



THE DRAFT GRI GUIDELINES



Lifting the Curtain on G3

HOST:



Presenters:

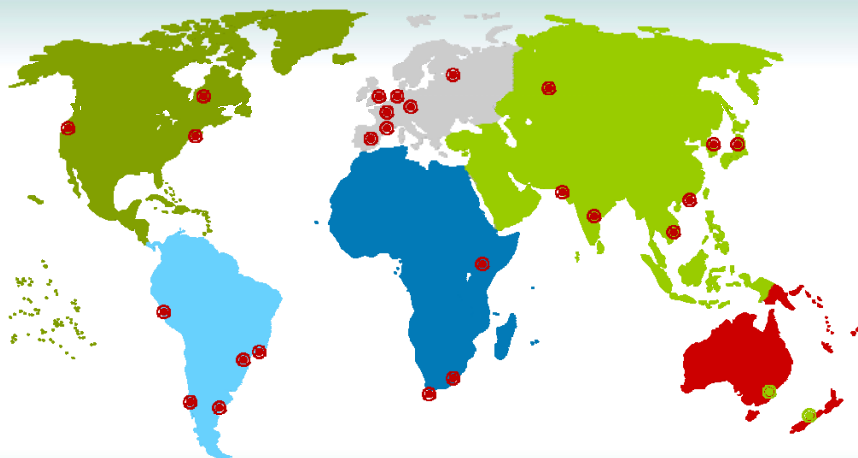
James Murphy

Teresa Fogelberg

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Sneak Peeks



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Thank you and welcome

Many thanks to our host and sponsor:

FEE

Special Welcome to GRI Organizational Stakeholders:

**ABB Ltd – Bayer - Enablon – InBev - Shell –
TNT - Sd3 - ValQuest**

More about OS on www.globalreporting.org/os

www.grig3.org & www.globalreporting.org



Sneak Peeks



Introducing the New Guidelines

DRAFT

[About G3](#) | [Guidelines](#) | [Discussion](#) | [Sneak Peeks!](#)



New Delhi
Madrid
Johannesburg
Helsinki
Auckland
Munich
Sydney
Amsterdam
Barcelona
Global Reporting Initiative

Coming up!

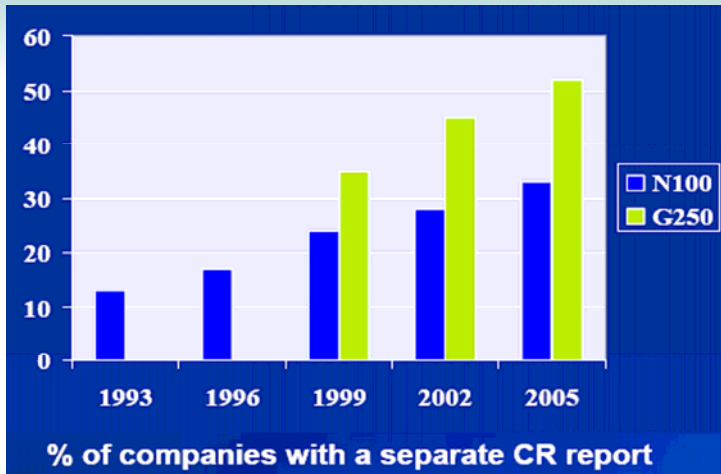


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CSR reporting on the rise

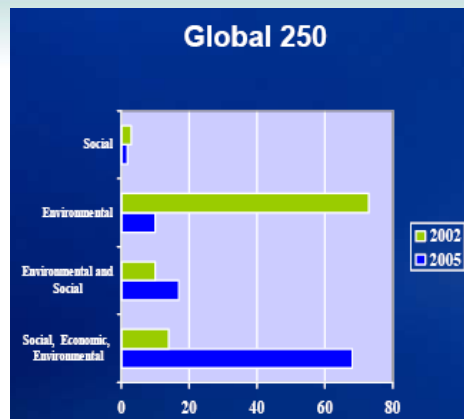


Source: KPMG International Survey of CSR Reporting 2005

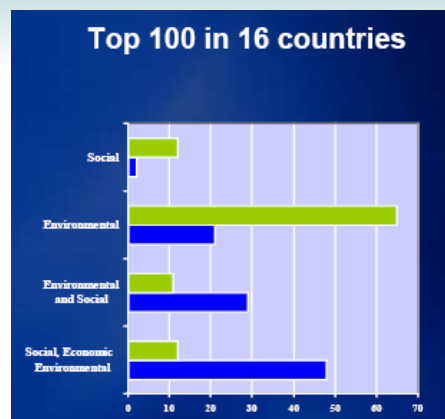
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Nature of CSR reporting has changed



