

The Global Reporting Initiative's G3 Sustainability Reporting Guidelines and ISO 26000 for Social Responsibility

By

Dante Pesce

GRI Stakeholder Council Member

ISO 26000 CAG Member

May 15th, 2009

International Workshop: "The Role of Government in Social Responsibility"

Quebec City, Canada



Why GRI Matters

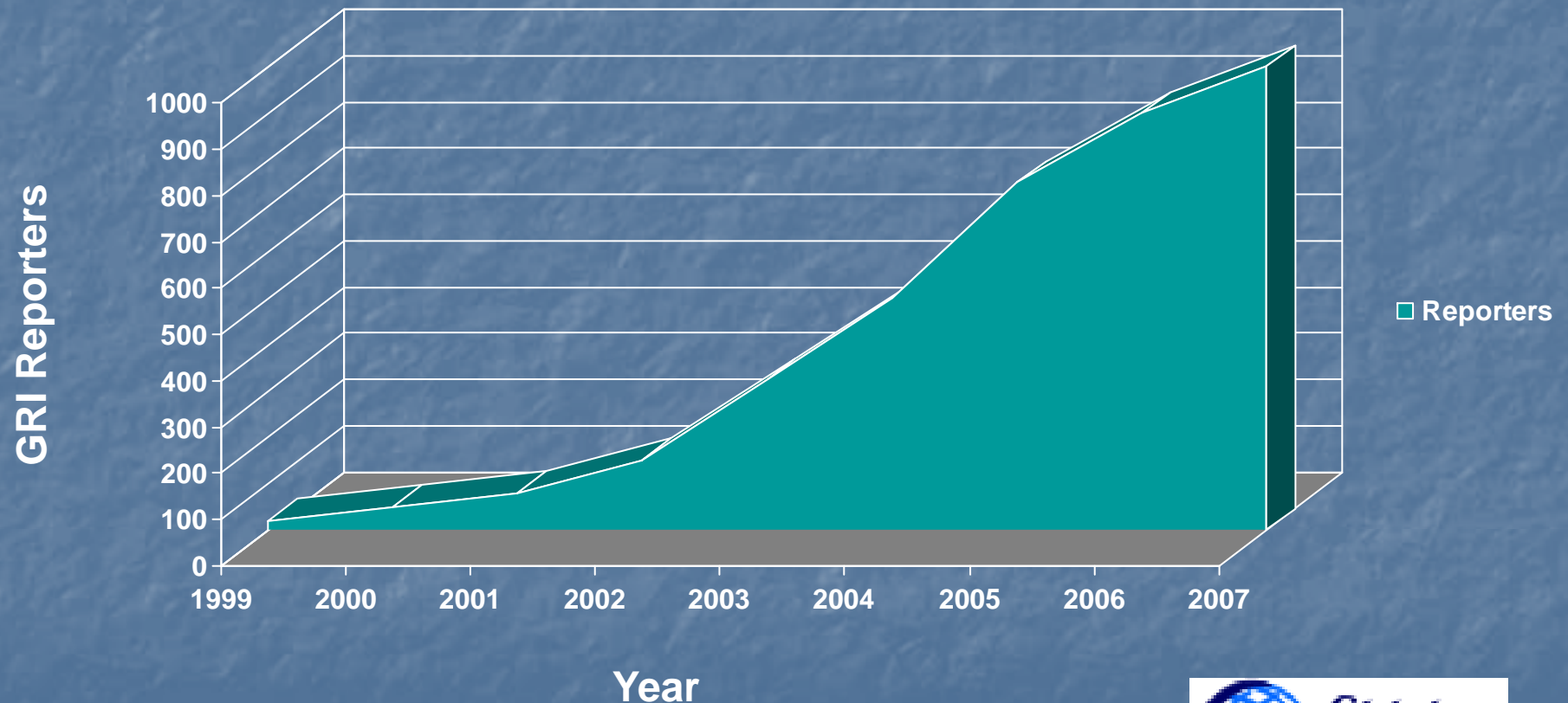
- Growth of company sustainability reporting
 - Expansion of expectations on transparency and accountability
 - 79% of Global Fortune 250, up 52% from 2002
 - Investor, UK, France, S. Africa, Sweden initiatives
 - Reporting is becoming standard for large companies
 - Increasing reporting down the supply chain and subsidiaries

