

G4 SUSTAINABILITY REPORTING GUIDELINES

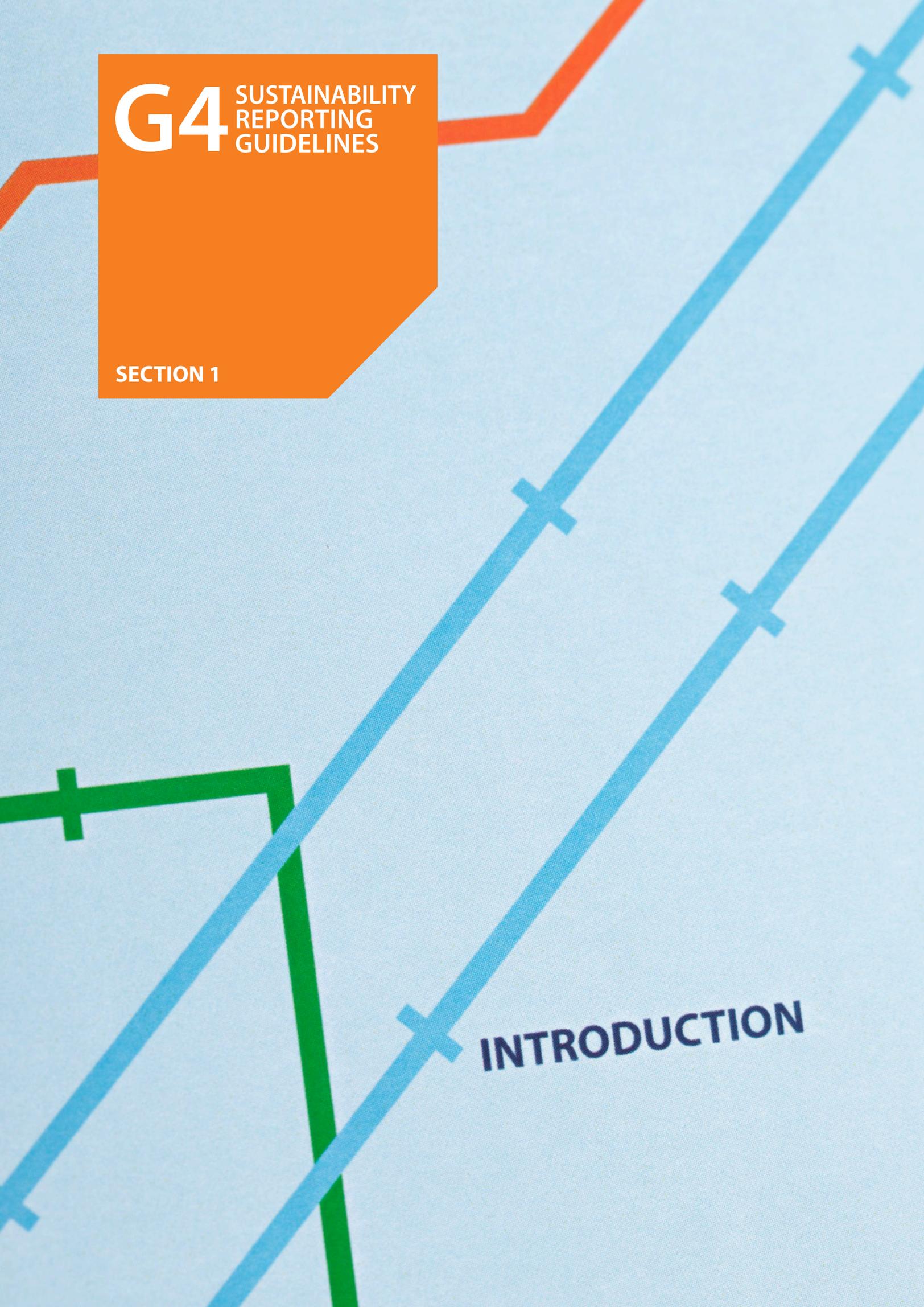


IMPLEMENTATION MANUAL

Interpretations on the G4 Guidelines, issued by the Global Sustainability Standards Board, are located at the end of this document, and are to be considered by all users.

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G4 SUSTAINABILITY REPORTING GUIDELINES

SECTION 1

INTRODUCTION

1

INTRODUCTION

The GRI Sustainability Reporting Guidelines (the Guidelines) offer Reporting Principles, Standard Disclosures and an Implementation Manual for the preparation of sustainability reports by organizations, regardless of their size, sector or location.

The Guidelines also offer an international reference for all those interested in the disclosure of governance approach and of the environmental, social and economic^I performance and impacts^{II} of organizations. The Guidelines are useful in the preparation of any type of document which requires such disclosure.

The Guidelines are presented in two parts:

- **Reporting Principles and Standard Disclosures**
- **Implementation Manual**

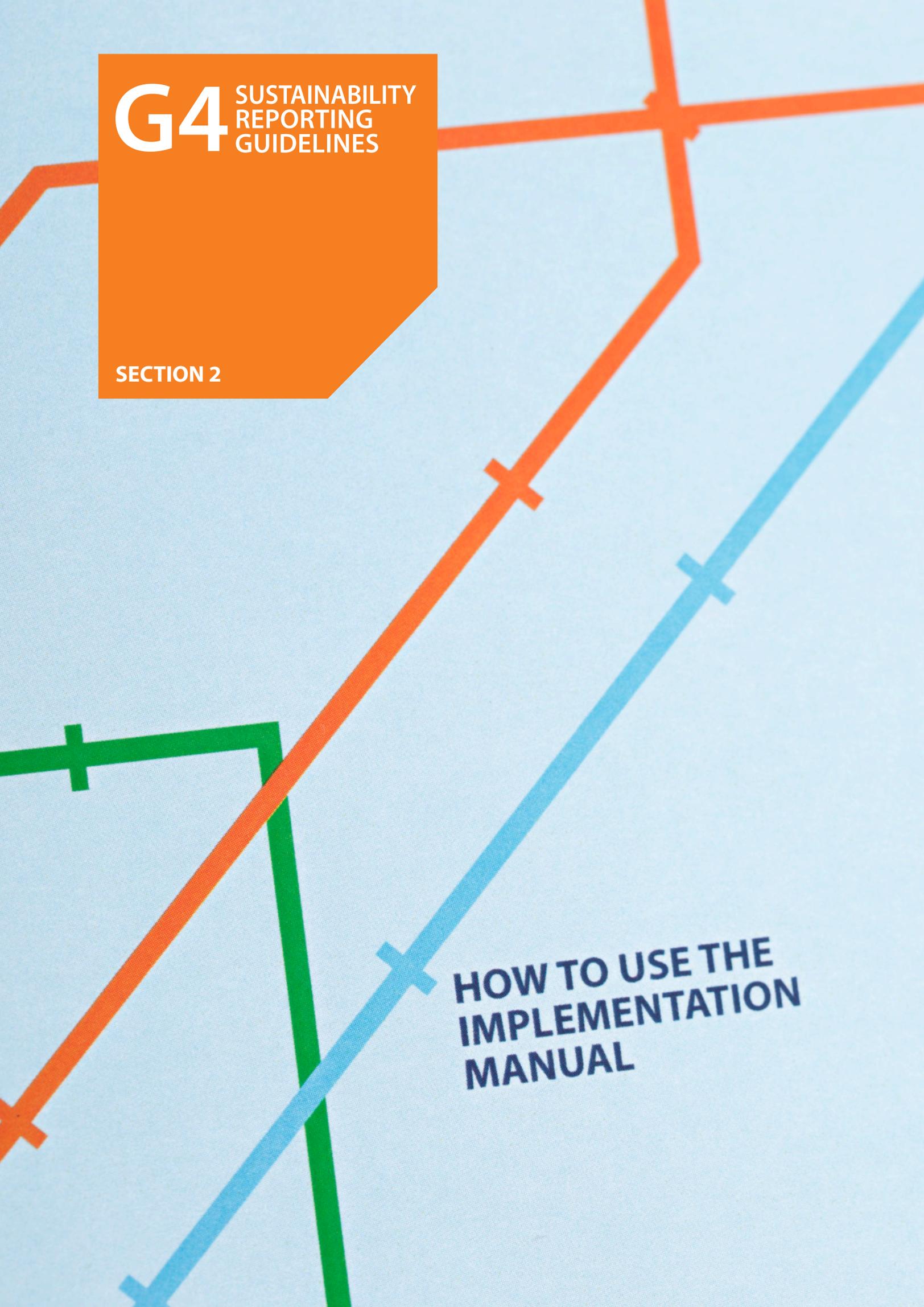
The first part – **Reporting Principles and Standard Disclosures** – contains Reporting Principles, Standard Disclosures, and the criteria to be applied by an organization to prepare its sustainability report ‘in accordance’ with the Guidelines. Definitions of key terms are also included.

The second part – **Implementation Manual** – contains explanations of how to apply the Reporting Principles, how to prepare the information to be disclosed, and how to interpret the various concepts in the Guidelines. References to other sources, a glossary and general reporting notes are also included.

Organizations should consult the *Implementation Manual* when preparing a sustainability report.

I. 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. It does not focus on the financial condition of the organization.

II. In the Guidelines, unless otherwise stated the term ‘impact’ refers to significant economic, environmental and social impacts that are: positive, negative, actual, potential, direct, indirect, short term, long term, intended, unintended.



G4 SUSTAINABILITY
REPORTING
GUIDELINES

SECTION 2

**HOW TO USE THE
IMPLEMENTATION
MANUAL**

2

HOW TO USE THE
IMPLEMENTATION
MANUAL

The **Implementation Manual** provides valuable information about:

- How to understand, interpret and implement the concepts mentioned in the *Reporting Principles and Standard Disclosures*
- How to select and prepare the information to be disclosed in the final report; which references can be useful when preparing a report
- How to apply the Reporting Principles
- How to identify material Aspects and their Boundaries
- How GRI content helps to report on the organization's implementation of the Organisation for Economic Co-operation and Development (OECD), *OECD Guidelines for Multinational Enterprises*, 2011 and United Nations Global Compact, 'Ten Principles', 2000.

In this document, the *Implementation Manual*, page numbers which refer to either the *Reporting Principles and Standard Disclosures* or the *Implementation Manual* are clearly identified as such.

The full list of references can be found in the *Implementation Manual* pp. 237-242.

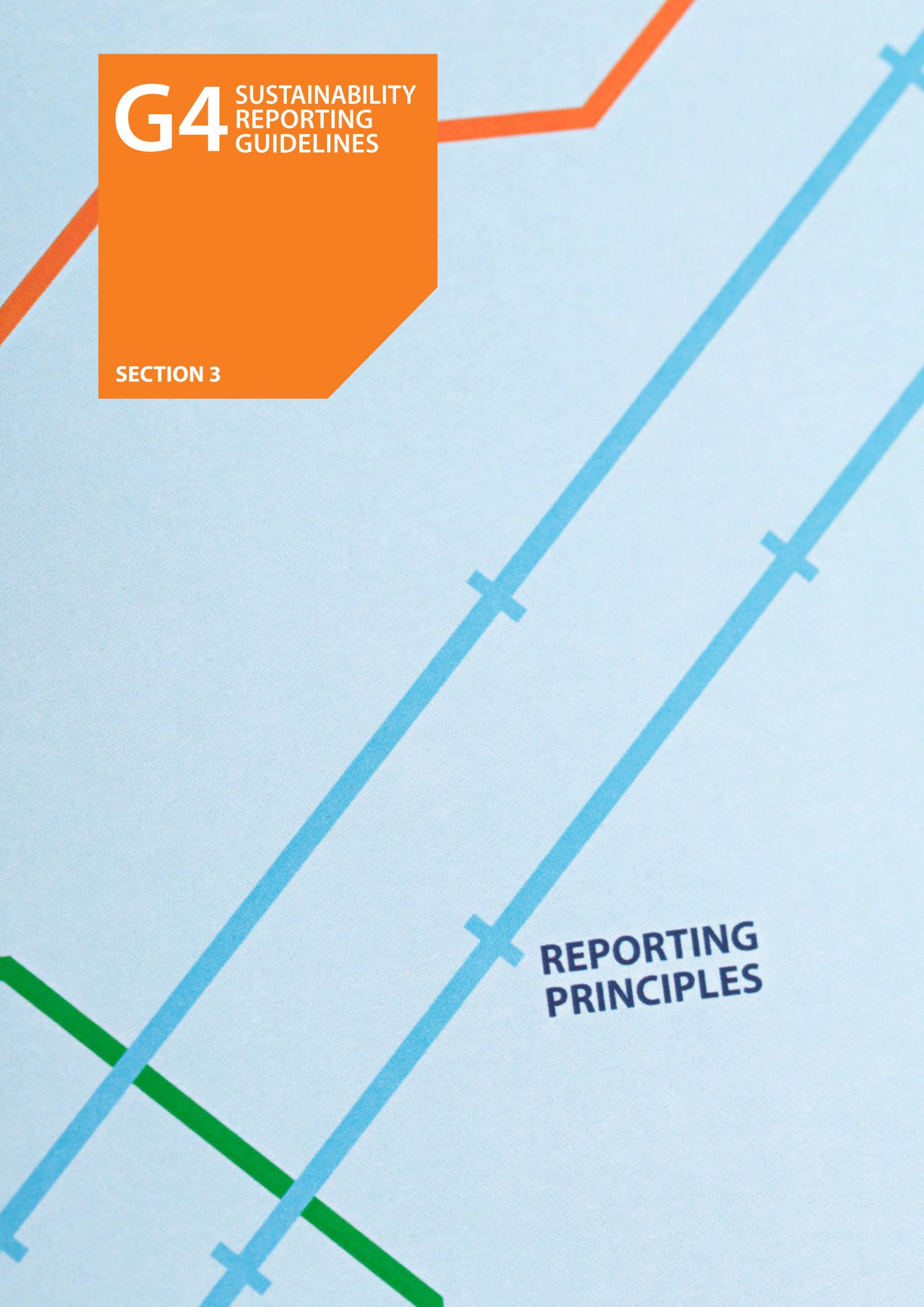
All definitions can be found in the Glossary in the *Implementation Manual* pp. 244-254.

Note to users of an electronic version of this document:

Throughout this document, there are definitions that are underlined. Clicking on these underlined definitions takes the user to the page where the relevant definition is located within the Glossary. To return to the previous page, please click "alt" + left arrow.

The following sections will be found in this *Implementation Manual*:

3. Reporting Principles
4. Standard Disclosures, divided as follows:
 - 4.1 General Standard Disclosures
 - Strategy and Analysis
 - Organizational Profile
 - Identified Material Aspects and Boundaries
 - Stakeholder Engagement
 - Report Profile
 - Governance
 - Ethics and Integrity
 - 4.2 Specific Standard Disclosures
 - Guidance for Disclosures on Management Approach
 - Guidance for Indicators and Aspect-specific Disclosures on Management Approach
5. References
6. Glossary
7. General Reporting Notes
8. G4 Guidelines Content Development



G4 SUSTAINABILITY
REPORTING
GUIDELINES

SECTION 3

**REPORTING
PRINCIPLES**

3

REPORTING PRINCIPLES

The Reporting Principles are fundamental to achieving transparency in sustainability reporting and therefore should be applied by all organizations when preparing a sustainability report. The *Implementation Manual* outlines the required process to be followed by an organization in making decisions consistent with the Reporting Principles.

The Principles are divided into two groups: Principles for Defining Report Content and Principles for Defining Report Quality.

The Principles for Defining Report Content guide decision to identify what content the report should cover by considering the organization's activities, impacts, and the substantive expectations and interests of its stakeholders.

The Principles for Defining Report Quality guide choices on ensuring the quality of information in the sustainability report, including its proper presentation. The quality of the information is important to enable stakeholders to make sound and reasonable assessments of performance, and take appropriate actions.

Each of the Principles consists of a definition, an explanation on how to apply the Principle and tests. The tests are intended to serve as tools for self-diagnosis, but not as specific disclosures to report against.

3.1 PRINCIPLES FOR DEFINING REPORT CONTENT

These Principles are designed to be used in combination to define the report content. The implementation of all these Principles together is described under the Guidance of G4-18 on pp. 31-40 of the *Implementation Manual*.

STAKEHOLDER INCLUSIVENESS

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

GUIDANCE

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 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 (such as employees, shareholders, suppliers) as well as those who have other relationships to the organization (such as 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 the report. However, not all of an organization's stakeholders will use the report. This presents challenges in balancing the specific interests and 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 Aspect Boundaries, the organization considers the reasonable expectations and interests of a wide range of stakeholders. 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.

The process of stakeholder engagement may serve as a tool 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 recognized standards, or informing ongoing organizational or business processes. In addition, stakeholder engagement may also be implemented specifically to inform the report preparation process. Organizations may also use other means such as the media, the scientific community, or collaborative activities with peers and stakeholders. These means help the organization better understand stakeholders' reasonable expectations and interests.

When the process of stakeholder engagement is used for reporting purposes, it 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.

It is important that the process of stakeholder engagement is 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 may need to be able to explain

how it balanced these in reaching its reporting decisions.

For the report to be assurable, it is important to document the process of stakeholder engagement. The organization documents 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.

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 Aspect Boundaries

SUSTAINABILITY CONTEXT

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

GUIDANCE

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) fails to respond to this underlying question. Reports should therefore seek to present performance in relation to broader concepts of sustainability. This involves discussing the performance of the organization in the context of the limits and demands placed on environmental or social resources at the sector, 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 may 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 may report on employee

wages and social benefit levels in relation to nation-wide 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 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, 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 Aspects that:

- Reflect the organization's significant economic, environmental and social impacts; or
- Substantively influence the assessments and decisions of stakeholders

GUIDANCE**Applying the Principle:**

Organizations are faced with a wide range of topics on which they could 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, and, therefore, potentially merit inclusion in the report. Materiality is the threshold at which Aspects become sufficiently important that they should be reported. Beyond this threshold, not all material Aspects are of equal importance and the emphasis within a report should reflect the relative priority of these material Aspects.

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 Aspects 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. These material Aspects often have a significant financial impact in the short 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 an Aspect 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 (such as supply chain) and downstream (such as 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. A range of established methodologies may 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 are likely to be considered to be significant.

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

In addition to guiding the selection of Aspects 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 could be provided in a report. 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 Aspects 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 may inform assessments or decision-making by stakeholders, or support engagement with stakeholders that may result in actions that significantly influence performance or address key topics of stakeholder concern.

Tests:

In defining material Aspects, the organization takes into account the following factors:

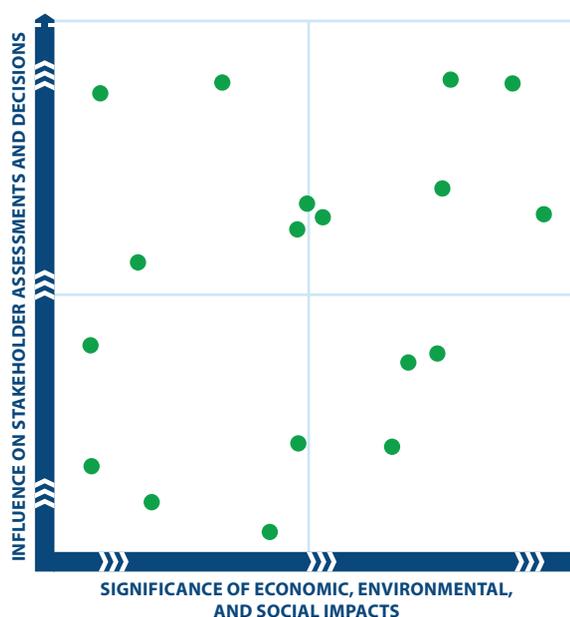
- Reasonably estimable sustainability impacts, risks, or opportunities (such as global warming, HIV-AIDS, poverty) identified through sound investigation by people with recognized expertise, or by expert bodies with recognized credentials in the field
- Main sustainability interests and topics, and Indicators raised by stakeholders (such as 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
- Key organizational values, policies, strategies, operational management systems, goals, and targets

- The interests and expectations of stakeholders specifically invested in the success of the organization (such as 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 may or could contribute to sustainable development

Prioritizing

- The report prioritizes material Aspects and Indicators

FIGURE 1 Visual representation of prioritization of Aspects



COMPLETENESS

Principle: The report should include coverage of material Aspects and their Boundaries, sufficient to reflect significant economic, environmental and social impacts, and to enable stakeholders to assess the organization’s performance in the reporting period.

GUIDANCE

Applying the Principle:

Completeness primarily encompasses the dimensions of scope, boundary, and time. The concept of completeness may also be used to refer to practices in information collection (for example, ensuring that compiled data includes results from all entities within the organization and entities, groups of entities, or elements outside the organization where significant

impact occurs) and whether the presentation of information is reasonable and appropriate. These topics are related to report quality, and are addressed in greater detail under the Principles of Accuracy and Balance.

‘Scope’ refers to the range of sustainability Aspects covered in a report. The sum of the Aspects and Standard Disclosures

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.

'Aspect Boundary' refers to the description of where impacts occur for each material Aspect. In setting the Aspect Boundaries, an organization should consider impacts within and outside of the organization. Aspect Boundaries vary based on the Aspects reported.

'Time' refers to the need for the selected information to be complete for the time period specified by the report. As far as practicable, activities, events, and impacts should be presented for the reporting period in which they occur. This includes reporting on activities that produce minimal short-term impact, but which have a significant and reasonably foreseeable cumulative effect that may become unavoidable or irreversible in the longer term (such as bio-accumulative or persistent pollutants). In making estimates of future impacts (both positive and negative), the reported information should

be based on well-reasoned estimates that reflect the likely size and nature of impacts. Although such estimates are by nature subject to uncertainty, they provide useful information for decision-making as long as the basis for estimates is clearly disclosed and the limitations of the estimates are clearly acknowledged. Disclosing the nature and likelihood of such impacts, even if they may only materialize in the future, is consistent with the goal of providing a balanced and reasonable representation of the organization's economic, environmental and social performance.

Tests:

- The report takes into account impacts within and outside of the organization, and covers and prioritizes all material information on the basis of the Principles of Materiality, Sustainability Context, and Stakeholder Inclusiveness
- The information in the report includes all significant impacts in the reporting period, and reasonable estimates of significant future impacts when those impacts are reasonably foreseeable and may become unavoidable or irreversible
- The report does not omit relevant information that influences or informs stakeholder assessments or decisions, or that reflects significant economic, environmental and social impacts

3.2 PRINCIPLES FOR DEFINING REPORT QUALITY

This group of Principles guides choices on ensuring the quality of information in the sustainability report, 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 to achieving transparency. The quality of the information is important to enable stakeholders to make sound and reasonable assessments of performance, and take appropriate actions.

BALANCE

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

GUIDANCE

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 information that can influence the decisions of stakeholders in proportion to their materiality. The report should clearly distinguish between factual presentation and

the organization's interpretation of information.

Tests:

- The report discloses both favorable and unfavorable results and Aspects
- 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 Aspects in the report is proportionate to their relative materiality

COMPARABILITY

Principle: The organization should select, compile and report 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 that could support analysis relative to other organizations.

GUIDANCE

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. When necessary, report preparers should consider providing context that helps report users understand the factors that may contribute to differences in performance between organizations.

In order to facilitate comparability over time, it is important to maintain 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. As the relative importance of an Aspect 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 (that is,

absolute data such as tons of waste) as well as ratios (that is, normalized data such as waste per unit of production) to enable analytical comparisons.

When changes occur with the Aspect Boundaries, 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. When 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 Aspect Boundaries, Scope, length of reporting period, or information covered in the report can be identified and explained
- When they are available, the report utilizes generally accepted protocols for compiling, measuring and presenting information, including the information contained in the GRI Guidelines
- The report uses GRI Sector Disclosures, when available

ACCURACY

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

GUIDANCE

Applying the Principle:

Responses to economic, environmental and social Disclosures on Management Approach and Indicators may 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 Aspect Boundaries. 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 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 influence substantially 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.

GUIDANCE

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 may 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.

GUIDANCE

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 may help to make information in the report accessible and understandable. The level of aggregation of information may 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 (such as differing abilities, language, or technology)

RELIABILITY

Principle: The organization should gather, record, compile, analyze and disclose information and processes used in the preparation of a report in a way that they can be subject to examination and that establishes the quality and materiality of the information.

GUIDANCE

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 Aspect Boundaries 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

G4 SUSTAINABILITY REPORTING GUIDELINES

SECTION 4

**STANDARD
DISCLOSURES**

4

STANDARD DISCLOSURES

There are two different types of Standard Disclosures:

4.1 GENERAL STANDARD DISCLOSURES

- Strategy and Analysis
- Organizational Profile
- Identified Material Aspects and Boundaries
- Stakeholder Engagement
- Report Profile
- Governance
- Ethics and Integrity

4.2 SPECIFIC STANDARD DISCLOSURES

- Disclosures on Management Approach
- Indicators and Aspect-specific Disclosures on Management Approach

The Standard Disclosures and explanations of how to prepare the information to be disclosed, and how to interpret the various concepts in the Guidelines are presented in more detail in the following sections.

G4 GENERAL STANDARD DISCLOSURES OVERVIEW

STRATEGY AND ANALYSIS										
G4-1	G4-2									
ORGANIZATIONAL PROFILE										
G4-3	G4-4	G4-5	G4-6	G4-7	G4-8	G4-9	G4-10	G4-11	G4-12	G4-13
							UNGC	OECD/UNGC		
G4-14	G4-15	G4-16								
IDENTIFIED MATERIAL ASPECTS AND BOUNDARIES										
G4-17	G4-18	G4-19	G4-20	G4-21	G4-22	G4-23				
STAKEHOLDER ENGAGEMENT										
G4-24	G4-25	G4-26	G4-27							
REPORT PROFILE										
G4-28	G4-29	G4-30	G4-31	G4-32	G4-33					
GOVERNANCE										
G4-34	G4-35	G4-36	G4-37	G4-38	G4-39	G4-40	G4-41	G4-42	G4-43	G4-44
G4-45	G4-46	G4-47	G4-48	G4-49	G4-50	G4-51	G4-52	G4-53	G4-54	G4-55
ETHICS AND INTEGRITY										
G4-56	G4-57	G4-58								

LEGEND

-  General Standard Disclosures
-  Required General Standard Disclosures for both 'in accordance' criteria options
-  **OECD** Linkage to OECD Guidelines for Multi-national Enterprises
-  **UNGC** Linkage to UN Global Compact 'Ten Principles'

G4 SPECIFIC STANDARD DISCLOSURES OVERVIEW

DISCLOSURES ON MANAGEMENT APPROACH				
G4-DMA				
Indicators by Aspects				
CATEGORY: ECONOMIC				
Economic Performance				OECD
G4-EC1	G4-EC2	G4-EC3	G4-EC4	
Market Presence				
G4-EC5	G4-EC6			
Indirect Economic Impacts				
G4-EC7	G4-EC8			
Procurement Practices				
G4-EC9				
CATEGORY: ENVIRONMENTAL				
				OECD/UNGC
Materials				
G4-EN1	G4-EN2			
Energy				
G4-EN3	G4-EN4	G4-EN5	G4-EN6	G4-EN7
Water				
G4-EN8	G4-EN9	G4-EN10		
Biodiversity				
G4-EN11	G4-EN12	G4-EN13	G4-EN14	
Emissions				
G4-EN15	G4-EN16	G4-EN17	G4-EN18	G4-EN19
G4-EN20	G4-EN21			
Effluents and Waste				
G4-EN22	G4-EN23	G4-EN24	G4-EN25	G4-EN26

Indicators by Aspects				
CATEGORY: ENVIRONMENTAL				OECD/UNGC
Products and Services				
G4-EN27	G4-EN28			
Compliance				
G4-EN29				
Transport				
G4-EN30				
Overall				
G4-EN31				
Supplier Environmental Assessment				
G4-EN32	G4-EN33			
Environmental Grievance Mechanisms				
G4-EN34				
CATEGORY: SOCIAL				
LABOR PRACTICES AND DECENT WORK				OECD/UNGC
Employment				
G4-LA1	G4-LA2	G4-LA3		
Labor/Management Relations				UNGC
G4-LA4				
Occupational Health and Safety				OECD
G4-LA5	G4-LA6	G4-LA7	G4-LA8	
Training and Education				OECD
G4-LA9	G4-LA10	G4-LA11		
Diversity and Equal Opportunity				
G4-LA12				
Equal Remuneration for Women and Men				
G4-LA13				

LEGEND

 Specific Standard Disclosures

OECD Linkage to OECD Guidelines for Multinational Enterprises

UNGC Linkage to UN Global Compact 'Ten Principles'

G4 SPECIFIC STANDARD DISCLOSURES OVERVIEW (continued)

Indicators by Aspects				
LABOR PRACTICES AND DECENT WORK OECD/UNGC				
Supplier Assessment for Labor Practices				
G4-LA14	G4-LA15			
Labor Practices Grievance Mechanisms OECD				
G4-LA16				
HUMAN RIGHTS OECD/UNGC				
Investment				
G4-HR1	G4-HR2			
Non-discrimination OECD/UNGC				
G4-HR3				
Freedom of Association and Collective Bargaining OECD/UNGC				
G4-HR4				
Child Labor OECD/UNGC				
G4-HR5				
Forced or Compulsory Labor OECD/UNGC				
G4-HR6				
Security Practices				
G4-HR7				
Indigenous Rights				
G4-HR8				
Assessment				
G4-HR9				
Supplier Human Rights Assessment				
G4-HR10	G4-HR11			
Human Rights Grievance Mechanisms				
G4-HR12				

Indicators by Aspects				
SOCIETY				
Local Communities OECD/UNGC				
G4-SO1	G4-SO2			
Anti-corruption OECD/UNGC				
G4-SO3	G4-SO4	G4-SO5		
Public Policy OECD/UNGC				
G4-SO6				
Anti-competitive Behavior OECD				
G4-SO7				
Compliance OECD				
G4-SO8				
Supplier Assessment for Impacts on Society OECD				
G4-SO9	G4-SO10			
Grievance Mechanisms for Impacts on Society OECD				
G4-SO11				
PRODUCT RESPONSIBILITY OECD				
Customer Health and Safety OECD				
G4-PR1	G4-PR2			
Product and Service Labeling				
G4-PR3	G4-PR4	G4-PR5		
Marketing Communications				
G4-PR6	G4-PR7			
Customer Privacy				
G4-PR8				
Compliance				
G4-PR9				

LEGEND

 Specific Standard Disclosures

OECD Linkage to OECD Guidelines for Multinational Enterprises

UNGC Linkage to UN Global Compact 'Ten Principles'

4.1 GENERAL STANDARD DISCLOSURES

The General Standard Disclosures are applicable to all organizations preparing sustainability reports. Depending on the organization's choice of 'in accordance' option (*Reporting Principles and Standard Disclosures*, pp. 11-14), the organization has to identify the required General Standard Disclosures to be reported.

The General Standard Disclosures are divided into seven parts: Strategy and Analysis, Organizational Profile, Identified Material Aspects and Boundaries, Stakeholder Engagement, Report Profile, Governance, and Ethics and Integrity.

This section presents Guidance to the **General Standard Disclosures**. Each General Standard Disclosure is presented here, including those which don't contain Guidance elements.

Guidance is presented to the following General Standard Disclosures:

GENERAL STANDARD DISCLOSURES

- Strategy and Analysis: G4-1
- Organizational Profile: G4-9, G4-10, G4-11, G4-12, G4-13, G4-14, G4-15
- Identified Material Aspects and Boundaries: G4-18, G4-19, G4-20, G4-21
- Stakeholder Engagement: G4-24, G4-25, G4-26
- Report Profile: G4-33
- Governance: G4-38, G4-41, G4-50, G4-51, G4-54, G4-55
- Ethics and Integrity: G4-56, G4-57, G4-58

Strategy and Analysis

These Standard Disclosures provide a general strategic view of the organization's sustainability, in order to provide context for subsequent, more detailed reporting against other sections of the Guidelines. The Strategy and Analysis may draw on information provided in other parts of the report, but is intended to give insight on strategic topics rather than simply summarize the contents of the report.

G4-1

- a. Provide a statement from the most senior decision-maker of the organization (such as CEO, chair, or equivalent senior position) about the relevance of sustainability to the organization and the organization's strategy for addressing sustainability.

The statement should present the overall vision and strategy for the short term, medium term, and long term, particularly with regard to managing the significant economic, environmental and social impacts that the organization causes and contributes to, or the impacts that can be linked to its activities as a result of relationships with others (such as suppliers, people or organizations in local communities). The statement should include:

- Strategic priorities and key topics for the short and medium term with regard to sustainability, including respect for internationally recognized standards and how such standards relate to long term organizational strategy and success
- Broader trends (such as macroeconomic or political) affecting the organization and influencing sustainability priorities
- Key events, achievements, and failures during 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
- Other items pertaining to the organization's strategic approach

GUIDANCE

References

- United Nations (UN), 'Guiding Principles on Business and Human Rights, Implementing the United Nations "Protect, Respect and Remedy" Framework', 2011.
- United Nations (UN), *Protect, Respect and Remedy: a Framework for Business and Human Rights*, 2008.
- United Nations (UN), *Report of the Special Representative of the Secretary-General on the Issue of Human Rights and Transnational Corporations and Other Business Enterprises, John Ruggie*, 2011.

G4-2

- a. Provide a 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 recognized 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 economic, environmental and social impacts of the organization, and associated challenges and opportunities. This includes the effect on stakeholders' rights as defined by national laws and the expectations in internationally recognized 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
- A description of the main processes in place to address performance and 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
 - Targets for the next reporting period and medium term objectives and goals (that is, 3–5 years) related to key risks and opportunities
- Concise description of governance mechanisms in place specifically to manage these risks and opportunities, and identification of other related risks and opportunities

Organizational Profile

These Standard Disclosures provide an overview of organizational characteristics, in order to provide context for subsequent more detailed reporting against other sections of the Guidelines.

G4-3

- a. Report the name of the organization.

G4-4

- a. Report the primary brands, products, and services.

G4-5

- a. Report the location of the organization's headquarters.

G4-6

- a. Report the number of countries where the organization operates, and names of countries where either the organization has significant operations or that are specifically relevant to the sustainability topics covered in the report.

G4-7

- a. Report the nature of ownership and legal form.

G4-8

- a. Report the markets served (including geographic breakdown, sectors served, and types of customers and beneficiaries).

G4-9

- a. Report the scale of the organization, including:
 - Total number of employees
 - Total number of operations
 - Net sales (for private sector organizations) or net revenues (for public sector organizations)
 - Total capitalization broken down in terms of debt and equity (for private sector organizations)
 - Quantity of products or services provided

GUIDANCE

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

- Total assets
- Beneficial ownership (including identity and percentage of ownership of largest shareholders)
- Breakdowns by country or region of the following:
 - Sales and revenues by countries or regions that make up 5% or more of total revenues
 - Costs by countries or regions that make up 5% or more of total costs
 - Employees

G4-10

- a. Report the total number of employees by employment contract and gender.
- b. Report the total number of permanent employees by employment type and gender.
- c. Report the total workforce by employees and supervised workers and by gender.
- d. Report the total workforce by region and gender.
- e. Report whether 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, including employees and supervised employees of contractors.
- f. Report any significant variations in employment numbers (such as seasonal variations in employment 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 Indicators, the size of the workforce is a standard normalizing factor for many other 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.

Compilation

Identify the total workforce (employees and supervised workers) by gender working for the organization at the end of

↓ G4-10 CONTINUED

the reporting period. Supply chain workers are not included in this Standard Disclosure.

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.