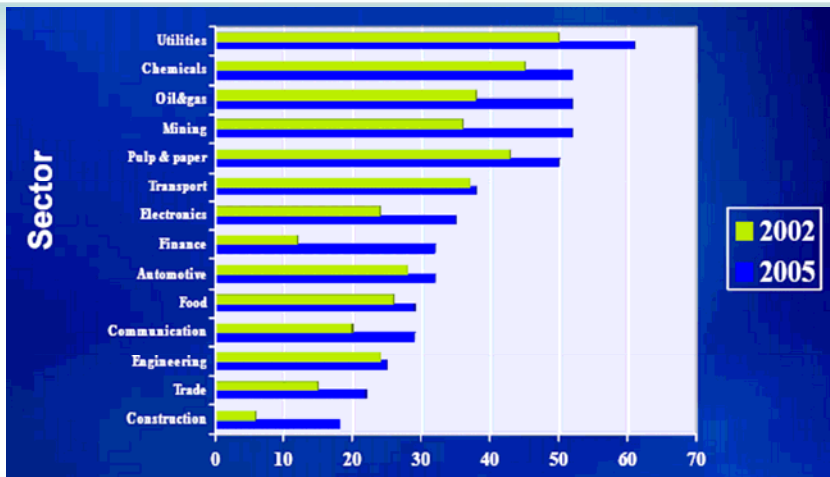
Source: KPMG International Survey of CSR Reporting 2005



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% of top 100 companies with separate report

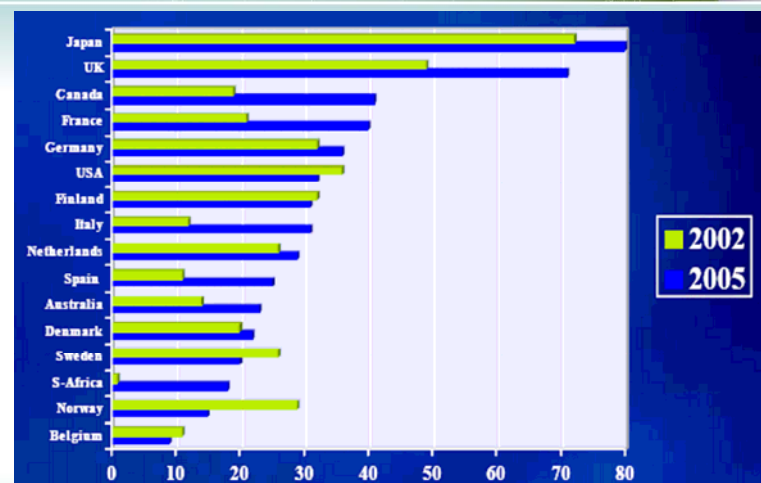


Source: KPMG International Survey of CSR Reporting 2005

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% of companies with separate report (top 100)

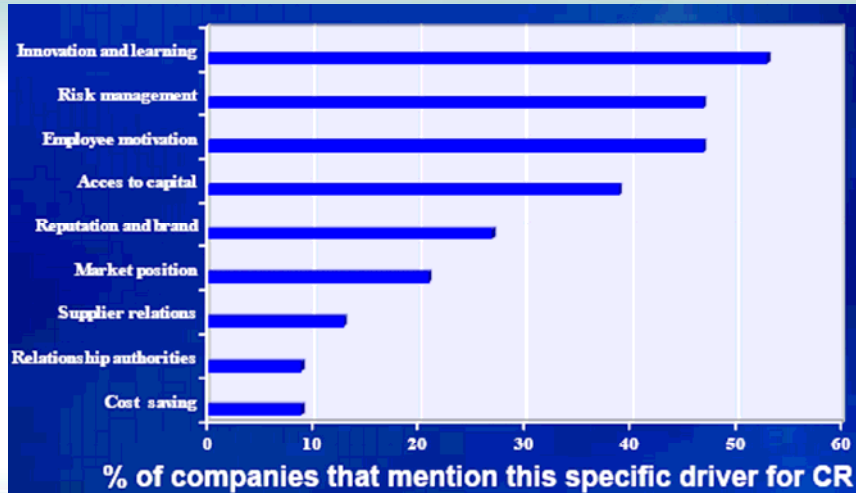


Source: KPMG International Survey of CSR Reporting 2005

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Mentioned business drivers



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How KPMG sees the future for CR

- CR will become *mainstream* in all sectors for all companies with international operations, markets and supply chains
- Integration of social, environmental and economic issues with *Corporate Governance, Business Ethics and Risk management* will be driven by *financial regulation: Sox and EU Accounts Modernization directive*.
- Structured *stakeholder engagement* will increasingly underpin corporate accountability and the CR reporting process
- More emphasis on control systems regarding *supply chain management and product responsibility*

Source: KPMG International Survey of CSR Reporting 2005

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G3 CSR – cultural impact in different regions



North America

Shareholder focussed
(Anglo-Saxon-model)

Focus on (strategic corporate philanthropy / giving (foundations)

Community involvement
Employee volunteering

Focus on corporate governance-dimension of CR

Compliance driven

Influence Sarbanes Oxley

Western Europe

Stakeholder focussed
(Rhineland-model)

Social equity

More EU-directives on CR/legislation

Integration CR in core business processes:
CSO function
- R&D, purchasing, M&S, logistics, IR etc.