Source: KPMG Survey—October 2008

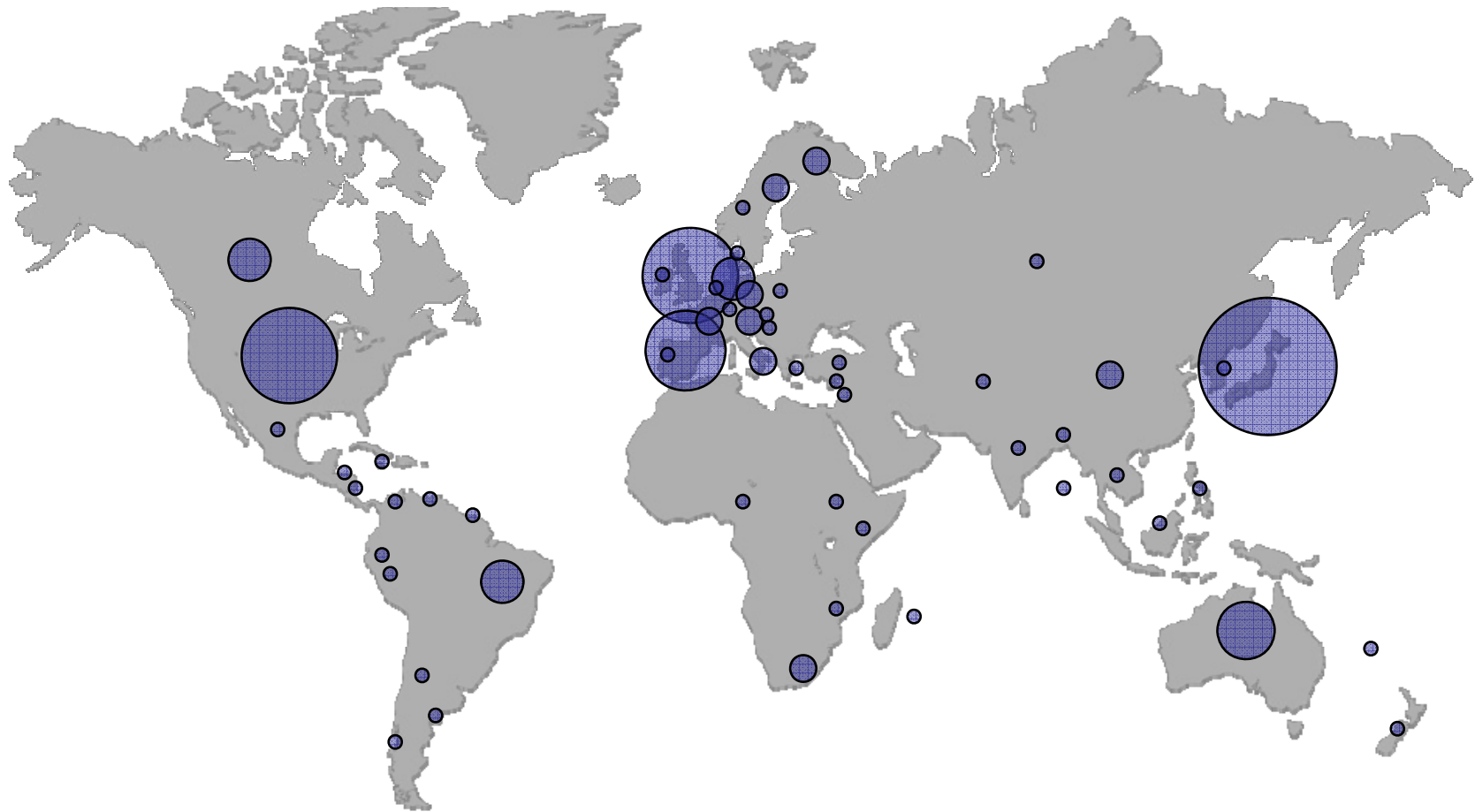


Uptake Over Time

recent research shows figures 20 time larger!