Definitions

See Glossary in *Implementation Manual*, p. 244

- [Employee](#)
- [Employment contract](#)
- [Employment types](#)
- [Supervised worker](#)

- [Total workforce](#)
- [Worker](#)

Documentation sources

Potential sources of information include the payroll and human resources information available at the national or site level.

References

- International Labour Organization (ILO), *Key Indicators of the Labour Market (KILM)*, <http://kilm.ilo.org/kilmnet>, accessed on 1 May 2013.
- International Labour Organization (ILO), LABORSTA Internet, <http://laborsta.ilo.org/>, accessed on 1 May 2013.
- International Labour Organization (ILO), 'Resolution concerning the International Classification of Status in Employment (ICSE)', 1993.
- United Nations (UN), Composition of macro geographical (continental) regions, geographical sub-regions, and selected economic and other groupings, <http://unstats.un.org/unsd/methods/m49/m49regin.htm>, accessed on 1 May 2013.

Linkages

United Nations Global Compact 'Ten Principles'

This Standard Disclosure helps to report on the implementation of Principle 6 of the United Nations Global Compact, 'Ten Principles', 2000.

G4-11

- a. 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 Conventions 87 'Freedom of Association and Protection of the Right to Organise Convention' and 98 'Right to Organise and Collective Bargaining Convention'. 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.

Compilation

Use data from G4-10 as the basis for calculating percentages for this Standard Disclosure.

Identify the total number of employees covered by collective bargaining agreements. Use this data to calculate the percentage.

Definitions

See Glossary in *Implementation Manual*, p. 244

- [Collective bargaining agreements](#)
- [Employee](#)

Documentation sources

Records of formal recognition agreements and signed collective agreements with independent trade unions are normally held by the human resources or personnel department of the organization.

References

- International Labour Organization (ILO) Convention 87, 'Freedom of Association and Protection of the Right to Organise Convention', 1948.
- International Labour Organization (ILO) Convention 98, 'Right to Organise and Collective Bargaining Convention', 1949.
- International Labour Organization (ILO) Convention 135, 'Workers' Representatives Convention', 1971.
- International Labour Organization (ILO) Convention 154, 'Collective Bargaining Convention', 1981.
- International Labour Organization (ILO) Declaration, 'Declaration on Fundamental Principles and Rights at Work', 1998.
- International Labour Organization (ILO) Recommendation 91, 'Collective Agreements Recommendation', 1951.
- International Labour Organization (ILO) Recommendation 163, 'Collective Bargaining Recommendation', 1981.

Linkages***OECD Guidelines for Multinational Enterprises***

This Standard Disclosure helps to report on the implementation of Chapter V. Employment and Industrial Relations of the Organisation for Economic Co-operation and Development (OECD), *OECD Guidelines for Multinational Enterprises*, 2011.

United Nations Global Compact 'Ten Principles'

This Standard Disclosure helps to report on the implementation of Principle 3 of the United Nations Global Compact, 'Ten Principles', 2000.

G4-12

a. Describe the organization's supply chain.

GUIDANCE

Relevance

This Standard Disclosure sets the overall context for understanding an organization's supply chain.

Compilation

Describe the main elements of the supply chain in relation to the organization's primary activities, products, and services.

Examples of elements that may define the structure and characteristics of an organization's supply chain include:

- Sequence of activities or parties that provides products and services to the organization
- Total number of suppliers engaged by the organization and estimated number of suppliers in the supply chain

- Location of suppliers by country or region
- Types of suppliers (such as contractors, brokers, wholesalers, licensees). See the definition of supplier for examples of suppliers
- Estimated monetary value of payments made to suppliers
- Sector-specific characteristics of the supply chain (such as labor intensive)

Definitions

See Glossary in *Implementation Manual*, p. 244

- [Product](#)
- [Service](#)
- [Supplier](#)
- [Supply chain](#)

G4-13

a. Report any significant changes during the reporting period regarding the organization's size, structure, ownership, or its supply chain, including:

- Changes in the location of, or changes in, operations, including facility openings, closings, and expansions
- Changes in the share capital structure and other capital formation, maintenance, and alteration operations (for private sector organizations)
- Changes in the location of suppliers, the structure of the supply chain, or in relationships with suppliers, including selection and termination

GUIDANCE

Compilation

Identify only those changes with significant impacts regarding the supply chain.

Examples of changes with significant impacts in the supply chain are:

- Moving parts of the supply chain from one country to another
- Strategic decisions to change the structure of the supply chain (such as a decision to outsource a significant part of the organization's activities)

COMMITMENTS TO EXTERNAL INITIATIVES

G4-14

a. Report whether and how the precautionary approach or principle is addressed by the organization.

GUIDANCE

Principle 15 of 'The Rio Declaration on Environment and Development' introduced the precautionary approach. A response to this Standard Disclosure could address the organization's approach to risk management in operational planning or the development and introduction of new products.

Definitions

See Glossary in *Implementation Manual*, p. 244

- [Precautionary Principle](#)

References

- United Nations (UN) Declaration 'The Rio Declaration on Environment and Development', 1992.

G4-15

a. List externally developed economic, environmental and social charters, principles, or other initiatives to which the organization subscribes or which it endorses.

GUIDANCE

Compilation

Include date of adoption, countries or operations where applied, and the range of stakeholders involved in the development and governance of these initiatives (such as

multi-stakeholder). Differentiate between non-binding, voluntary initiatives and those with which the organization has an obligation to comply.

G4-16

- a. List memberships of associations (such as industry associations) and national or international advocacy organizations in which the organization:
- Holds a position on the governance body
 - Participates in projects or committees
 - Provides substantive funding beyond routine membership dues
 - Views membership as strategic

This refers primarily to memberships maintained at the organizational level.

Identified Material Aspects and Boundaries

These Standard Disclosures provide an overview of the process that the organization has followed to define the Report Content, the identified material Aspects and their Boundaries, and restatements.

G4-17

- a. List all entities included in the organization’s consolidated financial statements or equivalent documents.
- b. Report whether any entity included in the organization’s consolidated financial statements or equivalent documents is not covered by the report.

The organization can report on this Standard Disclosure by referencing the information in publicly available consolidated financial statements or equivalent documents.

G4-18

- a. Explain the process for defining the report content and the Aspect Boundaries.
- b. Explain how the organization has implemented the Reporting Principles for Defining Report Content.

GUIDANCE

Introduction

To begin the process of defining the content of a report, the organization is required to select material Aspects^{III}.

This section describes the steps that the organization may follow, using the Reporting Principles for Defining Report Content, to identify material Aspects and their material impacts.

After this identification, the organization will be able to define the Indicators and Disclosures on Management Approach (DMA) to be reported.

Important initial definitions

In the Guidelines:

- The range of Aspects covered in a report is called the ‘Scope’
- The description of where impacts occur for each material Aspect is called ‘Aspect Boundary’
- ‘Topic’ refers to any possible sustainability subject. The word ‘Aspect’ is used in the Guidelines to refer to the list of

subjects covered by the Guidelines, for which GRI Indicators and DMA have been developed

Important initial remarks

- It is crucial to document the process for defining report content, including the organization’s methodologies, assumptions, and decisions taken. Accurate records facilitate analysis and assurance, help to fulfill the General Standard Disclosures in the section ‘Identified Material Aspects and Boundaries’ (*Implementation Manual* pp. 31–42), and enable the organization to explain its chosen approach
- Inevitably, the process for defining report content requires subjective judgments. The organization is expected to be transparent about its judgments. This enables internal and external stakeholders to understand the process for defining report content. The organization’s senior decision-makers are expected to be actively involved in the process for defining report content, and should approve any associated strategic decisions

^{III} For a list of Aspects covered in the Guidelines, see *Reporting Principles and Standard Disclosures* p. 9 and p. 44, and *Implementation Manual* p. 62.

↓ G4-18 CONTINUED

DEFINING MATERIAL ASPECTS AND BOUNDARIES: THE PROCESS

This section describes the steps that the organization may go through in order to define the specific content of the report.

The steps described here have been designed to offer Guidance on how to implement the Principles for Defining Report Content.

Although following the steps is not a requirement to be 'in accordance' with the Guidelines, the implementation of the Reporting Principles is a requirement. The Reporting Principles are fundamental to achieving transparency in sustainability reporting and therefore should be applied by all organizations when preparing a sustainability report.

The Principles for Defining Report Content are to be applied to identify the information to be disclosed, by considering the organization's activities, impacts, and the substantive expectations and interests of its stakeholders. There are four Principles for Defining Report Content: Materiality, Stakeholder Inclusiveness, Sustainability Context and Completeness (see *Reporting Principles and Standard Disclosures* pp. 16-17, and *Implementation Manual* pp. 9-13). Each Reporting Principle has two components: a definition, and a description of how and why to apply the Principle. Both components should be considered by the organization.

Figure 2 indicates which of these Reporting Principles is applicable in the different process steps. Stakeholder Inclusiveness applies to the whole process, in varying degrees.

The methodology applied in the steps varies according to the individual organization. Specific circumstances such as business model, sector, geographic, cultural and legal operating context, ownership structure, and the size and nature of impacts affect how the organization identifies the material Aspects and other material topics to be reported. Considering the organization's specificities, the steps to define report content are expected to be systematic, documented and replicable, and used consistently in each reporting period. Changes to the assessment approach, and their implications, are expected to be documented.

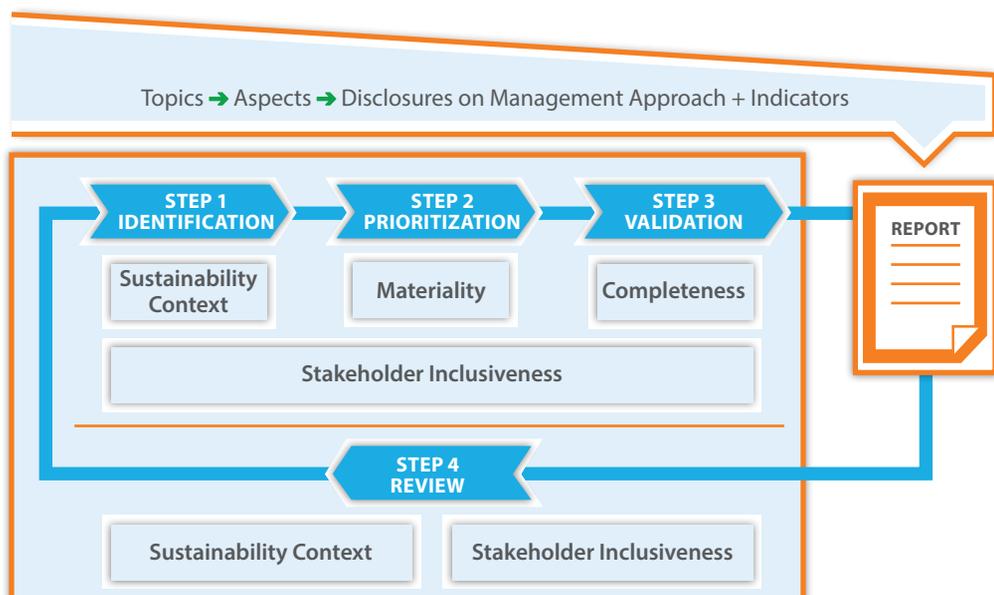
STEP 1: IDENTIFICATION – OVERVIEW

The process begins with **Identification** of the Aspects and any other relevant topics, and their Boundaries, which might be considered to be reported on. This identification is based on the Principles of Sustainability Context and Stakeholder Inclusiveness. When assessing the range of potentially relevant topics, the organization should use the tests that underlie these two Principles. The organization should identify Aspects and any other relevant topics based on the impacts related to all of its activities, products, services, and relationships, regardless of whether these impacts occur within or outside of the organization^{IV}.

IV • United Nations (UN), 'Guiding Principles on Business and Human Rights, Implementing the United Nations "Protect, Respect and Remedy" Framework', 2011.
 • United Nations (UN), *Protect, Respect and Remedy: a Framework for Business and Human Rights*, 2008.
 • United Nations (UN), *Report of the Special Representative of the Secretary-General on the Issue of Human Rights and Transnational Corporations and Other Business Enterprises*, John Ruggie, 2011.

FIGURE 2

Defining material Aspects and Boundaries - process overview



↓ G4-18 CONTINUED

While the organization new to sustainability reporting is likely to focus on impacts that occur within the organization, a broader consideration of the impacts outside of the organization should become feasible as reporting practice matures.

STEP 2: PRIORITIZATION – OVERVIEW

The next step in defining report content is **Prioritization** of the Aspects and any other relevant topics from Step 1, to identify those that are material and therefore to be reported on. Prioritization should be based on the Principles of Materiality and Stakeholder Inclusiveness. When assessing the level of priority, the organization should use the tests that underlie these two Principles.

STEP 3: VALIDATION – OVERVIEW

This step is followed by **Validation** where the Principles of Completeness and Stakeholder Inclusiveness are applied to finalize the identification of the report content. When validating the identified material Aspects (or other material topics), the organization

should use the tests that underlie these two Principles.

The outcome of these first three steps is a list of material Aspects (and other material topics) and their Boundaries. The final list of material Aspects (and other material topics) will lead the organization to defining a list of Specific Standard Disclosures related to them, which should be disclosed in its report.

STEP 4: REVIEW – OVERVIEW

Finally, after the report has been published, it is important that the organization undertakes a review of its report – Step 4. This review takes place as the organization is preparing for the next reporting cycle. A review may focus not only on the Aspects that were material in the previous reporting period but also consider again the Principles of Stakeholder Inclusiveness and Sustainability Context. The findings inform and contribute to the Identification Step for the next reporting cycle.

At the end of this guidance text, a summary of the actions to be taken for each Step is presented.

STEP 1

Identification**1.1 IDENTIFYING RELEVANT TOPICS**

Before defining the list of material Aspects or other material topics, organizations are advised to consider an initial broad list of topics that merit inclusion in the report. These are ‘relevant topics’.

‘Relevant topics’ are those that may reasonably be considered important for reflecting the organization’s relevant economic, environmental and social impacts; or influencing the assessments and decisions of stakeholders. All such topics potentially merit to be considered for inclusion in a sustainability report.

All GRI Aspects and related Standard Disclosures under each Category in the Guidelines and the GRI Sector Disclosures can be considered at this stage as the initial list of topics for this step. See Tables 1 or 5 in *Reporting Principles and Standard Disclosures* p. 9 or p. 44, and Table 1 in *Implementation Manual* p. 62 for an overview of all GRI Aspects.

The GRI Sector Disclosures can be found at www.globalreporting.org/reporting/sector-guidance

The identification of relevant topics involves considering the relevant impacts related to all of the organization’s activities, products, services, and relationships, regardless of whether these impacts occur within or outside of the organization.

For each identified relevant topic, the organization has to assess the impacts related to it and identify the Boundary. The Boundary of a topic specifies where the impacts occur: within or outside of the organization. Boundaries should be described in sufficient detail to identify:

- Where exactly within the organization itself the impacts occur
- Where outside of the organization the impacts occur

The organization’s identification of relevant topics is expected to be systematic and may consider the precautionary principle^V. In addition, where practicable the organization is advised to apply a scientific and internationally validated approach to measurement, and rely on proven expertise and authoritative research.

In assessing the range of potentially relevant topics, the organization should use the tests that underlie the Principles of Sustainability Context and Stakeholder Inclusiveness.

^V United Nations (UN) Declaration, ‘The Rio Declaration on Environment and Development’, 1992.

↓ G4-18 CONTINUED

1.2 DETERMINING BOUNDARIES FOR RELEVANT TOPICS

This section explains concepts that will help to determine Boundaries of relevant topics and material Aspects.

The impacts that make a topic relevant can occur within or outside of the organization, or both.

‘Boundary’ refers to the description of where impacts occur for each relevant topic (potentially material Aspect). In setting the Boundaries, an organization should consider impacts within and outside of the organization. Topic Boundaries vary.

a. Within the organization

Impacts that make a topic relevant can occur within the organization. In the Guidelines, ‘within the organization’ means the group of entities that are reported in G4-17.

These impacts do not always occur throughout the entire organization. During this step, the organization needs to evaluate in which entities within the organization the impact occurs. Refer to General Standard Disclosure G4-20.

b. Outside of the organization

Impacts that make a topic relevant can occur outside of the organization. There is no exhaustive list of outside parties to be considered in this process. Instead, the organization should attempt to capture the instances where a relevant impact occurs. These relevant impacts can be described as direct or indirect for some topics or as caused by, contributed to, or linked to the organization for others^{VI}.

For assessment purposes, the impacts that make the topic relevant outside of the organization can be grouped by their geographical location or the nature of the organization’s relationship to them (such as suppliers in country X). Refer to General Standard Disclosure G4-21.

VI • United Nations (UN), ‘Guiding Principles on Business and Human Rights, Implementing the United Nations “Protect, Respect and Remedy” Framework’, 2011.
 • United Nations (UN), *Protect, Respect and Remedy: a Framework for Business and Human Rights*, 2008.
 • United Nations (UN), *Report of the Special Representative of the Secretary-General on the Issue of Human Rights and Transnational Corporations and Other Business Enterprises*, John Ruggie, 2011.

FIGURE 3 An example where the topic of anti-corruption is only relevant to certain entities within the organization

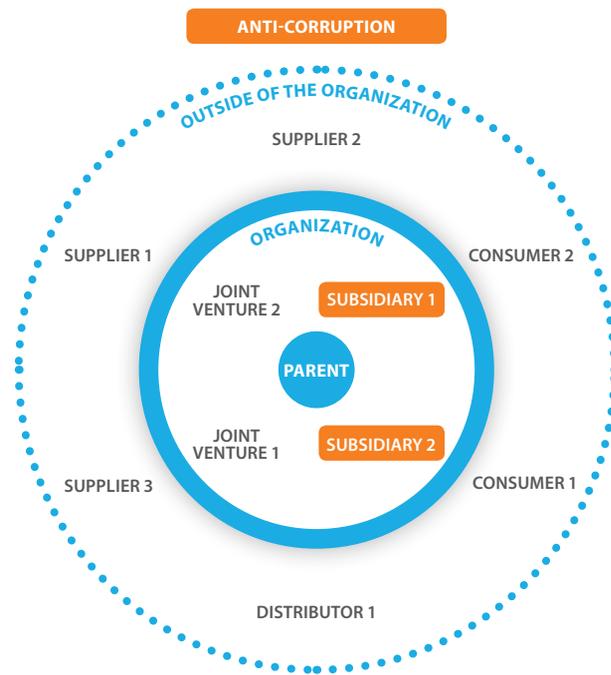
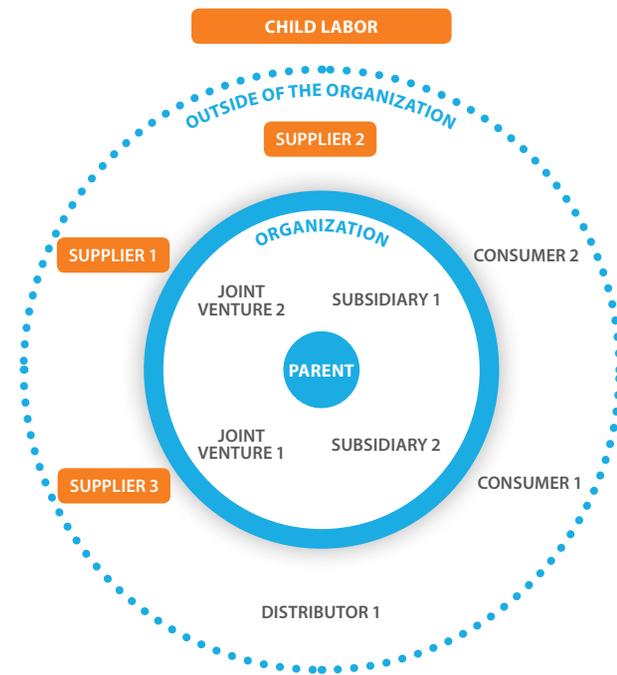


FIGURE 4 An example where the topic of child labor is only relevant to certain entities outside of the organization



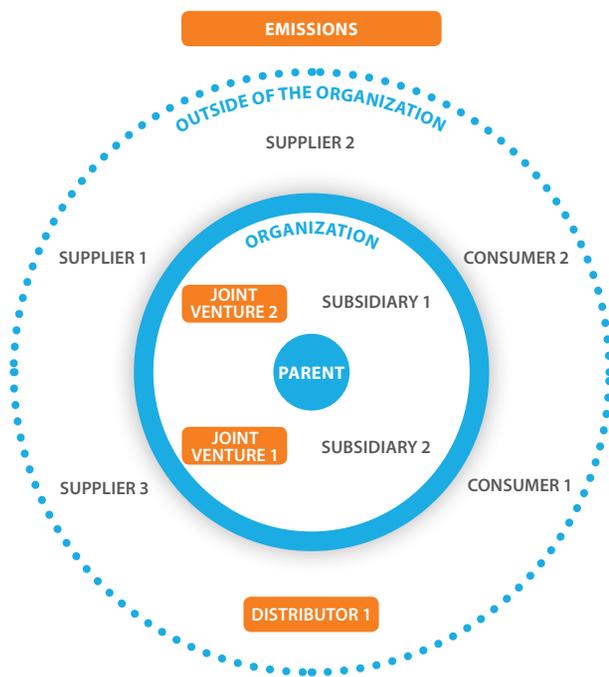
↓ G4-18 CONTINUED

c. Within and outside of the organization

Impacts that make a topic relevant can occur within and outside of the organization. When describing the Boundaries for such topics, organizations should combine the considerations for determining Boundaries within the organization and outside of the organization, as explained earlier.

At the end of the Step 1, the organization will have identified a list of relevant topics, along with their Boundaries. In the next step, this list is assessed for materiality, reporting priority, and level of coverage in the report.

FIGURE 5 An example where the topic of emissions is relevant within and outside of the organization



STEP 2

Prioritization

2.1 WHAT TO ANALYZE

After considering a list of relevant topics which might be covered in the report – which is likely to be a list containing a selection of GRI Aspects and GRI Sector Disclosures that are complemented, if needed, by other topics – the organization has to prioritize them. This involves considering the **significance** of their economic, environmental and social impacts or their substantive influence on the assessments and decisions of stakeholders.

For simplicity, the ‘relevant topics’ identified in Step 1 are referred to as ‘Aspects’ from now on.

The definition of the Materiality Principle states:

“The report should cover Aspects that:

- *Reflect the organization’s significant economic, environmental and social impacts; or*
- *Substantively influence the assessments and decisions of stakeholders”*

Consequently, to determine if an Aspect is material, qualitative analysis, quantitative assessment and discussion are needed. The organization’s strategy and the context of its activities are important parts of this analysis and discussion.

The fact that a topic is difficult to quantify does not mean that the topic is not material. The decision of what is possible to be reported on for an identified material Aspect is to be considered later. The focus now is the analysis considering the points above.

The prioritization should be based on the Principles of Materiality and Stakeholder Inclusiveness. When assessing the level of priority, the organization should use the tests that underlie these two Principles.

↓ G4-18 CONTINUED

2.2 ANALYSIS OF 'INFLUENCE ON STAKEHOLDER ASSESSMENTS AND DECISIONS' AND 'SIGNIFICANCE OF THE ORGANIZATION'S ECONOMIC, ENVIRONMENTAL AND SOCIAL IMPACTS'

To implement the Materiality Principle, each Aspect should be assessed on 'Influence on stakeholder assessments and decisions' and 'Significance of organization's economic, environmental and social impacts'.

These viewpoints might overlap to some extent with respect to internal stakeholders. The interests and expectations of stakeholders that are invested specifically in the success of the organization (such as of workers, shareholders, and suppliers) inform the analysis of both viewpoints.

a. Influence on stakeholder assessments and decisions

The analysis of this viewpoint includes the assessment of the views expressed by stakeholders before and during the reporting period.

By applying the Principle of Stakeholder Inclusiveness, the organization should be able to identify and consider its key stakeholders and their respective views and interests, and how their views may affect decisions on the report content. The analysis requires the organization to translate the varied opinions of different stakeholders into a series of decisions on what to include and exclude from its report.

The Guidelines require disclosure on stakeholder engagement under G4-24 to G4-27 (*Reporting Principles and Standard Disclosures* pp. 29-30, and *Implementation Manual* pp. 43-44). The organization is required to describe how stakeholders are identified and prioritized, how their input has been used or not used, and how different expectations and interests are assessed, as well as the organization's rationale behind the chosen approach.

Stakeholder views may be drawn from existing, ongoing engagement mechanisms, as well as from stakeholder engagement that is initiated specifically for defining sustainability report content. Throughout the engagement process the Principle of Stakeholder Inclusiveness is applied in detail.

The stakeholder engagement process described here aims to identify Aspects that are important to key stakeholders and to recognize 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.

The nature of the organization's impact and the Aspect Boundary are considered when defining the geographical

focus of engagement. The stakeholder engagement process has to be appropriate to the stakeholder group. Stakeholder engagement also identifies the interests of stakeholders who are unable to articulate their views (such as future generations, fauna, ecosystems). The organization should identify a process for taking such views into account in determining materiality, including the interests of stakeholders with whom it may not be in constant or obvious dialogue.

The proper stakeholder engagement process is two-way in nature, systematic and objective. Some engagement processes with specific stakeholder groups, such as workers and communities, are expected to be independent of management and include mechanisms for stakeholders to express collective views relevant to their location.

The analysis of the Aspects identified by stakeholders may include:

- 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

In addition, prioritizing stakeholders requires an analysis of how stakeholders relate to the organization and to the Aspect being considered. This process may include the degree to which stakeholders:

- Are interested in, affected by, or have potential to be affected by the impacts of an 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

An organization's activities, products, services, and relationships lead to economic, environmental and social impacts. Some of these sustainability impacts are visible to stakeholders, who express an interest in them directly. But not all sustainability impacts are recognized by stakeholders. Some impacts may be slow and cumulative. Others occur at a distance from stakeholders, so that causal links may not be clear.

b. Significance of the organization's economic, environmental and social impacts

The aim of this analysis is to prioritize those Aspects that may

↓ G4-18 CONTINUED

positively or negatively influence the organization’s ability to deliver on its vision and strategy.

To prioritize Aspects for reporting, the organization’s assessment includes, among others, the following elements:

- The likelihood of an impact
- The severity of an impact
- The likelihood of risks or opportunities arising from an Aspect
- How critical the impact is for the long-term performance of the organization
- The opportunity for the organization to grow or gain advantage from the impact

Elements of this information may be available through established internal policies, practices and procedures (such as strategy, KPIs, risk assessments, and financial reports), as well as regulatory disclosure.

Among other possible elements, the analysis may include:

- 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

2.3 DETERMINING MATERIAL ASPECTS

a. Thresholds

After completing the analysis of ‘Influence on stakeholder assessments and decisions’ and ‘Significance of the organization’s economic, environmental and social impacts’, the organization should be able to identify Aspects with respect to both these viewpoints.

The organization now defines thresholds (criteria) that render an Aspect material. The analysis of the two viewpoints should be reflected in these thresholds.

The definition of thresholds by the organization has a significant effect on the report. It is important that the thresholds and underlying criteria are clearly defined, documented and communicated by the organization.

This determination involves discussion, qualitative analysis and quantitative assessment to understand how **significant** an Aspect is.

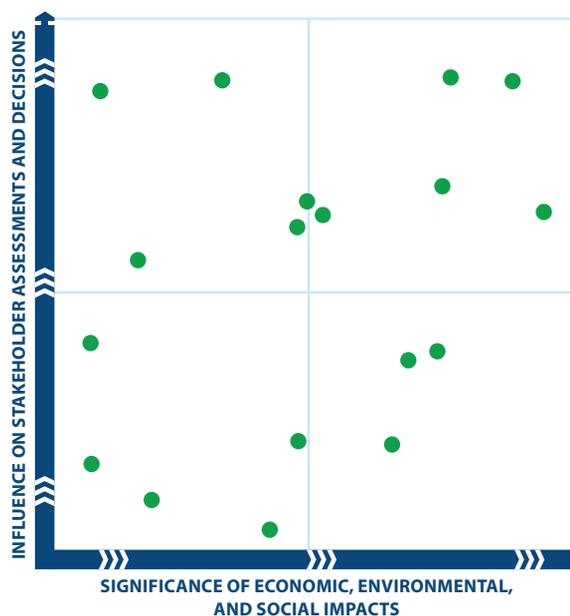
The fact that a topic is difficult to quantify does not mean that the topic is not material. The decision of what is possible to be reported on for identified material Aspects is to be considered later.

In defining thresholds, the organization needs to make a decision on how to address Aspects that are more significant in one viewpoint than the other. An Aspect does not have to be highly significant in both viewpoints to be deemed a priority for reporting.

Emerging issues – Aspects that may become relevant over time – are an example of this. Significance within one viewpoint is more important than convergence between the different viewpoints, and establishing a lowest common denominator is to be avoided. In addition, as noted earlier, Aspects of high significance to key stakeholders concerning their own interests are expected to be considered material for reporting.

For a visual representation of this identification, in Figure 6 the area between the two axes includes the Aspects identified during the Identification Step. Here, the Aspects are placed with respect to the ‘Influence on stakeholder assessments and decisions’ and ‘Significance of the organization’s economic, environmental and social impacts’. All the Aspects within the chart should be considered in the Prioritization Step.

FIGURE 6 Visual representation of prioritization of Aspects



↓ G4-18 CONTINUED

b. Level of coverage

Level of coverage refers to the prominence, amount of data and narrative explanation disclosed by the organization about a material Aspect. DMA, Indicators, or a combination of the two represent different levels of coverage.

The organization may consider the following as examples of how it may address level of coverage according to relative reporting priority:

- Aspects with low reporting priority may be Aspects reported to fulfill regulatory or other reporting requirements. It may be decided to not include them in the report if not material.
- Aspects with medium reporting priority should be considered for inclusion in the report. It may be decided to not include them in the report if not material.
- Aspects with high reporting priority should be reported on in detail.

DMA allow for the discussion of challenges and dilemmas where the organization does not have a management

approach for the material Aspect (see *Reporting Principles and Standard Disclosures* p. 45).

In addition, Indicators should be reported in combination with the DMA for material Aspects for which impacts occur within the organization.

For material Aspects for which impacts occur outside of the organization, Indicators are expected to be reported where data quality and availability allows.

At the end of the Prioritization Step the organization has established a list of all the material Aspects to be included in the report, along with their Boundaries and their level of coverage.

The organization should report if information presented for a DMA or Indicator does not cover the Boundary identified for the material Aspect in General Standard Disclosures G4-20 and G4-21 (*Reporting Principles and Standard Disclosures* p. 29, and *Implementation Manual* p. 41).

STEP 3

Validation

The Validation Step assesses all identified material Aspects against the Principle of 'Completeness' (*Reporting Principles and Standard Disclosures* p. 17, and *Implementation Manual* pp. 12-13) prior to gathering the information to be reported.

The Validation Step involves assessing the material Aspects against:

1. Scope – the range of Aspects covered in a report
2. Aspect Boundaries – the description of where impacts occur for each material Aspect
3. Time – the completeness of selected information with respect to the reporting period

Validation is 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 impacts.

The Principles of Completeness and Stakeholder Inclusiveness are applied here to finalize the identification of report content. When validating the identified material Aspects (or other material topics), the organization should use the tests that underlie these two Principles.

It is critical for the list of material Aspects identified for inclusion in the report to be approved by the relevant internal senior decision-makers at the organization. Some organizations may choose to involve external stakeholders in this authorization. The Validation process should be documented.

Once the identified material Aspects list has been approved, the identified material Aspects require translation into Standard Disclosures – DMA and Indicators – to report against. After the Validation Step, the organization gathers the information to be reported for each material Aspect, and assembles the final report. In gathering the information, the Principles for Defining Report Quality apply (*Reporting Principles and Standard Disclosures* pp. 17-18, and *Implementation Manual* pp. 13-16). The organization determines the Aspects for which there are already management and performance information available, and those for which it still needs to establish management approaches and performance measurement systems.^{VII}

VII If an Aspect has been identified as material and the 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.

↓ G4-18 CONTINUED

The organization may identify material topics that are not covered by the Aspects list and Indicators in the Guidelines neither by the GRI Sector Disclosures. To address these topics, the organization may apply the Generic DMA. The organization may also use – complementary to the Generic DMA – alternative indicators, also sector specific ones, or develop their own indicators. Organization-specific indicators included in the

report should be subject to the same Reporting Principles and have the same technical rigor as GRI's Standard Disclosures.

The organization may also take the approach of assessing the Indicators for materiality during the Validation Step. If an Indicator is deemed material yet the Aspect it belongs to was not identified as material, the Aspect should be considered material.

STEP 4

Review

A review takes place after the report has been published, and the organization is preparing for the next reporting cycle. The Review focuses on the Aspects that were material in the previous reporting period and also considers stakeholder feedback. The findings inform and contribute to the Identification Step for the next reporting cycle.

The Principles of Stakeholder Inclusiveness and Sustainability Context, and their associated tests in the Guidelines, inform the review of a report. They serve as checks regarding the

presentation and evaluation of report content, as well as checks for the reporting process as a whole.

The organization may choose to engage internal and external stakeholders to check whether the report content provides a reasonable and balanced picture of the organization's impacts and its sustainability performance, and if the process by which the report content was derived reflects the intent of the Reporting Principles.

↓ G4-18 CONTINUED

PROCESS FOR DEFINING REPORTING CONTENT – SUMMARY

STEP 1

Identification

- Consider the GRI Aspects list and other topics of interest
- Apply the Principles of Sustainability Context and Stakeholder Inclusiveness: Identify the Aspects - and other relevant topics – based on the relevant economic, environmental and social impacts related to all of the organization’s activities, products, services, and relationships, or on the influence they have on the assessments and decisions of stakeholders
- Identify where the impacts occur: within or outside of the organization
- List the Aspects and other topics considered relevant, and their Boundaries

STEP 2

Prioritization

- Apply the Principles of Materiality and Stakeholder Inclusiveness: Assess each Aspect and other topic considered relevant for:
 - the significance of the organization’s economic, environmental and social impacts
 - the influence on stakeholder assessments and decisions
- Identify the material Aspects by combining the assessments
- Define and document thresholds (criteria) that render an Aspect material
- For each material Aspect identified, decide the level of coverage, the amount of data and narrative explanation to be disclosed
- List the material Aspects to be included in the report, along with their Boundaries and the level of coverage

STEP 3

Validation

- Apply the Principles of Completeness and Stakeholder Inclusiveness: Assess the list of material Aspects against Scope, Aspect Boundaries and Time to ensure that the report provides a reasonable and balanced representation of the organization’s significant economic, environmental and social impacts, and enables stakeholders to assess the organization’s performance
- Approve the list of identified material Aspects with the relevant internal senior decision-maker
- Prepare systems and processes to gather the information needed to be disclosed
- Translate the identified material Aspects into Standard Disclosures – DMA and Indicators – to report against.
- Determine which information is available and explain those for which it still needs to establish management approaches and measurements systems

STEP 4

Review

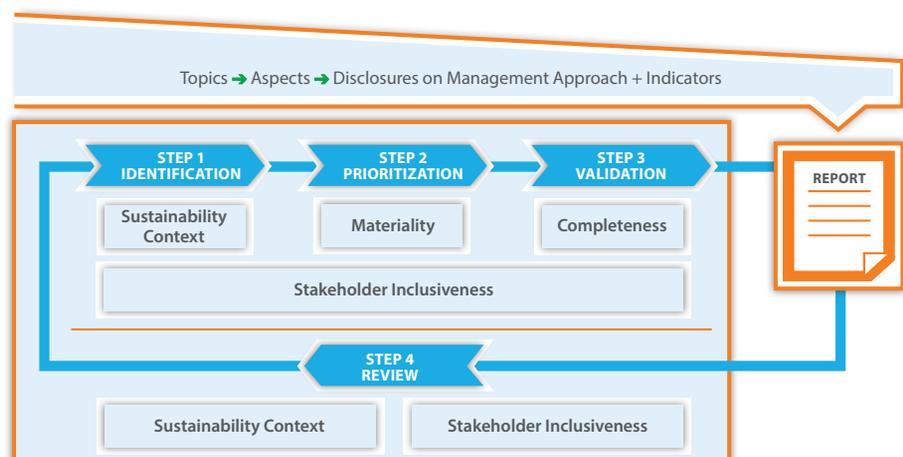
- Apply the Principles of Sustainability Context and Stakeholder Engagement: Review the Aspects that were material in the previous reporting period
- Use the result of the review to inform Step 1 Identification for the next reporting cycle

See also ‘Definitions of Key Terms’:

Aspect, Aspect Boundary, Scope, Topic (See Glossary in *Implementation Manual*, p. 244)

FIGURE 7

Defining material Aspects and Boundaries - process overview



G4-19

- a. List all the material Aspects identified in the process for defining report content.

