From Guidelines to Standards: Implications of the GRI Transition
Our Agenda for Today’s Webinar:

1. Introducing the GRI Standards
2. BSR Discussion with GRI
3. Audience Q&A
4. Closing
Today’s Speakers

Chelsea Reinhardt
- Deputy Director of Standards, GRI

Alyson Genovese
- Head of Corporate and Stakeholder Relations, GRI

Dunstan Allison-Hope
- Managing Director, BSR
Introducing the GRI Standards

14 December 2016

Chelsea Reinhardt, Deputy Director of Standards at GRI
What we’ll cover in this presentation

Content:

• Background on GRI and sustainability reporting
• Benefits and development of the Standards
• Summary of new features and improvements
• More detail on the Standards
• Implications for reporters and additional resources
• Q&A
Background
GRI Founded in Boston by UNEP, Ceres, and the Tellus Institute

1997

2000
G1 – First ever Guidelines released

2002
G2 Guidelines

2006
G3 Guidelines

2011
G4 Guidelines

2013
GRI establishes separate standards Board (GSSB)

2015

2016
GRI Standards
About the GRI Standards

- The **GRI Standards** incorporate the **key concepts and disclosures** from the *G4 Guidelines* and *G4 Implementation Manual*, but with a **new and improved structure and format**.

- The Standards are issued by the **Global Sustainability Standards Board (GSSB)**, GRI’s independent standard-setting body.

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NEW Set of modular GRI Standards

**G4 Guidelines and G4 Implementation Manual**
Benefits and development
Benefits

The GRI Standards will deliver:

• **A more flexible and future-proof structure:** ensuring the GRI Standards remain up-to-date and relevant

• **Greater suitability for referencing in policy initiatives:** to enable further integration into government and market legislation around the world

• **A global common language for non-financial information:** providing one universal framework and set of disclosures to meet all sustainability reporting needs – *from comprehensive reports to issue-specific disclosures*
Development of the GRI Standards

• The GRI Standards are developed and issued by the **Global Sustainability Standards Board** (GSSB) – GRI’s independent standard-setting body

• The Standards were developed following the GSSB’s **Due Process Protocol**, which ensures:

  • **Multi-stakeholder input** throughout the process (*public consultation period plus in-depth stakeholder workshops around the world*)

  • **Full transparency** – *all GSSB standard-setting meetings and all materials are open to the public*

For more detail, see: [globalreporting.org/standards](http://globalreporting.org/standards)
Summary of new features and improvements
<table>
<thead>
<tr>
<th>Feature</th>
<th>Description</th>
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<tbody>
<tr>
<td><strong>New modular structure</strong></td>
<td>The Standards are now organized as a set of modular, interrelated standards.</td>
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<tr>
<td><strong>New format with clearer requirements</strong></td>
<td>The new format has clear distinctions between requirements (indicated by ‘shall’), recommendations (‘should’) and guidance.</td>
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<tr>
<td><strong>Greater flexibility and transparency in how to use the Standards</strong></td>
<td>For organizations preparing a report in accordance with the Standards as well as those using selected Standards to report specific information.</td>
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<tr>
<td><strong>Content clarifications</strong></td>
<td>Key concepts from G4 have been clarified to improve understanding and application of the Standards.</td>
</tr>
<tr>
<td><strong>Overall editing</strong></td>
<td>Content from G4 has been edited for greater clarity and simpler language.</td>
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</table>
Navigating the new modular structure

The set of GRI Standards includes:

• **3 universal Standards**, applicable to all organizations
• **33 topic-specific Standards**, organized into Economic, Environmental, and Social series

Organizations select and use only the relevant topic-specific Standards, based on their **material topics**
Greater flexibility in using the Standards:

Two basic approaches

Preparing a report in accordance with the Standards

- The Standards are designed primarily to be used together to prepare a report in accordance with the Standards
- This signals that the Reporting Principles have been applied, and that all material topics have been reported on
- Core and Comprehensive options from G4 continue (with minor changes due to the new structure and content clarifications)

Using selected GRI Standards

- Selected Standards can also be used to report specific information
- This is called a ‘GRI-referenced’ claim and must clearly reference which Standards or sections have been used

Using the GRI Standards requires including a specific claim in all published materials, and notifying GRI of the use of the Standards. See section 3 of GRI 101: Foundation.
Inside each Standard – new format with clearer requirements

<table>
<thead>
<tr>
<th>Number and title of disclosure</th>
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<tbody>
<tr>
<td>Disclosure 303-3</td>
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<tr>
<td>Water recycled and reused</td>
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**Reporting requirements**
- The disclosure itself has the required information to report
- Some disclosures have additional requirements on how to compile this information

**Guidance**
- Typically includes background information, explanations and examples

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### Reporting requirements

- **Reporting requirements**
  - The reporting organization shall report the following information:
    - Total volume of water recycled and reused by the organization.
    - Total volume of water recycled and reused as a percentage of the total water withdrawal as specified in Disclosure 303-1.
    - Standards, methodologies, and assumptions used.

