustainability report also
 2271 includes considering economic, environmental, and social impacts that ~~cross a threshold in affecting~~
 2272 the ability to meet the needs of the present without compromising the needs of future generations. These
 2273 material topics ~~will~~ often have a significant financial impact in the near-term or long-term on an
 2274 organization. They ~~will be~~ are therefore also ~~be~~ relevant for stakeholders who focus strictly on the financial
 2275 condition of an organization.

2276 Many topics that attract significant stakeholder interest in an organization, or represent ~~major~~
 2277 significant economic, environmental, or social impacts, result in financial consequences within a time
 2278 frame that ~~will be~~ is relevant for at least some participants in capital markets.⁵

2279 The threshold for defining material topics to report should be set to those topics that identify those
 2280 ~~opportunities and risks which are most important to~~

- 2281 • reflect the organization's significant economic, environmental, and social impacts, or that
- 2282 • substantively influence the assessments and decisions of stakeholders

2283 ~~stakeholders, the economy, the organization, environment, and society, or the reporting organization,~~
 2284 ~~and therefore merit particular focus in a sustainability report.~~

2285 **Sustainability Reporting and Companies and Statutory Reporting**

2286 There may be overlap between the content of a sustainability report and the content of existing
 2287 statutory reporting requirements for ~~companies~~ organizations, in terms of:

- Sustainability indicators correlated to key value drivers or financial metrics
- Qualitative risks and opportunities within a time frame, relevant for the purposes of statutory reporting requirements

2288 ~~Sustainability reporting should address all material sustainability topics that are relevant in~~
 2289 ~~understanding how a company can create, preserve or erode value over time. Economic, environmental~~
 2290 ~~and social impacts can~~ may become important over an extended time period. Reports ~~must be able to~~

⁵ These impacts could may come in a range of forms, including but not limited to:

- Significant ongoing impacts on short-term financial indicators (e.g., cash flow)
- Sudden changes in the financial position of an organization due to the realization of an opportunity or risk
- Cumulative effects over time resulting in financial consequences that are not material in the short-term, but may be material for long-term investors



2291 should reflect both immediate, acute topics and reasonably foreseeable longer-term topics. A
 2292 sustainability report therefore covers a wider range of topics than statutory reporting requirements,
 2293 including but not limited to:

- 2294 ● ~~Impacts on stakeholder groups that are of high significance to them~~
- 2295 ● ~~Opportunities to contribute to broader sustainability objectives~~
- 2296 ● ~~Opportunities to adapt to planned changes in policies and regulatory frameworks~~

2297 **Defining report content and boundaries: the process**

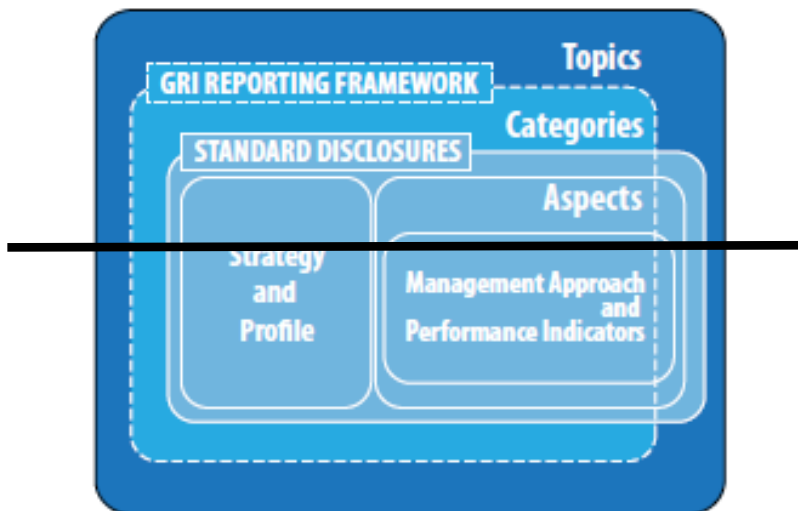
2298 This chapter describes the process that reporting organizations should go through in order to answer
 2299 the question of ‘what to report’.

2300 The process begins with the mapping of an organization’s value chain. It is followed by the identification
 2301 of relevant topics and their boundaries. Relevant topics are then prioritized as material GRI Aspects,
 2302 which are then validated. The end result of this process is a map of the organization’s value chain, a list
 2303 of material Aspects (and where the impact occurs within the value chain), and related Standard
 2304 Disclosures which should be disclosed in the organization’s sustainability report. See ‘Introduction of the
 2305 Guidelines, 2. The reporting elements – an overview, c. Disclosure items’ for the listing of GRI Aspects.

2306 The reporting organization’s senior decision-makers should take ownership of the process for defining
 2307 report content scope and boundaries, and should approve any associated strategic decisions.

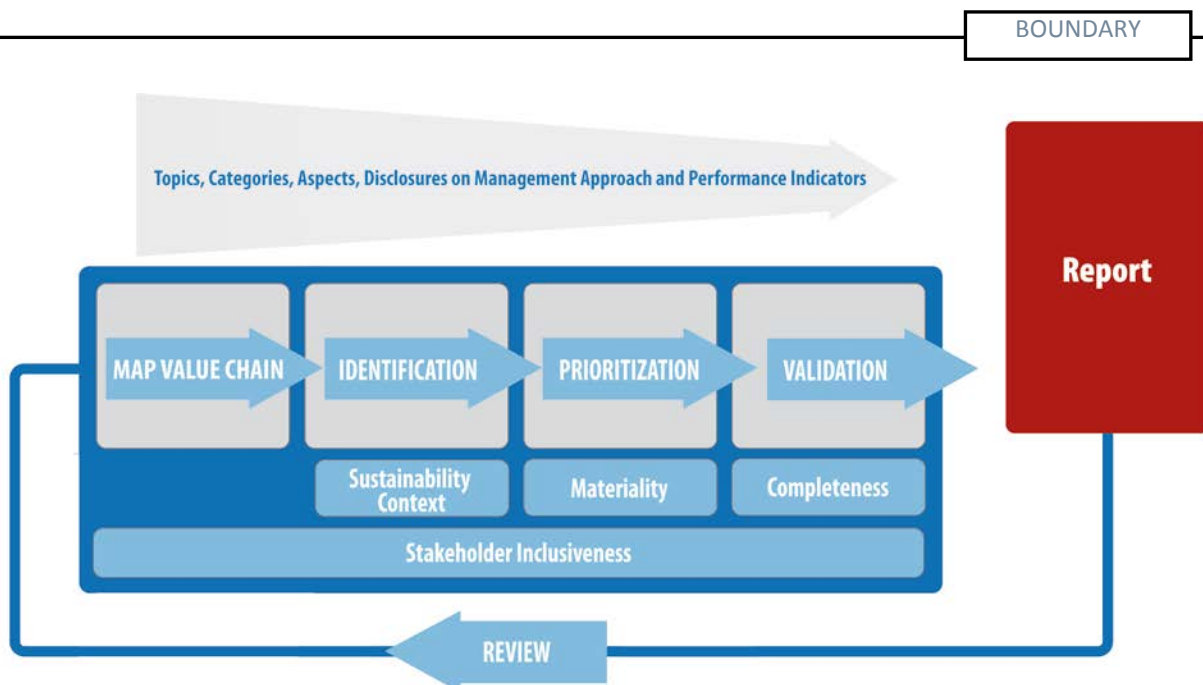
2308 Figure 1 depicts the terminology used in the GRI Reporting Framework. Knowledge of this terminology is
 2309 important in understanding the process for defining report content.