GUIDANCE

See the Guidance for G4-18, *Implementation Manual* pp. 31-40.

G4-20

- a. For each material Aspect, report the Aspect Boundary within the organization, as follows:
 - Report whether the Aspect is material within the organization
 - If the Aspect is not material for all entities within the organization (as described in G4-17), select one of the following two approaches and report either:
 - The list of entities or groups of entities included in G4-17 for which the Aspect is not material or
 - The list of entities or groups of entities included in G4-17 for which the Aspects is material
 - Report any specific limitation regarding the Aspect Boundary within the organization

GUIDANCE

See the Guidance for G4-18, *Implementation Manual* pp. 31-40.

G4-21

- a. For each material Aspect, report the Aspect Boundary outside the organization, as follows:
 - Report whether the Aspect is material outside of the organization
 - If the Aspect is material outside of the organization, identify the entities, groups of entities or elements for which the Aspect is material. In addition, describe the geographical location where the Aspect is material for the entities identified
 - Report any specific limitation regarding the Aspect Boundary outside the organization

GUIDANCE

See the Guidance for G4-18, *Implementation Manual* pp. 31-40.

G4-22

- a. Report the effect of any restatements of information provided in previous reports, and the reasons for such restatements.

GUIDANCE



Restatements may result from:

- Mergers or acquisitions
- Change of base years or periods
- Nature of business
- Measurement methods

G4-23

- a. Report significant changes from previous reporting periods in the Scope and Aspect Boundaries.

Stakeholder Engagement

These Standard Disclosures provide an overview of the organization’s stakeholder engagement during the reporting period. These Standard Disclosures do not have to be limited to engagement that was conducted for the purposes of preparing the report.

G4-24

- a. Provide a 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
- Suppliers

G4-25

- a. Report the basis for identification and selection of stakeholders with whom to engage.

GUIDANCE

Compilation

Describe the organization’s process for defining its stakeholder groups, and for determining the groups with which to engage and not to engage.

G4-26

- a. Report the organization’s approach to stakeholder engagement, including frequency of engagement by type and by stakeholder group, and an indication of whether any of the engagement was undertaken specifically as part of the report preparation process.

GUIDANCE



This may include surveys (such as supplier surveys), focus groups, community panels, corporate advisory panels, written communication, management or union structures, and other vehicles.

G4-27

- a. Report key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting. Report the stakeholder groups that raised each of the key topics and concerns.

Report Profile

These Standard Disclosures provide an overview of the basic information about the report, the GRI Content Index, and the approach to seeking external assurance.

G4-28

- a. Reporting period (such as fiscal or calendar year) for information provided.

G4-29

- a. Date of most recent previous report (if any).

G4-30

- a. Reporting cycle (such as annual, biennial).

G4-31

- a. Provide the contact point for questions regarding the report or its contents.

GRI CONTENT INDEX



- a. Report the 'in accordance' option the organization has chosen.
- b. Report the GRI Content Index for the chosen option (see tables below).
- c. Report the reference to the External Assurance Report, if the report has been externally assured. (GRI recommends the use of external assurance but it is not a requirement to be 'in accordance' with the Guidelines.)

GRI Content Index for 'In accordance' – Core

GENERAL STANDARD DISCLOSURES		
General Standard Disclosures	Page	External Assurance Indicate if the Standard Disclosure Item has been externally assured. If yes, include the page reference for the External Assurance Statement in the report.
STRATEGY AND ANALYSIS		
G4-1		
ORGANIZATIONAL PROFILE		
G4-3		
G4-4		
G4-5		
G4-6		
G4-7		
G4-8		
G4-9		
G4-10		
G4-11		
G4-12		
G4-13		
G4-14		
G4-15		
G4-16		

↓ G4-32 CONTINUED

GENERAL STANDARD DISCLOSURES		
General Standard Disclosures	Page	External Assurance Indicate if the Standard Disclosure Item has been externally assured. If yes, include the page reference for the External Assurance Statement in the report.
IDENTIFIED MATERIAL ASPECTS AND BOUNDARIES		
G4-17		
G4-18		
G4-19		
G4-20		
G4-21		
G4-22		
G4-23		
STAKEHOLDER ENGAGEMENT		
G4-24		
G4-25		
G4-26		
G4-27		
REPORT PROFILE		
G4-28		
G4-29		
G4-30		
G4-31		
G4-32		
G4-33		
GOVERNANCE		
G4-34		
ETHICS AND INTEGRITY		
G4-56		

SPECIFIC STANDARD DISCLOSURES			
Material Aspects (As in G4-19) List identified material Aspects.	DMA and Indicators List Specific Standard Disclosures related to each identified material Aspect, with page number (or link).	Omissions In exceptional cases, if it is not possible to disclose certain required information, provide the reason for omission (as defined on <i>Reporting Principles and Standard Disclosures</i> p. 13).	External Assurance Indicate if the Standard Disclosure has been externally assured. If yes, include the page reference for the External Assurance Statement in the report.

↓ G4-32 CONTINUED

GRI Content Index for 'In accordance' – Comprehensive

GENERAL STANDARD DISCLOSURES			
General Standard Disclosures	Page	Omissions In exceptional cases, if it is not possible to disclose certain required information, provide the reason for omission (as defined on <i>Reporting Principles and Standard Disclosures</i> p. 13).	External Assurance Indicate if the Standard Disclosure has been externally assured. If yes, include the page reference for the External Assurance Statement in the report.
STRATEGY AND ANALYSIS			
G4-1		Not applicable	
G4-2		Not applicable	
ORGANIZATIONAL PROFILE			
G4-3		Not applicable	
G4-4		Not applicable	
G4-5		Not applicable	
G4-6		Not applicable	
G4-7		Not applicable	
G4-8		Not applicable	
G4-9		Not applicable	
G4-10		Not applicable	
G4-11		Not applicable	
G4-12		Not applicable	
G4-13		Not applicable	
G4-14		Not applicable	
G4-15		Not applicable	
G4-16		Not applicable	
IDENTIFIED MATERIAL ASPECTS AND BOUNDARIES			
G4-17		Not applicable	
G4-18		Not applicable	
G4-19		Not applicable	
G4-20		Not applicable	
G4-21		Not applicable	
G4-22		Not applicable	
G4-23		Not applicable	
STAKEHOLDER ENGAGEMENT			
G4-24		Not applicable	
G4-25		Not applicable	
G4-26		Not applicable	
G4-27		Not applicable	

↓ G4-32 CONTINUED

GENERAL STANDARD DISCLOSURES			
General Standard Disclosures	Page	Omissions In exceptional cases, if it is not possible to disclose certain required information, provide the reason for omission (as defined on <i>Reporting Principles and Standard Disclosures</i> p. 13).	External Assurance Indicate if the Standard Disclosure has been externally assured. If yes, include the page reference for the External Assurance Statement in the report.
REPORT PROFILE			
G4-28		Not applicable	
G4-29		Not applicable	
G4-30		Not applicable	
G4-31		Not applicable	
G4-32		Not applicable	
G4-33		Not applicable	
GOVERNANCE			
G4-34		Not applicable	
G4-35			
G4-36			
G4-37			
G4-38			
G4-39			
G4-40			
G4-41			
G4-42			
G4-43			
G4-44			
G4-45			
G4-46			
G4-47			
G4-48			
G4-49			
G4-50			
G4-51			
G4-52			
G4-53			
G4-54			
G4-55			
ETHICS AND INTEGRITY			
G4-56		Not applicable	
G4-57			
G4-58			

↓ G4-32 CONTINUED

SPECIFIC STANDARD DISCLOSURES			
Material Aspects (As in G4-19) List identified material Aspects.	DMA and Indicators List Specific Standard Disclosures related to each identified material Aspect, with page number (or link).	Omissions In exceptional cases, if it is not possible to disclose certain required information, provide the reason for omission (as defined on <i>Reporting Principles and Standard Disclosures</i> p. 13).	External Assurance Indicate if the Standard Disclosure has been externally assured. If yes, include the page reference for the External Assurance Statement in the report.

Reporting Required Standard Disclosures by Using References

Information related to Standard Disclosures required by the ‘in accordance’ options may already be included in other reports prepared by the organization, such as its annual report to shareholders or other regulatory or voluntary reports. In these circumstances, the organization may elect to not repeat those disclosures in its sustainability report and instead add a reference to where the relevant information can be found.

This presentation is acceptable as long as the reference is specific (for example, a general reference to the annual report to shareholders would not be acceptable, unless it includes the name of the section, table, etc.) and the information is publicly available and readily accessible. This is likely the case when the sustainability report is presented in electronic or web based format and links are provided to other electronic or web based reports.

MEDIUM OF REPORTING

Electronic or web-based reporting and paper reports are appropriate media for reporting. Organizations may choose to use a combination of web and paper-based reports or use only one medium. For example, an organization may choose

to provide a detailed report on their website and provide an executive summary including their strategy and analysis and performance information in paper form. The choice will likely depend on the organization’s decisions on its reporting period, its plans for updating content, the likely users of the report, and other practical factors, such as its distribution strategy.

At least one medium (web or paper) should provide users with access to the complete set of information for the reporting period.

Note on Reports that are not Prepared ‘In Accordance’ with the Guidelines

If an organization reports Standard Disclosures from the Guidelines but has not fulfilled all the requirements of either ‘in accordance’ option, the report should contain the following statement:

“This report contains Standard Disclosures from the GRI Sustainability Reporting Guidelines”. A list of the Standard Disclosures and their location in the organization’s report should be provided together with this statement.

ASSURANCE



- a. Report the organization’s policy and current practice with regard to seeking external assurance for the report.
- b. If not included in the assurance report accompanying the sustainability report, report the scope and basis of any external assurance provided.
- c. Report the relationship between the organization and the assurance providers.
- d. Report whether the highest governance body or senior executives are involved in seeking assurance for the organization’s sustainability report.

GUIDANCE

Relevance

Organizations use a variety of approaches to enhance the credibility of their reports.

GRI recommends the use of external assurance for sustainability reports in addition to any internal resources, but does not require it.

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 (whether it be qualitative or quantitative) contained within it. External assurance may also refer to activities designed to result in published conclusions on systems or processes (such as the process for defining report content, including the application of the Materiality Principle or the stakeholder engagement process). 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.

A variety of approaches are currently used by report preparers to implement external assurance, including the use of professional assurance providers, or other external groups or individuals. Regardless of the specific approach, external assurance should be conducted by competent groups or individuals external to the organization who follow professional standards for assurance, or who apply systematic, documented, and evidence-based processes (‘assurance providers’).

Overall, for external assurance of reports using the Guidelines, it is important that the assurance providers:

- Are independent from the organization and therefore able to reach and publish an objective and impartial opinion or conclusions on the report
- Are demonstrably competent in both the subject matter and assurance practices

- Apply quality control procedures to the assurance engagement
- Conduct the engagement in a manner that is systematic, documented, evidence-based, and characterized by defined procedures
- Assess whether the report provides a reasonable and balanced presentation of performance, taking into consideration the veracity of data in the report as well as the overall selection of content
- Assess the extent to which the report preparer has applied the Guidelines in the course of reaching its conclusions
- Issue a written report that is publicly available and includes an opinion or set of conclusions, a description of the responsibilities of the report preparer and the assurance provider, and a summary of the work performed to explain the nature of the assurance conveyed by the assurance report

An organization may have systems of internal controls in place and, in some jurisdictions, corporate governance codes may require directors to inquire, and then, if satisfied, to confirm in the annual report the adequacy of the organization’s internal controls. Organizations may also establish and maintain an internal audit function, as part of their processes for risk management and for managing and reporting information.

These internal systems are also important to the overall integrity and credibility of a report.

An organization may convene a stakeholder panel to review its overall approach to sustainability reporting or provide advice on the content of its sustainability report.

Definitions

See Glossary in *Implementation Manual*, p. 244

- Highest governance body
- Senior executive



Governance

These Standard Disclosures provide an overview of:

- The governance structure and its composition
- The role of the highest governance body in setting the organization's purpose, values, and strategy
- The competencies and performance evaluation of the highest governance body
- The role of the highest governance body in risk management
- The role of the highest governance body in sustainability reporting
- The role of the highest governance body in evaluating economic, environmental and social performance
- Remuneration and incentives

References

- United Nations Global Compact LEAD, *A New Agenda for the Board of Directors: Adoption and Oversight of Corporate Sustainability*, 2012.

Definitions

For all Standard Disclosures under the Governance section, please consider the following definitions:

- Highest governance body
- Senior executive
- Two-tier board system

See Glossary in *Implementation Manual*, p. 244

GOVERNANCE STRUCTURE AND COMPOSITION

Transparency on the governance structure and composition of the organization is important to ensure the accountability of the relevant bodies and individuals. These Standard Disclosures describe how the highest governance body is established and structured in support of the organization's purpose, and how this purpose relates to economic, environmental and social dimensions.

G4-34

- a. Report the governance structure of the organization, including committees of the highest governance body. Identify any committees responsible for decision-making on economic, environmental and social impacts.

G4-35

- a. Report the process for delegating authority for economic, environmental and social topics from the highest governance body to senior executives and other employees.

G4-36

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

G4-37

- a. Report processes for consultation between stakeholders and the highest governance body on economic, environmental and social topics. If consultation is delegated, describe to whom and any feedback processes to the highest governance body.

G4-38

- a. Report the composition of the highest governance body and its committees by:
- Executive or non-executive
 - Independence
 - Tenure on the governance body
 - Number of each individual's other significant positions and commitments, and the nature of the commitments
 - Gender
 - Membership of under-represented social groups
 - Competences relating to economic, environmental and social impacts
 - Stakeholder representation

GUIDANCE**Definitions**

See Glossary in *Implementation Manual*, p. 244

- Under-represented social group

G4-39

- a. Report whether the Chair of the highest governance body is also an executive officer (and, if so, his or her function within the organization's management and the reasons for this arrangement).

G4-40

- a. Report the nomination and selection processes for the highest governance body and its committees, and the criteria used for nominating and selecting highest governance body members, including:
- Whether and how diversity is considered
 - Whether and how independence is considered
 - Whether and how expertise and experience relating to economic, environmental and social topics are considered
 - Whether and how stakeholders (including shareholders) are involved

G4-41

- a. Report processes for the highest governance body to ensure conflicts of interest are avoided and managed. Report whether conflicts of interest are disclosed to stakeholders, including, as a minimum:
- Cross-board membership
 - Cross-shareholding with suppliers and other stakeholders
 - Existence of controlling shareholder
 - Related party disclosures

GUIDANCE

Align the definition of controlling shareholder to the definition used for the purpose of the organization's consolidated financial statements or equivalent documents.

References

- Organisation for Economic Co-operation and Development (OECD) Principles, 'Principles of Corporate Governance', 2004.

Definitions

See Glossary in *Implementation Manual*, p. 244

- [Conflict of interest](#)

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

The highest governance body sets the tone for the organization, and has a major role in defining its purpose, values and strategy.

G4-42

- a. Report the highest governance body's and senior executives' roles in the development, approval, and updating of the organization's purpose, value or mission statements, strategies, policies, and goals related to economic, environmental and social impacts.

HIGHEST GOVERNANCE BODY'S COMPETENCIES AND PERFORMANCE EVALUATION

These Standard Disclosures describe the highest governance body's and senior executives' willingness and capability to understand, discuss, and effectively respond to economic, environmental and social impacts; and show if a process is in place, conducted internally or externally, to ensure the highest governance body's continuing effectiveness.

G4-43

- a. Report the measures taken to develop and enhance the highest governance body's collective knowledge of economic, environmental and social topics.

G4-44

- a. Report the processes for evaluation of the highest governance body's performance with respect to governance of economic, environmental and social topics. Report whether such evaluation is independent or not, and its frequency. Report whether such evaluation is a self-assessment.
- b. Report actions taken in response to evaluation of the highest governance body's performance with respect to governance of economic, environmental and social topics, including, as a minimum, changes in membership and organizational practice.

HIGHEST GOVERNANCE BODY'S ROLE IN RISK MANAGEMENT

These Standard Disclosures describe whether the highest governance body is accountable for risk management process and its overall effectiveness. The highest governance body's and senior executives' consideration of longer term and broader-reaching risk elements and their integration into strategic planning are important governance disclosures.

References

- Organisation for Economic Co-operation and Development (OECD) Principles, 'Principles of Corporate Governance', 2004.
- United Nations (UN), 'Guiding Principles on Business and Human Rights, Implementing the United Nations "Protect, Respect and Remedy" Framework', 2011.
- United Nations (UN), *Protect, Respect and Remedy: a Framework for Business and Human Rights*, 2008.
- United Nations (UN), *Report of the Special Representative of the Secretary-General on the Issue of Human Rights and Transnational Corporations and Other Business Enterprises, John Ruggie*, 2011.

G4-45

- a. Report the highest governance body's role in the identification and management of economic, environmental and social impacts, risks, and opportunities. Include the highest governance body's role in the implementation of due diligence processes.
- b. Report whether stakeholder consultation is used to support the highest governance body's identification and management of economic, environmental and social impacts, risks, and opportunities.

G4-46

- a. Report the highest governance body's role in reviewing the effectiveness of the organization's risk management processes for economic, environmental and social topics.

G4-47

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

HIGHEST GOVERNANCE BODY’S ROLE IN SUSTAINABILITY REPORTING

These Standard Disclosures show the extent of the highest governance body’s involvement in developing and approving the organization’s sustainability disclosures, and the degree by which it may be aligned with processes around financial reporting.

G4-48

- a. Report the highest committee or position that formally reviews and approves the organization’s sustainability report and ensures that all material Aspects are covered.

HIGHEST GOVERNANCE BODY’S ROLE IN EVALUATING ECONOMIC, ENVIRONMENTAL AND SOCIAL PERFORMANCE

These Standard Disclosures show how the highest governance body is involved in monitoring and reacting to the organization’s performance for economic, environmental and social topics. Economic, environmental and social performance presents major risks and opportunities that the highest governance body ensures are monitored and addressed, where appropriate. These Standard Disclosures also address the organization’s processes for communicating critical concerns to the highest governance body.

G4-49

- a. Report the process for communicating critical concerns to the highest governance body.

G4-50

- a. Report the nature and total number of critical concerns that were communicated to the highest governance body and the mechanism(s) used to address and resolve them.

GUIDANCE

When the exact nature of concerns is sensitive due to regulatory or legal restrictions, responses to this Standard Disclosure should be limited to the information the organization is able to provide without jeopardizing confidentiality.



REMUNERATION AND INCENTIVES

These Standard Disclosures focus on the remuneration policies established to ensure that remuneration arrangements support the strategic aims of the organization, align with the interests of stakeholders, and enable the recruitment, motivation and retention of members of the highest governance body, senior executives, and employees.

References

- United Nations Global Compact LEAD and Principles for Responsible Investment (PRI), *Integrating ESG issues into Executive Pay*, 2012.

G4-51

- Report the remuneration policies for the highest governance body and senior executives for the below types of remuneration:
 - Fixed pay and variable pay:
 - Performance-based pay
 - Equity-based pay
 - Bonuses
 - Deferred or vested shares
 - Sign-on bonuses or recruitment incentive payments
 - Termination payments
 - Clawbacks
 - Retirement benefits, including the difference between benefit schemes and contribution rates for the highest governance body, senior executives, and all other employees
- Report how performance criteria in the remuneration policy relate to the highest governance body's and senior executives' economic, environmental and social objectives.

GUIDANCE

Compilation

If performance-related pay is used, describe how performance criteria in the remuneration policies relate to the highest governance body's and senior executives' economic, environmental and social objectives for the reporting period and the period ahead.

If performance-related pay is used, describe how remuneration and incentive-related pay for senior executives are designed to reward longer-term performance.

If termination payments are used, explain whether:

- Notice periods for governance body members and senior executives are different from those for other employees

- Termination payments for governance body members and senior executives are different from those for other employees
- Any payments other than those related to the notice period are paid to departing governance body members and senior executives
- Any mitigation clauses included in the termination arrangements

Definitions

See Glossary in *Implementation Manual*, p. 244

- Clawback
- Termination payment

G4-52

- a. Report the process for determining remuneration. Report whether remuneration consultants are involved in determining remuneration and whether they are independent of management. Report any other relationships which the remuneration consultants have with the organization.

G4-53

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

G4-54

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

GUIDANCE
**Compilation**

For each country of significant operations:

- Identify the highest-paid individual for the reporting year, defined by total compensation. Define and disclose the composition of the highest-paid individual's annual total compensation
- Calculate median annual total compensation for all employees except the highest-paid individual. Define and disclose the composition of the annual total compensation for all employees as follows:
 - List types of compensation included in the calculation
 - Identify whether full-time, part-time, and contracted employees are included in this calculation. If full-time equivalent pay rates for each part-time employee are used, identify this
 - If an organization chooses to not consolidate this ratio for the entire organization, identify clearly which operations or countries are included
- Calculate the ratio of the annual total compensation of the highest-paid individual to the median annual total compensation for all employees

Depending on the organization's remuneration policy and availability of data, the following components may be considered for the calculation:

- Base salary: guaranteed, short term, non-variable cash compensation
- Cash compensation: sum of base salary + cash allowances + bonuses + commissions + cash profit-sharing + other forms of variable cash payments
- Direct compensation: sum of total cash compensation + total fair value of all annual long-term incentives (such as stock option awards, restricted stock shares or units, performance stock shares or units, phantom stock shares, stock appreciation rights, and long-term cash awards)

Definitions

See Glossary in *Implementation Manual*, p. 244

- Annual total compensation

G4-55

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

GUIDANCE **Compilation**

For each country of significant operations:

- Identify the highest-paid individual for the reporting year, defined by total compensation
- Calculate the percentage increase in the highest-paid individuals' compensation from prior year to the reporting year
- Calculate median annual total compensation for all employees except the highest-paid individual
- Define and disclose the composition of the annual total compensation for the highest-paid individual and for all employees as follows:
 - List types of compensation included in the calculation
 - Indicate whether full-time, part-time, and contracted employees are included in this calculation. If full-time equivalent pay rates for each part-time employee are used, indicate this
 - If an organization chooses not to consolidate this ratio for the entire organization, state clearly which operations or countries are included
- Calculate the percentage increase of the median total annual compensation from prior year to the reporting year

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

Depending on the organization's remuneration policy and availability of data, the following components may be considered for the calculation:

- Base salary: guaranteed, short term, non-variable cash compensation
- Cash compensation: sum of base salary + cash allowances + bonuses + commissions + cash profit-sharing + other forms of variable cash payments
- Direct compensation: sum of total cash compensation + total fair value of all annual long-term incentives (such as stock option awards, restricted stock shares or units, performance stock shares or units, phantom stock shares, stock appreciation rights, and long-term cash awards)

Definitions

See Glossary in *Implementation Manual*, p. 244

- Annual total compensation

Ethics and Integrity

These Standard Disclosures provide an overview of:

- The organization’s values, principles, standards and norms
- Its internal and external mechanisms for seeking advice on ethical and lawful behavior
- Its internal and external mechanisms for reporting concerns about unethical or unlawful behavior and matters of integrity

G4-56

a. Describe the organization’s values, principles, standards and norms of behavior such as codes of conduct and codes of ethics.

GUIDANCE

Compilation

Identify how the organization’s values, principles, standards and norms of behavior (such as codes of conduct, codes of ethics) have been developed, approved, and implemented, including:

- Whether training on them is provided regularly to all, and to new, governance body members, employees, and business partners
- Whether they need to be read and signed regularly by all, and by new, governance body members, employees, and business partners

- Whether the organization has appointed an executive-level position or positions with responsibility for them
- If applicable, whether they are available in different languages to reach all governance body members, employees, business partners and other stakeholders

The highest governance body’s and senior executives’ roles in the development, approval, and updating of the organization’s value statements is covered under G4-42.

G4-57

a. Report the internal and external mechanisms for seeking advice on ethical and lawful behavior, and matters related to organizational integrity, such as helplines or advice lines.

GUIDANCE

The description of internal and external mechanisms for seeking advice on ethical and lawful behavior, and matters related to integrity, may include:

- Who is assigned the overall responsibility for the mechanisms for seeking advice
- Whether there are mechanisms for seeking advice that are independent of the organization
- Whether and how employees, business partners and other stakeholders are informed of the mechanisms for seeking advice
- The availability and accessibility of the mechanisms for seeking advice to employees and business partners (such as

the total number of hours per day, days per week, availability in local languages)

- Whether requests for advice are treated confidentially
- Whether the mechanisms for seeking advice allow for anonymous requests for advice
- The total number of requests for advice received during the reporting period through the organization’s mechanisms for seeking advice, including the percentage of requests that were answered during the reporting period and a description of the types of requests received
- The level of satisfaction of those that used the mechanisms for seeking advice

G4-58

- a. Report the internal and external mechanisms for reporting concerns about unethical or unlawful behavior, and matters related to organizational integrity, such as escalation through line management, whistleblowing mechanisms or hotlines.

GUIDANCE

The description of internal and external mechanisms for reporting concerns about unethical or unlawful behavior, and matters related to integrity, may include:

- Who is assigned the overall responsibility for the reporting mechanisms
- Whether there are reporting mechanisms that are independent of the organization
- The availability and accessibility of the reporting mechanisms to employees and business partners (such as total number of hours per day, days per week, availability in local languages)
- Whether and how employees, business partners, and other stakeholders are informed of the reporting mechanisms
- Whether training on the reporting mechanisms is provided to employees and business partners
- Whether concerns are treated confidentially

- Whether the mechanisms allow for reporting concerns anonymously, if permitted by laws
- Whether the organization has a non-retaliation policy
- The process through which concerns are investigated
- The total number of concerns expressed during the reporting period, including the percentage that were addressed, resolved and found to be unsubstantiated during the reporting period, and the types of misconduct reported
- The level of satisfaction of those that used the reporting mechanisms

Definitions

See Glossary in *Implementation Manual*, p. 244

- Mechanisms for reporting concerns about unethical or unlawful behavior, and matters related to integrity

4.2 SPECIFIC STANDARD DISCLOSURES

The Guidelines organize Specific Standard Disclosures into three Categories - Economic, Environmental and Social. The Social Category is further divided into four sub-Categories, which are Labor Practices and Decent Work, Human Rights, Society and Product Responsibility.

The GRI Aspects are set out within each Category. Table 1 below gives an overview of the Categories and Aspects.

The organization’s sustainability report presents information relating to material Aspects, those that reflect the organization’s significant economic, environmental and social impacts; or that substantively influence the assessments and decisions of stakeholders.

The Reporting Principles for Defining Report Content have been designed to assist organizations in identifying material Aspects and their Boundaries and to indicate where their impacts may be identified as material. (The description of these Principles, as well as Guidance on how to apply them, can be found in the *Implementation Manual* on pp. 9-13 and pp. 31-40.)

The information reported for each identified material Aspect can be disclosed as DMA and as Indicators.

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. It does not focus on the financial condition of the organization.

TABLE 1: CATEGORIES AND ASPECTS IN THE GUIDELINES

Category	Economic		Environmental	
Aspects ^{VIII}	<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 Supplier Environmental Assessment Environmental Grievance Mechanisms 	
Category	Social			
Sub-Categories	Labor Practices and Decent Work	Human Rights	Society	Product Responsibility
Aspects ^{VIII}	<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 Supplier Assessment for Labor Practices Labor Practices Grievance Mechanisms 	<ul style="list-style-type: none"> Investment Non-discrimination Freedom of Association and Collective Bargaining Child Labor Forced or Compulsory Labor Security Practices Indigenous Rights Assessment Supplier Human Rights Assessment Human Rights Grievance Mechanisms 	<ul style="list-style-type: none"> Local Communities Anti-corruption Public Policy Anti-competitive Behavior Compliance Supplier Assessment for Impacts on Society Grievance Mechanisms for Impacts on Society 	<ul style="list-style-type: none"> Customer Health and Safety Product and Service Labeling Marketing Communications Customer Privacy Compliance

VIII The word **topic** is used in the Guidelines to refer to any possible sustainability subject. The word **Aspect** is used in the Guidelines to refer to the list of subjects covered by the Guidelines.

Guidance for Disclosures on Management Approach

Introduction

The DMA is intended to give the organization an opportunity to explain how the economic, environmental and social impacts related to material Aspects are managed.

Material Aspects are defined by the organization using the Reporting Principles for Defining Report Content (see the Guidance for G4-18 in *Implementation Manual* pp. 31-40). Material Aspects are those that reflect the organization's significant economic, environmental and social impacts; or that substantively influence the assessments and decisions of stakeholders.

DMA provides narrative information on how an organization identifies, analyzes, and responds to its actual and potential material economic, environmental and social impacts.

DMA also provides context for the performance reported by Indicators.

Organizing the information

DMA is ordinarily provided for GRI Aspects, to report specific management practices.

If the organization's management approach or its components (such as policies or specific actions) apply in general to more than one GRI Aspect, such DMA can be provided once in a report, it does not have to be repeated throughout the report for every GRI Category, Aspect or Indicator. When DMA is combined for a group of Aspects, the report states clearly which Aspects are covered by each disclosure.

Different types of Disclosures on Management Approach

The Guidance for DMA is divided in two types: Generic and Aspect-specific Guidance. Generic DMA Guidance is designed to be used with any Aspect. Aspect-specific DMA Guidance is designed to give additional detail on the information to report for the Aspect.

When reporting management approach, organizations start by addressing the Generic DMA Guidance. If Aspect-specific Guidance is available, organizations then use it to report their management approach for that Aspect in more detail.

At the time of publication, Aspect-specific DMA Guidance has not yet been developed for every Aspect in the Guidelines.

Aspect-specific DMA Guidance is provided for the following Aspects:

- Indirect Economic Impacts
- Procurement Practices
- Energy
- Biodiversity
- Emissions
- Supplier Environmental Assessment
- Environmental Grievance Mechanisms
- Employment
- Occupational Health and Safety
- Equal Remuneration for Women and Men
- Supplier Assessment for Labor Practices
- Labor Practices Grievance Mechanisms
- Investment
- Freedom of Association and Collective Bargaining
- Supplier Human Rights Assessment
- Human Rights Grievance Mechanisms
- Local Communities
- Anti-corruption
- Public Policy
- Supplier Assessment for Impacts on Society
- Grievance Mechanisms for Impacts on Society
- Customer Health and Safety
- Product and Service Labeling

For guidance on Generic DMA, which can be applied for any material Aspect, and for Aspect-specific DMA, which is designed to give additional details to report on a specific Aspect, see p. 64 and p. 66 in the *Implementation Manual*.

Generic Disclosures on Management Approach

DMA should contain sufficient information to explain an organization's response to material Aspects. The process for selecting material Aspects is described in the Guidance for G4-18, *Implementation Manual* pp. 31-40.

The organization should report if information presented for a DMA does not cover the Boundary identified for the material Aspect in General Standard Disclosures G4-20 and G4-21.

DMA include the following Standard Disclosures:

G4-DMA

- a. Report why the Aspect is material. Report the impacts that make this Aspect material.
- b. Report how the organization manages the material Aspect or its impacts.
- c. Report the evaluation of the management approach, including:
 - The mechanisms for evaluating the effectiveness of the management approach
 - The results of the evaluation of the management approach
 - Any related adjustments to the management approach

GUIDANCE

Guidance for G4-DMA-a

Describe why the Aspect is material. As a minimum, this includes information on the organization’s impacts, whether positive or negative, related to that Aspect. For additional Guidance on how to identify material Aspects, see the Guidance for G4-18 (*Implementation Manual* pp. 31-40).

Describe any processes the organization used to identify its actual or potential impacts, such as due diligence.

Guidance for G4-DMA-b

Provide sufficient information for report users to understand the organization’s approach to managing the material Aspect and its impacts.

Describe whether the management approach is intended to avoid, mitigate, or remediate negative impacts, or enhance positive impacts.

If there are material Aspects for which the organization does not have a management approach, identify any plans to implement a management approach, or the reasons for not having one.

Describe the components of the management approach. Although the following Guidance is not exhaustive or absolute, management approach components may include (in no particular order):

- Policies
- Commitments
- Goals and targets
- Responsibilities
- Resources
- Specific actions

Policies

Provide information about policies that are used to guide the organization’s approach to managing the material Aspect.

This may include an abstract, summary, or link to the publicly-available policies that cover the material Aspect. Provide the following information about these policies:

- Range of entities covered by the policies and their location
- Identification of the person or committee responsible for approving the policies
- References to international standards and widely-recognized initiatives
- The date of issue and last review date

Commitments

Provide a statement of intent to manage the impacts for the material Aspect.

Where no such statement is available describe:

- The organization’s position towards the material Aspect
- Whether the commitment to manage the material Aspect is based on regulatory compliance or extends beyond it
- Compliance with international standards and widely-recognized initiatives related to this Aspect

Goals and targets

Describe:

- The baseline and context for goals and targets
- Range of entities included in the goals and targets, and their location
- The expected result (quantitative or qualitative)
- The expected timeline for achieving each goal and target
- Whether goals and targets are mandatory (based on legislation) or voluntary, and if mandatory, list relevant legislation

Responsibilities

Identify:

- Who is assigned responsibility for managing the material Aspect
- Whether the responsibility is linked to performance assessments or incentive mechanisms

↓ G4-DMA CONTINUED

For Guidance on disclosing the highest governance body's responsibilities see section 'Governance' under '4.1 General Standard Disclosures' of the *Implementation Manual* (pp. 52-59).

Resources

Identify the resources allocated for managing the material Aspect, such as financial, human or technological, and explain the rationale for the allocation.

Specific actions

Identify specific actions related to the material Aspect and explain actions taken to achieve goals and targets.

Specific actions may include:

- Processes
- Projects
- Programs
- Initiatives

For each of the specific actions identified, the organization may consider explaining:

- The range of entities covered by the actions and their location
- Whether the actions are ad hoc or systemic
- Whether the actions are short, medium, or long term
- How actions are prioritized
- Whether specific actions are a part of a due diligence process and aim to avoid, mitigate, or remediate the negative impacts of the material Aspect
- Whether actions are informed by international norms or standards (such as the *OECD Guidelines for Multinational Enterprises*, the UN *Protect, Respect and Remedy: a Framework for Business and Human Rights* and the UN 'Guiding Principles on Business and Human Rights').