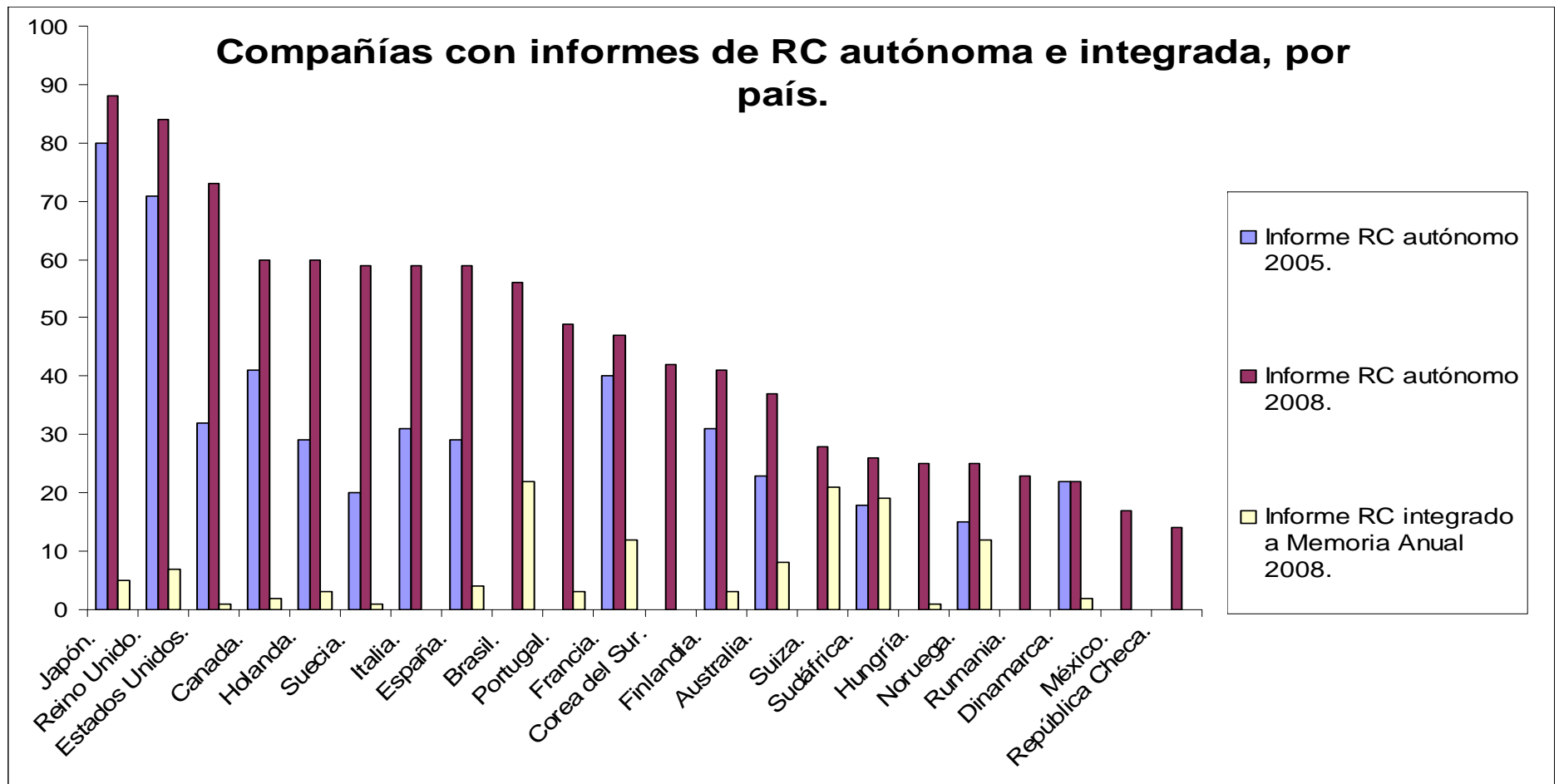


Uptake by Country



Uptake Over Time

KPMG Survey (October 2008) G250 + 100 larger in 22 economies



GRI: Network Organization