Focus on social topics (e.g. labour conditions, human rights and community)

Linkage CR and corporate image and risk management

Japan/Korea

Respect for Society
Living in Harmony
Family Model

“Sampon Yoshi”

Supplier/Customer/
Product focused

Environment focussed

Linkage CR and product branding

Shift starting from environment to social topics

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G3 Future trends



- **Standardisation**

An accelerating shift towards common formats for non-financial reporting

- **Consolidation**

A shake-out of concepts, content and language of non-financial reporting

- **Regulation**

Emergence of government mandated non-financial reporting

- **Integration**

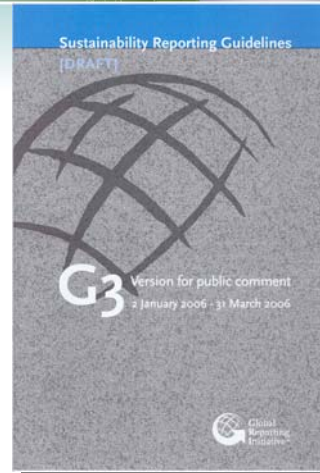
Growing attempts to merge, or blend, much of non-financial reporting with financial reporting

* from S&P, SA and UNEP: Risk and Opportunity



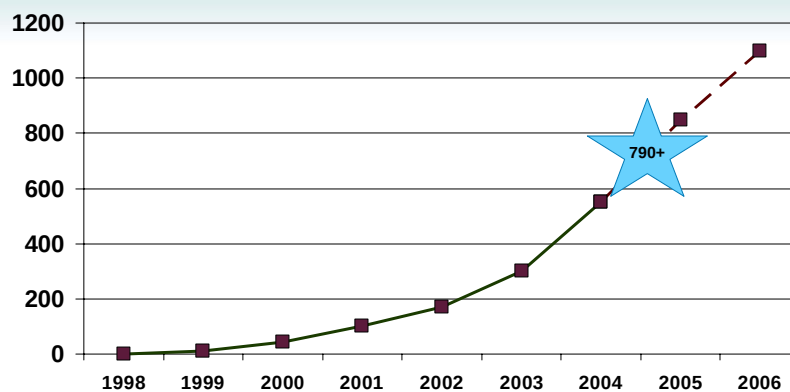
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Context for development



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G3: growth in expertise



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G3: Savvier Stakeholders

G3



GRI Stakeholder Council Meeting
October 2005

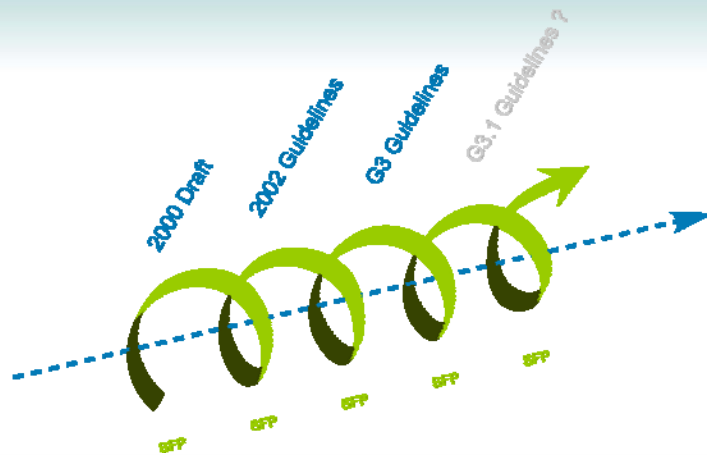


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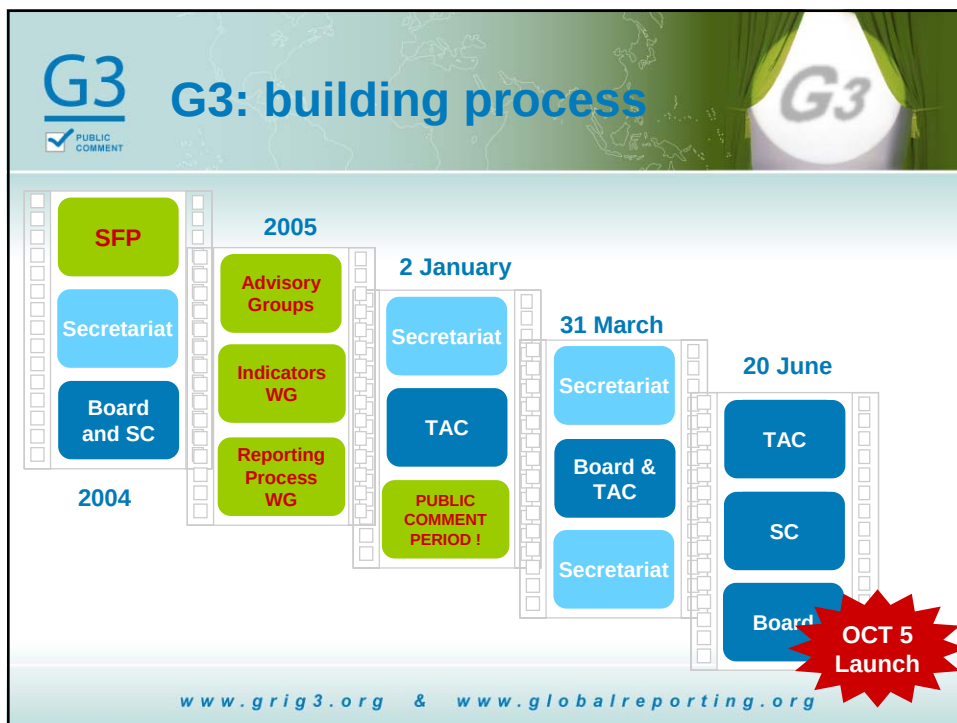