Guidance for G4-DMA-c

When disclosing the evaluation of its management approach, an organization may focus its explanation on three items:

- Mechanisms for monitoring the effectiveness of the management approach. This may include:
 - Internal or external auditing or verification (type, system, scope)
 - Measurement systems
 - External performance ratings
 - Benchmarking
 - Stakeholder feedback
- Results:
 - GRI Indicators or organization-specific indicators used to report results
 - Performance against goals and targets – key successes and shortcomings
 - How results are communicated
 - Challenges and gaps in the management approach
 - Any obstacles encountered, unsuccessful endeavors, and any lessons learnt in the process
 - Progress in implementing the management approach
- What is the organization doing differently as a result?
 - Changes in the allocation of resources, goals, targets, and specific actions aimed at improving performance
 - Other changes to the management approach

References

- Organisation for Economic Co-operation and Development (OECD), *OECD Guidelines for Multinational Enterprises*, 2011.
- United Nations (UN), 'Guiding Principles on Business and Human Rights, Implementing the United Nations "Protect, Respect and Remedy" Framework', 2011.
- United Nations (UN), *Protect, Respect and Remedy: a Framework for Business and Human Rights*, 2008.
- United Nations (UN), *Report of the Special Representative of the Secretary-General on the Issue of Human Rights and Transnational Corporations and Other Business Enterprises, John Ruggie*, 2011.

Guidance for Indicators and Aspect-specific Disclosures on Management Approach

Indicators give information on the economic, environmental and social performance or impacts of an organization related to its material Aspects.

Material Aspects are those that reflect the organization's significant economic, environmental and social impacts; or substantively influence the assessments and decisions of stakeholders.

Indicators and related Guidance are provided for each Aspect, as described in Table 1, *Implementation Manual* p. 62.

This section contains Guidance for each Indicator in each Category and Aspect. This Guidance also includes Aspect-specific DMA Guidance. At the time of publication, Aspect-specific DMA Guidance has not yet been developed for every Aspect in the Guidelines.

The organization should report if information presented for an Indicator or Aspect-specific DMA does not cover the Boundary identified for the material Aspect in General Standard Disclosures G4-20 and G4-21.

The content is presented in the following way:

For each Category (or sub-Category):

- Introduction
- Linkages, if applicable
 - *OECD Guidelines for Multinational Enterprises*
 - United Nations Global Compact 'Ten Principles'
- References (to the Category), if applicable

For each Aspect:

- Standard Disclosures overview
- Aspect-specific DMA Guidance, if applicable
- Indicators (which contain all or some of the following sub-items: Standard Disclosure, Relevance, Compilation, Definitions, Documentation, References)
- Linkages, if applicable
 - *OECD Guidelines for Multinational Enterprises*
 - United Nations Global Compact 'Ten Principles'
- References (to the Aspect), if applicable

CATEGORY: ECONOMIC

Introduction

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 Category illustrates the flow of capital among different stakeholders, and the main economic impacts of the organization throughout society.

In preparing responses to the Economic Indicators, it may be helpful to compile the information from figures in the

organization's audited financial statements, wherever possible, or its internally-audited management accounts. In all cases, compile the data using either:

- The relevant International Financial Reporting Standards (IFRS) and Interpretations of Standards, published by the International Accounting Standards Board (IASB) (the Guidance for some Indicators references specific IFRSs, which should be consulted)
- National or regional standards recognized internationally for the purpose of financial reporting

Aspect: Economic Performance

If this Aspect has been identified as material, the Guidelines make the following Standard Disclosures and Guidance available:

Overview*

DISCLOSURES ON MANAGEMENT APPROACH

G4-DMA

Guidance pp. 64-65

INDICATORS

G4-EC1

Direct economic value generated and distributed

Guidance pp. 69-70

G4-EC2

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

Guidance pp. 71-72

G4-EC3

Coverage of the organization's defined benefit plan obligations

Guidance p. 73

G4-EC4

Financial assistance received from government

Guidance p. 74

*All page numbers in this overview refer to the *Implementation Manual*.

Linkages

OECD Guidelines for Multinational Enterprises

The Standard Disclosures under this Aspect help to report on the implementation of Chapters V. Employment and Industrial Relations and XI. Taxation of the Organisation for Economic Co-operation and Development (OECD), *OECD Guidelines for Multinational Enterprises*, 2011.

Indicators

G4-EC1

DIRECT ECONOMIC VALUE GENERATED AND DISTRIBUTED

- a. Report the direct economic value generated and distributed (EVG&D) on an accruals basis including the basic components for the organization's global operations as listed below. If data is presented on a cash basis, report the justification for this decision and report the basic components as listed below:
 - Direct economic value generated:
 - Revenues
 - Economic value distributed:
 - Operating costs
 - Employee wages and benefits
 - Payments to providers of capital
 - Payments to government (by country – see Guidance below)
 - Community investments
 - Economic value retained (calculated as 'Direct economic value generated' less 'Economic value distributed')
- b. To better assess local economic impacts, report EVG&D separately at country, regional, or market levels, where significant. Report the criteria used for defining significance.

GUIDANCE

Relevance

Information on the creation and distribution of economic value provides a basic indication of how the organization has created wealth for stakeholders. Several components of the economic value generated and distributed (EVG&D) 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.

Compilation

Compile the EVG&D data, where possible, from data in the organization's audited financial or profit and loss (P&L) statement, or its internally audited management accounts.

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 (such as property rental)
- Revenues from sale of assets include physical assets (such as property, infrastructure, and equipment) and intangibles

(such as intellectual property rights, designs, and brand names)

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), or employee protective clothing

Employee wages and benefits

- Total payroll comprises employee salaries, including amounts paid to government institutions (such as employee taxes, levies, and unemployment funds) on behalf of employees. Non-employees working in an operational role are normally not included here, but rather under operating costs as a service purchased
- Total benefits include regular contributions (such as 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,

↓ G4-EC1 CONTINUED

costs of protective equipment, or other cost items directly related to the employee's job function

Payments to providers of capital

- 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

Payments to government

- All organization taxes (such as corporate, income, property) and related penalties paid at the international, national, and local levels. This figure does not include deferred taxes because they may not be paid. For organizations operating in more than one country, report taxes paid by country. Report the definition of segmentation used

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 (such as recreational facilities) and direct costs of social programs (including arts and educational events). The amount included accounts 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 (such as an organization funding the daily operations of a public facility), the reported investment includes 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 G4-SO6
- Any infrastructure investment that is driven primarily by core business needs (such as 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

Documentation sources

Potential sources of information include the organization's finance, treasury, or accounting departments.

References

- International Accounting Standards Board (IASB), *IAS 12 Income Taxes*, 2001.
- International Accounting Standards Board (IASB), *IAS 18 Revenues*, 2001.
- International Accounting Standards Board (IASB), *IAS 19 Employee Benefits*, 2001.
- International Accounting Standards Board (IASB), *IFRS 8 Operating Segments*, 2006.

G4-EC2

FINANCIAL IMPLICATIONS AND OTHER RISKS AND OPPORTUNITIES FOR THE ORGANIZATION'S ACTIVITIES DUE TO CLIMATE CHANGE

- a. Report risks and opportunities posed by climate change that have the potential to generate substantive changes in operations, revenue or expenditure, including:
 - A description of the risk or opportunity and its classification as either physical, regulatory, or other
 - A description of the impact associated with the risk or opportunity
 - The financial implications of the risk or opportunity before action is taken
 - The methods used to manage the risk or opportunity
 - The costs of actions taken to manage the risk or opportunity

GUIDANCE

Relevance

Climate change presents risks and opportunities to organizations, their investors, and their stakeholders.

Organizations may face physical risks and opportunities due to changes in the climate system and weather patterns. These include:

- The impact of more frequent and intense storms
- Changes in sea level, ambient temperature, and water availability
- Impacts on the workforce, for example, health effects (such as 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 risks and opportunities. Risks may include increased costs or other factors impacting competitiveness. However, limits on greenhouse gas (GHG) emissions may 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-efficient products more effectively.

Compilation

Identify risks and opportunities posed by climate change that have the potential to generate substantive changes in operations, revenue or expenditure for the organization. For the identified risks and opportunities, disclose the following characteristics:

- The risk or opportunity driver – categorize the risk or opportunity:
 - Physical

- Regulatory
- Other
- A description of the risk or opportunity driver – identify a particular piece of legislation, or a physical driver such as water scarcity
- The potential impact – describe potential impacts generally, including, as a minimum:
 - Increased or reduced capital and operational costs
 - Increased or decreased demand for products and services
 - Increase or decrease in capital availability and investment opportunities
- The projected time frame in which the risk or opportunity is expected to have substantive financial implications
- Direct and indirect impacts – whether the impact will directly affect the organization, or indirectly affect the organization via the value chain
- Likelihood – the probability of the impact on the organization
- Magnitude of impact – the extent to which the impact, if occurring, would affect the organization financially
- The financial implications of the risk or opportunity before action is taken
- The methods used to manage the risk or opportunity (such as carbon capture and storage; fuel switching; use of renewable and lower carbon footprint energy; improving energy efficiency; flaring, venting and fugitive emission reduction; renewable energy certificates; and use of carbon offsets)
- The costs associated with these actions

In the instances where organizations do not have the systems in place to calculate financial implications or costs or make revenue projections, identify plans and the timeline to develop the necessary systems in this regard.

↓ G4-EC2 CONTINUED

Risks and opportunities may be classified as:

- Physical – due to physical changes associated with climate change (such as floods, droughts, and heat-related illness)
- Regulatory – due to changes in regulatory landscape
- Other – such as availability of new technologies, products, or services to address challenges related to climate change, or changes in customer behavior

Documentation sources

Potential sources of information include records or minutes of the organization's governance bodies, including environmental committees and environmental profit and

loss accounts. Information on the physical impacts of climate change may be held at facilities departments, or expressed in insurance contracts.

References

- Carbon Disclosure Project (CDP), *Guidance for companies responding to the Investor CDP Information Request*, updated annually.
- Climate Disclosure Standards Board (CDBS), *Climate Change Reporting Framework – Edition 1.0, 2010 and Climate Change Reporting Framework Boundary Update*, June 2012.

G4-EC3

COVERAGE OF THE ORGANIZATION'S DEFINED BENEFIT PLAN OBLIGATIONS

- a. Where the plan's liabilities are met by the organization's general resources, report the estimated value of those liabilities.
- b. 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
 - When that estimate was made
- c. 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.
- d. Report the percentage of salary contributed by employee or employer.
- e. Report the level of participation in retirement plans (such as 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 benefit 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.

Compilation

Identify whether the structure of retirement plans offered to employees are based on:

- Defined benefit plans
- Defined contribution plans
- 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 (such as 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 IASB IAS 19 Employee Benefits¹⁶, however, IAS 19 covers more issues.

Definitions

See Glossary in *Implementation Manual*, p. 244

- [Defined benefit plans](#)
- [Defined contribution plans](#)
- [Full coverage](#)

Documentation sources

Potential sources of information include the organization's finance or accounting departments.

References

- International Accounting Standards Board (IASB), *IAS 19 Employee Benefits*, 2001.

G4-EC4

FINANCIAL ASSISTANCE RECEIVED FROM GOVERNMENT

- a. Report the total monetary value of financial assistance received by the organization from governments during the reporting period, including, as a minimum:
 - Tax relief and tax 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
 - Other financial benefits received or receivable from any government for any operation
- b. Report the information above by country.
- c. Report whether, and 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.

Compilation

Identify the monetary value of assistance provided by government for each of the mentioned categories. Identify this through consistent application of generally accepted accounting principles.

Definitions

See Glossary in *Implementation Manual*, p. 244

- [Financial assistance](#)

Documentation sources

Potential sources of information include the legal department of the organization or the finance, treasury or accounting departments.

References

- International Accounting Standards Board (IASB), *IAS 20 Accounting for Government Grants and Disclosure of Government Assistance*, 2001.

Aspect: Market Presence

If this Aspect has been identified as material, the Guidelines make the following Standard Disclosures and Guidance available:

Overview*

DISCLOSURES ON MANAGEMENT APPROACH



 Guidance pp. 64-65

INDICATORS



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

 Guidance p. 76



Proportion of senior management hired from the local community at significant locations of operation

 Guidance p. 77

*All page numbers in this overview refer to the *Implementation Manual*.

References

- United Nations (UN) Convention, 'Convention on the Elimination of all Forms of Discrimination against Women (CEDAW); 1979.

Indicators

G4-EC5

RATIOS OF STANDARD ENTRY LEVEL WAGE BY GENDER COMPARED TO LOCAL MINIMUM WAGE AT SIGNIFICANT LOCATIONS OF OPERATION

- When 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 at significant locations of operation to the minimum wage.
- Report whether a local minimum wage is absent or variable at significant locations of operation, by gender. In circumstances in which different minimums could be used as a reference, report which minimum wage is being used.
- Report the definition used for 'significant locations of operation'.

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 is 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.

Compilation

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, convert the salary into an hourly estimate.

Definitions

See Glossary in *Implementation Manual*, p. 244

- [Entry level wage](#)
- [Local minimum wage](#)

Documentation sources

Potential sources of information include the payroll department of the organization or finance, treasury, or accounting departments. Pertinent legislation in each country or region of operation may also provide information for this Indicator.

G4-EC6

PROPORTION OF SENIOR MANAGEMENT HIRED FROM THE LOCAL COMMUNITY AT SIGNIFICANT LOCATIONS OF OPERATION

- a. Report the percentage of senior management at significant locations of operation that are hired from the local community.
- b. Report the definition of 'senior management' used.
- c. Report the organization's geographical definition of 'local'.
- d. Report the definition used for 'significant locations of operation'.

GUIDANCE**Relevance**

Ensuring that senior management is drawn from the local community can benefit the local community. Diversity within a management team and the inclusion of members from the local community can enhance human capital, the economic benefit to the local community, and the organization's ability to understand local needs.

Compilation

Calculate this percentage using data on full-time employees.

Definitions

See Glossary in *Implementation Manual*, p. 244

- Local employee

Documentation sources

Potential sources of information include the personnel or human resources departments.

Aspect: Indirect Economic Impacts

If this Aspect has been identified as material, the Guidelines make the following Standard Disclosures and Guidance available:

Overview*

DISCLOSURES ON MANAGEMENT APPROACH	
G4-DMA	Guidance: Generic DMA pp. 64-65; Aspect-specific p. 78
INDICATORS	
G4-EC7	Development and impact of infrastructure investments and services supported Guidance p. 79
G4-EC8	Significant indirect economic impacts, including the extent of impacts Guidance pp. 80-81

*All page numbers in this overview refer to the *Implementation Manual*.

GUIDANCE - DISCLOSURES ON MANAGEMENT APPROACH

Aspect-specific Guidance for G4-DMA-a.

Describe work undertaken to understand indirect economic impacts at national, regional, or local level.

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

Aspect-specific Guidance for G4-DMA-b.

Explain whether the organization conducted a community needs assessment to determine the need for infrastructure and other services. If so, describe the results of the assessment.

Indicators

G4-EC7

DEVELOPMENT AND IMPACT OF INFRASTRUCTURE INVESTMENTS AND SERVICES SUPPORTED

- a. Report the extent of development of significant infrastructure investments and services supported.
- b. Report the current or expected impacts on communities and local economies. Report positive and negative impacts where relevant.
- c. 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 may affect an economy through its investments in infrastructure. The impacts of infrastructure investment may extend beyond the scope of the organization’s own operations and over a longer timescale. This might include transport links, utilities, community social facilities, sports centers, or health and welfare centers. Along with investment in its own operations, this is one measure of an organization’s capital contribution to the economy.

Compilation

Identify the size, cost and duration of each significant infrastructure investment or service supported that has been implemented.

Identify both the current and expected impacts of each infrastructure investment or service supported. Collect

information on both positive and negative impacts on the community or local economies. If different communities or local economies are impacted by the organization’s operations, collect this information.

Identify the financial arrangements associated with each of the infrastructure investments or services supported. Break these down into the three categories of commercial, in kind or pro-bono.

Definitions

See Glossary in *Implementation Manual*, p. 244

- [Infrastructure](#)
- [Services supported](#)

Documentation sources

Potential sources of information include the organization’s finance, treasury, or accounting departments.

G4-EC8

SIGNIFICANT INDIRECT ECONOMIC IMPACTS, INCLUDING THE EXTENT OF IMPACTS

- a. Report examples of the significant identified positive and negative indirect economic impacts the organization has. These may include:
 - 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
 - Economic impact of the use of products and services
- b. 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.

Compilation

Identify examples of significant indirect economic impacts, both positive and negative. These may include:

- Changing the productivity of organizations, sectors, or the whole economy (such as through greater adoption or distribution of information technology)
- Economic development in areas of high poverty (such as total number of dependents supported through income from one job)
- Economic impact of improving or deteriorating social or environmental conditions (such as 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 (such as 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 (such as 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 (such as assessing the impacts of growth or contraction of the organization on its suppliers)
- Stimulating, enabling, or limiting foreign direct investment (such as expansion or closure of an infra-structure service in a developing country can lead to increased or reduced foreign direct investment)
- Economic impact of change in location of operations or activities (such as outsourcing of jobs to an overseas location)

↓ G4-EC8 CONTINUED

- Economic impact of the use of products and services (such as linkage between economic growth patterns and use of particular products and services)

Definitions

See Glossary in *Implementation Manual*, p. 244

- Economic impact
- Indirect economic impact

Aspect: Procurement Practices

If this Aspect has been identified as material, the Guidelines make the following Standard Disclosures and Guidance available:

Overview*

DISCLOSURES ON MANAGEMENT APPROACH	
G4-DMA	Guidance: Generic DMA pp. 64-65; Aspect-specific p. 82
INDICATORS	
G4-EC9	Proportion of spending on local suppliers at significant locations of operation Guidance p. 83

*All page numbers in this overview refer to the *Implementation Manual*.

GUIDANCE - DISCLOSURES ON MANAGEMENT APPROACH

Aspect-specific Guidance for G4-DMA-b.

Describe actions taken to identify and adjust the organization’s procurement practices that cause or contribute to negative impacts in the supply chain, including:

- How dialogue with suppliers is used to identify the organization’s procurement practices that cause or contribute to negative impacts in the supply chain
- Actions taken to adjust payment policies and procedures

The procurement practices that cause or contribute to negative impacts in the supply chain may include:

- Stability or length of relationships with suppliers
- Lead times
- Ordering and payment routines
- Purchasing prices
- Changing or cancelling orders

Describe policies and practices used to select locally-based suppliers, either organization-wide or for specific locations.

Explain the rationale and methodology for tracing the source, origin, or production conditions of raw materials and production inputs purchased, if applicable.

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

Forms of economic inclusion may include:

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

Indicators

G4-EC9

PROPORTION OF SPENDING ON LOCAL SUPPLIERS AT SIGNIFICANT LOCATIONS OF OPERATION

- Report the percentage of the procurement budget used for significant locations of operation spent on suppliers local to that operation (such as percentage of products and services purchased locally).
- Report the organization's geographical definition of 'local'.
- Report the definition used for 'significant locations of operation'.

GUIDANCE

Relevance

The influence an organization can have on a local economy goes beyond direct jobs and payment of wages and taxes. By supporting local organizations in the supply chain, an organization can indirectly attract additional investment to the local economy.

Organizations can gain or retain their social license to operate in part by demonstrating positive local economic impacts. Local sourcing can be a strategy to help ensure supply, support a stable local economy, and can prove to be more efficient for remote settings.

The proportion of local spending can also be an important factor in contributing to the local economy and maintaining community relations. However, the overall impact of local

sourcing will also depend on the sustainability of the supplier over the long term.

Compilation

Calculate the percentages based on invoices or commitments made during the reporting period (that is, using accruals accounting).

Local purchases may be made either from a budget managed at the location of operation or at the organization's headquarters.

Definitions

See Glossary in *Implementation Manual*, p. 244

- [Local supplier](#)

CATEGORY: ENVIRONMENTAL

Introduction

The environmental dimension of sustainability concerns the organization's impact on living and non-living natural systems, including land, air, water and ecosystems.

The Environmental Category covers impacts related to inputs (such as energy and water) and outputs (such as emissions, effluents and waste). In addition, it covers biodiversity, transport, and product and service-related impacts, as well as environmental compliance and expenditures.

Linkages

OECD Guidelines for Multinational Enterprises

The Standard Disclosures under this Category help to report on the implementation of Chapter VI. Environment of the

Organisation for Economic Co-operation and Development (OECD), *OECD Guidelines for Multinational Enterprises*, 2011.

United Nations Global Compact 'Ten Principles'

The Standard Disclosures under this Category help to report on the implementation of Principles 7, 8 and 9 of the United Nations Global Compact, 'Ten Principles', 2000.

References

- United Nations (UN) Declaration, 'The Rio Declaration on Environment and Development', 1992.
- United Nations (UN) Declaration, 'United Nations Millennium Declaration', 2000.

Aspect: Materials

If this Aspect has been identified as material, the Guidelines make the following Standard Disclosures and Guidance available:

Overview*

DISCLOSURES ON MANAGEMENT APPROACH	
 G4-DMA	 Guidance pp. 64-65

INDICATORS	
 G4-EN1	Materials used by weight or volume  Guidance p. 86
 G4-EN2	Percentage of materials used that are recycled input materials  Guidance p. 87

*All page numbers in this overview refer to the *Implementation Manual*.

Indicators

G4-EN1

MATERIALS USED BY WEIGHT OR VOLUME

- a. Report the total weight or volume of materials that are used to produce and package the organization’s primary products and services during the reporting period, by:
- Non-renewable materials used
 - Renewable materials used

GUIDANCE

Relevance

This Indicator describes the organization’s contribution to the conservation of the global resource base and its efforts to reduce the material intensity and increase the efficiency of the economy. These are expressed goals of the Organisation for Economic Co-operation and Development (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.

Compilation

Identify the organization’s primary products and services.

Identify total materials used. This includes, as a minimum:

- Raw materials (that is, natural resources used for conversion to products or services such as ores, minerals, wood)
- Associated process materials (that is, 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

- Materials for packaging purposes, which include paper, cardboard and plastics

For each material type, identify whether it was purchased from external suppliers or sourced internally (such as by captive production and extraction activities).

For each material type identify whether it was derived from non-renewable or renewable sources.

State whether this data is estimated or sourced from direct measurements. If estimation is required, state the methods used. Usage data is not to be further manipulated and is to be presented ‘as is’ rather than by ‘dry substance/weight’.

Definitions

See Glossary in *Implementation Manual*, p. 244

- Non-renewable materials
- Renewable materials

Documentation sources

Potential sources of information include the organization’s billing and accounting systems, and the procurement or supply management department.

G4-EN2

PERCENTAGE OF MATERIALS USED THAT ARE RECYCLED INPUT MATERIALS

a. Report the percentage of recycled input materials used to manufacture the organization’s primary products and services.

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 the overall costs of operation. The trends revealed by this Indicator indicate management’s progress in reducing the organization’s dependence on natural resources.

Compilation

Identify the total weight or volume of materials used as reported under G4-EN1.

Of these materials, identify the total weight or volume of recycled input materials. If estimation is required, identify the estimation methods.

Using this information, calculate the percentage of recycled input material used by applying the following formula:

$$\frac{\text{Percentage of recycled input materials used}}{\text{Total recycled input materials used}} = \frac{\text{Total recycled input materials used}}{\text{Total input materials used}} \times 100$$

If material weight and volume measurements are stated as different units, it may be necessary to undertake conversion calculations to standardize units.

Definitions

See Glossary in *Implementation Manual*, p. 244

- [Recycled input materials](#)

Documentation sources

Potential sources of information include billing and accounting systems, the procurement or supply management department, and internal production and waste disposal records.

Aspect: Energy

If this Aspect has been identified as material, the Guidelines make the following Standard Disclosures and Guidance available:

Overview*

DISCLOSURES ON MANAGEMENT APPROACH	
G4-DMA	Guidance: Generic DMA pp. 64-65; Aspect-specific p. 88
INDICATORS	
G4-EN3	Energy consumption within the organization Guidance pp. 89-90
G4-EN4	Energy consumption outside of the organization Guidance pp. 91-92
G4-EN5	Energy intensity Guidance p. 93
G4-EN6	Reduction of energy consumption Guidance p. 94
G4-EN7	Reductions in energy requirements of products and services Guidance p. 95

*All page numbers in this overview refer to the *Implementation Manual*.

GUIDANCE - DISCLOSURES ON MANAGEMENT APPROACH

Aspect-specific Guidance for G4-DMA-b.

Describe whether the organization is subject to any country, regional, or industry regulations and policies for energy. Provide examples of such regulations and policies.

Indicators

G4-EN3

ENERGY CONSUMPTION WITHIN THE ORGANIZATION

- a. Report total fuel consumption from non-renewable sources in joules or multiples, including fuel types used.
- b. Report total fuel consumption from renewable fuel sources in joules or multiples, including fuel types used.
- c. Report in joules, watt-hours or multiples, the total:
 - Electricity consumption
 - Heating consumption
 - Cooling consumption
 - Steam consumption
- d. Report in joules, watt-hours or multiples, the total:
 - Electricity sold
 - Heating sold
 - Cooling sold
 - Steam sold
- e. Report total energy consumption in joules or multiples.
- f. Report standards, methodologies, and assumptions used.
- g. Report the source of the conversion factors used.

GUIDANCE

Relevance

Energy consumption has a direct effect on operational costs and can increase exposure to fluctuations in energy supply and prices. The environmental footprint of an 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.

For some organizations, electricity is the only significant form of energy they consume. For other organizations, other energy sources might also be important, such as steam or water provided from a district heating plant or chilled water plant.

The consumption of non-renewable fuels is usually the main contributor to direct greenhouse gas (GHG) emissions (Scope 1), which are reported in Indicator G4-EN15. The consumption of purchased electricity, heating, cooling, and steam contributes to an organization's energy indirect (Scope 2) GHG emissions, which are reported in Indicator G4-EN16.

Compilation

Identify the types of energy (fuel, electricity, heating, cooling, and steam) consumed within the organization.

Identify the amount of energy (fuel, electricity, heating, cooling, and steam) consumed within the organization, in joules or multiples.

When reporting self-generated energy consumption, the organizations does not double-count fuel consumption. For example, if an organization generates electricity from coal and then consumes the generated electricity, the energy consumption is counted once under the fuel consumption.

Energy may be purchased from sources external to the organization or produced by the organization itself (self-generated). Only energy consumed by entities owned or controlled by the organization is expected to be reported in this Indicator.

Fuel

Report fuel consumption separately for non-renewable and renewable fuel sources as follows:

- Non-renewable fuel sources include fuel for combustion in boilers, furnaces, heaters, turbines, flares, incinerators, generators and vehicles, which are owned or controlled by the organization. Non-renewable fuel sources cover fuels purchased as well as fuels generated by the organization's

↓ G4-EN3 CONTINUED

activities, such as mined coal and gas from oil and gas extraction

- Renewable fuel sources are sources owned or controlled by the organization, including biofuels (purchased for direct use) and biomass

Electricity, heating, cooling, and steam

Using the identified types of energy purchased for consumption and self-generated, calculate the total energy consumption within the organization in joules or multiples using the following formula:

$$\begin{aligned}
 &\text{Total energy consumption within the organization} \\
 &= \\
 &\quad \text{Non-renewable fuel consumed} \\
 &\quad + \\
 &\quad \text{Renewable fuel consumed} \\
 &\quad + \\
 &\quad \text{Electricity, heating, cooling and steam purchased for} \\
 &\quad \text{consumption} \\
 &\quad + \\
 &\quad \text{Self-generated electricity, heating, cooling and steam} \\
 &\quad - \\
 &\quad \text{Electricity, heating, cooling and steam sold}
 \end{aligned}$$

Organizations are expected to report standards, methodologies, and assumptions used to calculate and measure energy consumption, with a reference to the calculation tools used. Organizations subject to different standards and methodologies should identify the approach to selecting them.

Organizations are expected to apply conversion factors consistently for all data reported under the Energy Aspect. Local conversion factors to convert fuel to joules, or multiples, are to be used when possible. When local conversion factors are unavailable, the generic conversion factors may be used.

Organizations are expected to select a consistent Boundary for energy consumption. When possible, the Boundary should be consistent with the Boundary used in Indicators G4-EN15 and G4-EN16.

Organizations may further disaggregate energy consumption data where this aids transparency or comparability over time. For example, they may disaggregate data by:

- Business unit or facility
- Country
- Source type (See Definitions for the listing of non-renewable and renewable energy sources)
- Activity type

Definitions

See Glossary in *Implementation Manual*, p. 244

- Non-renewable energy sources
- Renewable energy sources

Documentation sources

Potential sources of information include invoices, measurements or calculations, or estimations. The reported units may be taken directly from invoices or meters, or converted from the original units to the reported units.

G4-EN4

ENERGY CONSUMPTION OUTSIDE OF THE ORGANIZATION

- a. Report energy consumed outside of the organization, in joules or multiples.
- b. Report standards, methodologies, and assumptions used.
- c. Report the source of the conversion factors used.

GUIDANCE

Relevance

Energy consumption occurs throughout organization’s upstream and downstream activities associated with its operations, including the use of sold products by consumers and the end-of-life treatment of sold products after consumer use.

Quantifying energy consumption outside of the organization provides a basis for calculating some of the relevant other indirect (Scope 3) GHG emissions in Indicator G4-EN17. Tracking and reducing energy consumption outside of the organization may improve the overall life-cycle performance of products and services, and be part of a comprehensive design program.

Compilation

The organization may assess which of its activities cause the energy consumption outside of the organization itself, and assess the amounts involved. For this Indicator, exclude energy consumption reported in Indicator G4-EN3.

When determining the relevance of these activities, identify whether the activity’s energy consumption:

- Contributes significantly to the total anticipated energy consumption outside of the organization
- Offers potential for reductions that could be undertaken or influenced by the organization
- Contributes to the organization’s risk exposure to climate change-related risks such as financial, regulatory, supply chain, product and customer, litigation, and reputational risks
- Is deemed material by key stakeholders (such as customers, suppliers, investors, or civil society)
- Results from outsourced activities which were previously performed in-house, or activities that are typically performed in-house by other organizations in the same sector
- Has been identified as significant in sector-specific guidance
- Meets any additional criteria for determining relevance, developed by the organization or by organizations in its sector

Identify relevant upstream or downstream energy consumption in the following categories and activities:

Upstream

1. Purchased goods and services
2. Capital goods
3. Fuel- and energy- related activities (those that are not included in Indicator G4-EN3)
4. Upstream transportation and distribution
5. Waste generated in operations
6. Business travel
7. Employee commuting
8. Upstream leased assets
- Other upstream

Downstream

9. Downstream transportation and distribution
10. Processing of sold products
11. Use of sold products
12. End of life treatment of sold products
13. Downstream leased assets
14. Franchises
15. Investments
- Other downstream

The upstream/downstream categories and activities above including their numbering correspond to the categories and activities documented in the WRI and WBCSD ‘GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard’. The numbering has been maintained consistent for the ease of reference between G4 and the WRI and WBCSD ‘GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard’. Calculate or estimate the amount of energy consumed in the above relevant categories and activities.

Organizations may report energy consumption separately for non-renewable and renewable energy sources.

↓ G4-EN4 CONTINUED

Organizations are expected to report standards, methodologies, and assumptions used to calculate and measure energy consumption, with a reference to the calculation tools used. Organizations subject to different standards and methodologies should describe the approach to selecting them.

Definitions

See Glossary in *Implementation Manual*, p. 244

- [Non-renewable energy sources](#)
- [Renewable energy sources](#)

Documentation sources

Potential sources of information include supplier information, and life-cycle calculations or estimations carried out internally or by research organizations.

References

- World Resources Institute (WRI) and World Business Council for Sustainable Development (WBCSD), 'GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard', 2011.

G4-EN5

ENERGY INTENSITY

- Report the energy intensity ratio.
- Report the organization-specific metric (the ratio denominator) chosen to calculate the ratio.
- Report the types of energy included in the intensity ratio: fuel, electricity, heating, cooling, steam, or all.
- Report whether the ratio uses energy consumed within the organization, outside of it or both.

GUIDANCE

Relevance

The intensity ratio defines an organization's energy consumption in the context of an organization-specific metric. Intensity is calculated by dividing the absolute energy consumption (the numerator) by an organization-specific metric (the denominator).

Energy intensity expresses the energy required per unit of activity, output, or any other organization-specific metric. Intensity ratios are often referred to as normalized environmental impact data. Intensity ratios may include:

- Product intensity (such as energy consumed per unit produced)
- Service intensity (such as energy consumed per function or per service)
- Sales intensity (such as energy consumed per monetary unit of sales)

In combination with an organization's total energy consumption, reported in Indicators G4-EN3 and G4-EN4, energy intensity helps to contextualize the organization's efficiency, including in relation to other organizations.

Compilation

Select an appropriate ratio denominator to represent the per-unit output, activity, or any other organization-specific metric. This may include:

- Units of product
- Production volume (metric ton, liter, MWh)
- Size (m² floor space)
- Total number of full-time employees
- Monetary units (revenue, sales)

Organizations may report several energy intensity ratios where this aids transparency or comparability. For example, they may calculate separate ratios by:

- Business unit or facility
- Country

- Source type (See Definitions for the listing of non-renewable and renewable energy sources)
- Activity type

Intensity is calculated by dividing the absolute energy consumption (the numerator) by the organization-specific metric (the denominator).

Organizations may report the intensity of energy consumed within the organization or outside of it. If the ratio is calculated both for the energy consumed within the organization and outside of it, present such ratios separately.

Definitions

See Glossary in *Implementation Manual*, p. 244

- [Non-renewable energy sources](#)
- [Renewable energy sources](#)

Documentation sources

Potential sources of information for the numerator include invoices, measurements or calculations, or estimations. The reported units can be taken directly from invoices or meters, or converted from the original units to the reported units. Potential sources of information for the denominator include sector and country level guidance on energy reporting.

References

- World Resources Institute (WRI) and World Business Council for Sustainable Development (WBCSD), 'GHG Protocol Corporate Accounting and Reporting Standard', Revised Edition, 2004.
- World Resources Institute (WRI) and World Business Council for Sustainable Development (WBCSD), 'Greenhouse Gas Protocol Accounting Notes, No. 1, Accounting and Reporting Standard Amendment', 2012.

G4-EN6

REDUCTION OF ENERGY CONSUMPTION

- Report the amount of reductions in energy consumption achieved as a direct result of conservation and efficiency initiatives, in joules or multiples.
- Report the types of energy included in the reductions: fuel, electricity, heating, cooling, and steam.
- Report the basis for calculating reductions in energy consumption such as base year or baseline, and the rationale for choosing it.
- Report standards, methodologies, and assumptions used.

GUIDANCE**Relevance**

An organization's ability to use energy efficiently can be revealed by its reductions in energy consumption. Energy consumption has a direct effect on the environmental footprint of the organization, its operational costs, and exposure to fluctuations in energy supply and prices.

Compilation

Calculate or estimate the energy saved by initiatives to reduce energy use and increase energy efficiency. Reductions in energy consumption that result from reduced production capacity or outsourcing should not be included in this Indicator.

Initiatives include, as a minimum:

- Process redesign
- Conversion and retrofitting of equipment
- Changes in employee behavior
- Operational changes

Indicate whether energy savings are estimated, modeled, or sourced from direct measurements. If estimation or modeling is used, disclose the methods used.

Organizations may choose to:

- Report reductions in energy consumption by combining energy types
- Report reductions in energy consumption separately for fuel, electricity, heating, cooling, and steam

Organizations may choose to report reductions disaggregated by initiatives or groups of initiatives.