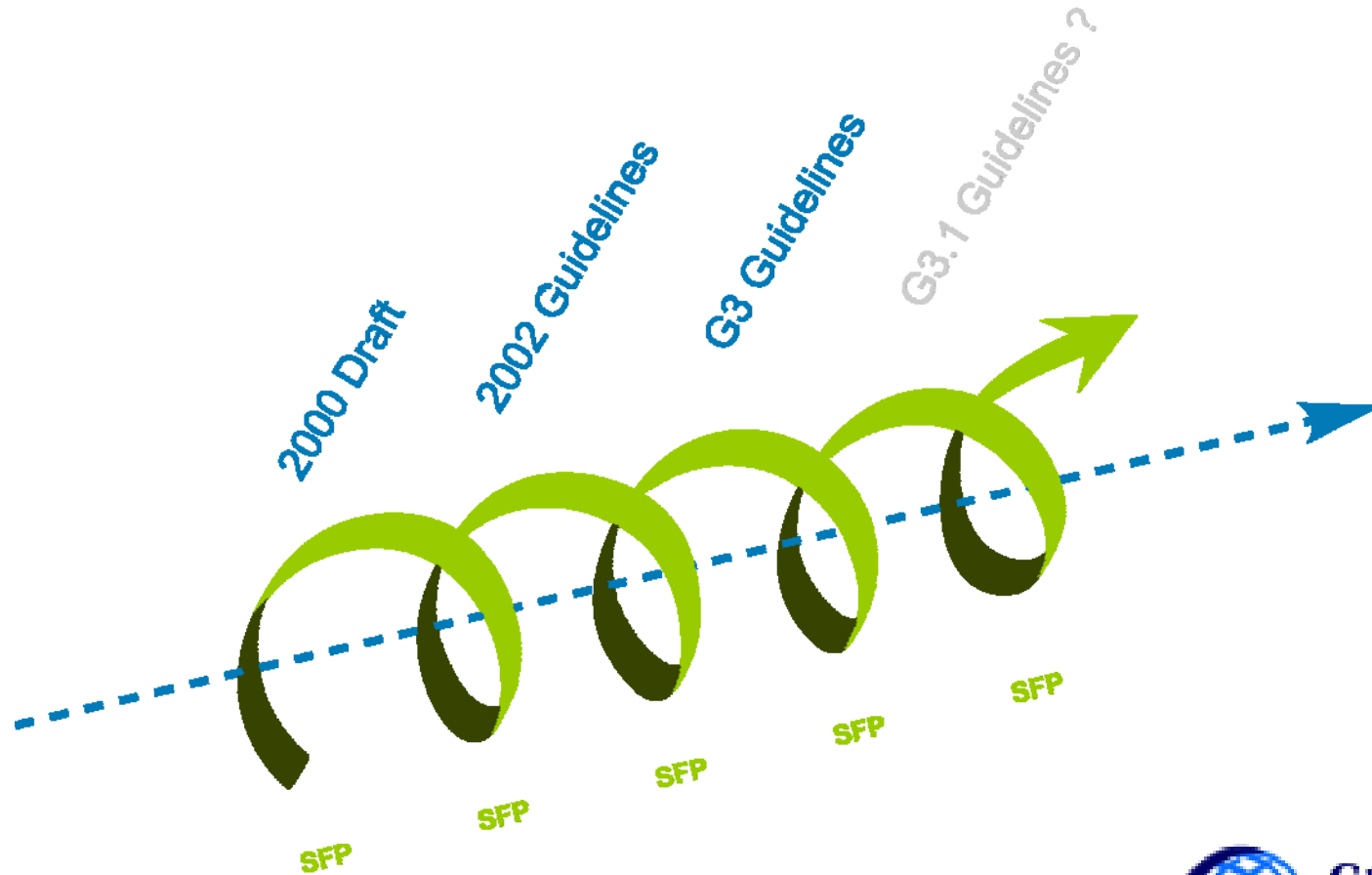
GRI: Trusted, Credible Framework



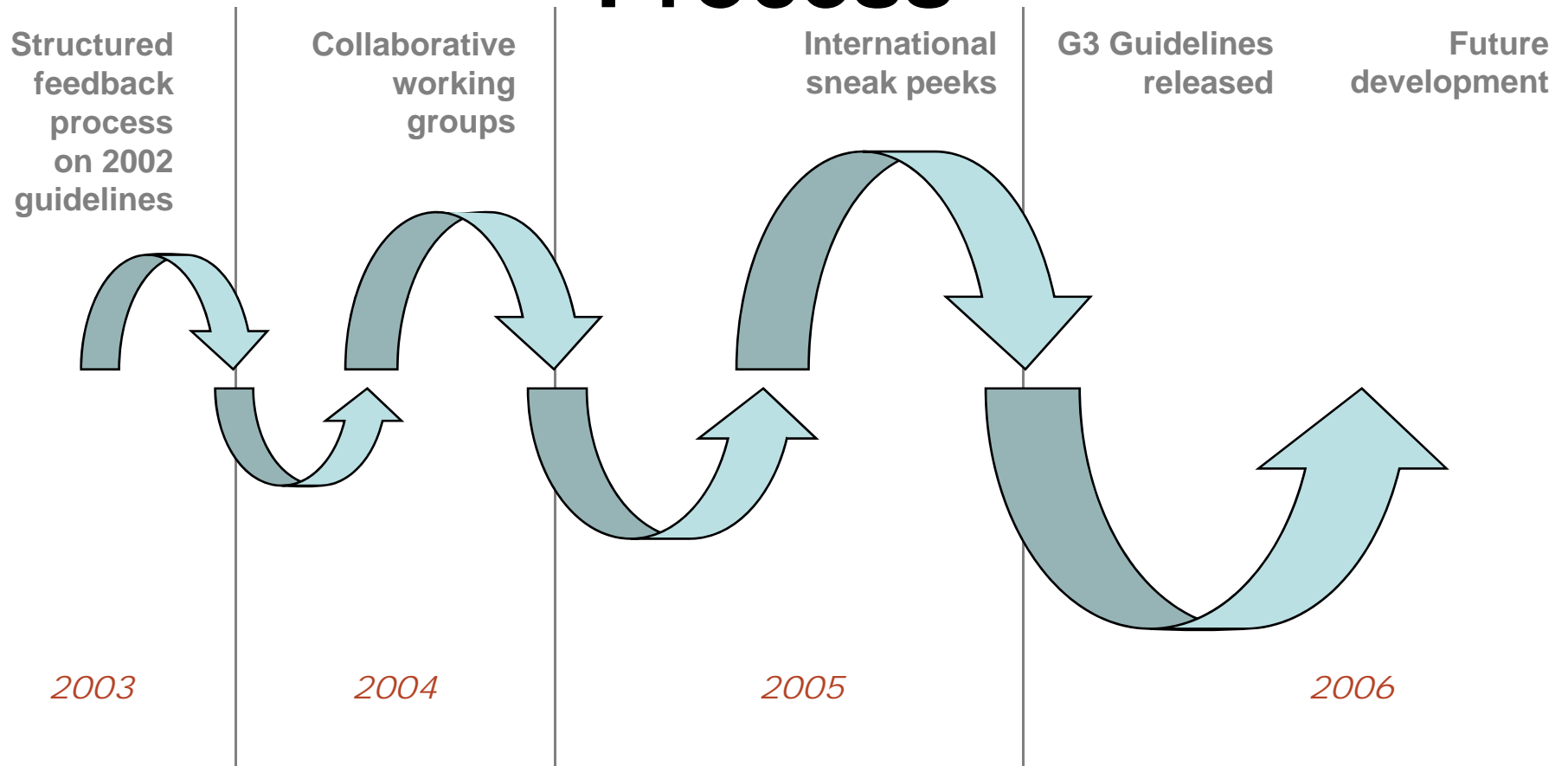
**GRI is the best global
consensus on reporting!**