2310 **Figure 1: GRI Reporting Framework Terminology**



2311
 2312 The three-four process steps for defining report content scope and boundaries are depicted in Figure 21.
 2313 They are:

- 2314 1. Map value chain
2. Identification
3. Prioritization
4. Validation



2315 Figure 21: Defining report content scope and boundaries - the process

2316 Having followed the process steps, it is vitally important that all the reporting organizations undertakes a
 2317 review of their sustainability report. Review takes place after the report has been published, and the
 2318 organization is preparing for the next report cycle. A wide-ranging radar should be utilized for the
 2319 review. The findings inform and contribute to the Map Value Chain and Identification steps for the next
 2320 reporting cycle.

2321 The four 'Reporting Principles for Defining Content' featured in the GRI Sustainability Reporting
 2322 Guidelines should be used in the process for defining report scope and boundaries content: Materiality,
 2323 Stakeholder Inclusiveness, Sustainability Context and Completeness.⁶ Each Reporting Principle features
 2324 three components: a definition, an explanation of how and why to apply the Principle, and tests. All
 2325 three components need to should be considered in the process.

2326 Figure 21 indicates which of these Reporting Principles is are more significant in the different process
 2327 steps. Stakeholder Inclusiveness is applied to varying degrees throughout the whole process.

2328 It is important to note that the process for defining report content scope and boundaries is iterative and
 2329 dynamic, rather than linear and static. The reporting organization repeats the process for in each
 2330 reporting period, thereby refining the reporting process its definition of scope and boundaries.

2331 Documentation of the process for defining report scope and boundaries is crucial, including its
 2332 methodologies, assumptions and the decisions taken.

2333 Accurate records facilitate analysis and assurance, help to fulfill the Disclosure Items under 'Part 2.
 2334 Report Parameters' of the Guidelines Standard Disclosures 3.5 3.11 in the GRI Sustainability Reporting
 2335 Guidelines⁷, and enable the reporting organization to explain and defend its chosen approach.

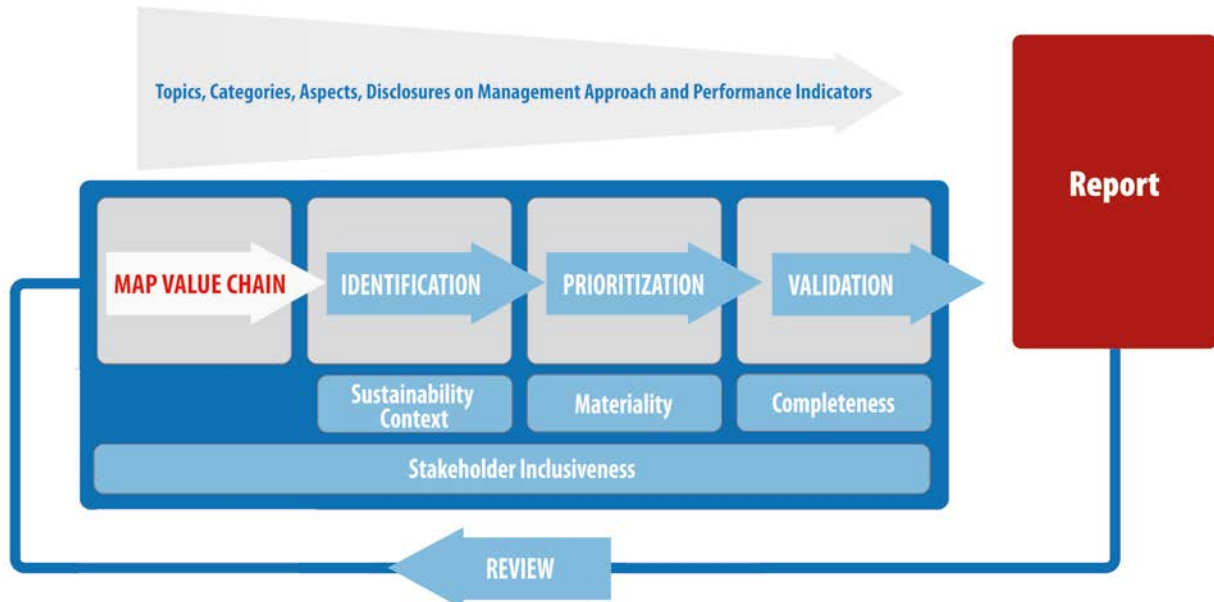
2336 Inevitably, the process for defining report content scope and boundaries requires subjective judgments.
 2337 The reporting organization should be transparent about its judgments. This will enables internal and
 2338 external stakeholders to understand the process for defining report scope and boundaries.

⁶ See GRI Sustainability Reporting Guidelines Versions 3.1 and 3.0, pp. 8-13.

⁷ See GRI Sustainability Reporting Guidelines Versions 3.1 and 3.0, pp. 21-22.

2339 This Technical Protocol is based on the assumption that the reporting organization determines the
 2340 Report Scope in conjunction with determining the Report Boundary – the range of entities whose
 2341 performance is represented in the report (e.g., subsidiaries, joint ventures, subcontractors, etc). The
 2342 ‘Reporting Guidance for Boundary Setting’⁷ and the GRI Boundary Protocol⁸ offer guidance on how to
 2343 set the Boundary for a sustainability report and how to describe the chosen Boundary to report users. It
 2344 is referenced at the relevant stages in the following process description.

2345 **Step 1: Map Value Chain**



- 2346
- 2347 Overall, a sustainability report helps to communicate the actions an organization takes to manage its
 2348 significant impacts. Distinct from financial reporting, the organization needs to consider its boundaries
 2349 from the wider perspective of its value chain.
- 2350 The value chain consists of the parties that are linked by the organization’s activities, products, services,
 2351 and relationships, and may therefore impact and be impacted by the organization. The perspectives of
 2352 stakeholders should be taken into consideration when the organization maps its value chain.
- 2353 The organization’s value chain consists of many elements, including but not limited to its suppliers,
 2354 equipment manufacturers, employees, customers, transportation providers, warehousing and recycling
 2355 facilities, and local communities. Value chain elements can be classified as upstream, downstream, and
 2356 those with more fluid relationships such as employees who may also be customers and members of local
 2357 communities. A sustainability report should cover at least the elements in the value chain where the
 2358 organization has or experiences significant impacts related to its activities, products, services, and
 2359 relationships.
- 2360 In order to identify significant impacts, the organization should map its value chain beyond its legal
 2361 ownership structure, and with a holistic view of its relationships.
- 2362 In order to map the value chain, the organization should take into account the following considerations:
- 2363 • Activities, products, services, and relationships and their related economic, environmental, and
 2364 social impacts
 - 2365 • Entities that the organization is comprised of such as parent, subsidiaries, joint ventures and any
 2366 other applicable forms of ownership
 - 2367 • Upstream and downstream relationships beyond ownership, both direct and indirect

- Other relationships and activities, such as those with other stakeholders, non-state actors, and individuals

2370 An organization’s value chain may be represented graphically similar to Figure 2



2371

2372 **Figure 2: An illustrative representation of value chain**

2373 Existing sources of guidance for mapping value chains may be utilized by organizations to complete this
 2374 step. Organizations are encouraged to select those methods that are most effective for their
 2375 circumstances and purposes. Organizations may choose to present separate value chains to account for
 2376 various activities, products, and services. While it is each organization’s choice whether to document one
 2377 or several value chains, a high level of detail should be presented for this step. Value chain elements
 2378 should be combined into meaningful groups (such as those presented in figure 2), providing sufficient
 2379 details for report users to understand the environment in which the organization operates. A more
 2380 detailed description of value chain elements is completed during the Identification step, when relevant
 2381 topics and their significant impacts are matched against specific value chain elements.