Organizations with many initiatives to reduce energy consumption may prioritize reporting on initiatives that were implemented in the reporting period, and that have the potential to contribute significantly to reducing energy consumption. These initiatives and their related targets may be described in the DMA for the Energy Aspect.

Organizations are expected to report standards, methodologies, and assumptions used to calculate and measure reduction of energy consumption, with a reference to the calculation tools used. Organizations subject to different standards and methodologies should describe the approach to selecting them.

Definitions

See Glossary in *Implementation Manual*, p. 244

- Base year
- Baseline
- Conservation and efficiency initiatives
- Energy reduction

Documentation sources

Potential sources of information include internal energy measurements and supplier information (such as energy-related specifications of new machinery, energy saving light bulbs).

G4-EN7

REDUCTIONS IN ENERGY REQUIREMENTS OF PRODUCTS AND SERVICES

- a. Report the reductions in the energy requirements of sold products and services achieved during the reporting period, in joules or multiples.
- b. Report the basis for calculating reductions in energy consumption such as base year or baseline, and the rationale for choosing it.
- c. Report standards, methodologies, and assumptions used.

GUIDANCE**Relevance**

Energy consumption is a major contributor to climate change since the burning of non-renewable fuels generates greenhouse gases (GHGs) and causes other environmental impacts. Using energy more efficiently is essential to combating climate change. Providing energy efficient products and services is an important part of product stewardship initiatives.

Compilation

Use-oriented figures include, for example, the energy requirements of a car or a computer.

Consumption patterns include, for example, 10% less energy use per 100 km travelled or per time unit (hour, average working day).

Where available, refer to industry use standards to obtain this information (such as fuel consumption of cars for 100 km at 90 km/h).

Organizations are expected to report standards, methodologies, and assumptions used to calculate and measure reduction of energy consumption, with a reference to the calculation tools used. Organizations subject to different standards and methodologies should describe the approach to selecting them.

Definitions

See Glossary in *Implementation Manual*, p. 244

- [Base year](#)
- [Baseline](#)
- [Energy reduction](#)

Documentation sources

Potential sources of information include internal product tests or measurements, research on usage patterns, life cycle assessments and industry standards.

Aspect: Water

If this Aspect has been identified as material, the Guidelines make the following Standard Disclosures and Guidance available:

Overview*

DISCLOSURES ON MANAGEMENT APPROACH



 Guidance pp. 64-65

INDICATORS



Total water withdrawal by source

 Guidance p. 97



Water sources significantly affected by withdrawal of water

 Guidance p. 98



Percentage and total volume of water recycled and reused

 Guidance p. 99

*All page numbers in this overview refer to the *Implementation Manual*.

References

- Ceres, *The Ceres Aqua Gauge: A Framework for 21st Century Water Risk Management*, 2011.

Indicators

G4-EN8

TOTAL WATER WITHDRAWAL BY SOURCE

- a. Report the total volume of water withdrawn from 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
 - Municipal water supplies or other water utilities
- b. Report standards, methodologies, and assumptions used.

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.

Compilation

Identify the total volume of water withdrawn from any water source. This includes the abstraction of cooling water. Identify whether these calculations are estimated, modelled or sourced from direct measurements. If estimation or modelling is required, identify the methods used.

This Indicator may include water that was either withdrawn directly by the organization or through intermediaries such as water utilities.

Definitions

See Glossary in *Implementation Manual*, p. 244

- [Total water withdrawal](#)

Documentation sources

Information on organizational water withdrawal may 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.

G4-EN9

WATER SOURCES SIGNIFICANTLY AFFECTED BY WITHDRAWAL OF WATER

- a. Report the total number of water sources significantly affected by withdrawal by type:
 - Size of water source
 - Whether or not the source is designated as a protected area (nationally or internationally)
 - Biodiversity value (such as species diversity and endemism, total number of protected species)
 - Value or importance of water source to local communities and indigenous peoples
- b. Report standards, methodologies, and assumptions used.

GUIDANCE**Relevance**

Withdrawals from a water system can affect the environment by lowering the water table, reducing the 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.

Compilation

Identify water sources significantly affected by water withdrawal by the 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

- Any withdrawal from a wetland listed in the Ramsar Convention⁷⁸ or any other nationally or internationally proclaimed conservation area regardless of the rate of withdrawal
- The water source has been identified as having high biodiversity value (such as species diversity and endemism, total number of protected species)
- The water source has been identified as having a high value or importance to local communities and indigenous peoples

If the water is provided by a public or private water supplier, the original water body or source is identified and reported.

Documentation sources

Potential sources of information for 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

- International Union for Conservation of Nature (IUCN), Red List of Threatened Species, <http://www.iucnredlist.org/>, accessed on 1 May 2013.

G4-EN10

PERCENTAGE AND TOTAL VOLUME OF WATER RECYCLED AND REUSED

- a. Report the total volume of water recycled and reused by the organization.
- b. Report the total volume of water recycled and reused as a percentage of the total water withdrawal reported under Indicator G4-EN8.
- c. Report standards, methodologies, and assumptions used.

GUIDANCE**Relevance**

This Indicator measures both water that was treated prior to reuse and water that was not treated prior to reuse. Grey water (that is, collected rainwater and wastewater generated by household processes such as washing dishes, laundry, and bathing) is included.

The rate of water reuse and recycling is a measure of efficiency and demonstrates the success of the organization in reducing total water withdrawals and discharges. Increased reuse and recycling may result in a reduction of water consumption, treatment, and disposal costs. The reduction of water consumption over time through reuse and recycling may also contribute to local, national, or regional goals for managing water supplies.

Compilation

Identify the volume of recycled and reused water.

Identify if water or flow meters do not exist and estimation by modeling is required.

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 and reused for that process is 60 cubic meters.

Definitions

See Glossary in *Implementation Manual*, p. 244

- [Water recycling and reuse](#)

Documentation sources

Information may be obtained from water or flow meters.

Aspect: Biodiversity

If this Aspect has been identified as material, the Guidelines make the following Standard Disclosures and Guidance available:

Overview*

DISCLOSURES ON MANAGEMENT APPROACH

G4-DMA  **Guidance: Generic DMA** pp. 64-65; **Aspect-specific** p. 100

INDICATORS

G4-EN11 **Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas**
 **Guidance** p. 101

G4-EN12 **Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas**
 **Guidance** p. 102

G4-EN13 **Habitats protected or restored**
 **Guidance** p. 103

G4-EN14 **Total number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk**
 **Guidance** p. 104

*All page numbers in this overview refer to the *Implementation Manual*.

References

- BirdLife International, *Important Bird Areas*, <http://www.birdlife.org/action/science/sites/index.html>, accessed on 1 May 2013.
- International Union for Conservation of Nature (IUCN), *Guidelines for Applying Protected Area Management Categories*, 2008.
- International Union for Conservation of Nature (IUCN), Red List of Threatened Species, <http://www.iucnredlist.org/>, accessed on 1 May 2013.
- Ramsar Convention, 'The Convention on Wetlands of International Importance especially as Waterfowl Habitat', 1994.
- United Nations (UN) Convention, 'Convention on Biological Diversity', 1992.
- United Nations (UN) Convention, 'Convention on International Trade in Endangered Species of Wild Flora and Fauna (CITES)', 1979.
- United Nations Educational, Scientific and Cultural Organization (UNESCO), Biosphere Reserves, www.unesco.org/new/en/natural-sciences/environment/ecological-sciences/biosphere-reserves/, accessed on 1 May 2013.
- United Nations Educational, Scientific and Cultural Organization (UNESCO), World Heritage Sites List, <http://whc.unesco.org/en/list>, accessed on 1 May 2013.

GUIDANCE - DISCLOSURES ON MANAGEMENT APPROACH

Aspect-specific Guidance for G4-DMA-b.

Describe the organization's strategy for achieving its policy on biodiversity management. An example of this is the

integration of biodiversity considerations in analytical tools, such as environmental site impact assessments.

Indicators

G4-EN11

OPERATIONAL SITES OWNED, LEASED, MANAGED IN, OR ADJACENT TO, PROTECTED AREAS AND AREAS OF HIGH BIODIVERSITY VALUE OUTSIDE PROTECTED AREAS

- a. Report the following information for each operational site owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas:
- Geographic location
 - Subsurface and underground land that may be owned, leased, or managed by the organization
 - Position in relation to the protected area (in the area, adjacent to, or containing portions of the protected area) or the high biodiversity value area outside protected areas
 - Type of operation (office, manufacturing or production, or extractive)
 - Size of operational site in km²
 - Biodiversity value characterized by:
 - The attribute of the protected area or high biodiversity value area outside the protected area (terrestrial, freshwater, or maritime ecosystem)
 - Listing of protected status (such as IUCN Protected Area Management Categories⁶⁷, Ramsar Convention⁷⁸, national legislation)

GUIDANCE

Relevance

By reporting on the potential impact on land that lies within, contains, or is adjacent to legally protected areas, and 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 to avoid mismanagement. Failure to adequately manage such impacts may result in reputational damage, delays in obtaining planning permission, and the loss of the social license to operate.

Compilation

Identify the location and size of operational sites that are owned, leased, managed in, adjacent to, or that contain, protected areas or areas of high biodiversity value outside protected areas. Include information about sites for which future operations have been formally announced.

Definitions

See Glossary in *Implementation Manual*, p. 244

- Areas of high biodiversity value
- Protected areas

Documentation sources

Potential sources of information include purchase contracts, lease contracts, or the national or regional land registry.

On the national level, public agencies responsible for environmental protection and conservation may 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.

G4-EN12

DESCRIPTION OF SIGNIFICANT IMPACTS OF ACTIVITIES, PRODUCTS, AND SERVICES ON BIODIVERSITY IN PROTECTED AREAS AND AREAS OF HIGH BIODIVERSITY VALUE OUTSIDE PROTECTED AREAS

- a. 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
 - Changes in ecological processes outside the natural range of variation (such as salinity or changes in groundwater level)
- b. Report significant direct and indirect positive and negative impacts with reference to the following:
 - Species affected
 - Extent of areas impacted
 - Duration of impacts
 - 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.

Compilation

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 (such as 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

See Glossary in *Implementation Manual*, p. 244

- [Areas of high biodiversity value](#)
- [Significant impact for biodiversity](#)

Documentation sources

Potential sources of information include the organization's environmental management system or other internal documentation. Information may also be obtained from environmental and social impact assessments or lifecycle assessments, and from other organizations upstream and downstream.

G4-EN13

HABITATS PROTECTED OR RESTORED

- a. Report the size and location of all habitat protected areas or restored areas, and whether the success of the restoration measure was or is approved by independent external professionals.
- b. 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.
- c. Report on the status of each area based on its condition at the close of the reporting period.
- d. Report standards, methodologies, and assumptions used.

GUIDANCE**Relevance**

Ensuring the integrity of natural habitats can enhance the reputation of the organization, 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.

Compilation

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 license requirements for the protection or restoration of habitats, the information presented in this Indicator is to align with those requirements.

Definitions

See Glossary in *Implementation Manual*, p. 244

- [Areas protected](#)
- [Areas restored](#)

Documentation sources

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 (that is, 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.

G4-EN14

TOTAL NUMBER OF IUCN RED LIST SPECIES AND NATIONAL CONSERVATION LIST SPECIES WITH HABITATS IN AREAS AFFECTED BY OPERATIONS, BY LEVEL OF EXTINCTION RISK

- a. Report the total number of IUCN Red List species and national conservation list species with habitats in areas affected by the operations of the organization, by level of extinction risk:
- Critically endangered
 - Endangered
 - Vulnerable
 - Near threatened
 - Least concern

GUIDANCE

Relevance

This Indicator helps the organization to identify where its activities 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. The IUCN Red List of Threatened Species and national conservation lists 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.

Compilation

Identify the location of habitats affected by the operations of the organization that include species on the IUCN Red List of Threatened Species, and on national or regional conservation lists.

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 total number of species in habitats for each extinction risk category.

Definitions

See Glossary in *Implementation Manual*, p. 244

- [IUCN Red List of Threatened Species](#)

Documentation sources

Potential sources of information on the presence of species on the IUCN Red List of Threatened Species and national conservation lists include national or 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

- International Union for Conservation of Nature (IUCN), Red List of Threatened Species, <http://www.iucnredlist.org/>, accessed on 1 May 2013.

Aspect: Emissions

Introduction

In the Guidelines, the Emissions Aspect includes Indicators on greenhouse gas (GHG) emissions as well as ozone-depleting substances, NO_x, SO_x, and other significant air emissions.

Reporting of GHG emissions is based on the reporting requirements of the WRI and WBCSD 'GHG Protocol Corporate Accounting and Reporting Standard' (GHG Protocol).

The GHG Protocol includes a classification of GHG emissions called 'Scope' – Scope 1, Scope 2 and Scope 3.

Scope is a classification of the operational boundaries where GHG emissions occur. Scope classifies whether GHG emissions are created by the organization itself, or are created by other related organizations, for example, electricity suppliers or haulage companies, as follows:

- Direct (Scope 1) emissions from operations that are owned or controlled by the organization
- Energy Indirect (Scope 2) emissions result from the generation of purchased or acquired electricity, heating, cooling, and steam consumed within the organization
- Other Indirect (Scope 3) emissions are all indirect emissions (not included in Scope 2) that occur outside of the organization, including both upstream and downstream emissions

Scopes 1, 2, and 3 of the GHG Protocol align with ISO 14064 definitions and the GRI Indicators as follows:

- Scope 1 = direct GHG emissions (GRI Indicator G4-EN15)
- Scope 2 = energy indirect GHG emissions (GRI Indicator G4-EN16)
- Scope 3 = other indirect GHG emissions (GRI Indicator G4-EN17)

The GHG Protocol prescribes reporting direct (Scope 1) emissions and energy indirect (Scope 2) emissions. Reporting other indirect (Scope 3) emissions is optional. The WRI and WBCSD 'GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard' prescribes reporting other indirect (Scope 3) emissions.

References

- United Nations (UN) Framework Convention, 'United Nations Framework Convention on Climate Change', 1992.
- United Nations (UN) Protocol, 'Kyoto Protocol to the United Nations Framework Convention on Climate Change', 1997.
- United Nations Environment Programme (UNEP) and World Meteorological Organization (WMO), *Integrated Assessment of Black Carbon and Tropospheric Ozone*, 2011.
- World Resources Institute (WRI) and World Business Council for Sustainable Development (WBCSD), 'GHG Protocol Corporate Accounting and Reporting Standard', Revised Edition, 2004.
- World Resources Institute (WRI) and World Business Council for Sustainable Development (WBCSD), 'GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard', 2011.
- World Resources Institute (WRI) and World Business Council for Sustainable Development (WBCSD), 'Greenhouse Gas Protocol Accounting Notes, No. 1, Accounting and Reporting Standard Amendment', 2012.

If this Aspect has been identified as material, the Guidelines make the following Standard Disclosures and Guidance available:

Overview*

DISCLOSURES ON MANAGEMENT APPROACH

G4-DMA	Guidance: Generic DMA pp. 64-65; Aspect-specific p. 106
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INDICATORS

G4-EN15	Direct greenhouse gas (GHG) emissions (Scope 1) Guidance pp. 107-109
G4-EN16	Energy indirect greenhouse gas (GHG) emissions (Scope 2) Guidance pp. 110-111
G4-EN17	Other indirect greenhouse gas (GHG) emissions (Scope 3) Guidance pp. 112-114
G4-EN18	Greenhouse gas (GHG) emissions intensity Guidance p. 115
G4-EN19	Reduction of greenhouse gas (GHG) emissions Guidance pp. 116-117
G4-EN20	Emissions of ozone-depleting substances (ODS) Guidance p. 118
G4-EN21	NO_x, SO_x, and other significant air emissions Guidance pp. 119-120

*All page numbers in this overview refer to the *Implementation Manual*.

GUIDANCE - DISCLOSURES ON MANAGEMENT APPROACH



Aspect-specific Guidance for G4-DMA-b.

Explain whether the organization is subject to any country, regional, or industry regulations and policies for emissions. Provide examples of such regulations and policies.

In addition to using the DMA Guidance for reporting on targets, when reporting on GHG emissions targets, identify whether offsets are used to meet the target. Specify the type, amount, criteria or scheme of which they are part.

Indicators

G4-EN15

DIRECT GREENHOUSE GAS (GHG) EMISSIONS (SCOPE 1)

- Report gross direct (Scope 1) GHG emissions in metric tons of CO₂ equivalent, independent of any GHG trades, such as purchases, sales, or transfers of offsets or allowances.
- Report gases included in the calculation (whether CO₂, CH₄, N₂O, HFCs, PFCs, SF₆, NF₃, or all).
- Report biogenic CO₂ emissions in metric tons of CO₂ equivalent separately from the gross direct (Scope 1) GHG emissions.
- Report the chosen base year, the rationale for choosing the base year, emissions in the base year, and the context for any significant changes in emissions that triggered recalculations of base year emissions.
- Report standards, methodologies, and assumptions used.
- Report the source of the emission factors used and the global warming potential (GWP) rates used or a reference to the GWP source.
- Report the chosen consolidation approach for emissions (equity share, financial control, operational control).

GUIDANCE

Relevance

This Indicator covers the disclosure of the direct (Scope 1) GHG emissions, in CO₂ equivalents, of the GHGs covered by the UN 'Kyoto Protocol' and the WRI and WBCSD 'GHG Protocol Corporate Accounting and Reporting Standard':

- Carbon dioxide (CO₂)
- Methane (CH₄)
- Nitrous oxide (N₂O)
- Hydrofluorocarbons (HFCs)
- Perfluorocarbons (PFCs)
- Sulphur hexafluoride (SF₆)
- Nitrogen trifluoride (NF₃)

GHG emissions are a major contributor to climate change and are governed by the UN 'United Nations Framework Convention on Climate Change'¹⁰⁰ and the subsequent UN 'Kyoto Protocol'. Some GHGs, including methane (CH₄), are also air pollutants that have significant adverse impacts on ecosystems, air quality, agriculture, and human and animal health. As a result, different national and international regulations and incentive systems (such as tradable emission permits) aim to control the volume, and reward the reduction of GHG emissions.

Direct (Scope 1) GHG emissions come from sources (physical units or processes that release GHG into the atmosphere) that are owned or controlled by the organization.

Direct (Scope 1) GHG emissions include, but are not limited

to, the CO₂ emissions from the fuel consumption reported in Indicator G4-EN3.

This Indicator may be used in combination with Indicators G4-EN16 (energy indirect Scope 2 emissions) and G4-EN17 (other indirect Scope 3 emissions) to report an organization's total GHG emissions.

The combination of direct and indirect emissions provides insights into the cost implications of taxation or trading systems. It also provides insight into an organization's carbon footprint and environmental performance.

Compilation

Identify direct emissions of GHGs from sources owned or controlled by the organization, including:

- Generation of electricity, heating, cooling and steam. These emissions result from combustion of fuels in stationary sources (such as boilers, furnaces, turbines) and from other combustion processes such as flaring
- Physical or chemical processing. Most of these emissions result from the manufacturing or processing of chemicals and materials (such as cement, steel, aluminum, ammonia, and waste processing)
- Transportation of materials, products, waste, employees, and passengers. These emissions result from the combustion of fuels in mobile combustion sources owned or controlled

↓ G4-EN15 CONTINUED

by the organization (such as trucks, trains, ships, airplanes, buses, cars)

- Fugitive Emissions. These emissions result from intentional or unintentional releases, such as equipment leaks from joints, seals, packing, and gaskets; methane emissions from coal mines and venting; hydrofluorocarbon (HFC) emissions from refrigeration and air conditioning equipment; and methane leakages from gas transport

Using the sources identified, calculate the organization's gross direct GHG emissions using relevant GWP rates, in CO₂ equivalents, during the reporting period. Exclude any GHG trades, such as purchases, sales, or transfers of offsets or allowances.

Organizations are expected to report standards, methodologies, and assumptions used to calculate and measure emissions, with a reference to the calculation tools used. Organizations subject to different standards and methodologies should describe the approach to selecting them.

Select a consistent consolidation approach for emissions, and apply it to calculate the gross direct (Scope 1) GHG emissions. When possible, select an approach that is consistent with the approach used in Indicator G4-EN16. Organizations select the equity share, financial control, or operational control methods outlined in the WRI and WBCSD 'GHG Protocol Corporate Accounting and Reporting Standard'.

Select and identify the base year for which emissions data are available, and identify the reasons for selecting that particular year. For recalculations of prior year emissions, organizations may follow the approach in the WRI and WBCSD 'GHG Protocol Corporate Accounting and Reporting Standard'.

Organizations may report biogenic CO₂ emissions; however, such emissions are reported separately and not added to the total direct (Scope 1) GHG emissions. These emissions refer to CO₂ emissions from combustion or biodegradation of biomass only, not to emissions of any other GHGs (such as CH₄ and N₂O), or to any GHG emissions that occur in the life cycle of biomass other than from combustion or biodegradation (such as GHG emissions from processing or transporting biomass).

Information on offsets may be reported in the DMA for the Emissions Aspect.

Methodologies used to calculate the emissions may include:

- Direct measurement of energy source consumed (coal, gas) or losses (refills) of cooling systems and conversion to GHG (CO₂ equivalents)
- Mass balance calculations

- Calculation based on site-specific data (such as for fuel composition analysis)
- Calculation based on published criteria (emissions factors and GWPs)
- Estimations. If estimations are used due to a lack of default figures, the organization indicates the basis and assumptions on which figures were estimated
- Direct measurement of the GHG (such as continuous online analyzers)

Organizations may further disaggregate direct (Scope 1) GHG emissions data where this aids transparency or comparability over time. For example, they may disaggregate data by:

- Business unit or facility
- Country
- Source type (stationary combustion, process, fugitive)
- Activity type

When possible, organizations apply emission factors and GWP rates consistently for the data reported under the Emissions Aspect. Emission factors may originate from mandatory reporting requirements, voluntary reporting frameworks, or be developed by industry groups. Estimates of GWPs change over time as scientific research develops. Organizations may use the GWPs from *Assessment Reports* from the Intergovernmental Panel on Climate Change (IPCC). As the GWPs from the IPCC *Second Assessment Report* are used as the basis for international negotiations under the UN 'Kyoto Protocol', such rates may be used for disclosing GHG emissions where it does not conflict with national or regional reporting requirements. Organizations may also use the latest GWPs from the most recent IPCC *Assessment Report*. GWPs are expressed over a number of different time frames within the IPCC *Assessment Reports*. Organizations use the factors for the 100-year time span.

Further details and guidance for this Indicator are available in the WRI and WBCSD 'GHG Protocol Corporate Accounting and Reporting Standard' and in documents from the IPCC.

Definitions

See Glossary in *Implementation Manual*, p. 244

- [Base year](#)
- [Carbon dioxide equivalent](#)
- [Direct GHG emissions \(Scope 1\)](#)
- [Global warming potential \(GWP\)](#)

Documentation sources

Potential sources of information on direct (Scope 1) GHG emissions include part of the data reported in Indicator G4-EN3.

↓ G4-EN15 CONTINUED

References

- Carbon Disclosure Project (CDP), *Investor CDP Information Request*, updated annually.
- Intergovernmental Panel on Climate Change (IPCC), *Climate Change 1995: The Science of Climate Change, Contribution of Working Group I to the Second Assessment Report of the Intergovernmental Panel on Climate Change*, 1995.
- Intergovernmental Panel on Climate Change (IPCC), *Climate Change 2007: The Physical Science Basis, Contribution of Working Group I to the Fourth Assessment Report of the Intergovernmental Panel on Climate Change*, 2007.
- United Nations (UN) Protocol, 'Kyoto Protocol to the United Nations Framework Convention on Climate Change', 1997.
- World Resources Institute (WRI) and World Business Council for Sustainable Development (WBCSD), 'GHG Protocol Corporate Accounting and Reporting Standard', Revised Edition, 2004.
- World Resources Institute (WRI) and World Business Council for Sustainable Development (WBCSD), 'Greenhouse Gas Protocol Accounting Notes, No. 1, Accounting and Reporting Standard Amendment', 2012.

G4-EN16

ENERGY INDIRECT GREENHOUSE GAS (GHG) EMISSIONS (SCOPE 2)

- Report gross energy indirect (Scope 2) GHG emissions in metric tons of CO₂ equivalent, independent of any GHG trades, such as purchases, sales, or transfers of offsets or allowances.
- Report gases included in the calculation, if available.
- Report the chosen base year, the rationale for choosing the base year, emissions in the base year, and the context for any significant changes in emissions that triggered recalculations of base year emissions.
- Report standards, methodologies, and assumptions used.
- Report the source of the emission factors used and the global warming potential (GWP) rates used or a reference to the GWP source, if available.
- Report the chosen consolidation approach for emissions (equity share, financial control, operational control).

GUIDANCE**Relevance**

This Indicator covers the disclosure of energy indirect (Scope 2) GHG emissions, in CO₂ equivalents, of the GHGs covered by the UN 'Kyoto Protocol' and the WRI and WBCSD 'GHG Protocol Corporate Accounting and Reporting Standard'.

GHG emissions are a major contributor to climate change and are governed by the UN 'United Nations Framework Convention on Climate Change'¹⁰⁰ and the subsequent UN 'Kyoto Protocol'. Some GHGs, including methane (CH₄), are also air pollutants that have significant adverse impacts on ecosystems, air quality, agriculture, and human and animal health. As a result, different national and international regulations and incentive systems (such as tradable emission permits) aim to control the volume, and reward the reduction of GHG emissions.

An organization's energy indirect (Scope 2) GHG emissions result from the generation of the electricity, heating, cooling, and steam which it purchased from other organizations for its own consumption.

For many organizations the energy indirect (Scope 2) GHG emissions that result from the generation of purchased electricity are much greater than their direct GHG emissions.

This Indicator may be used in combination with Indicators G4-EN15 (Scope 1 emissions) and G4-EN17 (Scope 3 emissions) to report an organization's total GHG emissions. The combination of direct and indirect emissions provides insights into the cost implications of taxation or trading systems. It also provides insight into an organization's environmental footprint and performance.

Compilation

Identify indirect emissions of GHGs that result from the generation of the electricity, heating, cooling, and steam which is purchased or acquired for own consumption by the organization.

Exclude other indirect (Scope 3) emissions. These other indirect (Scope 3) emissions are reported in Indicator G4-EN17.

Calculate the gross energy indirect GHG emissions that result from the generation of purchased electricity, heating, cooling, and steam. Exclude any GHG trades, such as purchases, sales, or transfers of offsets or allowances.

Select a consistent consolidation approach for emissions, and apply it to calculate the gross energy indirect (Scope 2) GHG emissions. When possible, select an approach that is consistent with the approach used in Indicator G4-EN15. Organizations may select the equity share, financial control, or operational control methods outlined in the WRI and WBCSD 'GHG Protocol Corporate Accounting and Reporting Standard'.

Select and report a base year for which emissions data are available, and specify the reasons for selecting that particular year.

Organizations are expected to report standards, methodologies, and assumptions used to calculate and measure emissions, with a reference to the calculation tools used. Organizations subject to different standards and methodologies should describe the approach to selecting them.

↓ G4-EN16 CONTINUED

Organizations may further disaggregate energy indirect (Scope 2) GHG emissions data where this aids transparency or comparability over time. For example, they may disaggregate data by:

- Business unit or facility
- Country
- Source type (electricity, heating, cooling, and steam)
- Activity type

For recalculations of prior year emissions, organizations may follow the approach in the WRI and WBCSD 'GHG Protocol Corporate Accounting and Reporting Standard'.

When possible, organizations apply emission factors and GWP rates consistently for the data reported under the Emissions Aspect. Emission factors may originate from mandatory reporting requirements, voluntary reporting frameworks, or be developed by industry groups. Estimates of GWPs change over time as scientific research develops. Organizations may use the GWPs from *Assessment Reports* from the Intergovernmental Panel on Climate Change (IPCC). As the GWPs from the *Second Assessment Report* are used as the basis for international negotiations under the UN 'Kyoto Protocol', such rates may be used for disclosing GHG emissions where it does not conflict with national or regional reporting requirements. Organizations may also use the latest GWPs from the most recent IPCC *Assessment Report*. GWPs are expressed over a number of different time frames within the IPCC *Assessment Reports*. Organizations use the factors for the 100-year time span.

Definitions

See Glossary in *Implementation Manual*, p. 244

- [Base year](#)
- [Carbon dioxide equivalent](#)
- [Energy indirect \(Scope 2\) GHG emissions](#)
- [Global warming potential \(GWP\)](#)

Documentation sources

Potential sources of information on energy indirect (Scope 2) emissions include electricity, heating, cooling, and steam consumption reported in Indicator G4-EN3.

References

- Carbon Disclosure Project (CDP), *Investor CDP Information Request*, updated annually.
- Intergovernmental Panel on Climate Change (IPCC), *Climate Change 1995: The Science of Climate Change, Contribution of Working Group I to the Second Assessment Report of the Intergovernmental Panel on Climate Change*, 1995.
- Intergovernmental Panel on Climate Change (IPCC), *Climate Change 2007: The Physical Science Basis, Contribution of Working Group I to the Fourth Assessment Report of the Intergovernmental Panel on Climate Change*, 2007.
- United Nations (UN) Protocol, 'Kyoto Protocol to the United Nations Framework Convention on Climate Change', 1997.
- World Resources Institute (WRI) and World Business Council for Sustainable Development (WBCSD), 'GHG Protocol Corporate Accounting and Reporting Standard', Revised Edition, 2004.

G4-EN17

OTHER INDIRECT GREENHOUSE GAS (GHG) EMISSIONS (SCOPE 3)

- Report gross other indirect (Scope 3) GHG emissions in metric tons of CO₂ equivalent, excluding indirect emissions from the generation of purchased or acquired electricity, heating, cooling, and steam consumed by the organization (these indirect emissions are reported in Indicator G4-EN16). Exclude any GHG trades, such as purchases, sales, or transfers of offsets or allowances.
- Report gases included in the calculation, if available.
- Report biogenic CO₂ emissions in metric tons of CO₂ equivalent separately from the gross other indirect (Scope 3) GHG emissions.
- Report other indirect (Scope 3) emissions categories and activities included in the calculation.
- Report the chosen base year, the rationale for choosing the base year, emissions in the base year, and the context for any significant changes in emissions that triggered recalculations of base year emissions.
- Report standards, methodologies, and assumptions used.
- Report the source of the emission factors used and the global warming potential (GWP) rates used or a reference to the GWP source, if available.

GUIDANCE**Relevance**

GHG emissions are a major contributor to climate change and are governed by the UN 'United Nations Framework Convention on Climate Change'¹⁰⁰ and the subsequent UN 'Kyoto Protocol'. Some GHGs, including methane (CH₄), are also air pollutants that have significant adverse impacts on ecosystems, air quality, agriculture, and human and animal health.

For some organizations, GHG emissions from outside of the organization, or resulting from the use of their products, are much greater than their direct (Scope 1) GHG emissions or energy indirect (Scope 2) GHG emissions. Measuring and communicating efforts to reduce other indirect (Scope 3) emissions can demonstrate leadership in combating climate change.

Other indirect (Scope 3) emissions are a consequence of the activities of the organization, but occur from sources not owned or controlled by the organization. Some examples of Scope 3 activities are the extraction and production of purchased materials; the transportation of purchased fuels in vehicles not owned or controlled by the organization; and the end use of products and services.

In the Guidelines, the reporting of GHG emissions is based on the reporting requirements of the 'GHG Protocol Corporate Accounting and Reporting Standard'¹³⁰ and the 'GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting

Standard' provided by the World Resources Institute (WRI) and the World Business Council for Sustainable Development (WBCSD).

This Indicator may be used in combination with Indicators G4-EN15 (Scope 1 emissions) and G4-EN16 (Scope 2 emissions) to report an organization's total GHG emissions.

Compilation

This Indicator covers the disclosure of the other indirect (Scope 3) emissions, in CO₂ equivalents, of the GHGs covered by the UN 'Kyoto Protocol' and the WRI and WBCSD 'GHG Protocol Corporate Accounting and Reporting Standard'¹³⁰:

- Carbon dioxide (CO₂)
- Methane (CH₄)
- Nitrous oxide (N₂O)
- Hydrofluorocarbons (HFCs)
- Perfluorocarbons (PFCs)
- Sulphur hexafluoride (SF₆)
- Nitrogen trifluoride (NF₃)

Identify the indirect emissions that occur outside of the organization that are not reported under Indicator G4-EN16. This includes both upstream and downstream emissions. Indirect emissions may also come from the organization's waste decomposing processes, process-related emissions during the manufacturing of purchased goods, and fugitive emissions in facilities not owned or controlled by the organization.

↓ G4-EN17 CONTINUED

Assess which of the organization's activities cause indirect emissions, and calculate the amounts involved.

When deciding the relevance of these activities, consider whether the activity's emissions:

- Contribute significantly to the organization's total anticipated Scope 3 emissions
- Offer potential for reductions that could be undertaken or influenced by the organization
- Contribute to the organization's exposure to climate change-related risks such as financial, regulatory, supply chain, product and customer, litigation, and reputational risks
- Are deemed material by key stakeholders (such as customers, suppliers, investors, or civil society)
- Result from outsourced activities which were previously performed in-house, or activities that are typically performed in-house by other organizations in the same sector
- Have been identified as significant in sector-specific guidance
- Meet any additional criteria for determining relevance, developed by the organization or by organizations in its sector

When reporting emissions for this Indicator, organizations may disaggregate data by the following categories and activities:

Upstream

1. Purchased goods and services
2. Capital goods
3. Fuel- and energy-related activities (those that are not included in Scope 1 or Scope 2 emissions)
4. Upstream transportation and distribution
5. Waste generated in operations
6. Business travel
7. Employee commuting
8. Upstream leased assets
- Other upstream

Downstream

9. Downstream transportation and distribution
10. Processing of sold products
11. Use of sold products
12. End of life treatment of sold products
13. Downstream leased assets
14. Franchises
15. Investments
- Other downstream

For each category and activity above, provide a figure in CO₂ equivalent or an explanation of why certain data are not included.

The upstream/downstream categories and activities including their numbering correspond to the categories and activities documented in the WRI and WBCSD 'GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard'. The numbering has been maintained consistent for the ease of reference between G4 and the WRI and WBCSD 'GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard'.

Organizations may report biogenic CO₂ emissions; however, such emissions are expected to be reported separately and not added to the total other indirect (Scope 3) emissions. These emissions refer to CO₂ emissions from combustion or biodegradation of biomass only, not to emissions of any other GHGs (such as CH₄ and N₂O), or to any GHG emissions that occur in the life cycle of biomass other than from combustion or biodegradation (such as GHG emissions from processing or transporting biomass).

Organizations may further disaggregate other indirect (Scope 3) emissions data where this aids transparency or comparability over time. For example, they may disaggregate data by:

- Business unit or facility
- Country
- Source type
- Activity type

Organizations are expected to choose and report a base year for which emissions data are available, and specify their reasons for choosing that particular year. For recalculations of prior year emissions, organizations may follow the approach in the WRI and WBCSD 'GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard'.

Organizations are expected to report standards, methodologies, and assumptions used to calculate and measure emissions, with a reference to the calculation tools used. Organizations subject to different standards and methodologies should describe the approach to selecting them.