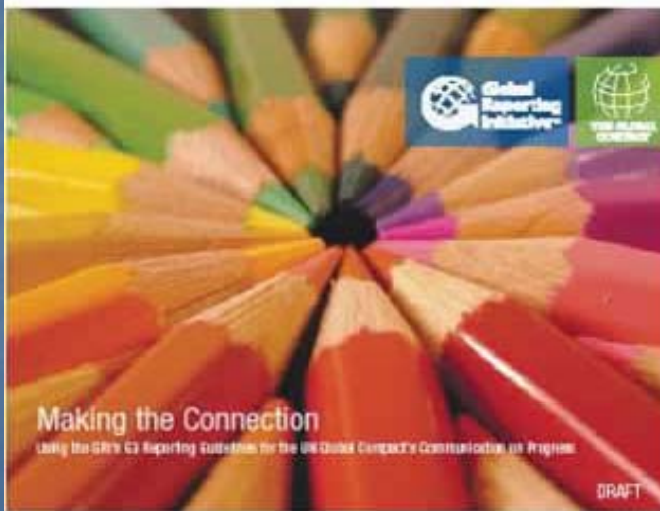
Continuous Improvement



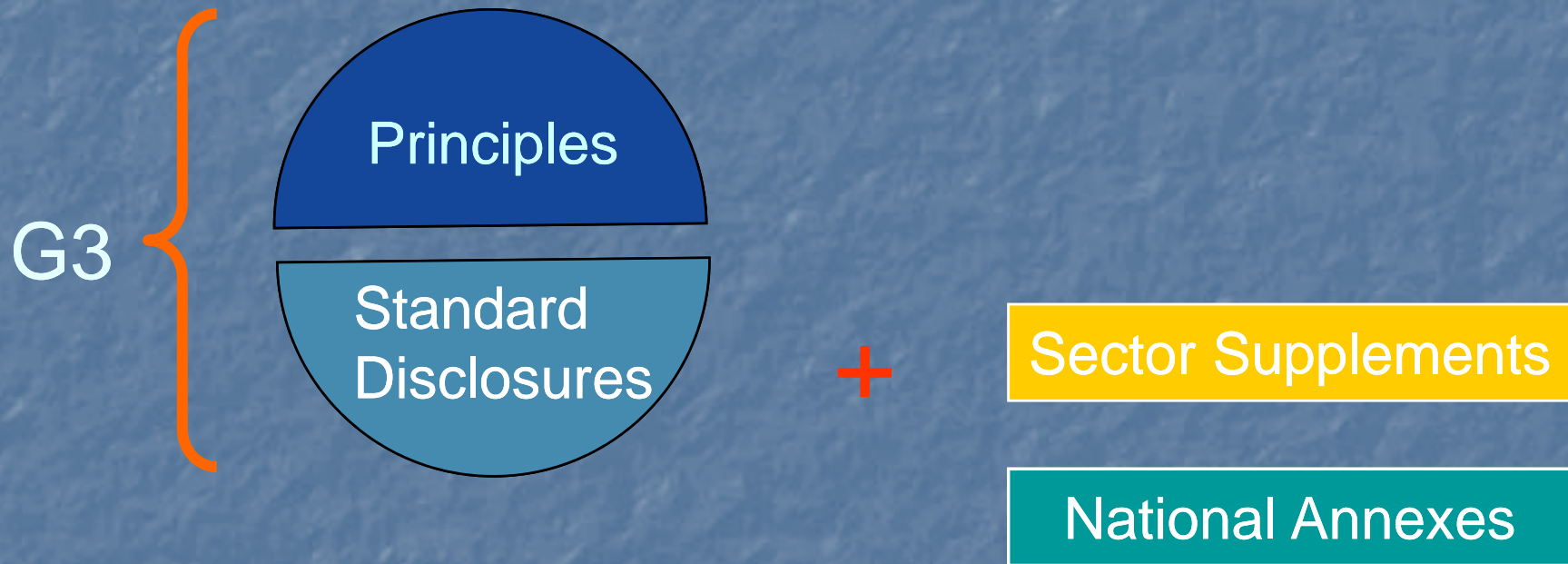
Evolving Guidelines: the G3 Process



G3 Launch October 2006



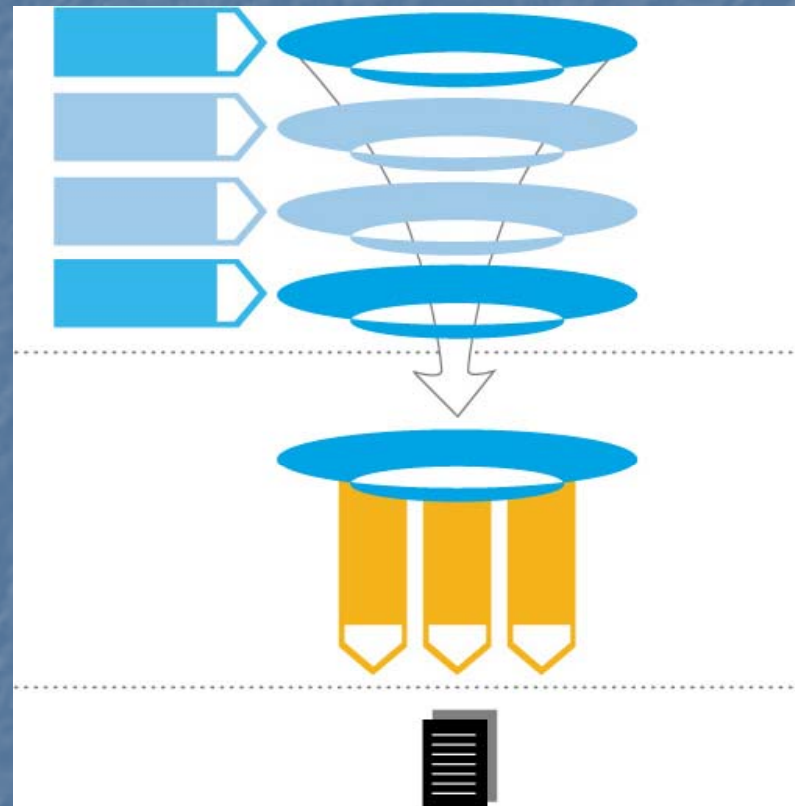
The Reporting Framework



Introduction to the Guidelines

INPUT =
PRINCIPLES

Options for Reporting



Principles and
Guidance

Standard
Disclosures

Focused Sustainability Report



Principles and Guidance

Helping to
steer the
course to
materiality,
focus, and
balance.