2382 The mapping exercise should be documented, and conducted regularly to ensure the inclusion of
 2383 necessary value chain elements as organizations and their activities evolve. The extent of the mapping
 2384 exercise depends on the size and complexity of each organization.

2385 The outcome of this step is a holistic view of the value chain, throughout which impacts are identified.

2386 **Step 12: Identification - identify relevant topics and determining their boundaries**



2387 The aim of the Identification step is to create a ~~short~~ list of relevant topics that should be assessed for
2388 inclusion in an organization's sustainability report.

Relevant topics are those that may reasonably be considered important for reflecting the organization's economic, environmental, and social impacts, or influencing the decisions of stakeholders. All such topics potentially merit inclusion in a sustainability report.

2389 ~~Reporting~~ Organizations should apply a wide-ranging radar to identify all relevant topics. All Aspects and
2390 related Standard Disclosures identified under each Category in the GRI Sustainability Reporting
2391 Guidelines and applicable Sector Supplements should be considered relevant. They have been developed
2392 through GRI's multi-stakeholder processes and are generally applicable for reporting an organization's
2393 sustainability performance. Alongside these, any other topic outside the GRI Reporting Framework that
2394 meets the above definition for relevant topics should be included in the ~~short~~ list.

2395 ~~In order to factor in sustainability impacts and reasonable stakeholder expectations and interests when~~
2396 ~~defining relevant topics, the reporting organization needs to define the range of entities, or groups of~~
2397 ~~entities, that fall within the Report Boundary. To do so, the reporting organization needs to determine~~
2398 ~~which entities it controls or significantly influences.~~

2399 The Reporting Principles 1- 'Stakeholder Inclusiveness' and 2- 'Sustainability Context' are the most
2400 relevant Principles for the Identification step, and must should be applied. In assessing the range of
2401 potentially relevant topics, it is vital organizations should to use the tests that underlie these two
2402 Principles⁸.

These two Reporting Principles involve different points of departure.

2403 1. The Principle of Stakeholder Inclusiveness emphasizes attentiveness to topics raised ~~through the~~
2404 ~~range of~~ by stakeholder engagement. In order to compile a report that provides a balanced and
2405 reasonable representation of the ~~reporting~~ organization's performance, and ~~can~~ informs the
2406 assessment and decision-making of stakeholders, the ~~reporting~~ organization must should
2407 understand the reasonable expectations and interests of those stakeholders, and be able to
2408 describe the process of engagement.

2409 The ~~reporting~~ organization needs to identify its stakeholders, and learn about their expectations
2410 and interests, in order to take a well-informed decision on Report Scope. The Principle
2411 underlines the usefulness of stakeholder engagement in informing decision-making during the
2412 reporting process.

2413 2. The Principle of Sustainability Context emphasizes the necessity of considering ~~actual and~~
2414 ~~potential~~ impacts on sustainability. Impacts ~~can~~ may be considered in absolute and relative
2415 terms.

2416 The Principle is intended to assess the organization's contribution to the environmental and
2417 social trends that are the focus of sustainability concerns. Understanding the organization's
2418 impacts and dependencies on ecosystem services ~~can~~ is also ~~be seen as a~~ part of 'Sustainability
2419 Context'.

2420 The tests for this Principle⁹ ~~will~~ guide the ~~reporting~~ organization. In using the tests the
2421 organization's actions are not limited to but may include the review of documents and
2422 information sources that assist in determining and analyzing its significant economic,
2423 environmental and social impacts.

⁸ See GRI Sustainability Reporting Guidelines Versions 3.1 and 3.0, pp. 11-12.

⁹ See GRI Sustainability Reporting Guidelines Versions 3.1 and 3.0, p. 12.



These documents and information sources may include, but are not limited to:

- Authoritative research and forecasts on economic, environmental, and social topics, for example, those published by local and international public institutions/governmental organizations
- Relevant national and international public policy targets and indicators on economic, environmental, and social topics
- Organizational performance in relation to information about economic, environmental, and social conditions in relevant locations, e.g., discussing water consumption in relation to available supply in a particular location
- Organizational performance in relation to other actors. For example, relating resource usage, employment creation or wages to that of other organizations

Further perspectives for analyzing significant economic, environmental, and social impacts may include, but are not limited to:

- The scale of impact and its current and future implications
- Comparison of impacts to relative scale; absolute norms; global vs. local limits
- The consequences of impacts
- Size and type (positive/negative) of contribution including externalities
- The accumulative severity of impacts over time
- Analysis of the absolute and relative significance of the organization's impacts in terms of overall economic, environmental and social trends



2424 **Determining boundaries for relevant topics**

2425 Organizations should identify relevant topics throughout the value chain mapped in Step 1. Map Value
 2426 Chain. The process for determining boundaries should be undertaken for each relevant topic. At this
 2427 stage in defining report scope and boundaries, the organization should examine its value chain mapped
 2428 in Step 1. Map Value Chain in order to identify the elements of the value chain where each topic has
 2429 associated impacts. The relative importance of each value chain element should also be determined.

2430 While organizations new to sustainability reporting are likely to focus on their own performance, a more
 2431 encompassing consideration of the value chain should become feasible as reporting practice matures.
 2432 Time horizons and time criteria play a crucial role in evaluating impacts. The organization should include
 2433 all elements of the value chain in its initial assessment of each topic, irrespective of whether it has
 2434 control or influence over the elements of its value chain.

2435 The key determining factor of whether a topic is relevant should be the ~~actual and potential~~ impacts
 2436 related to the topic. The organization should establish a consistent and documented approach to
 2437 evaluating whether each relevant topic has associated impacts for each element of the value chain. The
 2438 accumulation of impacts over time, and generational repercussions, should be evaluated. It is also
 2439 important to document how the trends that are then identified are prioritized and tracked in future
 2440 reports.

2441 The organization should be able to communicate the results of this analysis in a clear and concise
 2442 manner, explaining for which elements of the value chain a topic has associated impacts. The description
 2443 of value chain elements should include their geographic location and the nature of the organization's
 2444 relationship to the value chain elements (such as full or partial ownership, influence, contractual
 2445 relationship, or other). See Figures 3, 4, and 5 below for examples of how to present a topic's
 2446 relationship with value chain elements.