Where possible, organizations are expected to apply emission factors and GWP rates consistently for the data reported under the Emissions Aspect. Emission factors may originate from mandatory reporting requirements, voluntary reporting frameworks, or be developed by industry groups. Estimates of GWPs change over time as scientific research develops. Organizations may use the GWPs from *Assessment Reports* from the Intergovernmental Panel on Climate Change (IPCC). As the GWPs from the *Second Assessment Report* are used as the basis for international negotiations under the UN 'Kyoto

↓ G4-EN17 CONTINUED

Protocol', such rates may be used for disclosing GHG emissions where it does not conflict with national or regional reporting requirements. Organizations may also use the latest GWPs from the most recent IPCC *Assessment Report*. GWPs are expressed over a number of different time frames within the IPCC *Assessment Reports*. Organizations should use the factors for the 100-year time span.

Further details on the compilation of this Indicator are available in the WRI and WBCSD 'GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard'.

Definitions

See Glossary in *Implementation Manual*, p. 244

- [Base year](#)
- [Carbon dioxide equivalent](#)
- [Global warming potential \(GWP\)](#)
- [Other indirect GHG emissions \(Scope 3\)](#)

Documentation sources

Potential sources of information on other indirect (Scope 3) emissions include the energy consumption outside of the organization reported in Indicator G4-EN4. Other potential sources of information include those provided by 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

- British Standards Institution (BSI), *Assessing the Life-Cycle Greenhouse Gas Emissions of Goods and Services PAS 2050*, 2011.
- Carbon Disclosure Project (CDP), *Investor CDP Information Request*, updated annually.
- Intergovernmental Panel on Climate Change (IPCC), *Climate Change 1995: The Science of Climate Change, Contribution of Working Group I to the Second Assessment Report of the Intergovernmental Panel on Climate Change*, 1995.
- Intergovernmental Panel on Climate Change (IPCC), *Climate Change 2007: The Physical Science Basis, Contribution of Working Group I to the Fourth Assessment Report of the Intergovernmental Panel on Climate Change*, 2007.
- United Nations (UN) Protocol, 'Kyoto Protocol to the United Nations Framework Convention on Climate Change', 1997.
- World Resources Institute (WRI) and World Business Council for Sustainable Development (WBCSD), 'GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard', 2011.
- World Resources Institute (WRI) and World Business Council for Sustainable Development (WBCSD), 'GHG Protocol Product Life Cycle Accounting and Reporting Standard', 2011.
- World Resources Institute (WRI) and World Business Council for Sustainable Development (WBCSD), 'Greenhouse Gas Protocol Accounting Notes, No. 1, Accounting and Reporting Standard Amendment', 2012.

G4-EN18

GREENHOUSE GAS (GHG) EMISSIONS INTENSITY

- Report the GHG emissions intensity ratio.
- Report the organization-specific metric (the ratio denominator) chosen to calculate the ratio.
- Report the types of GHG emissions included in the intensity ratio: direct (Scope 1), energy indirect (Scope 2), other indirect (Scope 3).
- Report gases included in the calculation.

GUIDANCE**Relevance**

Intensity ratio defines an organization's GHG emissions in the context of an organization-specific metric. Intensity is calculated by dividing the absolute emissions (the numerator) by an organization-specific metric (the denominator).

GHG emissions intensity expresses the GHG emissions per unit of activity, output, or any other organization-specific metric. Many organizations track environmental performance with intensity ratios. Intensity ratios are often called normalized environmental impact data.

Intensity ratios may include but are not limited to:

- Product emission intensity (such as metric tons of CO₂ emissions per unit produced)
- Service intensity (such as metric tons of CO₂ emissions per function or per service)
- Sales intensity (such as metric tons of CO₂ emissions per sales)

In combination with an organization's absolute GHG emissions, disclosed in Indicators G4-EN15, G4-EN16, and G4-EN17, GHG emissions intensity helps to contextualize the organization's efficiency, including in relation to other organizations.

Compilation

Select an appropriate ratio denominator to represent the per-unit output, activity, or any other organization-specific metric. This may include but is not limited to:

- Units of product
- Production volume (metric ton, liter, MWh)
- Size (m² floor space)
- Number of full-time employees
- Monetary units (revenue, sales)

Organizations may report several GHG emissions intensity ratios where this aids transparency or comparability. For example, they may calculate separate ratios by:

- Business unit or facility
- Country
- Source type
- Activity type

Intensity is calculated by dividing the absolute emissions (the numerator) by the organization-specific metric (the denominator).

If reporting combined direct (Scope 1) and indirect (Scope 2) intensity ratios, add together the figures reported in Indicators G4-EN15 and G4-EN16 to determine the total absolute amount of GHG emissions. Alternatively, use the GHG emissions figures reported in Indicators G4-EN15 and G4-EN16 separately.

Organizations may report the other indirect (Scope 3) GHG emissions intensity ratio with this Indicator; however, this ratio is expected to be presented separately, and not combined with the direct (Scope 1) or energy indirect (Scope 2) intensity ratios.

Documentation sources

Potential sources of information for the numerator include invoices, measurements or calculations, or estimations. Potential sources of information for the denominator include sector and country level guidance on GHG emissions reporting.

References

- Carbon Disclosure Project (CDP), *Investor CDP Information Request*, updated annually.
- World Resources Institute (WRI) and World Business Council for Sustainable Development (WBCSD), 'GHG Protocol Corporate Accounting and Reporting Standard', Revised Edition, 2004.
- World Resources Institute (WRI) and World Business Council for Sustainable Development (WBCSD), 'Greenhouse Gas Protocol Accounting Notes, No. 1, Accounting and Reporting Standard Amendment', 2012.

G4-EN19

REDUCTION OF GREENHOUSE GAS (GHG) EMISSIONS

- a. Report the amount of GHG emissions reductions achieved as a direct result of initiatives to reduce emissions, in metric tons of CO₂ equivalent.
- b. Report gases included in the calculation (whether CO₂, CH₄, N₂O, HFCs, PFCs, SF₆, NF₃, or all).
- c. Report the chosen base year or baseline and the rationale for choosing it.
- d. Report standards, methodologies, and assumptions used.
- e. Report whether the reductions in GHG emissions occurred in direct (Scope 1), energy indirect (Scope 2), other indirect (Scope 3) emissions.

GUIDANCE

Relevance

GHG emissions are a major contributor to climate change and are governed by the UN ‘United Nations Framework Convention on Climate Change’¹⁰⁰ and the subsequent UN ‘Kyoto Protocol’. As a result, different national and international regulations and incentive systems (such as tradable emission permits) aim to control the volume, and reward the reduction of GHG emissions.

This Indicator may be used in combination with Indicators G4-EN15, G4-EN16, and G4-EN17 to monitor the reduction of GHG emissions with reference to the organization’s targets, or to regulations and trading systems at international or national levels.

Compilation

Identify initiatives that have been implemented which have reduced the generation of GHG emissions.

Initiatives may include but are not limited to:

- Process redesign
- Conversion and retrofitting of equipment
- Fuel switching
- Changes in employee behavior
- Offsets

Organizations with many initiatives for reducing GHG emissions may prioritize reporting the initiatives that were implemented in the reporting period, and that have the potential to contribute significantly to reducing emissions. Initiatives and their reduction targets may be described in the DMA for the Emissions Aspect.

Organizations may choose to report reductions disaggregated by initiatives or groups of initiatives.

Report the GHG emissions reductions separately for direct (Scope 1), energy indirect (Scope 2), and other indirect (Scope 3) emissions. Reductions in emissions that result from reduced production capacity or outsourcing are not included in this Indicator.

Reductions from offsets should be reported separately from other reductions.

Organizations may choose to use either inventory or project method for accounting for emissions reductions. Inventory method compares emissions reductions to a base year while project method compares emissions reductions to a baseline. Further details on the inventory and project reduction accounting methods are available in the WRI and WBCSD ‘GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard’ and WRI and WBCSD ‘GHG Protocol for Project Accounting’.

Organizations are expected to report standards, methodologies, and assumptions used to calculate and measure reduction of GHG emissions, with a reference to the calculation tools used. Organizations subject to different standards and methodologies should describe the approach to selecting them.

Definitions

See Glossary in *Implementation Manual*, p. 244

- Base year
- Baseline
- GHG reductions

↓ G4-EN19 CONTINUED

Documentation sources

Potential information sources include the data reported in Indicators G4-EN15, G4-EN16, and G4-EN17, from emissions measurements, from estimates, or calculated from accounting data. Information on initiatives is likely to be maintained by the parties responsible for environmental management, such as energy or facilities managers.

References

- Carbon Disclosure Project (CDP), *Investor CDP Information Request*, updated annually.
- United Nations (UN) Protocol, 'Kyoto Protocol to the United Nations Framework Convention on Climate Change', 1997.
- World Resources Institute (WRI) and World Business Council for Sustainable Development (WBCSD), 'GHG Protocol Corporate Accounting and Reporting Standard', Revised Edition, 2004.
- World Resources Institute (WRI) and World Business Council for Sustainable Development (WBCSD), 'GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard', 2011.
- World Resources Institute (WRI) and World Business Council for Sustainable Development (WBCSD), 'GHG Protocol for Project Accounting', 2005.
- World Resources Institute (WRI) and World Business Council for Sustainable Development (WBCSD), 'Greenhouse Gas Protocol Accounting Notes, No. 1, Accounting and Reporting Standard Amendment', 2012.

G4-EN20

EMISSIONS OF OZONE-DEPLETING SUBSTANCES (ODS)

- Report production, imports, and exports of ODS in metric tons of CFC-11 equivalent.
- Report substances included in the calculation.
- Report standards, methodologies, and assumptions used.
- Report the source of the emission factors used.

GUIDANCE**Relevance**

The ozone layer filters out most of the sun's biologically harmful ultraviolet (UV-B) radiation. Observed and projected ozone depletion due to ODS generates worldwide concern. The UNEP 'Montreal Protocol on Substances that Deplete the Ozone Layer' regulates the phase-out of ODS internationally.

Measuring ODS production, imports, and exports enables an assessment of how well an organization complies with legislation and manages its risks. This is particularly relevant for organizations that produce or use ODS in their processes, products and services and must now transition to new technologies to comply with phase-out commitments. The organization's results on ODS phase-out help to indicate its level of technology leadership, and its competitive position in markets for products and services affected by ODS rules.

Compilation

This Indicator covers the production, import, and export of substances covered in Annexes A, B, C, and E of the UNEP 'Montreal Protocol on Substances that Deplete the Ozone Layer' as well as any other ODS produced, imported, or exported by the organization.

Identify ODS produced, imported, or exported by the organization.

Calculate the production of ODS as the amount of ODS produced, minus the amount destroyed by approved technologies and minus the amount entirely used as feedstock in the manufacture of other chemicals. Exclude ODS recycled and reused.

Organizations may further disaggregate ODS data where this aids transparency or comparability over time. For example, they may disaggregate data by:

- Business unit or facility
- Country

- Source type
- Activity type

Organizations may report ODS data for the relevant substances separately or together.

Organizations are expected to report standards, methodologies, and assumptions used to calculate and measure ODS data, with a reference to the calculation tools used. Organizations subject to different standards and methodologies should describe the approach to selecting them.

Definitions

See Glossary in *Implementation Manual*, p. 244

- CFC-11 equivalent
- Ozone-depleting substance (ODS)

Documentation sources

Potential sources of information include emissions measurements, calculations from accounting data and defaults, or estimations.

References

- Intergovernmental Panel on Climate Change (IPCC), *Climate Change 1995: The Science of Climate Change, Contribution of Working Group I to the Second Assessment Report of the Intergovernmental Panel on Climate Change*, 1995.
- Intergovernmental Panel on Climate Change (IPCC), *Climate Change 2007: The Physical Science Basis, Contribution of Working Group I to the Fourth Assessment Report of the Intergovernmental Panel on Climate Change*, 2007.
- United Nations Environment Programme (UNEP), 'Montreal Protocol on Substances that Deplete the Ozone Layer', 1987.
- United Nations Environment Programme (UNEP), *Standards and Codes of Practice to Eliminate Dependency on Halons - Handbook of Good Practices in the Halon Sector*, 2001.

G4-EN21

NO_x, SO_x, AND OTHER SIGNIFICANT AIR EMISSIONS

- a. Report the amount of significant air emissions, in kilograms or multiples for each of the following:
 - NO_x
 - SO_x
 - Persistent organic pollutants (POP)
 - Volatile organic compounds (VOC)
 - Hazardous air pollutants (HAP)
 - Particulate matter (PM)
 - Other standard categories of air emissions identified in relevant regulations
- b. Report standards, methodologies, and assumptions used.
- c. Report the source of the emission factors used.

GUIDANCE**Relevance**

Air pollutants have adverse effects on climate, ecosystems, air quality, habitats, agriculture, and human and animal health. Deterioration of air quality, acidification, forest degradation, and public health concerns have 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 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.

This Indicator can also measure the scale of the organization's air emissions and demonstrate the relative size and importance of these emissions compared with those of other organizations.

Compilation

Identify significant air pollutants emitted by the organization and sources of significant air emissions release to the environment.

Using the air pollutants and their sources identified above, calculate the amount of significant air emissions released to the environment.

Organizations are expected to report standards, methodologies, and assumptions used to calculate and

measure air emissions, with a reference to the calculation tools used. Organizations subject to different standards and methodologies should describe the approach to selecting them. Since calculating certain air emissions (such as NO_x) requires complex quantification efforts, indicate the methodology used for calculations, selecting one of the following approaches:

- Direct measurement of emissions (such as online analyzers)
- Calculation based on site-specific data
- Calculation based on published emission factors
- Estimation (if estimations are used due to a lack of default figures, indicate the basis on which figures were estimated)

Organizations may further disaggregate air emissions data where this aids transparency or comparability over time. For example, they may disaggregate data by:

- Business unit or facility
- Country
- Source type
- Activity type

Definitions

See Glossary in *Implementation Manual*, p. 244

- [Significant air emissions](#)

Documentation sources

Potential sources of information include emissions measurements, calculations from accounting data and defaults, or estimations.

↓ G4-EN21 CONTINUED

References

- United Nations Economic Commission for Europe (UNECE) Convention, 'Geneva Protocol concerning the Control of Emissions of Volatile Organic Compounds or their Transboundary Fluxes', 1991.
- United Nations Economic Commission for Europe (UNECE) Convention, 'Gothenburg Protocol to Abate Acidification, Eutrophication and Ground-level Ozone', 1999.
- United Nations Economic Commission for Europe (UNECE) Convention, 'Helsinki Protocol on the Reduction of Sulphur Emissions or their Transboundary Fluxes', 1985.
- United Nations Economic Commission for Europe (UNECE) Convention, 'Sofia Protocol concerning the Control of Emissions of Nitrogen Oxides or their Transboundary Fluxes', 1988.
- United Nations Environment Programme (UNEP) Convention, 'Stockholm Convention on Persistent Organic Pollutants (POPs)', Annex A, B, and C, 2009.

Aspect: Effluents and Waste

If this Aspect has been identified as material, the Guidelines make the following Standard Disclosures and Guidance available:

Overview*

DISCLOSURES ON MANAGEMENT APPROACH

G4-DMA

Guidance pp. 64-65

INDICATORS

G4-EN22

Total water discharge by quality and destination

Guidance p. 122

G4-EN23

Total weight of waste by type and disposal method

Guidance p. 123

G4-EN24

Total number and volume of significant spills

Guidance p. 124

G4-EN25

Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention² Annex I, II, III, and VIII, and percentage of transported waste shipped internationally

Guidance p. 125

G4-EN26

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

Guidance p. 126

*All page numbers in this overview refer to the *Implementation Manual*.

References

- Basel Convention, 'Ban Amendment to the Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and their Disposal', 1995.
- International Maritime Organization (IMO) Convention, 'Convention on the Prevention of Marine Pollution by Dumping of Wastes and Other Matter' (London Convention), 1972.
- International Maritime Organization (IMO) Convention, 'International Convention for the Prevention of Pollution from Ships (Marpol)', 1973, as modified by the Protocol of 1978.
- Ramsar Convention, 'The Convention on Wetlands of International Importance especially as Waterfowl Habitat', 1994.

Indicators

G4-EN22

TOTAL WATER DISCHARGE BY QUALITY AND DESTINATION

- a. Report the total volume of planned and unplanned water discharges by:
 - Destination
 - Quality of the water including treatment method
 - Whether it was reused by another organization
- b. Report standards, methodologies, and assumptions used.

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 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.

Compilation

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 G4-EN8.

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) or Total Suspended Solids (TSS). The specific choice of quality parameters will vary depending on the organization's products, services, and operations.

The selection of parameters is to be consistent with those used in the organization's sector.

Water quality metrics may vary depending on national or regional regulations.

Definitions

See Glossary in *Implementation Manual*, p. 244

- [Total water discharge](#)

Documentation sources

Potential sources of information 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.

G4-EN23

TOTAL WEIGHT OF WASTE BY TYPE AND DISPOSAL METHOD

a. Report the total weight of hazardous and non-hazardous waste, by the following disposal methods:

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

b. Report how the waste disposal method has been determined:

- Disposed of directly by the organization or otherwise directly confirmed
- Information provided by the waste disposal contractor
- Organizational defaults of the waste disposal contractor

GUIDANCE**Relevance**

Data on waste generation figures over several years indicates the level of progress the organization has made toward waste reduction efforts. It also indicates 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.

Compilation

Identify the weight of waste created by the organization's operations, categorized as:

- Hazardous waste (as defined by national legislation at the point of generation)
- 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.

Definitions

See Glossary in *Implementation Manual*, p. 244

- [Waste disposal method](#)

Documentation sources

Potential sources of information include external waste audits by providers of disposal services or waste balance sheets from these providers, as well as the organization's internal billing and accounting systems, and the procurement or supply management department.

G4-EN24

TOTAL NUMBER AND VOLUME OF SIGNIFICANT SPILLS

- a. Report the total number and total volume of recorded significant spills.
- b. 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
 - 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)
 - Other (to be specified by the organization)
- c. 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.

Compilation

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

- Location of spill
- Volume of spill
- 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)
 - Other (to be specified by the organization)

Definitions

See Glossary in *Implementation Manual*, p. 244

- Significant spill
- Spill

Documentation sources

Potential sources of information regarding spills of fuel, oils, and chemicals may include internal records within an existing environmental management system, as well as official statements made to or by the relevant environmental regulatory agency.

G4-EN25

WEIGHT OF TRANSPORTED, IMPORTED, EXPORTED, OR TREATED WASTE DEEMED HAZARDOUS UNDER THE TERMS OF THE BASEL CONVENTION² ANNEX I, II, III, AND VIII, AND PERCENTAGE OF TRANSPORTED WASTE SHIPPED INTERNATIONALLY

- a. Report the total weight for each of the following:
 - Hazardous waste transported
 - Hazardous waste imported
 - Hazardous waste exported
 - Hazardous waste treated
- b. 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.

Compilation

Identify hazardous waste 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:

$$\begin{aligned}
 &\text{Total weight of hazardous waste transported} \\
 &\quad \text{by destination} \\
 &= \\
 &\quad \text{Weight of hazardous waste transported to the} \\
 &\quad \text{organization by destination from external} \\
 &\quad \text{sources/suppliers not owned by the organization} \\
 &\quad + \\
 &\quad \text{Weight of hazardous waste transported from the} \\
 &\quad \text{organization by destination to external} \\
 &\quad \text{sources/suppliers not owned by the organization} \\
 &\quad + \\
 &\quad \text{Weight of hazardous waste transported nationally and} \\
 &\quad \text{internationally by destination between locations owned,} \\
 &\quad \text{leased, or managed by the organization}
 \end{aligned}$$

Identify the total weight of hazardous waste transported across international borders and which enters the boundaries of the organization, by destination. Waste transported between different locations of the organization is not counted as imported.

Identify the proportion of the total amount of transported hazardous waste by destination that is transported from the organization to locations abroad. Include all wastes that leave the boundaries of the organization to cross international borders, excluding transportation between different locations of the organization.

Identify the portion of the total amount of transported and exported waste by destination that the organization has treated.

Identify the portion of the total amount of waste by destination that is treated by external sources/suppliers, that has been transported, exported, or imported by the organization.

Convert volumes to an estimate of weight with a brief explanation of the methodology used.

Documentation sources

Potential sources of information 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.

G4-EN26

IDENTITY, SIZE, PROTECTED STATUS, AND BIODIVERSITY VALUE OF WATER BODIES AND RELATED HABITATS SIGNIFICANTLY AFFECTED BY THE ORGANIZATION'S DISCHARGES OF WATER AND RUNOFF

- a. Report water bodies and related habitats that are significantly affected by water discharges based on the criteria described in the Compilation section below, adding information on:
- Size of water body and related habitat
 - Whether the water body and related habitat is designated as a protected area (nationally or internationally)
 - Biodiversity value (such as total number of protected species)

GUIDANCE

Relevance

This Indicator is a qualitative counterpart to quantitative Indicators of water discharge and 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 such as community concerns and limited water resources.

Compilation

Identify water bodies significantly affected by the organization's water discharges that meet one or 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 (such as 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)

- Any discharge to a wetland listed in the Ramsar Convention⁷⁸ 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 (such as species diversity and endemism, total number of protected species)
- The water source has been identified as having a high value or importance to local communities

Documentation sources

Information on the status of a water source or protected area may 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

- International Union for Conservation of Nature (IUCN), Red List of Threatened Species, <http://www.iucnredlist.org/>, accessed on 1 May 2013.

Aspect: Products and Services

If this Aspect has been identified as material, the Guidelines make the following Standard Disclosures and Guidance available:

Overview*

DISCLOSURES ON MANAGEMENT APPROACH



 Guidance pp. 64-65

INDICATORS



Extent of impact mitigation of environmental impacts of products and services

 Guidance p. 128



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

 Guidance p. 129

*All page numbers in this overview refer to the *Implementation Manual*.

Indicators

G4-EN27

EXTENT OF IMPACT MITIGATION OF ENVIRONMENTAL IMPACTS OF PRODUCTS AND SERVICES

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

GUIDANCE

Relevance

For some sectors, the impacts of products and services during their use phase (such as 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 or 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. Integrating environmental considerations into product and service design may help identify new business opportunities, differentiate products and services, and stimulate innovation in technology. This may also decrease the risk of incompatibility with future environmental legislation, as well as enhance reputation.

Compilation

The following impacts are excluded since they are covered in other Environmental Indicators:

- Reclaiming of products and product packaging (G4-EN28)
- Impacts on biodiversity (G4-EN12)

Identify the specific initiatives undertaken in the reporting period to mitigate the most significant environmental impacts of products and service groups in relation to:

- Materials use (such as use of non-renewable, energy-intensive, toxic materials)
- Water use (such as volumes used during production or use)
- Emissions (such as GHG, toxic, ozone-depleting emissions)
- Effluents (such as quality of water used during production or use)
- Noise
- Waste (such as non-reclaimable, toxic materials or compounds)

Identify the extent to which environmental impacts of products and services have been mitigated during the reporting period.

For example, when considering the water use of washing machine, consumption patterns or normalization factors may be expressed as using 10% less water use per 5kg of laundry.

Documentation sources

Potential sources of information include product lifecycle assessments (LCA) or documents related to product design, development, and testing.

G4-EN28

PERCENTAGE OF PRODUCTS SOLD AND THEIR PACKAGING MATERIALS THAT ARE RECLAIMED BY CATEGORY

- a. Report the percentage of reclaimed products and their packaging materials for each product category.
- b. 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 contributes 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 may be a particular source of competitive differentiation in sectors facing formal requirements to recycle products and their packaging materials.

Compilation

Identify the amount of products and their packaging materials reclaimed (that is, recycled or reused) at the end of their useful life within the reporting period. Do not count rejects and recalls of products. Report recycling or reuse of packaging separately.

To calculate the percentage of reclaimed products and their packaging materials of each product category, use the following formula:

$$\frac{\text{Percentage of reclaimed products and their packaging materials}}{\text{Products and their packaging materials reclaimed within the reporting period}} \times 100 = \frac{\text{Products sold within the reporting period}}{\text{Products sold within the reporting period}}$$

Definitions

See Glossary in *Implementation Manual*, p. 244

- Product category
- Reclaimed

Documentation sources

Potential sources of information include data gathered from an internal collection system or data provided by external collection systems reclaiming products on behalf of the organization.

Aspect: Compliance

If this Aspect has been identified as material, the Guidelines make the following Standard Disclosures and Guidance available:

Overview*

DISCLOSURES ON MANAGEMENT APPROACH



 Guidance pp. 64-65

INDICATORS



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

 Guidance p. 131

*All page numbers in this overview refer to the *Implementation Manual*.

Indicators

G4-EN29

MONETARY VALUE OF SIGNIFICANT FINES AND TOTAL NUMBER OF NON-MONETARY SANCTIONS FOR NON-COMPLIANCE WITH ENVIRONMENTAL LAWS AND REGULATIONS

- a. Report significant fines and non-monetary sanctions in terms of:
 - Total monetary value of significant fines
 - Total number of non-monetary sanctions
 - Cases brought through dispute resolution mechanisms
- b. Where organizations have not identified any non-compliance with laws or regulations, a brief statement of 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.

Compilation

Identify administrative or judicial sanctions for failure to comply with environmental laws and regulations, including, as a minimum:

- International declarations, conventions, and treaties, as well as national, sub-national, regional, and local regulations. Include non-compliances related to spills as disclosed under G4-EN24 that meet the criteria for G4-EN29

- 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'
- Cases brought against the organization through the use of international dispute mechanisms or national dispute mechanisms supervised by government authorities

Definitions

See Glossary in *Implementation Manual*, p. 244

- [Environmental laws and regulations](#)

Documentation sources

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.

Aspect: Transport

If this Aspect has been identified as material, the Guidelines make the following Standard Disclosures and Guidance available:

Overview*

DISCLOSURES ON MANAGEMENT APPROACH



 Guidance pp. 64-65

INDICATORS



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

 Guidance p. 133

*All page numbers in this overview refer to the *Implementation Manual*.

References

- United Nations (UN) Recommendation, 'Recommendations on the Transport of Dangerous Goods', 2001.

Indicators

G4-EN30

SIGNIFICANT ENVIRONMENTAL IMPACTS OF TRANSPORTING PRODUCTS AND OTHER GOODS AND MATERIALS FOR THE ORGANIZATION'S OPERATIONS, AND TRANSPORTING MEMBERS OF THE WORKFORCE

- Report the significant environmental impacts of transporting products and other goods and materials for the organization's operations, and transporting members of the workforce. Where quantitative data is not provided, report 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 may 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.

Compilation

Identify the significant environmental impacts of the modes of transportation used by the organization. The analysis includes, at a minimum:

- Energy use (such as oil, kerosene, fuel, electricity)
- Emissions (such as greenhouse gas emissions, ozone-depleting substances, NO_x, SO_x, and other air emissions)
- Effluents (such as different kinds of chemicals)
- Waste (such as different types of packaging material)

- Noise
- Spills (such as spills of chemicals, oils, and fuels)

Identify how the impacts of transporting products, members of the organization's workforce, and other goods and materials have been mitigated.

Definitions

See Glossary in *Implementation Manual*, p. 244

- Logistical purposes
- Transportation
- Transportation of the members of the organization's workforce

Documentation sources

Potential sources of information include invoices from logistical service providers and suppliers, reports from the logistics department, records of vehicle usage and maintenance, and monitoring or measurement conducted by, for example, the environment department.

Aspect: Overall

If this Aspect has been identified as material, the Guidelines make the following Standard Disclosures and Guidance available:

Overview*

DISCLOSURES ON MANAGEMENT APPROACH



 Guidance pp. 64-65

INDICATORS



Total environmental protection expenditures and investments by type

 Guidance p. 135

*All page numbers in this overview refer to the *Implementation Manual*.

References

- International Federation of Accountants (IFAC), *International Guidance Document: Environmental Management Accounting*, 2005.
- United Nations Division on Sustainable Development (UNSD), 'Environmental Management Accounting Procedures and Principles', 2001.

Indicators

G4-EN31

TOTAL ENVIRONMENTAL PROTECTION EXPENDITURES AND INVESTMENTS BY TYPE

- a. Report total environmental protection expenditures by:
- Waste disposal, emissions treatment, and remediation costs
 - 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, and remediation costs, as well as prevention and environmental management costs.

Compilation

Identify waste disposal, emissions treatment, and remediation costs based on expenditures which include, as a minimum:

- Treatment and disposal of waste
- Treatment of emissions (such as 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

- Clean-up costs, including costs for remediation of spills as reported in G4-EN24

Identify prevention and environmental management costs based on expenditures which include, as a minimum:

- Environmental education and training
- External services for environmental management
- External certification of management systems
- Research and development
- Extra expenditures to install cleaner technologies (such as additional cost beyond standard technologies)
- Extra expenditures on green purchases
- Other environmental management costs

The compilation of the expenditures in this Indicator exclude the following categories as defined in the IFAC *International Guidance Document on Environmental Management Accounting*²¹:

- Fines for non-compliance with environmental regulation (see G4-EN29)

Definitions

See Glossary in *Implementation Manual*, p. 244

- [Environmental protection expenditures](#)

Documentation sources

Potential sources of information include billing and accounting systems (such as Environmental Management Accounting), as well as procurement, human resource, and legal departments.

Aspect: Supplier Environmental Assessment

If this Aspect has been identified as material, the Guidelines make the following Standard Disclosures and Guidance available:

Overview*

DISCLOSURES ON MANAGEMENT APPROACH

G4-DMA

Guidance: **Generic DMA** pp. 64-65; **Aspect-specific** pp. 136-137

INDICATORS

G4-EN32

Percentage of new suppliers that were screened using environmental criteria

Guidance p. 138

G4-EN33

Significant actual and potential negative environmental impacts in the supply chain and actions taken

Guidance p. 139

*All page numbers in this overview refer to the *Implementation Manual*.

References

- United Nations (UN), 'Guiding Principles on Business and Human Rights, Implementing the United Nations "Protect, Respect and Remedy" Framework', 2011.
- United Nations (UN), *Protect, Respect and Remedy: a Framework for Business and Human Rights*, 2008.
- United Nations (UN), *Report of the Special Representative of the Secretary-General on the Issue of Human Rights and Transnational Corporations and Other Business Enterprises, John Ruggie*, 2011.

GUIDANCE - DISCLOSURES ON MANAGEMENT APPROACH

Aspect-specific Guidance for G4-DMA-b.

Describe the systems used to screen new suppliers using environmental criteria. List the environmental criteria used to screen new suppliers. Environmental criteria or environmental impact assessments may cover Aspects under the Environmental Category.

Describe processes used, such as due diligence, to identify and assess significant actual and potential negative environmental impacts in the supply chain. Negative impacts include those that are either caused or contributed to by the organization, or that are linked to its activities, products, or services by its relationship with a supplier.

Describe how the organization identifies and prioritizes suppliers for assessment of environmental impacts. Assessments may be informed by audits, contractual reviews, two-way engagement, and grievance and complaint mechanisms.

Describe actions taken to address the significant actual and potential negative environmental impacts identified in the supply chain. Explain if the actions are intended to prevent, mitigate, or remediate the impacts. Actions taken may include the adjustment of the organization's procurement practices, the adjustment of performance expectations, capacity building, training, changes to processes and terminating the relationship with a supplier.

Describe how expectations are established and defined in contracts with suppliers to promote the prevention, mitigation, and remediation of significant actual and potential negative environmental impacts (including targets and objectives).

Describe whether suppliers are incentivized and rewarded for the prevention, mitigation, and remediation of significant actual and potential negative environmental impacts.

↓ ASPECT-SPECIFIC G4-DMA-b CONTINUED

Describe practices for assessing and auditing suppliers and their products and services using environmental criteria.

List the type, system, scope, frequency, current implementation of assessment and audit, and which parts of the supply chain have been certified and audited. Assessments and audits of suppliers and their products and services using

environmental criteria may be undertaken by the organization, by a second party or by a third party.

Describe the systems in place to assess the potential negative impacts of terminating a relationship with a supplier as a result of environmental impact assessment, and the organization's strategy to mitigate these impacts.

Indicators

G4-EN32

PERCENTAGE OF NEW SUPPLIERS THAT WERE SCREENED USING ENVIRONMENTAL CRITERIA

a. Report the percentage of new suppliers that were screened using environmental criteria.

GUIDANCE

Relevance

This Indicator informs stakeholders about the percentage of suppliers selected or contracted subject to environmental due diligence processes. Due diligence should be initiated as early as possible in the development of a new relationship with a supplier.

Significant potential negative environmental impacts may be prevented or mitigated at the stage of structuring contracts or other agreements.

Compilation

Identify the total number of new suppliers that the organization considered selecting or contracting with.

Identify the total number of new suppliers that were screened using environmental criteria.

Environmental criteria may include Aspects under the Environmental Category.

Definitions

See Glossary in *Implementation Manual*, p. 244

- [Supplier](#)
- [Supplier screening](#)

Documentation sources

Potential sources of information include the organization's procurement, purchasing and legal departments.

G4-EN33

SIGNIFICANT ACTUAL AND POTENTIAL NEGATIVE ENVIRONMENTAL IMPACTS IN THE SUPPLY CHAIN AND ACTIONS TAKEN

- a. Report the number of suppliers subject to environmental impact assessments.
- b. Report the number of suppliers identified as having significant actual and potential negative environmental impacts.
- c. Report the significant actual and potential negative environmental impacts identified in the supply chain.
- d. Report the percentage of suppliers identified as having significant actual and potential negative environmental impacts with which improvements were agreed upon as a result of assessment.
- e. Report the percentage of suppliers identified as having significant actual and potential negative environmental impacts with which relationships were terminated as a result of assessment, and why.

GUIDANCE

Relevance

This Indicator informs stakeholders about an organization's awareness of significant actual and potential negative environmental impacts in the supply chain.

Processes to identify and assess significant actual and potential negative environmental impacts in the supply chain may enable an organization to address them.

Compilation

If it will provide appropriate context on significant impacts, organizations are encouraged to break down the information requested by this Indicator by the location of the supplier and the significant actual and potential negative environmental impact.

Negative impacts include those that are either caused or contributed to by the organization, or that are linked to its activities, products, or services by its relationship with a supplier.

Environmental impact assessments may include Aspects under the Environmental Category.

Assessments may be made against agreed performance expectations which were set and communicated to the suppliers prior to the assessment.

Assessments may be informed by audits, contractual reviews, two-way engagement, and grievance and complaint mechanisms.

Improvements may include the adjustment of the reporting organization's procurement practices, the adjustment of performance expectations, capacity building, training, and changes to processes.

Definitions

See Glossary in *Implementation Manual*, p. 244

- [Supplier](#)

Documentation sources

Potential sources of information include procurement, purchasing and legal departments.

Aspect: Environmental Grievance Mechanisms

If this Aspect has been identified as material, the Guidelines make the following Standard Disclosures and Guidance available:

Overview*

DISCLOSURES ON MANAGEMENT APPROACH

G4-DMA

Guidance: Generic DMA pp. 64-65; **Aspect-specific** p. 140

INDICATORS

G4-EN34

Number of grievances about environmental impacts filed, addressed, and resolved through formal grievance mechanisms

Guidance p. 141

*All page numbers in this overview refer to the *Implementation Manual*.

References

- United Nations (UN), 'Guiding Principles on Business and Human Rights, Implementing the United Nations "Protect, Respect and Remedy" Framework', 2011.
- United Nations (UN), *Protect, Respect and Remedy: a Framework for Business and Human Rights*, 2008.
- United Nations (UN), *Report of the Special Representative of the Secretary-General on the Issue of Human Rights and Transnational Corporations and Other Business Enterprises, John Ruggie*, 2011.

GUIDANCE - DISCLOSURES ON MANAGEMENT APPROACH

Aspect-specific Guidance for G4-DMA-b.