- **2.4** When compiling the information specified in Disclosure 303-3, the reporting organization shall include grey water, i.e., collected rainwater and wastewater generated by household processes, such as washing dishes, laundry, and bathing.

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### Reporting recommendations

- **2.5** When compiling the information specified in Disclosure 303-3, the reporting organization should:
  - 2.5.1 Report if water or flow meters do not exist and estimation by modelling is required;
  - 2.5.2 Calculate the volume of recycled/reused water based on the volume of water demand satisfied by recycled/reused water, rather than by further withdrawals.

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### Guidance

**Guidance for Disclosure 303-3**
This disclosure measures both water treated prior to reuse and water not treated prior to reuse.

**Guidance for clause 2.5.2**
For example, if an organization has a production cycle that requires 20 m³ of water per cycle, the organization withdraws 20 m³ of water for one production process cycle and reuses it for an additional three cycles, then the total volume of water recycled and reused for that process is 60 m³.

**Background**
The rate of water reuse and recycling is a measure of efficiency and demonstrates the success of an organization in reducing total water withdrawals and discharges. Increased reuse and recycling can reduce water consumption, treatment, and disposal costs. Reducing water consumption over time through reuse and recycling also contributes to local, national, or regional goals for managing water supplies.
Content clarifications – overview

Clarifications have been provided for some key G4 concepts, including:

• The definition of ‘impacts’ as related to materiality
• Using the GRI Sector Disclosures to identify material topics
• Reporting on other material topics (not covered by the GRI Standards)
• Required explanations when using reasons for omission
• Notifying GRI of the use of the Standards
• Identifying and reporting the concept of ‘topic boundary’
• How to report on topics if the Boundary extends beyond the organization

Found in GRI 101: Foundation

Also found in GRI 103: Management Approach
Content clarifications – ‘employee’/ ‘worker’ terminology review

Separate revision project in parallel to the Transition to Standards

**Objective:**
To improve consistency in how ‘employee’, ‘worker’, and related terms are used, and to better align the GRI Standards with international instruments

**Outcome:**
- Definitions for ‘employee’ and ‘worker’ have been slightly revised
- Duplicative and overlapping terms have been removed
- In some cases a specific subset of ‘workers’ is denoted in the text (e.g. GRI 403: Occupational Health and Safety)
- Most changes relate to recommendations or guidance, not disclosures (see ‘Mapping G4 to the GRI Standards’ for more detail)
Overall editing – with revised terminology and numbering

Some G4 terminology has been simplified:

- ‘Indicator’ → ‘disclosure’ (covers both qualitative and quantitative disclosures)
- ‘Aspect’ → ‘topic’ (refers to all topics, whether covered by the GRI Standards or not)
- ‘Disclosures on Management Approach (DMA)’ → ‘management approach disclosures’

G4 disclosures (including Indicators) have new unique identifiers, based on the number of the Standard, e.g.:

- Disclosure **G4-10** is now **102-8** (located in GRI 102: General Disclosures)
- Indicator **G4-EN15** is now **305-1** (located in GRI 305: Emissions)
More detail on the Standards
Universal Standards – GRI 101: Foundation

This is the ‘starting point’ for using the Standards

Three main sections:

Section 1: Reporting Principles

Section 2: Using the GRI Standards for sustainability reporting (based on content from G4, but restructured and clarified)

Section 3: Making claims related to the use of the GRI Standards (includes in accordance criteria from G4)

Also includes a new Introduction with background on sustainability reporting and information about how to use the Standards, and a Key Terms section
Content clarifications

Definition of ‘impacts’ as related to materiality
• ‘Impacts’ refers to effects on the economy, the environment, and/or society (does not focus on impacts on the organization)
• Applying the Materiality principle requires this understanding of ‘impacts’

Material topics not covered by the GRI Standards
• All material topics are to be included in an ‘in accordance’ report
• For topics not covered by the GRI Standards, it is required to report the management approach (using GRI 103) and recommended to report other appropriate disclosures
GRI 101 – What’s new or clarified compared to G4?