2447



2448

2449 **Figure 3: An example of an organization's value chain**



2450

2451 **Figure 4: An example where the topic of greenhouse gas emissions is only relevant to the value chain**
 2452 **elements that are not greyed out**

2453



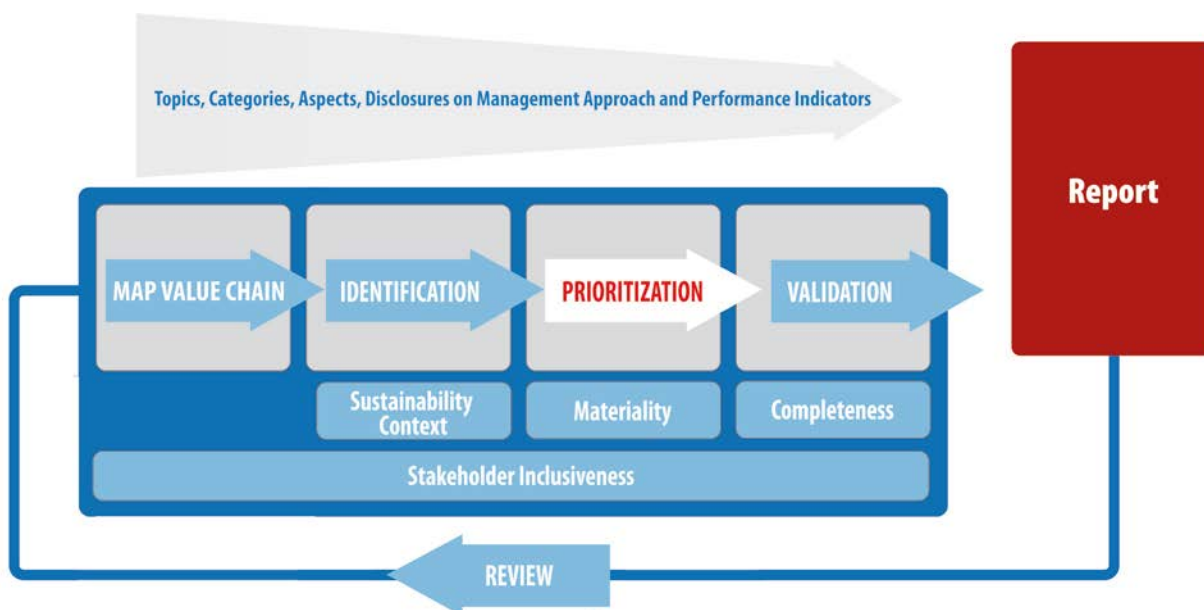
2454

2455 **Figure 5: An example where the topic of child labor is only relevant to the value chain elements that**
 2456 **are not greyed out**

2457 After applying these two Principles to the range of potential topics to consider At the end of the
 2458 Identification step, the organization should have identified a shortlist of relevant topics, along with their
 2459 boundaries. , that can This list is then be assessed for materiality, relative reporting priority, and depth of
 2460 disclosure.

2461 The organization’s analysis of its impacts identification of its relevant topics should be systematic and
 2462 may consider the precautionary principle. In addition, where practicable the reporting organization
 2463 should apply a scientific and internationally validated approach to measurement, and rely on proven
 2464 expertise and authoritative research.

2465 **Step 23: Prioritization**



2466 The Prioritization step involves examining all the identified topics that could be included in a
 2467 sustainability report, assessing which topics are material, determining their relative reporting priority,
 2468 and deciding on the level of coverage and detail depth of disclosure they will be afforded; the
 2469 relative reporting priority.

2470 In the Prioritization step, analysis should be undertaken on the Aspect level. The step also involves
 2471 deciding how to represent the reporting organization’s performance in-for each material Aspects topics
 2472 in the report.



2473 The methodology applied in the Prioritization step varies according to the individual organization.
2474 Specific circumstances such as the size and nature of impacts, business model, sector, geographic,
2475 cultural and legal operating context, and ownership structure, and size and nature of impacts affect how
2476 an organization prioritizes the topics ~~and Aspects~~ it covers in its sustainability report. What is important,
2477 given this variation, is the need for an organization to develop a rational process, the ability to document
2478 it, and the ability to replicate the process in subsequent reporting cycles.

2479 The GRI Sustainability Reporting Guidelines require disclosure ~~on of these areas~~ the process the
2480 organization has followed to determine the report scope and boundaries, under DI 25 Standard
2481 Disclosure 3.5⁴⁰ ..

⁴⁰ See GRI Sustainability Reporting Guidelines Versions 3.1 and 3.0, pp. 21-22.



BASIC FEATURES OF THE PRIORITIZATION STEP

The Prioritization step should include the following features as a minimum:

1. An assessment of the Aspects based on analyzing the:
 - Significance of impact to Stakeholders; and
 - Significance of impact to the Organization.

An analysis of Aspects using these viewpoints ~~will~~ helps the reporting organization to combine findings from stakeholder engagement (on how stakeholders perceive impacts) with an assessment of organizational priorities.

2. Determining materiality and relative reporting priority. Depending on the Aspect, this determination should involve qualitative analysis and discussion, or quantitative assessment, or both, ~~on the basis of criteria~~. It is important to note that the fact that an Aspect is difficult to quantify does not mean that the Aspect topic is not material.

The reporting organization needs to establish the thresholds that render an Aspect material, and support its decision-making about relative reporting priority. Establishing thresholds should include consideration of time horizons. The thresholds and underlying criteria ~~need to~~ should be clearly defined, documented and disclosed.

3. A systematic approach. The Prioritization assessment should be systematic, documented and replicable, and used consistently from year to year. Changes to the assessment approach, and their implications, should be documented.
4. Visual communication. The reporting organization should be able to communicate the results of its Prioritization step in a simple visual manner, explaining the relationship of the selected Aspects to the analysis of the two viewpoints stated above. The representation of Aspects within this visual explanation should be supported by evidence or a documented rationale.

2482 Analysis of ‘Significance of Impact to Stakeholders’ and ‘Significance of Impact to the 2483 Organization’

2484 It is important to note that while each Aspect should be assessed on ‘Significance of Impact
2485 Stakeholders’ and ‘Significance of Impact to the Organization’, these viewpoints overlap to some extent
2486 with respect to internal stakeholders. The interests and expectations of stakeholders that are invested
2487 specifically in the success of the organization (e.g., of workers, shareholders, and suppliers) should
2488 inform the analysis of both viewpoints.

2489 SIGNIFICANCE OF IMPACT TO STAKEHOLDERS

The analysis of this viewpoint should include, but is not limited to, assessment of the views expressed by stakeholders during the reporting period.

2490 Stakeholder views ~~can~~ may be drawn from existing, ongoing engagement mechanisms, as well as from
2491 stakeholder engagement that is initiated specifically for defining sustainability report content.
2492 Throughout the engagement process the Reporting Principle of ‘Stakeholder Inclusiveness’ is applied in
2493 detail.

2494 The nature of the organization’s impact should inform the geographic focus of engagement, and the
2495 process of engagement should be appropriate to the stakeholder group. Stakeholder engagement should
2496 identify the interests of stakeholders who are unable to articulate their views (e.g., future generations,
2497 fauna, ecosystems, etc.). These views ~~could~~ may be presented by proxies. The reporting organization



2498 should identify a process for taking such views into account in determining materiality, ~~The organization~~
 2499 ~~should identify~~ including the interests of stakeholders with whom it may not be in constant or obvious
 2500 dialogue.

The stakeholder engagement should be two-way in nature, systematic and objective. Some engagement processes with specific stakeholder groups, such as workers and communities, should be independent of management and include mechanisms for stakeholders to express collective views relevant to their location.

An organization should be able to identify and consider their key stakeholders and their respective concerns, and how their views may affect decisions on the report content.

The engagement process should be sensitive to Aspects that are important to key stakeholders while recognizing gaps between the perceptions of the organization and stakeholders. Aspects of high significance to key stakeholders should be considered material, especially those Aspects that concern the stakeholders' own interests.

2501 The analysis requires the ~~reporting~~ organization to translate the varied opinions of different stakeholders
 2502 into a series of decisions on what to include and exclude from its report.