Describe the availability and accessibility of grievance mechanisms and remediation processes for environmental impacts, including along the organization's supply chain, and the involvement of stakeholders in monitoring their effectiveness. Stakeholders involved in monitoring the effectiveness of the organization's grievance mechanisms and remediation processes may include suppliers and local community and workers' representatives.

List the types of training on the availability and accessibility of grievance mechanisms and remediation processes.

Indicators

G4-EN34

NUMBER OF GRIEVANCES ABOUT ENVIRONMENTAL IMPACTS FILED, ADDRESSED, AND RESOLVED THROUGH FORMAL GRIEVANCE MECHANISMS

- a. Report the total number of grievances about environmental impacts filed through formal grievance mechanisms during the reporting period.
- b. Of the identified grievances, report how many were:
 - Addressed during the reporting period
 - Resolved during the reporting period
- c. Report the total number of grievances about environmental impacts filed prior to the reporting period that were resolved during the reporting period.

GUIDANCE

Relevance

Disputes may occur over the environmental impacts of an organization's activities and relationships with others (such as entities in the supply chain). Effective grievance mechanisms play an important role in remediating environmental impacts.

Compilation

Identify existing formal grievance mechanisms. Formal grievance mechanisms may be managed by the reporting organization or by an external party.

Identify the total number of grievances about environmental impacts filed through formal grievance mechanisms during the reporting period.

Identify the total number of grievances addressed or resolved during the reporting period from both current year and prior year grievance filings.

If it will provide appropriate context on significant impacts, organizations are encouraged to break down the number of grievances by the nature and location of the grievance, and the party that filed the grievance. Parties that filed the grievance may include:

- Internal stakeholders (such as employees)
- External stakeholders (such as suppliers, local communities)
- Individuals or groups of people identified by:
 - Membership of underrepresented social groups
 - Other indicators of diversity

Definitions

See Glossary in *Implementation Manual*, p. 244

- [Formal grievance mechanisms](#)

Documentation sources

Potential sources of information include the organization's legal, compliance, procurement, purchasing, and human resources departments.

CATEGORY: SOCIAL

Introduction

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

The Social Category includes the sub-Categories:

- Labor Practices and Decent Work
- Human Rights
- Society
- Product Responsibility

Most of the content in the sub-Categories is based on internationally recognized universal standards or other relevant international references.

SUB-CATEGORY: LABOR PRACTICES AND DECENT WORK

Introduction

The Aspects under the sub-Category of Labor Practices are based on internationally recognized universal standards, including:

- United Nations (UN) Declaration, 'Universal Declaration of Human Rights', 1948
- United Nations (UN) Convention, 'International Covenant on Civil and Political Rights', 1966
- United Nations (UN) Convention, 'International Covenant on Economic, Social, and Cultural Rights', 1966
- United Nations (UN) Convention, 'Convention on the Elimination of all Forms of Discrimination against Women (CEDAW)', 1979
- International Labour Organization (ILO) Declaration, 'Declaration on Fundamental Principles and Rights at Work', 1998 which builds upon the eight core Conventions of the ILO:
 - International Labour Organization (ILO) Convention 29, 'Forced Labour Convention', 1930
 - International Labour Organization (ILO) Convention 87, 'Freedom of Association and Protection of the Right to Organise Convention', 1948
 - International Labour Organization (ILO) Convention 98, 'Right to Organise and Collective Bargaining Convention', 1949
 - International Labour Organization (ILO) Convention 100, 'Equal Remuneration Convention', 1951
 - International Labour Organization (ILO) Convention 105, 'Abolition of Forced Labour Convention', 1957
 - International Labour Organization (ILO) Convention 111, 'Discrimination (Employment and Occupation) Convention', 1958
 - International Labour Organization (ILO) Convention 138, 'Minimum Age Convention', 1973
 - International Labour Organization (ILO) Convention 182, 'Worst Forms of Child Labour Convention', 1999
- United Nations (UN) Declaration, 'Vienna Declaration and Programme of Action', 1993

The Labor Practices Indicators also draw upon two instruments that address the social responsibilities of business enterprises:

- International Labour Organization (ILO), 'Tripartite Declaration of Principles Concerning Multinational Enterprises and Social Policy', 1977
- Organisation for Economic Co-operation and Development (OECD), *OECD Guidelines for Multinational Enterprises*, 2011

Linkages

OECD Guidelines for Multinational Enterprises

The Standard Disclosures under this sub-Category help to report on the implementation of Chapter V. Employment and Industrial Relations of the Organisation for Economic Co-operation and Development (OECD), *OECD Guidelines for Multinational Enterprises*, 2011.

United Nations Global Compact 'Ten Principles'

The Standard Disclosures under this sub-Category help to report on the implementation of Principle 6 of the United Nations Global Compact, 'Ten Principles', 2000.

Additional references

- International Labour Organization (ILO) Declaration, 'Declaration Concerning the Aims and Purposes of the International Labour Organization (Declaration of Philadelphia)', 1944.
- International Labour Organization (ILO) Declaration, 'Declaration of Social Justice for a Fair Globalization', 2008.
- International Labour Organization (ILO), 'Decent Work', 1999.
- United Nations (UN) Convention, 'International Convention on the Protection of the Rights of All Migrant Workers and Members of Their Families', 1990.
- United Nations (UN) Declaration, 'United Nations Millennium Declaration', 2000.

Aspect: Employment

If this Aspect has been identified as material, the Guidelines make the following Standard Disclosures and Guidance available:

Overview*

DISCLOSURES ON MANAGEMENT APPROACH

G4-DMA

Guidance: Generic DMA pp. 64-65; **Aspect-specific** pp. 144-145

INDICATORS

G4-LA1

Total number and rates of new employee hires and employee turnover by age group, gender, and region

Guidance p. 146

G4-LA2

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

Guidance p. 147

G4-LA3

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

Guidance p. 148

*All page numbers in this overview refer to the *Implementation Manual*.

References

- International Labour Organization (ILO) Convention 102, 'Social Security (Minimum Standards) Convention', 1952.
- International Labour Organization (ILO) Convention 121, 'Employment Injury Benefits Convention', 1964.
- International Labour Organization (ILO) Convention 128, 'Invalidity, Old-Age and Survivors' Benefits Convention', 1967.
- International Labour Organization (ILO) Convention 130, 'Medical Care and Sickness Benefits Convention', 1969.
- International Labour Organization (ILO) Convention 132, 'Holidays with Pay Convention (Revised)', 1970.
- International Labour Organization (ILO) Convention 140, 'Paid Educational Leave Convention', 1974.
- International Labour Organization (ILO) Convention 156, 'Workers with Family Responsibilities Convention', 1981.
- International Labour Organization (ILO) Convention 157, 'Maintenance of Social Security Rights Convention', 1982.
- International Labour Organization (ILO) Convention 168, 'Employment Promotion and Protection against Unemployment Convention', 1988.
- International Labour Organization (ILO) Convention 183, 'Maternity Protection Convention', 2000.

GUIDANCE - DISCLOSURES ON MANAGEMENT APPROACH

Aspect-specific Guidance for G4-DMA-b.

Describe actions taken to determine and address situations where work undertaken within the organization's supply chain does not take place within appropriate institutional and legal frameworks. Work taking place within an appropriate institutional and legal framework will usually entail a recognized employment relationship with an identifiable and legally recognized employer.

Describe actions taken to determine and address situations where persons working for suppliers are not provided the social and labor protection that they are entitled to receive by national labor law.

Describe actions taken to determine and address situations where working conditions in the organization's supply chain did not meet international labor standards or national labor law. Conditions of work include compensation, working

↓ ASPECT-SPECIFIC G4-DMA-b CONTINUED

time, rest periods, holidays, disciplinary and dismissal practices, maternity protection, the workplace environment, occupational health and safety, the quality of living accommodations where provided, and welfare matters such as safe drinking water, canteens and access to medical services.

Describe actions taken to determine and address situations where work undertaken within the organization's supply chain is inadequately remunerated. Adequately remunerated work means that wages and compensation for a standard working week, excluding overtime, meet legal and industry minimum standards and are sufficient to meet the basic needs of workers and their families and provide some discretionary income. Actions taken to address situations where work is inadequately remunerated may include:

- Dialogue with suppliers regarding the relationship of the prices paid to suppliers and the wages paid to workers

- Changes to the organization's procurement practices
- Support for collective bargaining to determine wages
- Determining the extent that overtime is used, whether it is mandatory, and whether it is compensated at a premium rate

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

Describe actions taken to determine and address situations where work undertaken within the organization's supply chain performed at home is not performed subject to a legally recognized contract.

Indicators

G4-LA1

TOTAL NUMBER AND RATES OF NEW EMPLOYEE HIRES AND EMPLOYEE TURNOVER BY AGE GROUP, GENDER AND REGION

- Report the total number and rate of new employee hires during the reporting period, by age group, gender and region.
- Report the total number and rate of employee turnover during the reporting period, by age group, gender and region.

GUIDANCE

Relevance

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.

A high rate of employee turnover 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.

Compilation

Identify the total number of new employee hires during the reporting period, by age group: under 30 years old, 30-50 years old, over 50 years old, gender and region.

Identify the employee turnover during the reporting period, by age group: under 30 years old, 30-50 years old, over 50 years old, gender and region.

Employment net creation can be estimated using the data reported under G4-10.

Rates are calculated using the total employee numbers at the end of the reporting period.

Definitions

See Glossary in *Implementation Manual*, p. 244

- [Employee turnover](#)
- [New employee hires](#)

Documentation sources

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.

G4-LA2

BENEFITS PROVIDED TO FULL-TIME EMPLOYEES THAT ARE NOT PROVIDED TO TEMPORARY OR PART-TIME EMPLOYEES, BY SIGNIFICANT LOCATIONS OF OPERATION

- a. Report the benefits which are standard for full-time employees of the organization but are not provided to temporary or part-time employees, by significant locations of operation. These include, as a minimum:
- Life insurance
 - Health care
 - Disability and invalidity coverage
 - Parental leave
 - Retirement provision
 - Stock ownership
 - Others
- b. Report the definition used for 'significant locations of operation'.

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.

Compilation

Identify standard benefits offered to full-time employees, by significant locations of operation.

Identify and disclose which of these standard benefits are not available to temporary or part-time employees, by significant locations of operation.

Definitions

See Glossary in *Implementation Manual*, p. 244

- [Benefits](#)
- [Employee](#)
- [Standard benefits](#)

Documentation sources

Potential sources of information include local or central collective agreements, which may provide examples of benefits paid beyond legal minimums. Other sources may include benefits summaries, employee orientation and commencement materials, and employee contracts.

G4-LA3

RETURN TO WORK AND RETENTION RATES AFTER PARENTAL LEAVE, BY GENDER

- Report the total number of employees that were entitled to parental leave, by gender.
- Report the total number of employees that took parental leave, by gender.
- Report the total number of employees who returned to work after parental leave ended, by gender.
- Report the total 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 parental leave. The aim of the legislation is to allow employees to take leave and return to work to the same or a comparable position.

The application of legislation varies according to interpretation by government, employers and employees. 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.

Compilation

Identify the proportion of employees, by gender, who are covered by organizational policies, agreements or contracts that contain parental leave entitlements.

Identify the total 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
- Who after returning to work were still employed 12 months later. To complete this part, consult records from the prior reporting periods.

Using this information, calculate the following return to work and retention rates by gender. Use these formulas:

$$\text{Return to work rate} = \frac{\text{Total number of employees who did return to work after parental leave}}{\text{Total number of employees due to return to work after taking parental leave}} \times 100$$

$$\text{Retention rate} = \frac{\text{Total number of employees retained 12 months after returning to work following a period of parental leave}}{\text{Total number of employees returning from parental leave in the prior reporting period(s)}} \times 100$$

Definitions

See Glossary in *Implementation Manual*, p. 244

- [Employee](#)
- [Parental leave](#)

Documentation sources

Potential sources of information include the organization's human resources department.

Aspect: Labor/Management Relations

If this Aspect has been identified as material, the Guidelines make the following Standard Disclosures and Guidance available:

Overview*

DISCLOSURES ON MANAGEMENT APPROACH

G4-DMA

Guidance pp. 64-65

INDICATORS

G4-LA4

Minimum notice periods regarding operational changes, including whether these are specified in collective agreements

Guidance p. 150

*All page numbers in this overview refer to the *Implementation Manual*.

Linkages

United Nations Global Compact Ten Principles

The Standard Disclosures under this Aspect help to report on the implementation of Principle 3 of the United Nations Global Compact, 'Ten Principles', 2000.

References

- International Labour Organization (ILO) Convention 87, 'Freedom of Association and Protection of the Right to Organise Convention', 1948.
- International Labour Organization (ILO) Convention 98, 'Right to Organise and Collective Bargaining Convention', 1949.
- International Labour Organization (ILO) Convention 135, 'Workers' Representatives Convention', 1971.
- International Labour Organization (ILO) Convention 154, 'Collective Bargaining Convention', 1981.
- International Labour Organization (ILO) Convention 158, 'Termination of Employment Convention', 1982.
- International Labour Organization (ILO) Recommendation 91, 'Collective Agreements Recommendation', 1951.
- International Labour Organization (ILO) Recommendation 94, 'Co-operation at the Level of the Undertaking Recommendation', 1952.
- International Labour Organization (ILO) Recommendation 163, 'Collective Bargaining Recommendation', 1981.
- International Labour Organization (ILO), *Key Indicators of the Labour Market (KILM)*, <http://kilm.ilo.org/kilmnet>, accessed on 1 May 2013.
- International Labour Organization (ILO), LABORSTA Internet, <http://laborsta.ilo.org/>, accessed on 1 May 2013.

Indicators

G4-LA4

MINIMUM NOTICE PERIODS REGARDING OPERATIONAL CHANGES, INCLUDING WHETHER THESE ARE SPECIFIED IN COLLECTIVE AGREEMENTS

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

GUIDANCE

Relevance

Minimum notice periods are an indicator of an organization's ability to maintain employee satisfaction and motivation while implementing significant changes to operations.

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 negative impacts from operating changes on workers and related communities.

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 help provide positive working environments, reduce turnover, and minimize operational disruptions.

Compilation

Identify minimum notice periods existing in corporate policies and standard employment contracts. Different policy statements may exist at a regional level.

Identify the collective bargaining agreements as per G4-11 and review the notice period clauses within these documents.

Definitions

See Glossary in *Implementation Manual*, p. 244

- Employee
- Significant operational changes

Documentation sources

Potential sources of information include corporate policies, standard employment contracts and collective bargaining agreements held by the human resources or legal departments.

Aspect: Occupational Health and Safety

If this Aspect has been identified as material, the Guidelines make the following Standard Disclosures and Guidance available:

Overview*

DISCLOSURES ON MANAGEMENT APPROACH

G4-DMA  **Guidance: Generic DMA** pp. 64-65; **Aspect-specific** p. 151

INDICATORS

G4-LA5 **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**
 **Guidance** p. 152

G4-LA6 **Type of injury and rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities, by region and by gender**
 **Guidance** pp. 153-154

G4-LA7 **Workers with high incidence or high risk of diseases related to their occupation**
 **Guidance** p. 155

G4-LA8 **Health and safety topics covered in formal agreements with trade unions**
 **Guidance** p. 156

*All page numbers in this overview refer to the *Implementation Manual*.

Linkages

OECD Guidelines for Multinational Enterprises

The Standard Disclosures under this Aspect help to report on the implementation of Chapter VI. Environment of the Organisation for Economic Co-operation and Development (OECD), *OECD Guidelines for Multinational Enterprises*, 2011.

- International Labour Organization (ILO) Convention 161, ‘Occupational Health Services Convention’, 1985.
- International Labour Organization (ILO), *Code of Practice on Recording and Notification of Occupational Accidents and Diseases*, 1996.
- International Labour Organization (ILO), *Guidelines on Occupational Safety and Health Management Systems (ILO-OSH 2001)*, 2001.

References

- International Labour Organization (ILO) Convention 155, ‘Occupational Safety and Health Convention’ and related Protocol 155, 1981.

GUIDANCE - DISCLOSURES ON MANAGEMENT APPROACH

Aspect-specific Guidance for G4-DMA-b.

Describe programs related to assisting workforce members, their families, or community members regarding serious diseases, including whether such programs involve education and training, counseling, prevention and risk control measures, or treatment.

Definitions

- See Glossary in *Implementation Manual*, p. 244
- Risk control for diseases

Indicators

G4-LA5

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

- a. Report the level at which each formal joint management-worker health and safety committee typically operates within the organization.
- b. Report the percentage of the total workforce represented in formal joint management-worker health and safety committees.

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.

Compilation

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 or at multi-facility, region, group or organization levels.

Calculate the total number of workers represented by these committees, as a percentage of total workforce numbers.

Definitions

See Glossary in *Implementation Manual*, p. 244

- [Formal committee](#)
- [Total workforce](#)

Documentation sources

Potential sources of information include organizational procedures and minutes of occupational health and safety committees.

G4-LA6

TYPE OF INJURY AND RATES OF INJURY, OCCUPATIONAL DISEASES, LOST DAYS, AND ABSENTEEISM, AND TOTAL NUMBER OF WORK-RELATED FATALITIES, BY REGION AND BY GENDER

- a. Report types of injury, injury rate (IR), occupational diseases rate (ODR), lost day rate (LDR), absentee rate (AR) and work-related fatalities, for the total workforce (that is, total employees plus supervised workers), by:
 - Region
 - Gender
- b. Report types of injury, injury rate (IR), occupational diseases rate (ODR), lost day rate (LDR), absentee rate (AR) and work-related fatalities for independent contractors working on-site to whom the organization is liable for the general safety of the working environment, by:
 - Region
 - Gender
- c. Report the system of rules applied in recording and reporting accident statistics.

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.

Compilation

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*⁵⁶ was developed for the reporting, recording, and notification of workplace accidents. Where national law follows the ILO *Code*, it is sufficient to state that fact and that practice follows the law. In situations where national law does not follow the ILO *Code*, 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. Use the information in these systems to calculate the following statistics.

Fatalities

Identify the absolute number of fatalities that occurred during the reporting period.

Report this information separately for the total workforce (that is, total employees plus supervised workers) and independent contractors working on-site to whom the organization is liable for the general safety of the working environment, by:

- Region
- Gender

Injury rate (IR)

Identify the injury rate (IR) experienced during the reporting period.

Since some organizations include minor (first-aid level) injuries in their data, indicate whether such injuries are included or excluded.

Report this information separately for the total workforce (that is, total employees plus supervised workers) and independent contractors working on-site to whom the organization is liable for the general safety of the working environment, by:

- Region
- Gender

The injury rate includes fatalities.

Occupational disease rate (ODR)

Identify the occupational disease rate (ODR) experienced during the reporting period.

Report this information separately for the total workforce (that is, total employees plus supervised workers) and independent contractors working on-site to whom the organization is liable

↓ G4-LA6 CONTINUED

for the general safety of the working environment, by:

- Region
- Gender

Lost day rate (LDR)

Identify the lost day rate (LDR) experienced during the reporting period.

In calculating 'lost days' indicate:

- Whether 'days' means 'calendar days' or 'scheduled work days'
- At what point the 'lost days' count begins (for example, the day after the accident or 3 days after the accident)

Report this information separately for the total workforce (that is, total employees plus supervised workers) and independent contractors working on-site to whom the organization is liable for the general safety of the working environment, by:

- Region
- Gender

Absentee rate (AR)

Identify the absentee rate (AR) experienced during the reporting period.

Report this information separately for the total workforce (that is, total employees plus supervised workers) and independent contractors working on-site to whom the organization is liable for the general safety of the working environment, by:

- Region
- Gender

Definitions

See Glossary in *Implementation Manual*, p. 244

- [Absentee](#)
- [Absentee rate](#)
- [Fatality](#)
- [Injury](#)
- [Injury rate](#)
- [Lost day](#)
- [Lost day rate](#)
- [Occupational disease](#)
- [Occupational disease rate](#)
- [Supervised worker](#)
- [Total workforce](#)

Documentation sources

Potential sources of information include employee records, employee contracts, attendance records, and accident records.

G4-LA7

WORKERS WITH HIGH INCIDENCE OR HIGH RISK OF DISEASES RELATED TO THEIR OCCUPATION

- a. 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. 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.

Definitions

See Glossary in *Implementation Manual*, p. 244

- [Serious diseases](#)
- [Worker](#)

Documentation sources

Potential sources of information include organizational policies and operating procedures, minutes of internal occupational health committee(s), and human resource and health center records.

G4-LA8

HEALTH AND SAFETY TOPICS COVERED IN FORMAL AGREEMENTS WITH TRADE UNIONS

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

Compilation

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:

- 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
- Periodic inspections

Agreements at the global level typically address topics that may include:

- Compliance with the International Labour Organization (ILO)
- Arrangements or structures for resolving problems
- 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

See Glossary in *Implementation Manual*, p. 244

- Formal agreements

Documentation sources

Potential sources of information include collective agreements with trade unions.

Aspect: Training and Education

If this Aspect has been identified as material, the Guidelines make the following Standard Disclosures and Guidance available:

Overview*

DISCLOSURES ON MANAGEMENT APPROACH

G4-DMA  Guidance pp. 64-65

INDICATORS

G4-LA9 Average hours of training per year per employee by gender, and by employee category
 Guidance pp. 158-159

G4-LA10 Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings
 Guidance p. 160

G4-LA11 Percentage of employees receiving regular performance and career development reviews, by gender and by employee category
 Guidance p. 161

*All page numbers in this overview refer to the *Implementation Manual*.

Linkages

OECD Guidelines for Multinational Enterprises

The Standard Disclosures under this Aspect help to report on the implementation of Chapter VI. Environment of the Organisation for Economic Co-operation and Development (OECD), *OECD Guidelines for Multinational Enterprises*, 2011.

References

- International Labour Organization (ILO) Convention 140, 'Paid Educational Leave Convention', 1974.
- International Labour Organization (ILO) Convention 142, 'Human Resources Development Convention', 1975.
- International Labour Organization (ILO) Convention 155, 'Occupational Safety and Health Convention' and related Protocol 155, 1981.
- International Labour Organization (ILO) Convention 168, 'Employment Promotion and Protection against Unemployment Convention', 1988.

Indicators

G4-LA9

AVERAGE HOURS OF TRAINING PER YEAR PER EMPLOYEE BY GENDER, AND BY EMPLOYEE CATEGORY

- a. Report the average hours of training that the organization’s employees have undertaken during the reporting period, by:
- Gender
 - 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.

Compilation

Identify the total number of employees, by gender. Use the information from G4-10.

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.

Identify the total number of employees in each employee category. This information can be drawn from G4-LA12.

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:

$$\frac{\text{Average training hours per employee}}{\text{Total number of training hours provided to employees}} = \text{Total number of employees}$$

Identify the average number of training hours undertaken by employees during the reporting period, by gender. Use the following formulas:

$$\frac{\text{Average training hours per female}}{\text{Total number of training hours provided to female employees}} = \text{Total number of female employees}$$

$$\frac{\text{Average training hours per male}}{\text{Total number of training hours provided to male employees}} = \text{Total number of male employees}$$

Identify the average number of training hours undertaken by employees during the reporting period, by employee category. Use the following formula:

↓ G4-LA9 CONTINUED

$$\begin{array}{c} \text{Average training hours per employee category} \\ = \\ \frac{\text{Total number of training hours} \\ \text{provided to each category of employees}}{\text{Total number of employees in category}} \end{array}$$

A number of calculations may be undertaken to report on employee categories. These calculations are specific to each organization.

Definitions

See Glossary in *Implementation Manual*, p. 244

- [Employee](#)
- [Employee category](#)
- [Training](#)

Documentation sources

Potential sources of information include employee records and training schedules.

G4-LA10

PROGRAMS FOR SKILLS MANAGEMENT AND LIFELONG LEARNING THAT SUPPORT THE CONTINUED EMPLOYABILITY OF EMPLOYEES AND ASSIST THEM IN MANAGING CAREER ENDINGS

- a. Report on the type and scope of programs implemented and assistance provided to upgrade employee skills.
- b. Report on the transition assistance programs provided to facilitate continued employability and the management of career endings resulting from retirement or termination of employment.

GUIDANCE

Relevance

Programs for skills management allow organizations to plan skills acquisition 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.

Compilation

Identify employee training programs that aim to upgrade skills. These include as a minimum:

- Internal training courses
- Funding support for external training or education
- The provision of sabbatical periods with guaranteed return to employment

Identify transitional assistance programs provided to support

employees who are retiring or who have been terminated.

These include as a minimum:

- 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
- Assistance (such as training, counselling) on transitioning to a non-working life

Definitions

See Glossary in *Implementation Manual*, p. 244

- [Career endings](#)
- [Continued employability](#)
- [Employee](#)
- [Lifelong learning](#)
- [Skills management](#)

Documentation sources

Potential sources of information include organizational procedures for termination of employment and employee records.

G4-LA11

PERCENTAGE OF EMPLOYEES RECEIVING REGULAR PERFORMANCE AND CAREER DEVELOPMENT REVIEWS, BY GENDER AND BY EMPLOYEE CATEGORY

- a. Report the percentage of total employees by gender and by employee category who received a regular performance and career development review 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 G4-LA10, the Indicator helps illustrate how the organization approaches skills enhancement. The percentage of employees receiving regular performance and career development reviews by gender demonstrates the extent to which this system is applied throughout the organization and if there is inequity of access to these opportunities.

Compilation

Identify the total number of employees by gender and by employee category. This information can be drawn from G4-10 and G4-LA12.

Identify the percentage of employees by gender and by employee category, who received a regular performance and career development reviews during the reporting period.

Definitions

See Glossary in *Implementation Manual*, p. 244

- Employee
- Regular performance and career development review

Documentation sources

Potential sources of information include personnel records.

Aspect: Diversity and Equal Opportunity

If this Aspect has been identified as material, the Guidelines make the following Standard Disclosures and Guidance available:

Overview*

DISCLOSURES ON MANAGEMENT APPROACH



Guidance pp. 64-65

INDICATORS



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

Guidance pp. 163-164

*All page numbers in this overview refer to the *Implementation Manual*.

References

- International Labour Organization (ILO) Convention 111, 'Discrimination (Employment and Occupation) Convention', 1958.
- United Nations (UN) Convention, 'Convention on the Elimination of all Forms of Discrimination against Women (CEDAW)', 1979.
- United Nations (UN) Convention, 'International Convention on the Elimination of All Forms of Racial Discrimination', 1965.
- United Nations (UN) Declaration, 'Declaration on the Elimination of All Forms of Intolerance and of Discrimination based on Religion and Belief', 1981.
- United Nations (UN) Declaration, 'Declaration on the Elimination of All Forms of Racial Discrimination', 1963.
- United Nations (UN) Declaration, 'Declaration on the Rights of Persons Belonging to National or Ethnic, Religious and Linguistic Minorities', 1992.
- United Nations (UN) Fourth World Conference on Women, 'Beijing Declaration and Platform for Action', 1995.
- United Nations Educational, Scientific and Cultural Organization (UNESCO) Declaration, 'Declaration on Race and Racial Prejudice', 1978.
- United Nations Entity for Gender Equality and the Empowerment of Women (UN Women) and United Nations Global Compact, 'Women's Empowerment Principles', 2011.

Indicators

G4-LA12

COMPOSITION OF GOVERNANCE BODIES AND BREAKDOWN OF EMPLOYEES PER EMPLOYEE CATEGORY ACCORDING TO GENDER, AGE GROUP, MINORITY GROUP MEMBERSHIP, AND OTHER INDICATORS OF DIVERSITY

- a. Report the percentage of individuals within the organization’s governance bodies in each of the following diversity categories:
 - Gender
 - Age group: under 30 years old, 30-50 years old, over 50 years old
 - Minority groups
 - Other indicators of diversity where relevant
- b. Report the percentage of employees per employee category in each of the following diversity categories:
 - Gender
 - Age group: under 30 years old, 30-50 years old, over 50 years old
 - Minority groups
 - 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 also helps in assessing which issues may be of particular relevance to certain segments of the workforce.

Compilation

Governance bodies

Identify the governance bodies that exist within the organization, such as 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 analyze this information using the following diversity categories listed below:

- Gender
- Age group: under 30 years old, 30-50 years old, over 50 years old
- Minority groups
- Other indicators of diversity where relevant

Identify any other indicators of diversity 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 the ‘employee category’ definition.

The total number of employees matches that reported in G4-10.

Identify the total number of employees within each category by:

- Gender
- Age group: under 30 years old, 30-50 years old, over 50 years old
- Minority groups
- Other indicators of diversity where relevant

Identify any other Indicators of diversity used by the organization in its own monitoring and recording that may be relevant for reporting.

↓ G4-LA12 CONTINUED

Definitions

See Glossary in *Implementation Manual*, p. 244

- [Employee](#)
- [Employee category](#)
- [Governance bodies](#)
- [Indicators of diversity](#)

Documentation sources

Potential sources of information include employee records and minutes of equal opportunity committees.

Aspect: Equal Remuneration for Women and Men

If this Aspect has been identified as material, the Guidelines make the following Standard Disclosures and Guidance available:

Overview*

DISCLOSURES ON MANAGEMENT APPROACH



Guidance: Generic DMA pp. 64-65; **Aspect-specific** p. 165

INDICATORS



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

Guidance p. 166

*All page numbers in this overview refer to the *Implementation Manual*.

References

- International Labour Organization (ILO) Convention 100, 'Equal Remuneration Convention', 1951.
- International Labour Organization (ILO) Convention 111, 'Discrimination (Employment and Occupation) Convention', 1958.
- United Nations (UN) Convention, 'Convention on the Elimination of all Forms of Discrimination against Women (CEDAW)', 1979.
- United Nations (UN) Fourth World Conference on Women, 'Beijing Declaration and Platform for Action', 1995.
- United Nations Entity for Gender Equality and the Empowerment of Women (UN Women) and United Nations Global Compact, 'Women's Empowerment Principles', 2011.

GUIDANCE - DISCLOSURES ON MANAGEMENT APPROACH



Aspect-specific Guidance for G4-DMA-a.

Describe the legal and socio-economic environment that provides opportunities for, and barriers to, gender equity in the workforce. This may include women's workforce participation rates, their participation at highest governance level, and equal remuneration.

Indicators

G4-LA13

RATIO OF BASIC SALARY AND REMUNERATION OF WOMEN TO MEN BY EMPLOYEE CATEGORY, BY SIGNIFICANT LOCATIONS OF OPERATION

- Report the ratio of the basic salary and remuneration of women to men for each employee category, by significant locations of operation.
- Report the definition used for '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 the ILO Convention 100 'Equal Remuneration Convention'²⁷. 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.

Compilation

Identify the total number of employees in each employee category across the organization's operations, by gender using the information from G4-LA12. 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 G4-10.

Identify the basic salary for women and for men in each employee category.

Identify the remuneration for women and for men in each employee category. Base remuneration upon the average pay of each gender grouping within each employee category.

Using this information, calculate the ratios of basic salary and remuneration of women to men by employment category, by significant locations of operation.

Definitions

See Glossary in *Implementation Manual*, p. 244

- [Basic salary](#)
- [Employee category](#)
- [Remuneration](#)

Documentation sources

Potential sources of information include pay-scales, and employee and payment records.

Aspect: Supplier Assessment for Labor Practices

If this Aspect has been identified as material, the Guidelines make the following Standard Disclosures and Guidance available:

Overview*

DISCLOSURES ON MANAGEMENT APPROACH



Guidance: Generic DMA pp. 64-65; **Aspect-specific** pp. 167-168

INDICATORS



Percentage of new suppliers that were screened using labor practices criteria

Guidance p. 169



Significant actual and potential negative impacts for labor practices in the supply chain and actions taken

Guidance p. 170

*All page numbers in this overview refer to the *Implementation Manual*.

References

- United Nations (UN), 'Guiding Principles on Business and Human Rights, Implementing the United Nations "Protect, Respect and Remedy" Framework', 2011.
- United Nations (UN), *Protect, Respect and Remedy: a Framework for Business and Human Rights*, 2008.
- United Nations (UN), *Report of the Special Representative of the Secretary-General on the Issue of Human Rights and Transnational Corporations and Other Business Enterprises, John Ruggie*, 2011.

GUIDANCE - DISCLOSURES ON MANAGEMENT APPROACH

Aspect-specific Guidance for G4-DMA-b.

Describe the systems used to screen new suppliers using labor practices criteria. List the labor practices criteria used to screen new suppliers. Labor practices criteria or assessments of impacts for labor practices may cover:

- Employment practices
- Health and safety practices
- Incidents (such as of verbal, psychological, physical, or sexual abuse, coercion or harassment)
- Industrial relations
- Wages and compensation
- Working hours

Describe processes used, such as due diligence, to identify and assess significant actual and potential negative impacts for labor practices in the supply chain. Negative impacts include those that are either caused or contributed to by the organization, or that are linked to its activities, products or

services by its relationship with a supplier.

Describe how the organization identifies and prioritizes suppliers for assessment of impacts for labor practices. Assessments may be informed by audits, contractual reviews, two-way engagement, and grievance and complaint mechanisms.

Describe actions taken to address the significant actual and potential negative impacts for labor practices identified in the supply chain. Explain if the actions are intended to prevent, mitigate, or remediate the impacts. Actions taken may include the adjustment of the organization's procurement practices, the adjustment of performance expectations, capacity building, training, changes to processes and terminating the relationship with a supplier.

Describe how expectations are established and defined in contracts with suppliers to promote the prevention,

↓ ASPECT-SPECIFIC G4-DMA-b CONTINUED

mitigation, and remediation of significant actual and potential negative impacts for labor practices (including targets and objectives).

Describe whether suppliers are incentivized and rewarded for the prevention, mitigation, and remediation of significant actual and potential negative impacts for labor practices.

Describe practices for assessing and auditing suppliers and their products and services using labor practices criteria.

List the type, system, scope, frequency, current implementation of assessment and audit, and which parts of the supply chain have been certified and audited. Assessments and audits of suppliers and their products and services using labor practices criteria may be undertaken by the organization, by a second party or by a third party.

Describe the systems in place to assess the potential negative impacts of terminating a relationship with a supplier as a result of assessing impacts for labor practices, and the organization's strategy to mitigate these impacts.

Indicators

G4-LA14

PERCENTAGE OF NEW SUPPLIERS THAT WERE SCREENED USING LABOR PRACTICES CRITERIA

a. Report the percentage of new suppliers that were screened using labor practices criteria.

GUIDANCE

Relevance

This Indicator informs stakeholders about the percentage of suppliers selected or contracted subject to due diligence processes for labor practices. Due diligence should be initiated as early as possible in the development of a new relationship with a supplier.

Significant potential negative impacts for labor practices may be prevented or mitigated at the stage of structuring contracts or other agreements.

Compilation

Identify the total number of new suppliers that the organization considered selecting or contracting with.

Identify the total number of new suppliers that were screened using labor practices criteria.

Labor practices criteria may include:

- Employment practices
- Health and safety practices
- Incidents (such as of verbal, psychological, physical, or sexual abuse, coercion or harassment)
- Industrial relations
- Wages and compensation
- Working hours

Definitions

See Glossary in *Implementation Manual*, p. 244

- [Supplier](#)
- [Supplier screening](#)

Documentation sources

Potential sources of information include the organization's procurement, purchasing and legal departments.