Continuous improvement

G3



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G3 objectives

Make G3-Reports more:

Relevant
Comparable
Auditable
Performance focused

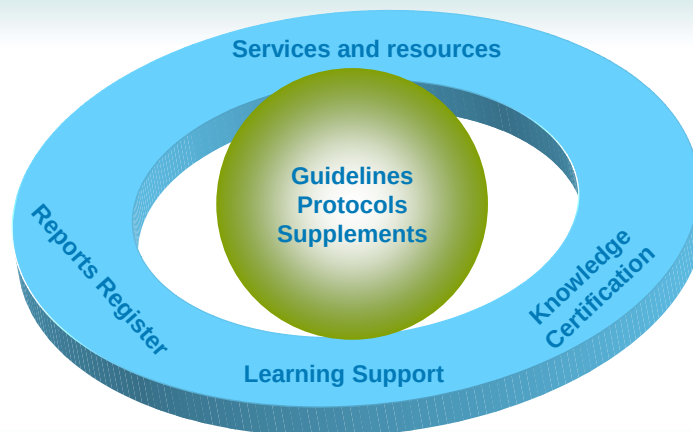
Make G3-Guidelines :

More user-friendly
The common reporting framework
Universally applicable

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GRI Resources

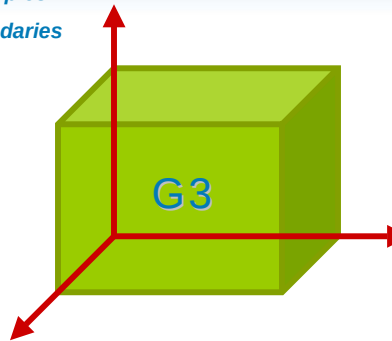


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G3 Dimensions

Guiding your process:

Principles
Boundaries



Setting your content:

Disclosures
Indicators
(Supplements)

Preparing your report:

Protocols on "how to"

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Part 2

G3 Guiding the Process



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Part 2: Guiding your Process

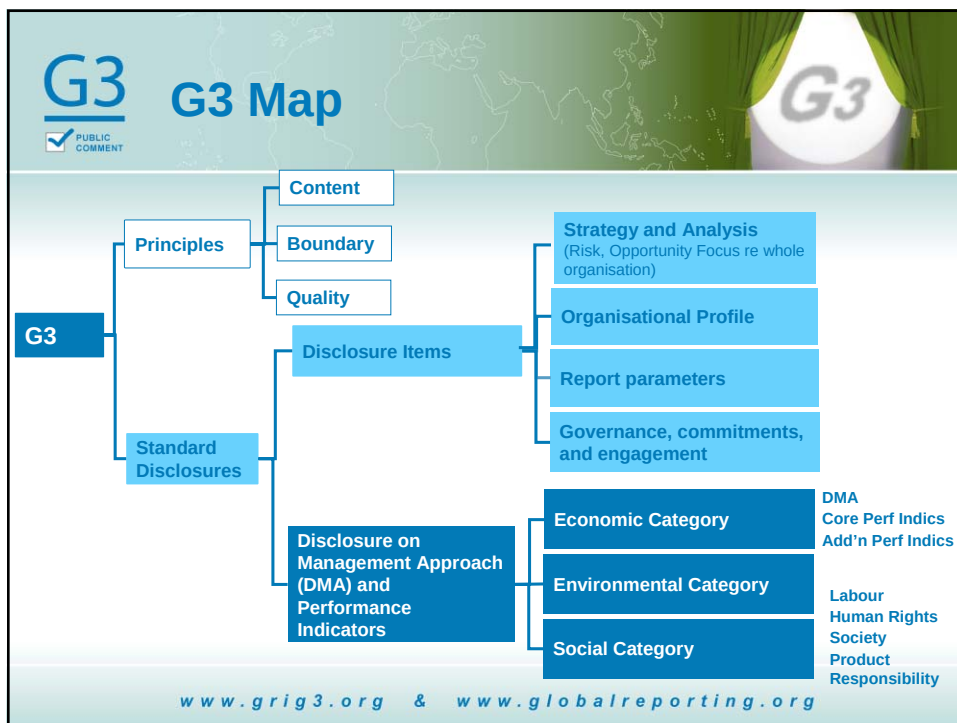
Guiding your process:

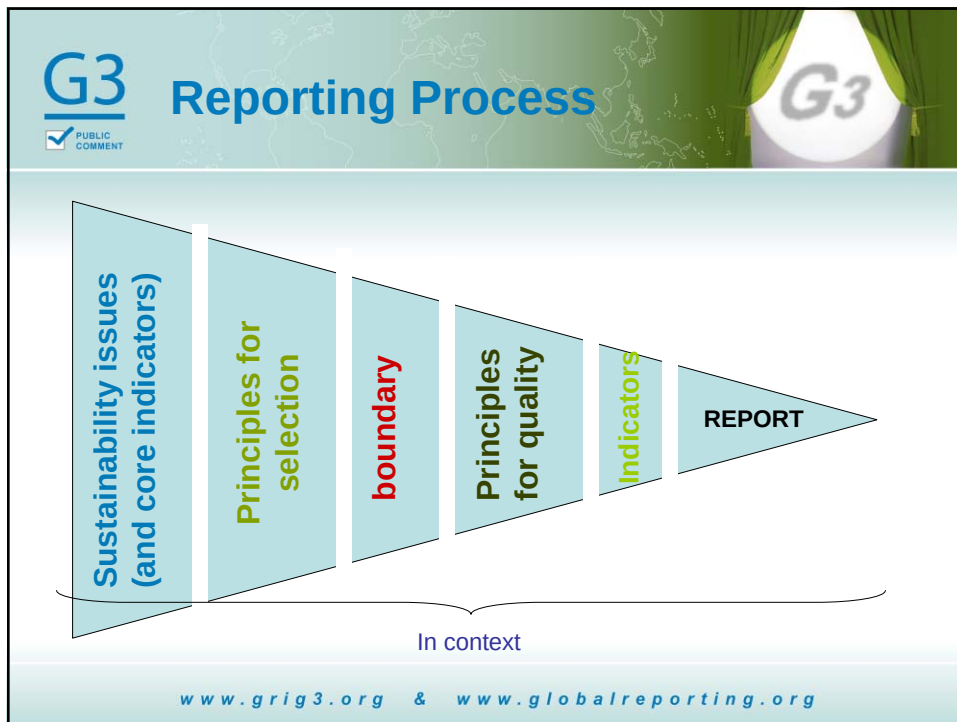
Principles
Boundaries

Standard Disclosures:
Disclosure Items
Management Disclosures
Indicators
Supplements

Preparing your report:
Protocols on "how to"

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G3 Principles: Two Groups



The reporter's navigation system:

What to report on:

- Relevance and materiality
- Sustainability context
- Completeness
- Inclusivity

Ensuring quality info:

- Comparability
- Accuracy
- Assurability
- Timeliness
- Clarity
- Balance



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Principles: What's New?

Each principle

NEW

Self-tests

NEW

Concise definitions

NEW

Practical explanations

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Your Process

Issues and Indicators

Stakeholders' views ?
Sustainability Context ?

Relevant and material ?

Report boundary ?
Complete ?

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Example: Relevance and Materiality

The information in a report should cover issues and indicators that would substantively influence the decisions of the stakeholders using the report.

Tests:

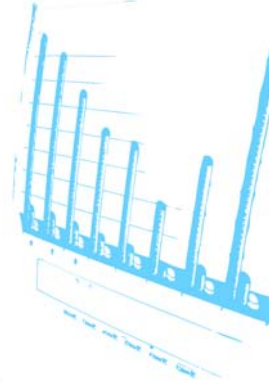
External factors such as:

- Stakeholder concerns
- Issues reported by peers
- Reasonably estimable emerging risks

Internal factors such as:

- Mission and values
- Major risks to organization
- Core competencies and link to sustainability

Report prioritizes issues



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Relevance and Materiality

Relevant and Material ?

Relevant: Could be important to stakeholders.

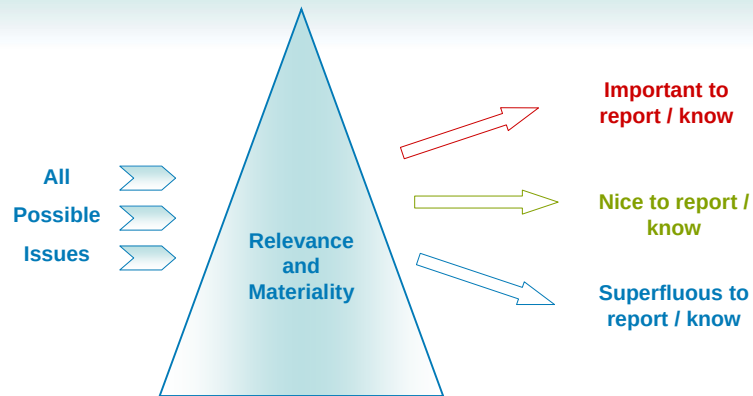
Material: Important for stakeholders' knowledge and decisions.

Not material: Nice to know, but not important.

Not relevant: Not important to stakeholders.