Reporting Principles

(with Tests)

■ Principles that help define report **content**

- Materiality (significant impacts, substantially influence stakeholder decisions)
- Stakeholder inclusiveness
- Sustainability context
- Completeness
- Boundary setting

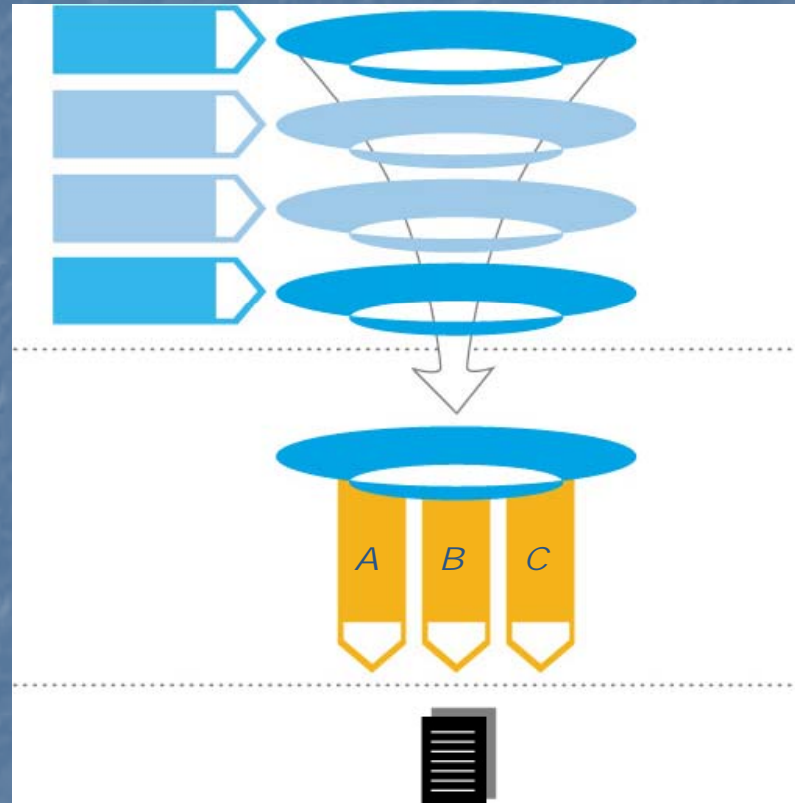
■ Principles that help determine report **quality**

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



Standard Disclosures

*OUTPUT =
STANDARD
DISCLOSURES*



Standard
Disclosures

Focused Sustainability Report

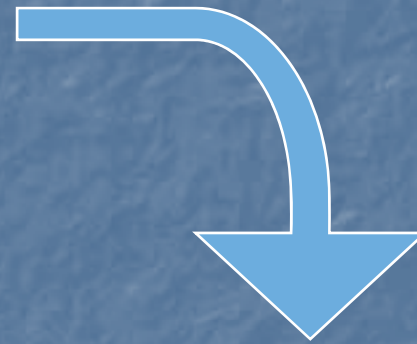


G3 Report Content

- Strategy and analysis
- Organizational profile
- Governance, commitments & engagement
- Discussion of management approach (DMA)
- Performance indicators
 - Core and additional indicators
 - Sector supplements
 - National annexes



Disclosure on Management Approach



Disclosure on Management Approach

- Report on each of the 6 indicator categories covering those 35 aspects that are material:
 - Economic (3)
 - Environmental (9)
 - Social: labor and decent work (5), human rights (8), society (5), product responsibility (5)
- DMA content:
 - Goals and performance
 - Policy
 - Organizational responsibility
 - Training and awareness
 - Monitoring and follow-up
 - Additional contextual info



