GLOBAL REPORTING INITIATIVE (GRI) STANDARDS

Reporting on sustainability issues that matter most

February 2017
MAKING THE MOST OF GLOBAL REPORTING INITIATIVE (GRI) STANDARDS

As investors and stakeholders demand increased disclosure of sustainability risks and opportunities, frameworks for non-financial reporting have proliferated. Non-financial information may be disclosed in a variety of formats, including standalone sustainability reports or alongside traditional financial information in corporate annual reports.

The Global Reporting Initiative (GRI) is an independent, international organization dedicated to helping businesses and governments report effectively and publicly disclose the impact of their activities on key environmental, social, and governance (ESG) sustainability issues. This is accomplished through GRI’s Sustainability Reporting Standards, a global best practice in organizational sustainability reporting, launched in late 2016. These Standards are an evolution of the GRI G4 Sustainability Reporting Guidelines, which were released in 2013, and have since been widely adopted.

GRI adopted this modular set of Standards to allow for easier updates to specific topics without requiring the entire set to be republished. This is intended to keep the Standards more relevant over time as GRI announces sections that are undergoing updates. Renaming the GRI “Reporting Guidelines” as “Standards” is also intended to lend further legitimacy and rigor to reporting activities.

A STANDARD FOR SUSTAINABILITY REPORTING

The GRI Standards begin with three Universal Standards to disclose general information about an organization and their approaches to sustainability management. Further topic-specific standards outline approaches to disclosing qualitative and quantitative information deemed material for each reporting organization.

**UNIVERSAL STANDARDS**

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<th>GRI 101</th>
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<td><strong>Foundation:</strong></td>
<td><strong>General Disclosures:</strong></td>
<td><strong>Management Approach:</strong></td>
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<td>The starting point for using the GRI Standards</td>
<td>Used to report contextual information about the organization</td>
<td>Used to disclose how the organization manages impacts related to each of their material topics</td>
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**TOPIC-SPECIFIC STANDARDS**

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**HOW DO THE GRI STANDARDS COMPARE TO THE GRI G4 GUIDELINES?**

Concepts and disclosures from the previous G4 Sustainability Reporting Guidelines have mostly carried over to the new Standards, minimizing disruption for established reporters. No new topics have been added to the new Standards. While they contain all of the main content and disclosures from G4, some disclosures have been removed to minimize duplication and parts of some disclosures have been merged or revised for greater clarity.

Key updates include:

› Aligning language with that used by ISO Standards, giving organizations clearer distinctions between reporting requirements (“shall”), recommendations (“should”) and guidance.

› Revising many disclosure ‘requirements’ to ‘recommendations’, providing organizations with flexibility to report available and material information.

› Changing the term ‘indicators’ to ‘disclosures’, referring to both qualitative and quantitative disclosures.

› Defining key concepts in the new Standards more clearly, making them more accessible for organizations looking to adopt GRI for the first time.

› Requiring more detail on describing the management approach to material topics, including information on policies, commitments, goals and targets, responsibilities, resources, grievance mechanisms and specific actions that the organization uses.

› Incorporating the Greenhouse Gas (GHG) Protocol’s Scope 2 Guidance for reporting both market-based and location-based emissions. This update to the GHG Protocol was released in 2015.

**STRATEGIES FOR REPORTING USING THE GRI STANDARDS**

**For Current Reporters**

› **Compare the GRI G4 to the GRI Standards based on your organization’s reporting approach and material indicators.** GRI advises that switching from GRI G4 to the Standards is intended to require minimal additional effort, for those organization that have been using GRI G4. In WSP’s experience, the ease of switching will depend on how the organization is currently using the GRI G4 Guidelines. Some disclosures are unchanged or have become less stringent, while others require additional information to be disclosed. WSP recommends organizations assess changes to the specific disclosures they use between GRI G4 and GRI Standards.

› **Make use of tools provided by GRI.** The complete set of Standards can be downloaded at: [https://www.globalreporting.org/standards/gri-standards-download-center](https://www.globalreporting.org/standards/gri-standards-download-center). GRI has developed a simple mapping tool that provides a complete overview of changes between GRI G4 and the Standards; the Excel tool can be downloaded at: [https://www.globalreporting.org/standards/resource-download-center/mapping-document-complete-excel](https://www.globalreporting.org/standards/resource-download-center/mapping-document-complete-excel).

› **Prepare to switch by July 1, 2018.** GRI reports published on or after this date must report using the GRI Standards. Reporters are encouraged to adopt the Standards before this deadline.

**For New Reporters**

› **Begin by using disclosures from the GRI Standards without developing a full, ‘in accordance’ report.** GRI has designed these disclosures to structure relevant information both for organizations preparing a complete report, as well as those that need to include some sustainability information in a concise report or as part of an existing corporate communication.

› **After becoming comfortable reporting using select GRI disclosures, consider whether and when to prepare a full ‘in accordance’ report.** A common strategy for new reporters is to disclose on selected material indicators for one or a few years. These may be indicators for which information is already collected, or that are likely significant to key stakeholders.
When ready to begin preparing an ‘in accordance’ report, undertake a materiality assessment. Initiated in GRI G4 and carried over to the GRI Standards, a materiality assessment is a process to identify what matters most for your organization to disclose. This is done by understanding the industry context, formally engaging key stakeholders and ensuring complete and balanced reporting.

Align reporting with organizational needs and goals. GRI Standards are designed to help organizations prepare disclosures on material sustainability topics. Some organizations, such as small enterprises, may find that including some GRI disclosures is sufficient for their reporting needs, and never develop a full ‘in accordance’ report. Others may find that an ‘in accordance’ report is a helpful resource to prepare and publish a report that meets the non-financial information needs of their investors and stakeholders.

WHAT’S NEXT?

Following the October 2016 launch of the GRI Standards, GRI undertook a world tour to unveil the Standards in various regions. In December 2016, GRI announced the focus of updates to the Standards that will take place in 2017. These include reviews and discussions on Standards GRI 303: Water, GRI 403: Occupational Health and Safety, GRI 201: Economic Performance, GRI 306: Effluents and Waste, as well as human rights-related Standards.

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