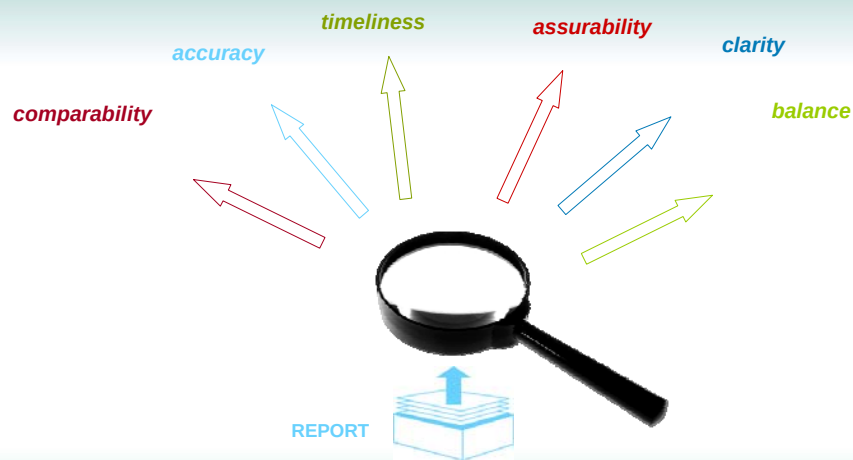
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Relevance and Materiality



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Ensure Quality Info



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Example: Balance

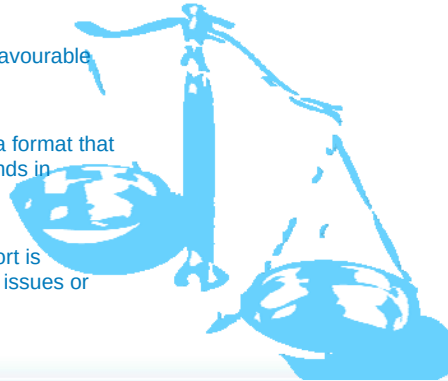
The report should provide a balanced and reasonable presentation of the reporting organization's performance

Tests:

The report discloses both favourable and unfavourable results and issues.

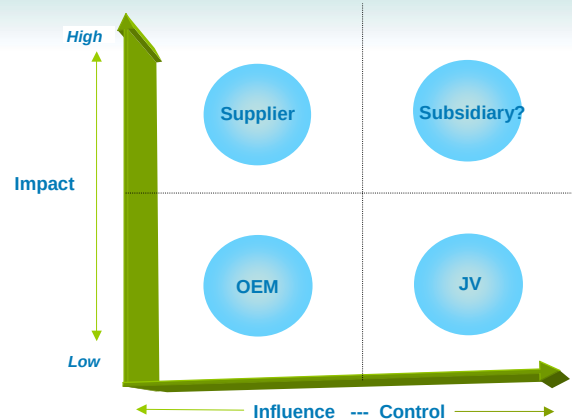
The information in the report is presented in a format that allows users to see positive and negative trends in performance.

The emphasis on different content of the report is proportionate to the relative materiality of the issues or information.



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New: Boundary Setting



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Policy on Assurance

1. Recommended
2. External/independent



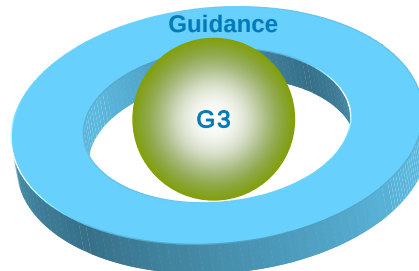
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Assurance

**Guidelines for more
assurable reporting content**

**Guidance on assurance
choices**

**Highest GRI reporting level:
externally assured**



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G3

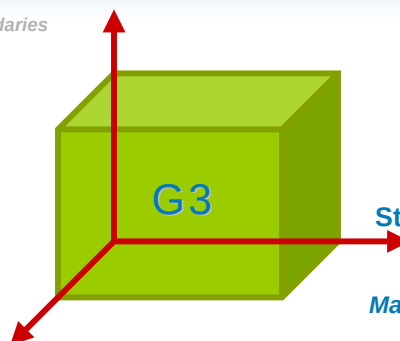
Standard Disclosures



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Guiding your process:

Principles
Boundaries



Standard Disclosures:

Disclosure Items

Management Disclosures

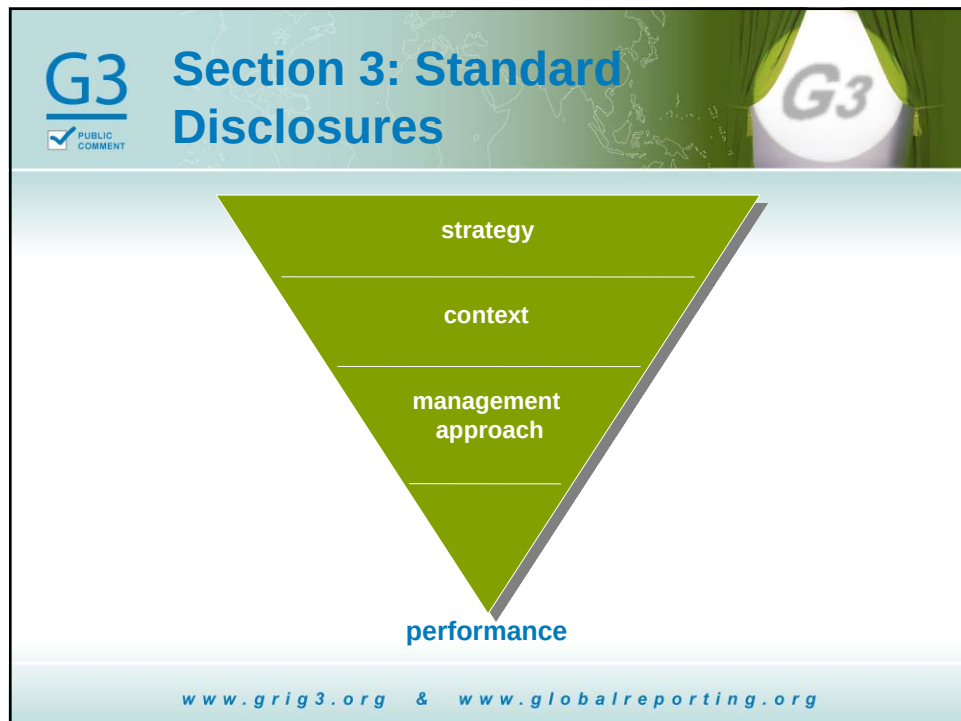
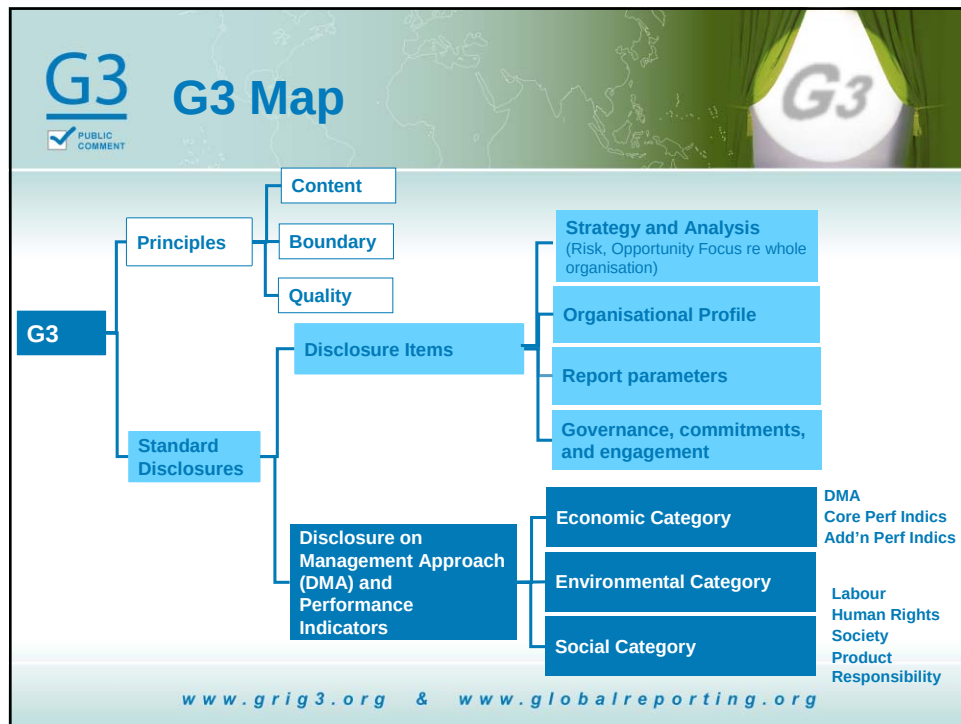
Indicators

(Supplements)

Compilation:

Protocols on "how to"

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in-di-ca-tor [n] : a number or ratio derived from a series of observed facts; can reveal relative changes as a function of time. (Princeton University)