Consideration of the Aspects identified by stakeholders may include but is not limited to:

- 2503
- Significance of impacts
 - Each stakeholder group's perception of the organization's impact on that stakeholder group
 - Each stakeholder group's perception of the group's dependency on the organization
 - The geographical location of stakeholders, and the significance of the Aspect to their region
 - The diversity and range of stakeholders who express interest and/or are affected
 - The expectations of stakeholders regarding action and response to an Aspect
 - The expectations of stakeholders regarding transparency on a particular Aspect

2504 In addition, prioritizing stakeholders requires analysis of how stakeholders relate to the ~~reporting~~
 2505 organization. This process may include, but is not limited to, the degree to which stakeholders:

- 2506
- Are interested in, affected by, or have potential to be affected by the impacts of an
 2507 organization's activities, products, services, and relationships
 - Have the ability to influence outcomes within the organization
 - Are invested in the success/failure of the organization
- 2509

2510 The GRI Sustainability Reporting Guidelines require disclosure on stakeholder engagement under
 2511 ~~Standard Disclosures 4.14-4.17~~¹⁴ DI20-23. The ~~reporting~~ organization should be able to describe how
 2512 stakeholders are identified and prioritized, how their input has been used or not used, and how different
 2513 expectations and interests are assessed, as well as the organization's rationale behind the chosen
 2514 approach.

2515 The analysis of 'Significance of impact to Stakeholders' ~~must~~ should include use of the tests that relate to
 2516 stakeholders for the Reporting Principle of 'Materiality'¹².

¹⁴ See GRI Sustainability Reporting Guidelines Versions 3.1 and 3.0, p. 24.

¹² See GRI Sustainability Reporting Guidelines Versions 3.1 and 3.0, p. 8.



2517 **SIGNIFICANCE OF IMPACT TO THE ORGANIZATION**

The analysis should include but is not limited to:

- Current and future financial and non-financial implications
- Impacts on the strategies, policies, processes, relationships and commitments of the organization
- Impacts on competitive advantage/management excellence

2518 The aim of the analysis is to prioritize those Aspects that ~~might~~ may positively or negatively influence the
2519 organization's ability to deliver on its vision and ~~or~~ strategy.

2520 To prioritize these Aspects for reporting, the organization's assessment ~~can~~ includes but is not limited to:

- The likelihood of risks or opportunities arising from an Aspect
- 2521 • The likelihood and significance of an ~~potential long or short term~~ impact
- 2522 • ~~Severity of impacts~~
- How critical the impact is for the long-term performance of the organization
- 2523 • ~~Ability/maturity of the organization to respond~~
- 2524 • ~~Preparedness~~
- Opportunity for the organization to grow or gain advantage from the impact

2525 Elements of this information ~~might~~ may be available through established internal policies, practices and
2526 procedures (e.g., strategy, KPIs, risk assessments, and financial reports), as well as regulatory disclosure.

2527 The analysis of 'Significance of impact to the organization' ~~must~~ should include use of the tests ~~that~~
2528 ~~relate to organizational factors~~ for the Reporting Principle of 'Materiality'¹³.

Determining materiality and relative reporting priority

2529 After completing the analysis of 'Significance of Impact to Stakeholders' and 'Significance of Impact to
2530 the Organization', the ~~reporting~~ organization will should be able to visually represent an Aspect with
2531 respect to both viewpoints.

2532 The organization should now define thresholds that render an Aspect material. The analysis of the two
2533 viewpoints should be reflected in these thresholds.

2534 The definition of thresholds has a significant effect on a sustainability report. It is important that the
2535 thresholds are clearly defined, documented and communicated by the ~~reporting~~ organization.

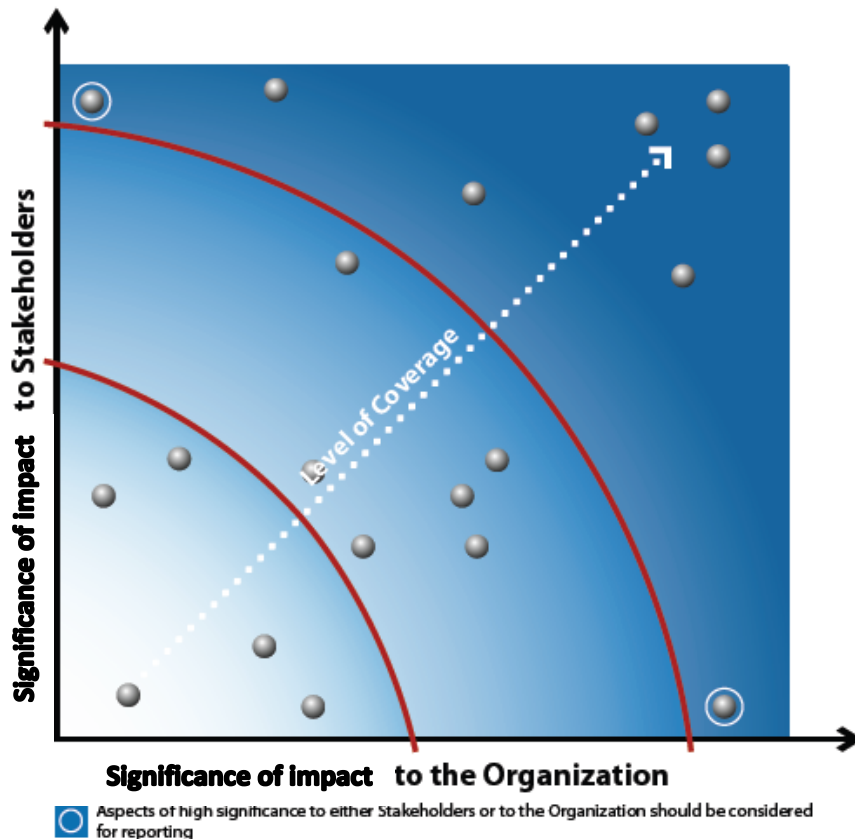
2536 In defining thresholds, the organization needs to make a decision on how to address Aspects that weigh
2537 more in one viewpoint than the other. Emerging issues - Aspects that ~~might~~ may become relevant over
2538 time - are an example of this. An Aspect does not ~~need~~ have to weigh heavily in both viewpoints to be
2539 deemed a priority for reporting. The Aspect's weight within one viewpoint is more important than
2540 convergence between the different viewpoints, and the establishing of a lowest common denominator
2541 should be avoided. In addition, as noted earlier, Aspects of high significance to key stakeholders
2542 concerning their own interests should be considered material for reporting.

¹³ See GRI Sustainability Reporting Guidelines Versions 3.1 and 3.0, pp. 11-12.



2543 After the decision on which Aspects should be considered material, the reporting organization needs to
 2544 make an assessment of relative reporting priorities. Depending on the relative reporting priority
 2545 assigned, the coverage of material Aspects in the report varies. The reporting organization can then
 2546 decide on the level of coverage for the individual Aspects.

2547 In Figure 36, the area between the two axes includes the Aspects identified during the Identification
 2548 step. Here, the Aspects are placed with respect to the considerations impact on stakeholders and the
 2549 organization. All the Aspects within the chart should be considered for reporting. The thresholds,
 2550 represented by the red arcs, are set by the organization. Where an Aspect sits within defined thresholds
 2551 determines the level of coverage depth of disclosure the Aspect should receive in a sustainability report.