Use of Sector Disclosures

- Now recommended (not required), to help identify material topics

Options to use and reference the Standards

- **Using selected Standards (with a ‘GRI referenced’ claim):** more flexibility allowed, but with specific requirements on how to reference the Standards

- **Claims (statements of use):** now more prescriptive, with set wording to be included

- **Core and Comprehensive:** basic requirements are the same, but some criteria has been clarified (see Table 1 in GRI 101)
Universal Standards – GRI 102 and 103

**GRI 102: General Disclosures** includes the General Standard Disclosures from G4

*What’s new or clarified?*
- Selected disclosures have been slightly revised or simplified
- Some content has been reorganized

**GRI 103: Management Approach** includes the Disclosures on Management Approach (DMA) content from G4

*What’s new or clarified?*
- Now includes the (revised) topic Boundary disclosures and also grievance mechanism content from G4
- Requests additional detail on reporting the management approach if certain elements are used (e.g. policies, commitments, etc.)
GRI 103 – Revised topic Boundary disclosures

Now simplified to be more clear and to align more closely with key references (i.e., UN Guiding Principles on Business and Human Rights and the OECD Guidelines for MNEs)

The topic Boundary now describes:

- **where the impacts occur** for each material topic, and
- **the organization’s involvement with the impacts** (e.g., whether it causes, contributes to, or is directly linked to the impacts through a business relationship)

See GRI 103: Management Approach for more detail
Overview of topic-specific Standards

There are 33 topic-specific Standards, organized in three series:

- **Economic topics (200 Series)** – includes the G4 Aspects from the Economic Category, plus Anti-corruption and Anti-competitive behavior

- **Environmental topics (300 Series)** – includes most G4 Aspects from the Environmental Category

- **Social topics (400 Series)** – this includes most G4 Aspects from the Social Category; the sub-categories from G4 have been removed (i.e. Labor Practices, Human Rights, Society)

Some topics have been merged or combined – see the ‘Mapping G4 to the GRI Standards’ document for full detail
Inside a topic-specific Standard

Each disclosure is in a box – these were called ‘Indicators’ in G4

Each disclosure has a unique identifier, based on the Standard number (e.g. Disclosure 301-1)

Each disclosure can include additional requirements, recommendations, and/or guidance – these will be directly below each disclosure.
Implications for reporters and additional resources
Implications for reporters

For organizations **already reporting in accordance with G4**, impacts on the reporting process should be **relatively minor**

- This is not ‘G5’ – no new topics have been added, and key concepts and most disclosures from G4 carry through
- Reporting Principles, management approach (DMA) and the emphasis on reporting only material topics remain
- Some disclosures have been clarified, and some content has been relocated or merged in order to reduce duplication (see *detailed mapping document on GRI website* )
- It is still required for organizations to notify GRI of the use of the Standards in any reports or other published materials (see *GRI 101: Foundation*)
Timeline for adoption

- Effective date is **1 July 2018** – *this means the Standards will be required for all reports or other materials published on or after this date*

- However, **earlier adoption is encouraged** – many organizations are already planning to use the Standards for their 2016 reporting

- The G4 Guidelines will no longer be valid from 1 July 2018 onwards

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Join the ‘**GRI Standards Pioneers**’ through our Gold Community program to receive dedicated support for early adopters of the Standards
What can you expect in the future?

- **Periodic updates** of topic-specific Standards – with schedules published well in advance

- **Continued alignment** with other reporting frameworks and the Sustainable Development Goals

- Standards that **better reflect leading-practice and emerging trends**, while still maintaining global relevance
Additional resources

- Detailed ‘**Mapping G4 to the GRI Standards**’ document, showing changes from G4 by topic (Aspect) and disclosure

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<thead>
<tr>
<th>G4 Guidelines</th>
<th>GRI Standards</th>
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<td>#</td>
<td>Disclosure</td>
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<td>G4-1</td>
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<td>G4-4</td>
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For more detail, see: [globalreporting.org/standards](http://globalreporting.org/standards)
Additional resources (Con’t)

• Short 2 minute animation video
• Recorded webinars and presentation on key changes
• Free, in-person launch events in selected countries
• ‘GRI Standards Pioneers’ program for early adopters
• Translated versions for key languages (expected 2017)
• New half-day training module offered through GRI’s Certified Training Partners: Transitioning from G4 to the GRI Standards

For more detail, see: globalreporting.org/standards
Join us for the GRI Reporters’ Summit!

Learning and Networking Symposium for Sustainability Professionals

- February 13, 2017
- Scottsdale, Arizona
- Tools, case studies, practical solutions to reporting challenges
- Workshops on topics such as materiality, stakeholder engagement, reporting within the supply chain, human rights, the SDGs and more

Register Here!
Q&A With Our Speakers

- Chelsea Reinhardt
- Alyson Genovese
- Dunstan Allison-Hope

Please type your question in the Q&A box by clicking on the icon with the question mark, and press “send”. We will answer questions in the order we receive them.
BSR and Reporting


Collaboration: New Collaborative Initiative in 2017 to advance the ideas set out in the report

Solutions: Helping member companies navigate the evolving sustainability reporting field
Thank You

Contact BSR at: jmorris@bsr.org
Contact GRI at: standards@globalreporting.org