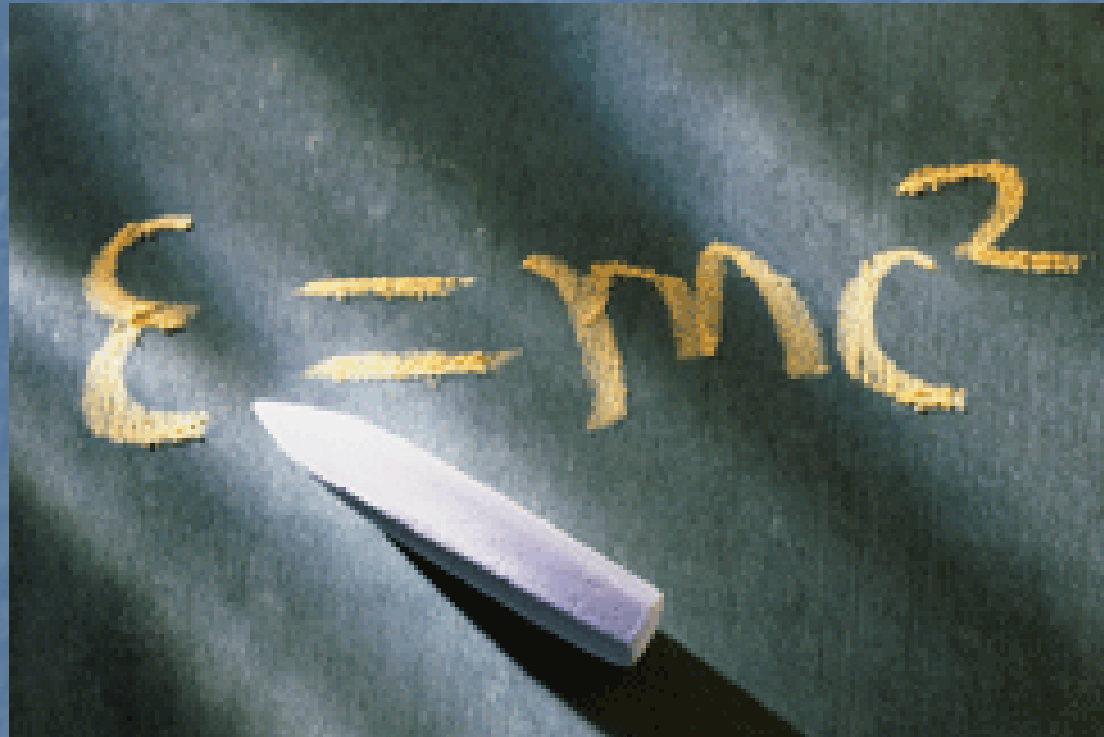
Performance Indicators



Examples of the 3 Classification Levels of Indicators

Category (6) -Economic -Environment -Social (4)	Environment	Social: Labor Practices and Decent Work
Aspect (35)	Water	Occupational Health and Safety
Indicator (79) -49 core -30 additional	Total water withdrawal by source	Injury, illness and lost-day rates, absenteeism, fatalities, by region

Indicator Protocols

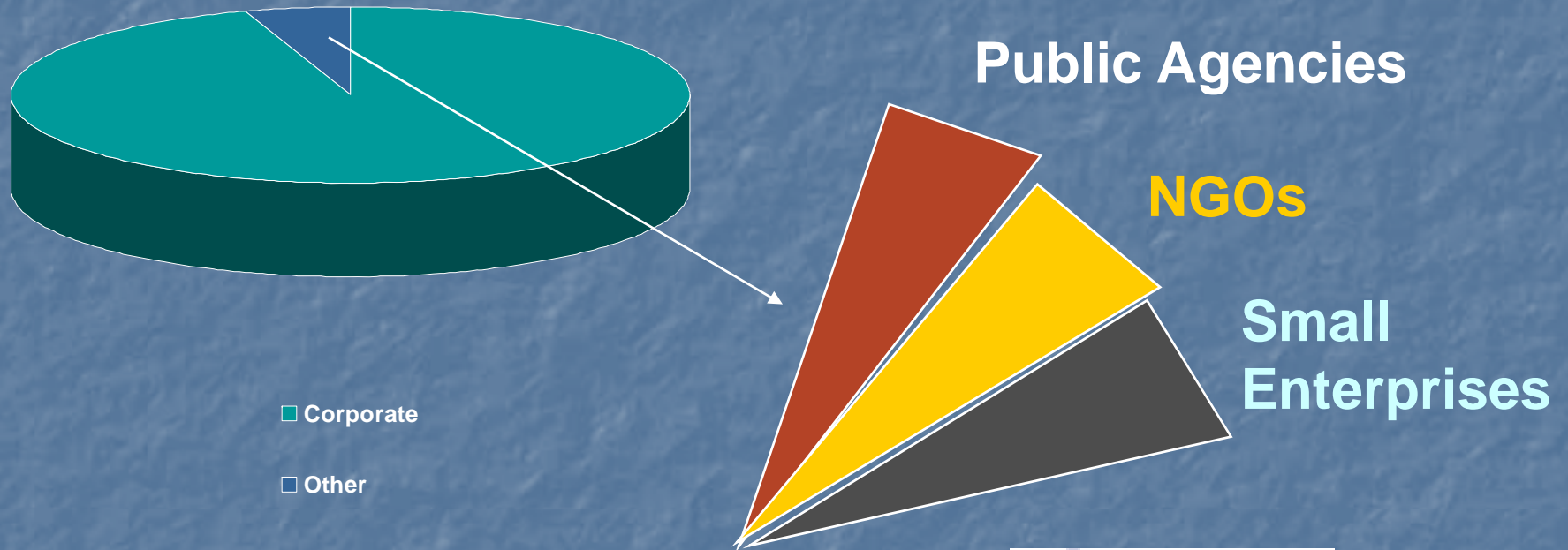


Sector Supplements

- Development completed:
automotive, telecom, metals & mining, tour operators, financial services, public agencies, energy utilities
- In development:
logistics & transportation, food industry, NGO's, Oil & Gas, apparel & footwear



Special Focus Groups



Reporting Application Levels

Rpt Content	Application Level					
	C	C+	B	B+	A	A+
Profile, Governance	Rpt all but 12 items	Ext. Assurance	Rpt all items	Ext. Assurance	Same as B	Ext. Assurance
DMA	Not req'd		Rpt for each of 6 categories		Same as B	
Indicators	Min 10 (1 each for econ, env, social)		Min 20 (1 each for econ, env, HR, labor, soc'ty, prod resp)		Rpt on each core and sect. suppl. indicator or explain	