2552 **Figure 36: Relative reporting priority Determining materiality**

2553 Determining Depth of Disclosure

2554 After the decision on which Aspects should be considered material, the organization should make an
 2555 assessment of relative reporting priorities. Depending on the relative reporting priority assigned, the
 2556 depth of disclosure of material Aspects in the report varies. The organization should then decide on the
 2557 depth of disclosure for the individual Aspects.

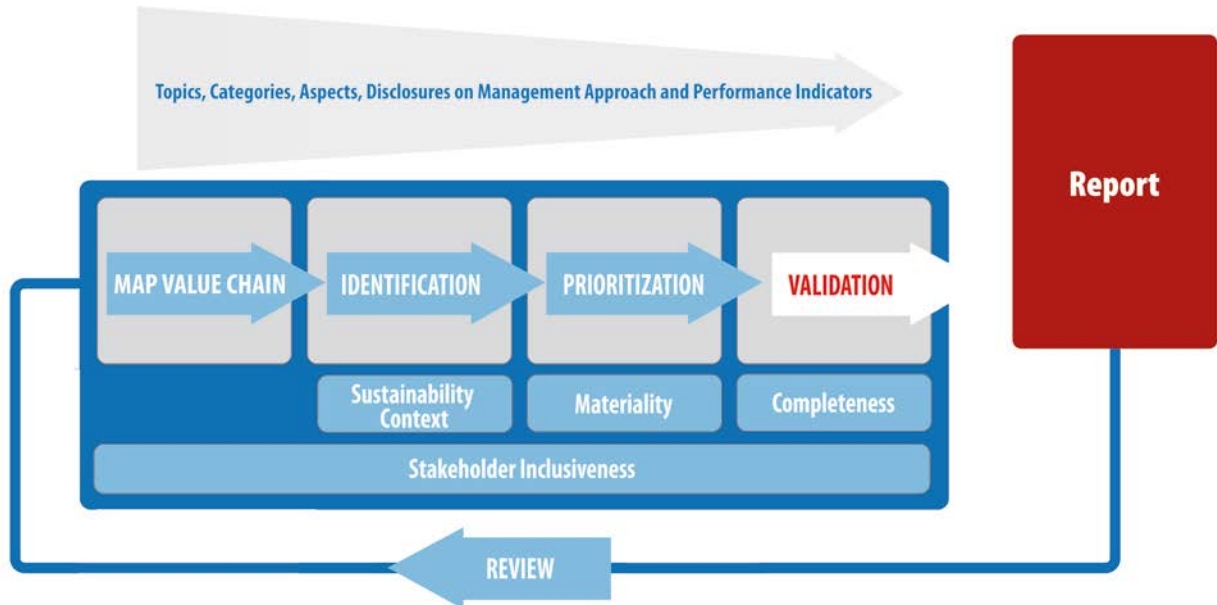
2558 ‘Depth of disclosure’ refers to the prominence and amount of data and narrative explanation disclosed
 2559 by the organization about a material topic. Disclosure on Management Approach, Indicators, or a
 2560 combination of the two represent different depths of disclosure.

2561 An organization ~~could~~ may consider the following as examples of how it may address content and
 2562 coverage levels depth of disclosure according to relative reporting priority:

- 2563 • Aspects with assigned relatively low reporting priority may be Aspects reported to fulfill
 2564 regulatory or other reporting requirements. It may be decided to not include them in the report.

- 2565 • Aspects assigned medium-level reporting priority ~~may~~should be considered for inclusion in the
2566 report, but given less attention and content.
- 2567 • Aspects deemed assigned high-level reporting priority ~~may~~should be reported on in great detail,
2568 be given more attention, or form a theme for the report itself.
- 2569 ~~At this stage in defining report content, the reporting process should revisit the range of entities, or~~
2570 ~~groups of entities, that fall within the Report Boundary. To do so, the organization needs to determine~~
2571 ~~the level of impact of the entities it controls or has significant influence upon, to determine their relative~~
2572 ~~importance.~~
- 2573 Alongside this, the reporting organization needs to decide on the depth of information in its report; for
2574 ~~which of its entities should it include Performance Indicators, Disclosure on Management Approach or a~~
2575 ~~narrative disclosure covering strategies and dilemmas. See the 'Reporting Guidance for Boundary~~
2576 ~~Setting' and the GRI Boundary Protocol for further guidance and definitions.~~
- 2577 When the organization decides on the depth of disclosure for each material topic, it should base its
2578 decision primarily on the impact associated with the material topic. The greater the impact, the more
2579 detailed the coverage of the topic should be. At a minimum, each material topic associated with a
2580 significant impact should be discussed in Disclosure on Management Approach disclosures.
- 2581 Another consideration for depth of disclosure is the ability of the organization to influence an element of
2582 its value chain. The depth of disclosure for each topic may vary depending on whether the organization
2583 exercises control, and to what extent it has influence. Ability to influence can generally range from full
2584 control, to some ability to influence, to no ability to influence. The organization is expected to provide
2585 Disclosure on Management Approach for material topics regardless of its ability to influence. Disclosure
2586 on Management Approach allows for the discussion of challenges and dilemmas for cases where the
2587 organization is not able to exercise influence to manage its impacts. Where an organization has actual or
2588 potential negative impacts and has no ability to influence, it should disclose its efforts to increase its
2589 ability to influence in its Disclosure on Management Approach.
- 2590 Lastly, availability of data plays a role in the depth of disclosure, especially for Indicators. Where the
2591 organization is not able to disclose certain material information due to the unavailability of data, it
2592 should disclose the reasons for this unavailability.
- 2593 At the end of the Prioritization step the ~~reporting~~ organization should have established all the Aspects to
2594 be included in the report, along with their boundaries and the depth of disclosure that each Aspect ~~will~~
2595 be afforded.

2596

Step 4: Validation - checking the Completeness of the material Aspects

The Validation step requires all identified material Aspects to be assessed against the Reporting Principle of ‘Completeness’ prior to gathering the information to be reported. This ensures that Aspects identified in the Prioritization step are checked against the dimensions of Scope, Boundary and Time. If necessary, adjustments should be made to the selection and coverage of the material Aspects.

2597

The reporting organization can ~~may~~ also take the approach of assessing the Indicators for materiality during the Validation step. If an ~~an~~ Performance Indicator is deemed material, yet the Aspect it belongs to was not identified as material, the Aspect should be reconsidered for its materiality.

2598

2599

Validation should be undertaken with the aim of ensuring a report provides a reasonable and balanced representation of the organization’s sustainability performance, including both its positive and negative contributions.

The Validation step involves assessing the material Aspects against:

2600

1. ~~Report~~ Scope - the range of sustainability topics covered in a report

2601

2. ~~Report Boundary – the range of entities whose performance will be represented by the report~~
the range of value chain elements covered in the report for each material topic

2602

3. Time - the completeness of selected information with respect to the reporting period

2603

The four tests featured in the Reporting Principle of ‘Completeness’¹⁴ should guide the reporting organization during the Validation of its report content. Conducting these tests ~~will help~~ ensure that report content has been decided on properly.

2604

2605

2606

It is critical for the material Aspects identified for inclusion in the report to be signed off by the relevant internal senior decision-makers at the reporting organization. Some organizations may choose to involve external stakeholders in this authorization. The Validation process should be documented.

2607

2608

Once the report content has been signed off, the identified material Aspects require translating into disclosure items to report against.