G3 Indicators' Performance focus

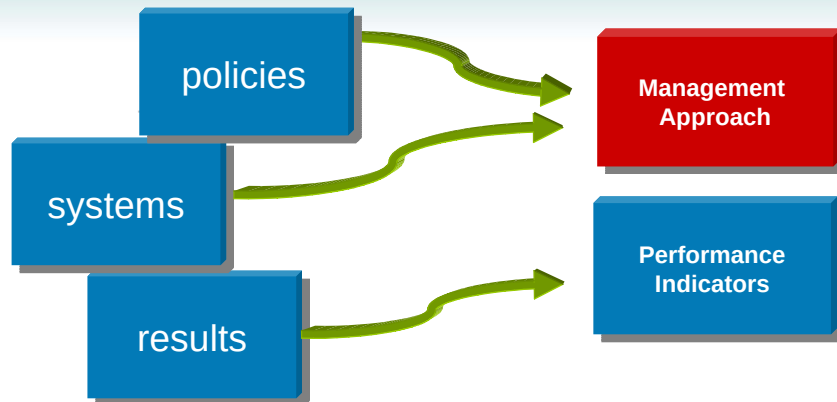
Factual change over time

Quantitative or qualitative, but comparable

Valuation depends on context and reader

Evolution of Indicators

2002 Indicators

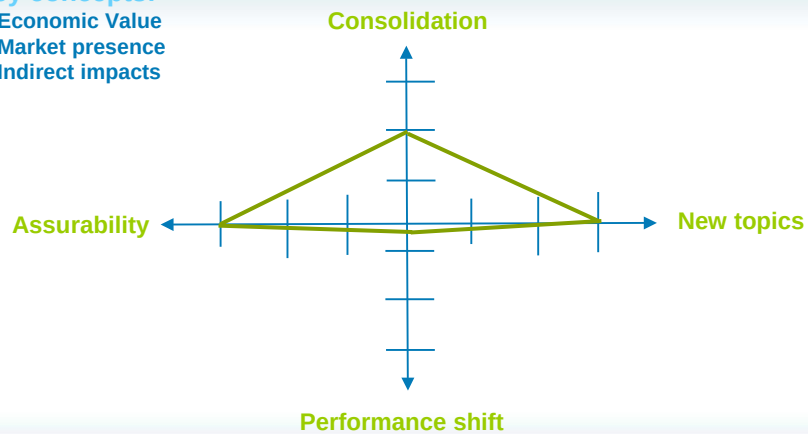


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Economics

Key concepts:

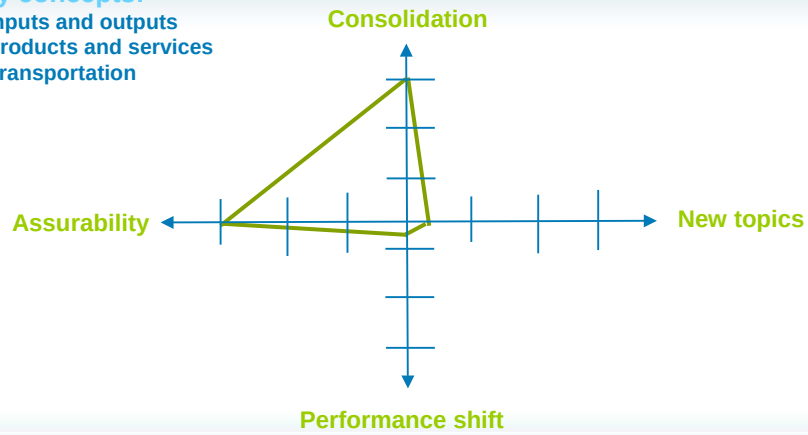
Economic Value
Market presence
Indirect impacts



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Key concepts:

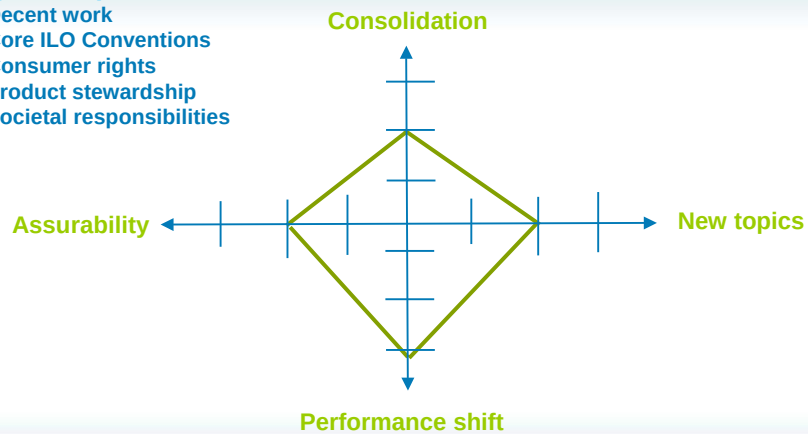
Inputs and outputs
Products and services
Transportation



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Key concepts:

Decent work
Core ILO Conventions
Consumer rights
Product stewardship
Societal responsibilities



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EN 9: total water withdrawal by source (core)

relevance

definitions

compilation

documentation

references

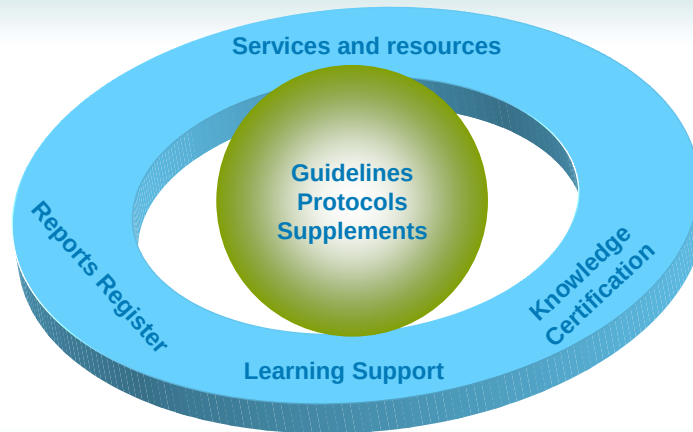
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1. Future initiatives

2. What you can do



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- ☒ Harmonization
- ☒ Expanded resource library
- ☒ Guidelines use levels
- ☒ "How to" services



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G3 **Guidelines in Digital Format**
PUBLIC COMMENT

GRI "inside"



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G3 **Equitable Access**
PUBLIC COMMENT



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Submit your Comments



Web-based public comment form is the only way: www.grig3.org



March 31 2006

SOLUTION-ORIENTED FEEDBACK!

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Join Us!



**Amsterdam:
4-6 October 2006**

**Look out for events in your
region after October 2006**



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Complementary Disclosure Framework



Committments



Disclosing results



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