GRI and ISO 26000



- **Active participant since June 2004**
- **Invited to be part of CAG**
- **Submitted comments in during all the process**
- **Always looking after convergence with ISO 26000 to create synergy on sustainability movement**



- ' An organization should ... report about its performance on social responsibility to affected stakeholders. A growing number of organizations report to their stakeholders on a periodic basis about their performance on social responsibility'

ISO 26000 Committee Draft (CD),
Communication on social responsibility, Box
14

Comparison of GRI G3 Reporting Guidelines with ISO 26000 CD

Social Responsibility Subject	ISO 26000 Clause	GRI G3 Guidelines Disclosure No. (DMA – Disclosure on Mgmt Approach)
Organizational governance	6.2	<u>1.1, 1.2, 2.3, 4.1-4.14; All DMAs</u>
Human Rights	6.3	<u>HR1-9; HR DMA</u>
-Due diligence	6.3.3	<u>HR1,2,5,6,7</u>
-Human rights risk situations	6.3.4	<u>HR5-7</u>
-Avoidance of complicity	6.3.5	<u>HR1-3, 5-8</u>
-Resolving grievances	6.3.6	<u>HR4,9*</u>
-Discrimination and vulnerable groups	6.3.7	<u>HR4,6,7,9; LA13-14</u>
-Civil and political rights	6.3.8	<u>HR5,9</u>
-Economic, social and cultural rights	6.3.9	<u>PR1,2; SO1; EC9</u>
-Fundamental rights at work	6.3.10	<u>HR4-7</u>

Social Responsibility Subject	ISO 26000 Clause	GRI G3
Labour Practices	6.4	<u>LA1-14; LA DMA</u>
-Employment and employment relationships	6.4.3	<u>HR4,5; LA1-5,13,14</u>
-Conditions of work and social protection	6.4.4	<u>LA3-5,14; EC5</u>
-Social dialogue	6.4.5	<u>HR4,5; LA4,5</u>
-Health and safety at work	6.4.6	<u>LA6-9</u>
-Human development & training in the workplace	6.4.7	<u>LA10-12</u>
The Environment	6.5	<u>EN1-30; EN DMA</u>
-Prevention of pollution	6.5.3	<u>EN19-24</u>
-Sustainable resource use	6.5.4	<u>EN1-10; EN16-8,26,27</u>
-Climate change mitigation and action	6.5.5	<u>EC2; EN16-18</u>
-Protection & restoration of the natural environment	6.5.6	EN11-15,25

Social Responsibility Subject	ISO 26000 Clause	GRI G3
Fair Operating Practices	6.6	<u>SO2-8; SO DMA</u>
-Anti-corruption	6.6.3	<u>SO2-4</u>
-Responsible political involvement	6.6.4	<u>SO5-6</u>
-Fair competition	6.6.5	<u>SO7</u>
-Promoting social responsibility in the sphere of influence	6.6.6	<u>EC6,9; HR1,2,8 PR1,2; EN 26,29; Guidance on Boundary Setting</u>
-Respect for property rights	6.6.7	<u>EC9; SO8*</u>
Consumer Issues	6.7	<u>PR1-8; PR DMA</u>
-Fair marketing, factual and unbiased information and fair contractual practices	6.7.3	<u>PR6,7</u>
-Protecting consumers' health & safety	6.7.4	<u>PR1-5</u>
-Sustainable consumption	6.7.5	<u>PR1-5; EN26,27</u>
-Consumer service support and dispute resolution	6.7.6	<u>PR3-7,9*</u>
-Consumer data protection and privacy	6.7.7	<u>PR8</u>
-Access to essential services	6.7.8	<u>PR1,5; EC9*</u>
-Education and awareness	6.7.9	<u>PR5-7</u>

Social Responsibility Subject	ISO 26000 Clause	GRI G3
Community involvement and development	6.8	<u>SO1; SO DMA, EC1,5-9</u>
-Community involvement	6.8.3	<u>EC1,8; SO2-6; LA8, Stakeholder inclusiveness principle</u>
-Education and culture	6.8.4	<u>EC8*h</u>
-Employment creation and skills development	6.8.5	<u>SO1; EC1,6,8,9</u>
-Technology development and access	6.8.6	<u>EC7*</u>
-Wealth and income creation	6.8.7	<u>EC1,6-8</u>
-Health	6.8.8	<u>LA8</u>
-Social investment	6.8.9	<u>EC1,8</u>
* Indirectly relevant		

In Short

GRI and ISO 26000 are fully compatible

GRI secretariat has prepared a paper to assist potential users of the ISO 26000 Standard



- The GRI secretariat has prepared this paper to assist potential users of the ISO 26000 Standard. For reasons of length, it does not seek to cover or represent all elements covered by either the draft ISO Standard or the GRI Guidelines. Readers are encouraged to examine those documents for authoritative text. As the ISO draft further evolves, GRI intends to further refine its guidance on the complementary features of the two instruments. Any comments or suggestions for improvement on this paper should be sent to Sean Gilbert, Technical Director, GRI (gilbert@globalreporting.org).





Dante Pesce

Founder and Executive Director of VINCULAR Center for Social Responsibility and Sustainable Development at Catholic University of Valparaiso, Chile

D-Liaison expert on ISO 26000, representing Interamerican CSR Network

Representative of DEVCO SSRO on ISO 26000 CAG

GRI Stakeholder Council Member

Email: dante.pesce@vincular.org

www.vincular.org