¹⁴ See GRI Sustainability Reporting Guidelines Versions 3.1 and 3.0, p. 13.

2609 Many of the ~~Aspects material topics~~ identified ~~will~~ correspond to Aspects in the GRI Sustainability
 2610 Reporting Guidelines and Sector Supplements. These documents set out Disclosure on Management
 2611 Approach and ~~Performance~~ Indicators under each of the Aspects.

2612 ~~GRI Performance~~ Indicators, ~~as defined in the GRI Reporting Framework,~~ are the result of an expert
 2613 multi-stakeholder unique engagement process and may be considered authoritative: the best expected
 2614 practice for a globally consistent way of measuring and monitoring performance on each Aspect.
 2615 ~~Performance~~ Indicators include Core and Additional Indicators.

2616 Core Indicators are generally applicable Indicators in the GRI Sustainability Reporting Guidelines, and are
 2617 assumed to best capture the measuring of material Aspects for most organizations. There may be cases
 2618 where an Aspect is considered material, but a specific Indicator ~~could~~ may be deemed not material in the
 2619 context and circumstances.

2620 An organization should report on Core Indicators for a material Aspect unless they are deemed not
 2621 material on the basis of the Reporting Principles for Defining Report Content.¹⁵ ~~Additional Indicators may~~
 2622 ~~also be determined material.~~

2623 An reporting organization may identify material Aspects topics that are not addressed in the GRI
 2624 Reporting Framework. To address these Aspects topics the organization may apply alternative indicators,
 2625 or develop their own indicators. Organization-specific indicators included in the report should be subject
 2626 to the same Reporting Principles and have the same technical rigor as GRI’s Standard Disclosures.

2627 After the Validation step, the reporting organization should have authorized its chosen material Aspects
 2628 to be included in the report. ~~After that, The the organization can now start to~~ gathers the information to
 2629 be reported, and assembles the report. In gathering the information, the organization ~~will need to~~ should
 2630 determine the Aspects for which it already has management and performance information available, and
 2631 those for which it still needs to establish management approaches and performance measurement
 2632 systems.¹⁶

Review

2633 In compiling a report, the organization should follow the ~~three~~ four steps of:

- 2634 1. Map Value Chain
- 2635 2. Identification
- 2636 3. Prioritization
- 2637 4. Validation

2638 Once a sustainability report has been compiled and presented, it is vitally important that the reporting
 2639 organization reviews it. Reviewing a report is of equal importance ~~to the following of these three other~~
 2640 four steps of defining report scope and boundaries.

2641 Review takes place after the report has been released published, and the organization is preparing for
 2642 the next report cycle. A wide-ranging radar should be utilized for the review. The findings will inform and
 2643 contribute to the Map Value Chain and Identification steps for the next reporting cycle.

¹⁵ If a Core Indicator is not reported and the reporting organization plans to declare an Application Level A or A+, the organization ~~must~~ should explain the reason for the Indicator’s omission. See the GRI Sustainability Reporting Guidelines and www.globalreporting.org for further information on the GRI Application Levels and background information on reasons for omission.

¹⁶ If an Aspect has been identified as material and the reporting organization lacks sufficient information to report on it, the sustainability report should state what action will be taken to resolve the gap, and the timeframe for doing so.



The Principles of Stakeholder Inclusiveness and Sustainability Context, and their associated tests in the GRI Sustainability Reporting Guidelines⁴⁷, should inform the review of a sustainability report. They serve as checks regarding the presentation and evaluation of report content, as well as checks for the reporting process as a whole.

BOUNDARY

2644 The reporting organization can may choose to engage internal and external stakeholders to check
2645 whether the report content provides a reasonable and balanced picture of the organization's impacts
2646 and its sustainability performance, and if the process by which the report content was derived reflects
2647 the intent of the Reporting Principles.

2648 **Conclusion**

2649 This Technical Protocol provides process guidance on how to define the content scope and boundaries of
2650 a sustainability report. This includes deciding on the Scope scope and boundaries of a report, the range
2651 of topics covered, each topic's relative reporting priority and level of coverage depth of disclosure of
2652 each topic, and what to disclose in the report about the process for defining its content and boundaries.

2653 Defining report content scope and boundaries is a process that varies with an organization's individual
2654 circumstances and relies on informed judgment. ~~As the Protocol cannot address all variations, the GRI~~
2655 ~~website features a collection of examples from reporting organizations that describe the process by~~
2656 ~~which they defined their report content, required by Standard Disclosures 3.5—3.719.~~

2657 ~~The online examples can be found at: www.globalreporting.org~~

2658 ~~The Report Content and Materiality Technical Protocol is intended to help organizations optimize the~~
2659 ~~quality and value of their sustainability reporting. With a clear idea of what is involved in defining report~~
2660 ~~content scope and boundaries, organizations are able to focus sustainability reports on material~~
2661 ~~sustainability topics. Identifying and prioritizing material topics helps organizations to identify~~
2662 ~~opportunities and anticipate risks, and enables greater understanding of their ability to create, preserve~~
2663 ~~or erode economic, environmental and social value for itself, its stakeholders and society at large.~~

⁴⁷ See GRI Sustainability Reporting Guidelines Versions 3.1 and 3.0, pp. 11-12.



THE REPORTING GUIDELINES

Part 5: Glossary



Glossary of Terms

[The Glossary will be reviewed and updated for the final version of the Guidelines.]

ADDITIONAL INDICATORS

Additional Indicators are those Indicators identified in the GRI Guidelines that represent emerging practice or address topics that may be material to some organizations but not generally for a majority.

ASPECTS

The general types of information that are related to a specific Indicator category (e.g., energy use, child labor, customers).

BOUNDARY

- 2664 **BOUNDARY**
- 2665 ~~Boundary refers to the range of entities (e.g., subsidiaries, joint ventures, sub-contractors, etc) whose~~
- 2666 ~~performance is represented in the report. In setting the Boundary for its report, an organization must~~
- 2667 ~~consider the range of entities over which it exercises control (often referred to as the ‘organizational~~
- 2668 ~~boundary’ and usually linked to definitions used in financial reporting) and over which it exercises~~
- 2669 ~~influence (often called the ‘operational boundary’). In assessing influence, the organization will need to~~
- 2670 ~~consider its ability to influence entities upstream (e.g., in its supply chain) as well as entities~~
- 2671 ~~downstream (e.g., distributors and users of its products and services). The Boundary may vary based on~~
- 2672 ~~the specific Aspect or type of information being reported. The range of value chain elements covered in~~
- 2673 ~~the report for each material topic. Boundaries may vary based on the topics being reported.~~

CATEGORIES

Broad areas or groupings of sustainability topics. The categories included in the GRI Guidelines are: economic, environmental, and social. The social grouping is categorized in terms of Labor Practices, Human Rights, Society, and Product Responsibility. A given category may have several Indicator Aspects.

GOVERNANCE & REMUNERATION

- 2674 **CLAWBACK**
- 2675 A repayment of previously received compensation required to be made by an executive to his or her
- 2676 employer in the event certain conditions of employment or goals are not met.

CONTENT INDEX

A GRI content index is a table or matrix that lists all of the Standard Disclosures, and where responses to the Disclosures can be found (page number or URL). Organizations can also add reference to organization-specific (non-GRI Guidelines) Indicators. The Content Index provides users with a quick overview of what has been reported and increases ease of report use. A Content Index is especially important if some of the Disclosures appear in other reports, such as a financial report or previous sustainability reports.

CORE INDICATOR

Core Indicators are those Indicators identified in the GRI Guidelines to be of interest to most stakeholders and assumed to be material unless deemed otherwise on the basis of the GRI Reporting Principles.

DOWNSTREAM

The term ‘downstream entities’ is based on the concept of a production chain that extends from the extraction of raw materials to the use of a good or service by an end-user. ‘Downstream’ refers to those



organizations that play a role in the distribution or use of goods and services provided by the organization, or, more generally, play a role in a later step in the production chain than the organization itself.

ECOSYSTEM DEPENDENCIES

For detailed information on ‘dependencies’, see the TEEB (The Economics of Ecosystems and Biodiversity) study discussions at www.teebweb.org.

ENTITY

An organization or sometimes an operation that is considered for inclusion or exclusion from a reporting boundary, no matter whether it is a legally constituted body.

GLOBAL REPORTING INITIATIVE

GRI’s vision is of a sustainable global economy where organizations manage their economic, environmental, social and governance performance and impacts responsibly and report transparently. GRI accomplishes this vision by providing guidance and support that enables organizations to report transparently and with accountability, as drivers of the change to a sustainable global economy. All GRI Reporting Framework components are developed using a multi-stakeholder consensus-seeking approach.

GRI REPORTING FRAMEWORK

The GRI Reporting Framework is intended to provide a generally accepted framework for reporting on an organization’s economic, environmental, and social performance. The Framework consists of the Sustainability Reporting Guidelines, the Indicator Protocols, Technical Protocols, and the Sector Supplements.

INDEPENDENT BOARD MEMBER

Definitions for ‘independent’ can vary between legal jurisdictions. Independent usually implies that the member has no financial interest in the organization or other potential benefits that could create a conflict of interest. Organizations using the Guidelines should state the definition used for ‘independent’.

INDICATOR

Qualitative or quantitative information about results or outcomes associated with the organization that is comparable and demonstrates change over time.

INDICATOR PROTOCOL

An Indicator Protocol provides definitions, compilation guidance, and other information to assist report preparers, and to ensure consistency in the interpretation of the Indicators. An Indicator Protocol exists for each of the Indicators contained in the Guidelines.

PRECAUTIONARY PRINCIPLE

The Precautionary Principle refers to the approach taken to address potential environmental impacts. See Rio Declaration on Environment and Development (1992), United Nations Conference on Environment and Development. ‘Principle 15: In order to protect the environment, the precautionary approach should 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.’

REPORT SCOPE

Scope refers to the range of sustainability topics covered in a report. The sum of the topics and Indicators reported should be sufficient to reflect significant economic, environmental, and social impacts. It should also enable stakeholders to assess the organization’s performance. In determining whether the information in the report is sufficient, the organization should consider both the results of stakeholder engagement processes and broad-based societal expectations that may not have surfaced directly through stakeholder engagement processes.

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.

SECTOR SUPPLEMENT

Sector Supplements are versions of the GRI Guidelines tailored for particular sectors. Some sectors face unique issues. Sector Supplements capture these issues, which may not be covered in the original Guidelines. Sector Supplements feature integrated commentary and new Indicators, ensuring that sustainability reports cover key sectoral concerns.

GOVERNANCE & REMUNERATION

2677 **SENIOR EXECUTIVE**

2678 A top ranking member of the management of an organization that includes a Chief Executive Officer
2679 (CEO) and individuals reporting directly to the CEO or the highest governance body. Individual
2680 organizations define which members of their management teams are senior executives.

STAKEHOLDER

Stakeholders are defined broadly as those groups or individuals: (a) that can reasonably be expected to be significantly affected by the organization’s activities, products, and/or services; or (b) whose actions can reasonably be expected to affect the ability of the organization to successfully implement its strategies and achieve its objectives.

STANDARD DISCLOSURES

The Guidelines present topics and information for reporting that are material to most organizations and of interest to most stakeholders. These are captured in three types of Standard Disclosures:

- Strategy and Profile Disclosures set the overall context for reporting and for understanding organizational performance, such as its strategy, profile, governance, and management approach;
- Disclosures on Management Approach cover how an organization addresses a given set of topics in order to provide context for understanding performance in a specific area.
- Indicators that elicit comparable information on the economic, environmental, and social performance of the organization

SUPPLY CHAIN

2681 **SUPPLIER**

2682 An organization or person that provides materials, products or services directly or indirectly to another
2683 organization. In GRI’s Framework, the term ‘supplier’ includes but is not limited to:



- 2684 • Brokers: Persons or organizations that buy and sell goods or assets for others, including
2685 contracting agencies that supply labor.
- 2686 • Consultants: Persons or organizations that provide expert advice and services on a legally-
2687 recognized professional and commercial basis. Consultants are legally recognized as self-
2688 employed or are legally recognized as employees of another organization.
- 2689 • Contractors: Persons or organizations working onsite or offsite on behalf of an organization
2690 with a relationship determined by a contract. A contractor may hire their own staff directly
2691 and/or hire sub-contractors or independent contractors.
- 2692 • Distributors: Agents that supply goods to retailers.
- 2693 • Home workers: Persons at home or in other premises of their choice, other than the workplace
2694 of the employer, who perform work for remuneration and which results in a product or service
2695 as specified by the employer, irrespective of who provides the equipment, materials or other
2696 inputs used.
- 2697 • Independent contractors: Persons or organizations working for an organization, a contractor, or
2698 a sub-contractor, with a relationship determined by a contract. Independent contractors do not
2699 have an employment relationship with the organization.
- 2700 • Primary producers: Persons or organizations that grow, harvest, or extract raw materials.
- 2701 • Wholesalers: Sellers of goods in large quantities to be retailed by others.
- 2702 • Sub-contractors: Persons or organizations working onsite or offsite on behalf of an organization
2703 that have a direct contractual relationship with a contractor /sub-contractor but not necessarily
2704 with the organization. A sub-contractor may hire their own staff directly or hire independent
2705 contractors.

2706 **SUPPLY CHAIN**

2707 The part of the value chain which consists of the sequence of suppliers and activities that provides
2708 materials, products or services to an organization.

SUSTAINABILITY REPORT

Sustainability reporting is the practice of measuring, disclosing, and being accountable for organizational performance while working towards the goal of sustainable development. A sustainability report provides a balanced and reasonable representation of the sustainability performance of the organization, including both positive and negative contributions.

2709 **TOPIC**

2710 The word ‘topic’ is used in the Guidelines to refer to any possible sustainability issue.

2711 **UNDER-REPRESENTED SOCIAL GROUP**

2712 A population that, relative to its numbers in a given society, has less opportunity to express its
2713 economic, social, or political needs and views.

UNITARY BOARD

Refers to a board structure that has only one governing body responsible for the organization.

UPSTREAM



The term 'upstream entities' is based on the concept of a production chain that extends from the extraction of raw materials to the use of a good or service by an end-user. 'Upstream' refers to those organizations that play a role in the supply chain of the organization or, more generally, play a role in an earlier step in the production chain than the organization itself.

For definitions of words or concepts contained directly in the wording of the Indicators, see the Indicator Protocols.

BOUNDARY

2714	<u>VALUE CHAIN</u>
2715	<u>The value chain consists of the parties that are linked by the organization's activities, products, services,</u>
2716	<u>and relationships, and may therefore impact and be impacted by the organization.</u>



ACKNOWLEDGEMENTS

[This section will be presented in the final version of G4.]