G4-LA15

SIGNIFICANT ACTUAL AND POTENTIAL NEGATIVE IMPACTS FOR LABOR PRACTICES IN THE SUPPLY CHAIN AND ACTIONS TAKEN

- a. Report the number of suppliers subject to impact assessments for labor practices.
- b. Report the number of suppliers identified as having significant actual and potential negative impacts for labor practices.
- c. Report the significant actual and potential negative impacts for labor practices identified in the supply chain.
- d. Report the percentage of suppliers identified as having significant actual and potential negative impacts for labor practices with which improvements were agreed upon as a result of assessment.
- e. Report the percentage of suppliers identified as having significant actual and potential negative impacts for labor practices with which relationships were terminated as a result of assessment, and why.

GUIDANCE

Relevance

This Indicator informs stakeholders about an organization's awareness of significant actual and potential negative impacts for labor practices in the supply chain.

Processes to identify and assess significant actual and potential negative impacts for labor practices in the supply chain may enable an organization to address them.

Compilation

If it will provide appropriate context on significant impacts, organizations are encouraged to break down the information requested by this Indicator by the location of the supplier and the significant actual and potential negative impact for labor practices.

Negative impacts include those that are either caused or contributed to by the organization, or that are linked to its activities, products, or services by its relationship with a supplier.

Impact assessments for labor practices may include:

- Employment practices
- Health and safety practices
- Incidents (such as of verbal, psychological, physical or sexual abuse, coercion or harassment)

- Industrial relations
- Wages and compensation
- Working hours

Assessments may be made against agreed performance expectations which were set and communicated prior to the assessment.

Assessments may be informed by audits, contractual reviews, two-way engagement, and grievance and complaint mechanisms.

Improvements may include the adjustment of the reporting organization's procurement practices, the adjustment of performance expectations, capacity building, training, and changes to processes.

Definitions

See Glossary in *Implementation Manual*, p. 244

- Supplier

Documentation sources

Potential sources of information include procurement, purchasing and legal departments.

Aspect: Labor Practices Grievance Mechanisms

If this Aspect has been identified as material, the Guidelines make the following Standard Disclosures and Guidance available:

Overview*

DISCLOSURES ON MANAGEMENT APPROACH

G4-DMA  **Guidance: Generic DMA** pp. 64-65; **Aspect-specific** p. 171

INDICATORS

G4-LA16  **Number of grievances about labor practices filed, addressed, and resolved through formal grievance mechanisms**
 **Guidance** p. 172

*All page numbers in this overview refer to the *Implementation Manual*.

Linkages

OECD Guidelines for Multinational Enterprises

The Standard Disclosures under this Aspect help to report on the implementation of Chapter VII. Combating Bribery, Bribe Solicitation and Extortion of the Organisation for Economic Co-operation and Development (OECD), *OECD Guidelines for Multinational Enterprises*, 2011.

References

- United Nations (UN), 'Guiding Principles on Business and Human Rights, Implementing the United Nations "Protect, Respect and Remedy" Framework', 2011.
- United Nations (UN), *Protect, Respect and Remedy: a Framework for Business and Human Rights*, 2008.
- United Nations (UN), *Report of the Special Representative of the Secretary-General on the Issue of Human Rights and Transnational Corporations and Other Business Enterprises*, John Ruggie, 2011.

GUIDANCE - DISCLOSURES ON MANAGEMENT APPROACH

Aspect-specific Guidance for G4-DMA-b.

Describe the availability and accessibility of grievance mechanisms and remediation processes for impacts on labor practices, including along the organization's supply chain, and the involvement of stakeholders in monitoring their effectiveness. Stakeholders involved in monitoring the effectiveness of the organization's grievance mechanisms and remediation processes may include suppliers and local community and workers' representatives.

List the types of training on the availability and accessibility of grievance mechanisms and remediation processes.

Indicators

G4-LA16

NUMBER OF GRIEVANCES ABOUT LABOR PRACTICES FILED, ADDRESSED, AND RESOLVED THROUGH FORMAL GRIEVANCE MECHANISMS

- a. Report the total number of grievances about labor practices filed through formal grievance mechanisms during the reporting period.
- b. Of the identified grievances, report how many were:
 - Addressed during the reporting period
 - Resolved during the reporting period
- c. Report the total number of grievances about labor practices filed prior to the reporting period that were resolved during the reporting period.

GUIDANCE

Relevance

Disputes may occur over the labor practices of an organization's activities and relationships with others (such as entities in the supply chain). Effective grievance mechanisms play an important role in remediating impacts for labor practices.

Compilation

Identify existing formal grievance mechanisms. Formal grievance mechanisms may be managed by the reporting organization or by an external party.

Identify the total number of grievances about labor practices filed through formal grievance mechanisms during the reporting period.

Identify the total number of grievances addressed or resolved during the reporting period from both current year and prior year grievance filings.

If it will provide appropriate context on significant impacts, organizations are encouraged to break down the number of grievances by the nature and location of the grievance, and the party that filed the grievance. Parties that filed the grievance may include:

- Internal stakeholders (such as employees)
- External stakeholders (such as suppliers, local communities)
- Individuals or groups of people identified by:
 - Membership of underrepresented social groups
 - Other indicators of diversity

Definitions

See Glossary in *Implementation Manual*, p. 244

- [Formal grievance mechanisms](#)

Documentation sources

Potential sources of information include the organization's legal, compliance, procurement, purchasing, and human resources departments.

SUB-CATEGORY: HUMAN RIGHTS

Introduction

The Human Rights sub-Category covers the extent to which processes have been implemented, incidents of human rights violations, and changes in stakeholders' ability to enjoy and exercise their human rights.

Among the human rights issues included are non-discrimination, gender equality, freedom of association, collective bargaining, child labor, forced or compulsory labor, and indigenous rights.

There is growing global consensus that organizations have the responsibility to respect human 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 United Nations (UN) International Bill of Rights, which is formed by three instruments:

- United Nations (UN) Declaration, 'Universal Declaration of Human Rights', 1948
- United Nations (UN) Convention, 'International Covenant on Civil and Political Rights', 1966
- United Nations (UN) Convention, '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. These instruments range from soft declarations and guiding principles to binding treaties and conventions, and range from universal to regional instruments.

Organizations can affect a wide range of human rights. In assessing which human rights are relevant for reporting, the organization should consider all human rights.

Additional instruments which may be useful for the organization to consider are:

- International Labour Organization (ILO) Declaration, 'Declaration on Fundamental Principles and Rights at Work', 1998 which builds upon the eight core Conventions of the ILO^{IX}:
 - International Labour Organization (ILO) Convention 29, 'Forced Labour Convention', 1930
 - International Labour Organization (ILO) Convention 87, 'Freedom of Association and Protection of the Right to Organise Convention', 1948

- International Labour Organization (ILO) Convention 98, 'Right to Organise and Collective Bargaining Convention', 1949
- International Labour Organization (ILO) Convention 100, 'Equal Remuneration Convention', 1951
- International Labour Organization (ILO) Convention 105, 'Abolition of Forced Labour Convention', 1957
- International Labour Organization (ILO) Convention 111, 'Discrimination (Employment and Occupation) Convention', 1958
- International Labour Organization (ILO) Convention 138, 'Minimum Age Convention', 1973
- International Labour Organization (ILO) Convention 182, 'Worst Forms of Child Labour Convention', 1999
- Regional conventions, adhering to the principle of universality in the International Bill of Rights, for areas where the organization operates, including:
 - African Union Charter, 'African Charter on Human and Peoples' Rights', 1981
 - League of Arab States, 'Arab Charter on Human Rights', 1994
 - Organization of American States (OAS), 'American Convention on Human Rights', 1969
 - European Court of Human Rights, 'European Convention for the Protection of Human Rights and Fundamental Freedoms', 1950
- Conventions protecting the rights of individuals who may be impacted by the organization's work, including but not limited to:
 - United Nations (UN) Convention, 'Convention on the Elimination of all Forms of Discrimination against Women (CEDAW)', 1979
 - United Nations (UN) Convention, 'Convention on the Rights of the Child', 1989
 - United Nations (UN) Convention, 'International Convention on the Elimination of All Forms of Racial Discrimination', 1965
 - International Labour Organization (ILO) Convention 107, 'Indigenous and Tribal Populations Convention', 1957
 - International Labour Organization (ILO) Convention 169, 'Indigenous and Tribal Peoples Convention', 1991
 - United Nations (UN) Declaration, 'United Nations Declaration of the Rights of Indigenous Peoples', 2007

^{IX} Conventions 100 and 111 pertain to non-discrimination; Conventions 87 and 98 pertain to freedom of association and collective bargaining; Conventions 138 and 182 pertain to the elimination of child labor; and Conventions 29 and 105 pertain to the prevention of forced or compulsory labor.

↓ SUB-CATEGORY: HUMAN RIGHTS CONTINUED

- United Nations (UN) Convention, 'Convention on the Rights of Persons with Disabilities', 2006

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

Linkages

OECD Guidelines for Multinational Enterprises

The Standard Disclosures under this sub-Category help to report on the implementation of Chapter IV. Human Rights of the Organisation for Economic Co-operation and Development (OECD), *OECD Guidelines for Multinational Enterprises*, 2011.

United Nations Global Compact 'Ten Principles'

The Standard Disclosures under this sub-Category help to report on the implementation of Principles 1 and 2 of the United Nations Global Compact, 'Ten Principles', 2000.

Additional references

- International Labour Organization (ILO), 'Tripartite Declaration of Principles Concerning Multinational Enterprises and Social Policy', 1977.
- United Nations (UN) Convention, 'International Convention on the Protection of the Rights of All Migrant Workers and Members of Their Families', 1990.
- United Nations (UN) Declaration, 'Declaration on the Elimination of All Forms of Racial Discrimination', 1963.
- United Nations (UN) Declaration, 'Declaration on the Right to Development', 1986.
- United Nations (UN) Declaration, 'United Nations Millennium Declaration', 2000.
- United Nations (UN) Declaration, 'Vienna Declaration and Programme of Action', 1993.
- United Nations (UN), 'Guiding Principles on Business and Human Rights, Implementing the United Nations "Protect, Respect and Remedy" Framework', 2011.
- United Nations (UN), *Protect, Respect and Remedy: a Framework for Business and Human Rights*, 2008.
- United Nations (UN), *Report of the Special Representative of the Secretary-General on the Issue of Human Rights and Transnational Corporations and Other Business Enterprises, John Ruggie*, 2011.

Aspect: Investment

If this Aspect has been identified as material, the Guidelines make the following Standard Disclosures and Guidance available:

Overview*

DISCLOSURES ON MANAGEMENT APPROACH

G4-DMA

Guidance: Generic DMA pp. 64-65; **Aspect-specific** p. 175

INDICATORS

G4-HR1

Total number and percentage of significant investment agreements and contracts that include human rights clauses or that underwent human rights screening

Guidance p. 176

G4-HR2

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

Guidance p. 177

*All page numbers in this overview refer to the *Implementation Manual*.

GUIDANCE - DISCLOSURES ON MANAGEMENT APPROACH



Aspect-specific Guidance for G4-DMA-b.

Describe strategies for extending applicable policies and procedures to external parties, such as joint ventures and subsidiaries.

Describe the use of human rights criteria or clauses in contracts, including the types of clauses and the types of contracts and agreements in which they are commonly applied (such as investments, joint ventures).

Indicators

G4-HR1

TOTAL NUMBER AND PERCENTAGE OF SIGNIFICANT INVESTMENT AGREEMENTS AND CONTRACTS THAT INCLUDE HUMAN RIGHTS CLAUSES OR THAT UNDERWENT HUMAN RIGHTS SCREENING

- a. Report the total number and percentage of significant investment agreements and contracts that include human rights clauses or that underwent human rights screening.
- b. Report the definition of 'significant investment agreements' used by the organization.

GUIDANCE

Relevance

This Indicator is one measure of the extent to which human rights considerations 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 may be part of a strategy to reduce the risks of investment. Problems with an organization's human rights record may result in reputational damage for the investing organization and may affect the stability of investments.

Compilation

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.

Identify only the agreements and contracts that are significant in terms of size or strategic importance.

The significance of agreements and contracts 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. If multiple significant investment agreements are undertaken and contracts signed with the same partner, the total number of the agreements reflects the total number of separate projects undertaken or entities created.

Identify if these agreements and contracts contain clauses on human rights. If so, count the total number of agreements that contain these clauses.

Identify programs undertaken to screen existing agreements or contracts for human rights. Count the total number of agreements or contracts that underwent human rights screening.

Using this information, add the total number of significant agreements and contracts that contain human rights clauses or that underwent human rights screening.

Calculate the percentage by comparing the total number of significant agreements and contracts that contain clauses or were screened with those that do not contain clauses or that did not undergo human rights screening.

Definitions

See Glossary in *Implementation Manual*, p. 244

- [Human rights clauses](#)
- [Human rights screening](#)

Documentation sources

Potential sources of information include the organization's legal, investor relations, internal audit, and financial departments, as well as documentation collected through quality management systems.

G4-HR2

TOTAL HOURS OF EMPLOYEE TRAINING ON HUMAN RIGHTS POLICIES OR PROCEDURES CONCERNING ASPECTS OF HUMAN RIGHTS THAT ARE RELEVANT TO OPERATIONS, INCLUDING THE PERCENTAGE OF EMPLOYEES TRAINED

- a. Report the total number of hours in the reporting period devoted to training on human rights policies or procedures concerning aspects of human rights that are relevant to operations.
- b. Report the percentage of employees in the reporting period trained in human rights policies or 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 total 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.

Compilation

Identify the number of hours devoted to employee training, using data from G4-LA9.

Identify the total number of employees, using data from G4-10.

Identify employees who have received formal training in the organization's human rights policies or procedures concerning aspects of human rights that are relevant to operations, including the applicability of the human rights policies or procedures 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

See Glossary in *Implementation Manual*, p. 244

- [Employee](#)

Documentation sources

Potential sources of information include employee records of training and training schedules.

Aspect: Non-discrimination

If this Aspect has been identified as material, the Guidelines make the following Standard Disclosures and Guidance available:

Overview*

DISCLOSURES ON MANAGEMENT APPROACH



Guidance pp. 64-65

INDICATORS



Total number of incidents of discrimination and corrective actions taken

Guidance pp. 179

*All page numbers in this overview refer to the *Implementation Manual*.

Linkages

OECD Guidelines for Multinational Enterprises

The Standard Disclosures under this Aspect help to report on the implementation of Chapter V. Employment and Industrial Relations of the Organisation for Economic Co-operation and Development (OECD), *OECD Guidelines for Multinational Enterprises*, 2011.

United Nations Global Compact 'Ten Principles'

The Standard Disclosures under this Aspect help to report on the implementation of Principle 6 of the United Nations Global Compact, 'Ten Principles', 2000.

References

- International Labour Organization (ILO) Convention 100, 'Equal Remuneration Convention', 1951.
- International Labour Organization (ILO) Convention 111, 'Discrimination (Employment and Occupation) Convention', 1958.
- United Nations (UN) Convention, 'Convention on the Elimination of all Forms of Discrimination against Women (CEDAW)', 1979.
- United Nations (UN) Convention, 'International Convention on the Elimination of All Forms of Racial Discrimination', 1965.
- United Nations (UN) Convention, 'International Covenant on Civil and Political Rights', 1966, and related Protocol.
- United Nations (UN) Declaration, 'Declaration on the Elimination of All Forms of Intolerance and of Discrimination based on Religion and Belief', 1981.
- United Nations (UN) Declaration, 'Declaration on the Elimination of All Forms of Racial Discrimination', 1963.
- United Nations (UN) Declaration, 'Declaration on the Rights of Persons Belonging to National or Ethnic, Religious and Linguistic Minorities', 1992.
- United Nations (UN) Fourth World Conference on Women, 'Beijing Declaration and Platform for Action', 1995.
- United Nations Educational, Scientific and Cultural Organization (UNESCO) Declaration, 'Declaration on Race and Racial Prejudice', 1978.
- United Nations Entity for Gender Equality and the Empowerment of Women (UN Women) and United Nations Global Compact, 'Women's Empowerment Principles', 2011.

Indicators

G4-HR3

TOTAL NUMBER OF INCIDENTS OF DISCRIMINATION AND CORRECTIVE ACTIONS TAKEN

- a. Report the total number of incidents of discrimination during the reporting period.
- b. Report the status of the incidents and the actions taken with reference to the following:
 - Incident reviewed by the organization
 - Remediation plans being implemented
 - Remediation plans have been implemented and results reviewed through routine internal management review processes
 - Incident 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 Conventions 100 'Equal Remuneration Convention'²⁷ and 111 'Discrimination (Employment and Occupation) Convention'³¹. An effective monitoring system is necessary to ensure compliance throughout the organization's operations. Stakeholders seek assurance that such policies and monitoring are effective.

Compilation

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 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 (that is, resolved, case completed, or no further action required by the organization).

Definitions

See Glossary in *Implementation Manual*, p. 244

- [Discrimination](#)
- [Incidents](#)

Documentation sources

Potential sources of information include the organization's legal and compliance departments.

Aspect: Freedom of Association and Collective Bargaining

If this Aspect has been identified as material, the Guidelines make the following Standard Disclosures and Guidance available:

Overview*

DISCLOSURES ON MANAGEMENT APPROACH

G4-DMA

Guidance: Generic DMA pp. 64-65; **Aspect-specific** p. 180

INDICATORS

G4-HR4

Operations and suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk, and measures taken to support these rights

Guidance p. 181

*All page numbers in this overview refer to the *Implementation Manual*.

Linkages

OECD Guidelines for Multinational Enterprises

The Standard Disclosures under this Aspect help to report on the implementation of Chapter V. Employment and Industrial Relations of the Organisation for Economic Co-operation and Development (OECD), *OECD Guidelines for Multinational Enterprises*, 2011.

United Nations Global Compact 'Ten Principles'

The Standard Disclosures under this Aspect help to report on the implementation of Principle 3 of the United Nations Global Compact, 'Ten Principles', 2000.

References

- International Labour Organization (ILO) Convention 87, 'Freedom of Association and Protection of the Right to Organise Convention', 1948.
- International Labour Organization (ILO) Convention 98, 'Right to Organise and Collective Bargaining Convention', 1949.
- International Labour Organization (ILO) Convention 154, 'Collective Bargaining Convention', 1981.
- International Labour Organization (ILO) Recommendation 163, 'Collective Bargaining Recommendation', 1981.
- International Labour Organization (ILO), Committee on Freedom of Association, *Freedom of association - Digest of decisions and principles of the Freedom of Association Committee of the Governing Body of the ILO. Fifth (revised) edition*, 2006.

GUIDANCE - DISCLOSURES ON MANAGEMENT APPROACH

Aspect-specific Guidance for G4-DMA-b.

Describe the policy or policies which may be considered likely to affect employees' decisions to join a trade union, or to bargain collectively.

Indicators

G4-HR4

OPERATIONS AND SUPPLIERS IDENTIFIED IN WHICH THE RIGHT TO EXERCISE FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING MAY BE VIOLATED OR AT SIGNIFICANT RISK, AND MEASURES TAKEN TO SUPPORT THESE RIGHTS

- a. Report operations and suppliers in which employee rights to exercise freedom of association or collective bargaining may be violated or at significant risk either in terms of:
 - Type of operation (such as manufacturing plant) and supplier
 - Countries or geographical areas with operations and suppliers considered at risk
- b. Report measures taken by the organization in the reporting period intended to support rights to exercise 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'⁹⁷ and is defined by the ILO Conventions 87 'Freedom of Association and Protection of the Right to Organise Convention'²⁵ and 98 'Right to Organise and Collective Bargaining Convention'²⁶.

This Indicator aims to reveal actions that the 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 organization to express a specific opinion on the quality of national legal systems.

Compilation

Identify operations and suppliers identified in which employee rights to exercise freedom of association or collective bargaining may be violated or at significant risk either in terms of:

- Type of operation (such as manufacturing plant) and supplier
- Countries or geographical areas with operations and suppliers considered 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 the ILO *Information and reports on the application of Conventions and Recommendations*⁵⁷ and the ILO *Freedom of association - Digest of decisions and principles of the Freedom of Association Committee of the Governing Body of the ILO*⁵⁸.

Identify 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 of Principles Concerning Multinational Enterprises and Social Policy'⁶⁴ and OECD *Guidelines for Multinational Enterprises*⁷³ for further guidance.

Definitions

See Glossary in *Implementation Manual*, p. 244

- [Freedom of association](#)
- [Supplier](#)

Documentation sources

Potential sources of information include the organization's legal, compliance, and human resources departments.

Aspect: Child Labor

If this Aspect has been identified as material, the Guidelines make the following Standard Disclosures and Guidance available:

Overview*

DISCLOSURES ON MANAGEMENT APPROACH



Guidance pp. 64-65

INDICATORS



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

Guidance p. 183

*All page numbers in this overview refer to the *Implementation Manual*.

Linkages

OECD Guidelines for Multinational Enterprises

The Standard Disclosures under this Aspect help to report on the implementation of Chapter V. Employment and Industrial Relations of the Organisation for Economic Co-operation and Development (OECD), *OECD Guidelines for Multinational Enterprises*, 2011.

United Nations Global Compact 'Ten Principles'

The Standard Disclosures under this Aspect help to report on the implementation of Principle 5 of the United Nations Global Compact, 'Ten Principles', 2000.

References

- International Labour Organization (ILO) Convention 142, 'Human Resources Development Convention', 1975.
- International Labour Organization (ILO) Convention 182, 'Worst Forms of Child Labour Convention', 1999.
- United Nations (UN) Convention, 'Convention on the Rights of the Child', 1989.

Indicators

G4-HR5

OPERATIONS AND SUPPLIERS IDENTIFIED AS HAVING SIGNIFICANT RISK FOR INCIDENTS OF CHILD LABOR, AND MEASURES TAKEN TO CONTRIBUTE TO THE EFFECTIVE ABOLITION OF CHILD LABOR

- a. Report operations and suppliers considered to have significant risk for incidents of:
 - Child labor
 - Young workers exposed to hazardous work
- b. Report operations and suppliers considered to have significant risk for incidents of child labor either in terms of:
 - Type of operation (such as manufacturing plant) and supplier
 - Countries or geographical areas with operations and suppliers considered at risk
- c. Report measures taken by the organization in the reporting period intended to contribute to the effective abolition 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 'Minimum Age Convention'³⁷ and 182 'Worst Forms of Child Labour Convention'⁴⁸. The presence and effective implementation of policies on child labor are a basic expectation of socially responsible conduct.

Compilation

Identify operations and suppliers considered to have significant risk for incidents of:

- Child labor
- Young workers exposed to hazardous work

The process of identification should reflect the organization's approach to risk assessment on this issue and may draw from recognized international data sources such as ILO *Information and reports on the application of Conventions and Recommendations*⁵⁷.

Identify operations and suppliers considered to have significant risk for incidents of child labor either in terms of

and explain how they differ depending on:

- Type of operation (such as manufacturing plant) and supplier
- Countries or geographical areas with operations and suppliers considered at risk

Identify measures taken by the organization in the reporting period in each of these areas that are intended to contribute to the effective abolition of child labor. See the ILO 'Tripartite Declaration of Principles Concerning Multinational Enterprises and Social Policy'⁶⁴ and OECD *Guidelines for Multinational Enterprises*⁷³ for further guidance.

Definitions

See Glossary in *Implementation Manual*, p. 244

- Child
- Supplier
- Young worker

Documentation sources

Potential sources of information include the organization's legal, compliance, and human resources departments.

Aspect: Forced or Compulsory Labor

If this Aspect has been identified as material, the Guidelines make the following Standard Disclosures and Guidance available:

Overview*

DISCLOSURES ON MANAGEMENT APPROACH

G4-DMA

Guidance pp. 64-65

INDICATORS

G4-HR6

Operations and 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

Guidance p. 185

*All page numbers in this overview refer to the *Implementation Manual*.

Linkages

OECD Guidelines for Multinational Enterprises

The Standard Disclosures under this Aspect help to report on the implementation of Chapter V. Employment and Industrial Relations of the Organisation for Economic Co-operation and Development (OECD), *OECD Guidelines for Multinational Enterprises*, 2011.

United Nations Global Compact 'Ten Principles'

The Standard Disclosures under this Aspect help to report on the implementation of Principle 4 of the United Nations Global Compact, 'Ten Principles', 2000.

References

- International Labour Organization (ILO) Convention 29, 'Forced Labour Convention', 1930.
- International Labour Organization (ILO) Convention 105, 'Abolition of Forced Labour Convention', 1957.
- League of Nations Convention, 'Convention to Suppress the Slave Trade and Slavery', 1926.
- United Nations (UN) Supplementary Convention, 'Supplementary Convention on the Abolition of Slavery, the Slave Trade, and Institutions and Practices Similar to Slavery', 1956.

Indicators

G4-HR6

OPERATIONS AND 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

- a. Report operations and suppliers considered to have significant risk for incidents of forced or compulsory labor either in terms of:
 - Type of operation (such as manufacturing plant) and supplier
 - Countries or geographical areas with operations and suppliers considered at risk
- b. Report 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'⁹⁷ and subject to ILO Conventions 29 'Forced Labour Convention'²⁴ and 105 'Abolition of Forced Labour Convention'²⁹. Forced or compulsory labor exists in a variety of forms and the data provided will indicate the organization's challenges in contributing to the elimination of such labor.

Compilation

Identify operations and suppliers considered to have significant risk for incidents of forced or compulsory labor either in terms of:

- Type of operation (such as manufacturing plant) and supplier
- Countries or geographical areas with operations and suppliers considered at risk

The process of identification reflects the organization's

approach to risk assessment on this issue and may draw from recognized international data sources such as the ILO *Information and reports on the application of Conventions and Recommendations*⁵⁷.

Identify 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 of Principles Concerning Multinational Enterprises and Social Policy'⁶⁴ and OECD *Guidelines for Multinational Enterprises*⁷³ for further guidance.

Definitions

See Glossary in *Implementation Manual*, p. 244

- Forced or compulsory labor
- Supplier

Documentation sources

Potential sources of information include the organization's legal, compliance, and human resources departments.

Aspect: Security Practices

If this Aspect has been identified as material, the Guidelines make the following Standard Disclosures and Guidance available:

Overview*

DISCLOSURES ON MANAGEMENT APPROACH

G4-DMA

 Guidance pp. 64-65

INDICATORS

G4-HR7

Percentage of security personnel trained in the organization's human rights policies or procedures that are relevant to operations

 Guidance p. 187

*All page numbers in this overview refer to the *Implementation Manual*.

References

- International Code of Conduct for Private Security Service Providers, 2010.
- Voluntary Principles on Security and Human Rights, <http://voluntaryprinciples.org/>, accessed on 1 May 2013.

Indicators



PERCENTAGE OF SECURITY PERSONNEL TRAINED IN THE ORGANIZATION'S HUMAN RIGHTS POLICIES OR PROCEDURES THAT ARE RELEVANT TO OPERATIONS

- a. Report the percentage of security personnel who have received formal training in the organization's human rights policies or specific procedures and their application to security.
- b. 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, 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 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.

Compilation

Identify the total number of security personnel the organization employs directly.

Identify the total number of security personnel receiving

formal training in the organization's human rights policies or specific procedures and their application to security. The training may refer either to dedicated training or to a module within a more general training program.

Definitions

See Glossary in *Implementation Manual*, p. 244

- Security personnel

Documentation sources

Potential sources of information include the organization's human resources department, as well as records of training received by internal security personnel and internal audit programs.

Contractors may hold similar information with respect to their employees.

Aspect: Indigenous Rights

If this Aspect has been identified as material, the Guidelines make the following Standard Disclosures and Guidance available:

Overview*

DISCLOSURES ON MANAGEMENT APPROACH



 Guidance pp. 64-65

INDICATORS



Total number of incidents of violations involving rights of indigenous peoples and actions taken

 Guidance p. 189

*All page numbers in this overview refer to the *Implementation Manual*.

References

- International Finance Corporation (IFC), *Performance Standards on Environmental and Social Sustainability*, 2012.
- International Labour Organization (ILO) Convention 107, 'Indigenous and Tribal Populations Convention', 1957.
- International Labour Organization (ILO) Convention 169, 'Indigenous and Tribal Peoples Convention', 1991.
- United Nations (UN) Declaration, 'United Nations Declaration of the Rights of Indigenous Peoples', 2007.

Indicators

G4-HR8

TOTAL NUMBER OF INCIDENTS OF VIOLATIONS INVOLVING RIGHTS OF INDIGENOUS PEOPLES AND ACTIONS TAKEN

- a. Report the total number of identified incidents of violations involving the rights of indigenous peoples during the reporting period.
- b. Report the status of the incidents and actions taken with reference to:
 - Incident reviewed by the organization
 - Remediation plans being implemented
 - Remediation plans have been implemented and results reviewed through routine internal management review processes
 - Incident no longer subject to action

GUIDANCE

Relevance

The total 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 peoples reside or have interests near operations of the organization. The information also provides an additional entry point for support groups. ILO Conventions 107 'Indigenous and Tribal Populations Convention'³⁰ and 169 'Indigenous and Tribal Peoples Convention'⁴⁷ address the rights of indigenous peoples.

Compilation

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 the incident and actions taken with reference to:

- Incident reviewed by the organization
- Remediation plans being implemented
- Remediation plans have been implemented and results reviewed through routine internal management review processes
- Incident no longer subject to action

Definitions

See Glossary in *Implementation Manual*, p. 244

- [Incidents](#)
- [Indigenous peoples](#)

Documentation sources

Potential sources of information 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 peoples within the workforce may be obtainable from employee records.

Aspect: Assessment

If this Aspect has been identified as material, the Guidelines make the following Standard Disclosures and Guidance available:

Overview*

DISCLOSURES ON MANAGEMENT APPROACH



Guidance pp. 64-65

INDICATORS



Total number and percentage of operations that have been subject to human rights reviews or impact assessments

Guidance p. 191

*All page numbers in this overview refer to the *Implementation Manual*.

References

- United Nations (UN), 'Guiding Principles on Business and Human Rights, Implementing the United Nations "Protect, Respect and Remedy" Framework', 2011.
- United Nations (UN), *Protect, Respect and Remedy: a Framework for Business and Human Rights*, 2008.
- United Nations (UN), *Report of the Special Representative of the Secretary-General on the Issue of Human Rights and Transnational Corporations and Other Business Enterprises, John Ruggie*, 2011.
- United Nations Global Compact and Principles for Responsible Investment (PRI), *Guidance on Responsible Business in Conflict-Affected and High-Risk Areas: A Resource for Companies and Investors*, 2010.
- United Nations Global Compact, *Global Compact Business Guide for Conflict Impact Assessment and Risk Management*, 2002.

Indicators

G4-HR9

TOTAL NUMBER AND PERCENTAGE OF OPERATIONS THAT HAVE BEEN SUBJECT TO HUMAN RIGHTS REVIEWS OR IMPACT ASSESSMENTS

- a. Report the total number and percentage of operations that have been subject to human rights reviews or human rights impact assessments, by country.

GUIDANCE

Relevance

Organizations need to be aware of their special responsibility to respect human rights. The presence of the organization's operations can have positive and negative effects in relation to respecting the protection of human rights. Organizations may 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 organization takes human rights considerations into account when making decisions on its locations of operations. It will also provide information to allow evaluation of the potential for the organization to be associated with, or considered complicit in, human rights abuse.

Compilation

Identify countries in which the organization operates.

Identify the total number of operations, by country.

Identify the number of operations that have been subject to human rights reviews or human rights impact assessments, by country.

Definitions

See Glossary in *Implementation Manual*, p. 244

- [Human rights reviews](#)

Documentation sources

Potential information sources include the reporting organization's legal, compliance, and human resources departments; information supplied by country managers; internal audit programs; the risk management office; and any external assessment undertaken.

Aspect: Supplier Human Rights Assessment

If this Aspect has been identified as material, the Guidelines make the following Standard Disclosures and Guidance available:

Overview*

DISCLOSURES ON MANAGEMENT APPROACH

G4-DMA  **Guidance: Generic DMA** pp. 64-65; **Aspect-specific** pp. 192-193

INDICATORS

G4-HR10 **Percentage of new suppliers that were screened using human rights criteria**
 **Guidance** p. 194

G4-HR11 **Significant actual and potential negative human rights impacts in the supply chain and actions taken**
 **Guidance** p. 195

*All page numbers in this overview refer to the *Implementation Manual*.

References

- United Nations (UN), ‘Guiding Principles on Business and Human Rights, Implementing the United Nations “Protect, Respect and Remedy” Framework’, 2011.
- United Nations (UN), *Protect, Respect and Remedy: a Framework for Business and Human Rights*, 2008.
- United Nations (UN), *Report of the Special Representative of the Secretary-General on the Issue of Human Rights and Transnational Corporations and Other Business Enterprises, John Ruggie*, 2011.
- United Nations Global Compact and Principles for Responsible Investment (PRI), *Guidance on Responsible Business in Conflict-Affected and High -Risk Areas: A Resource for Companies and Investors*, 2010.
- United Nations Global Compact, *Global Compact Business Guide for Conflict Impact Assessment and Risk Management*, 2002.

GUIDANCE - DISCLOSURES ON MANAGEMENT APPROACH

Aspect-specific Guidance for G4-DMA-b.

Describe the systems used to screen new suppliers using human rights criteria. List the human rights criteria used to screen new suppliers. Human rights criteria or human rights impact assessments may cover:

- Child labor
- Discrimination
- Forced or compulsory labor
- Freedom of association and collective bargaining
- Indigenous rights
- Security practices

Describe processes used, such as due diligence, to identify and assess significant actual and potential negative human rights impacts in the supply chain. Negative impacts include those

that are either caused or contributed to by the organization, or that are linked to its activities, products, or services by its relationship with a supplier.

Describe how the organization identifies and prioritizes suppliers for assessment of human rights impacts. Assessments may be informed by audits, contractual reviews, two-way engagement, and grievance and complaint mechanisms.

Describe actions taken to address the significant actual and potential negative human rights impacts identified in the supply chain. Explain if the actions are intended to prevent, mitigate, or remediate the impacts. Actions taken may include the adjustment of the organization’s procurement practices, the adjustment of performance expectations, capacity

↓ ASPECT-SPECIFIC G4-DMA-b CONTINUED

building, training, changes to processes and terminating the relationship with a supplier.

Describe how expectations are established and defined in contracts with suppliers to promote the prevention, mitigation, and remediation of significant actual and potential negative human rights impacts (including targets and objectives).

Describe whether suppliers are incentivized and rewarded for the prevention, mitigation, and remediation of significant actual and potential negative human rights impacts.

Describe practices for assessing and auditing suppliers and

their products and services using human rights criteria.

List the type, system, scope, frequency, current implementation of assessment and audit, and which parts of the supply chain have been certified and audited. Assessments and audits of suppliers and their products and services using human rights criteria may be undertaken by the organization, by a second party or by a third party.

Describe the systems in place to assess the potential negative impacts of terminating a relationship with a supplier as a result of human rights impact assessment, and the organization's strategy to mitigate these impacts.

Indicators



PERCENTAGE OF NEW SUPPLIERS THAT WERE SCREENED USING HUMAN RIGHTS CRITERIA

a. Report the percentage of new suppliers that were screened using human rights criteria.

GUIDANCE

Relevance

This Indicator informs stakeholders about the percentage of suppliers selected or contracted subject to the organization’s human rights due diligence processes.

The UN *Protect, Respect and Remedy: a Framework for Business and Human Rights*¹⁰⁷ has confirmed the expectation that organizations should respect human rights throughout their activities and relationships with others.

Human rights due diligence should be initiated as early as possible in the development of a new relationship with a supplier. Significant potential negative human rights impacts may be prevented or mitigated at the stage of structuring contracts or other agreements.

Compilation

Identify the total number of new suppliers that the organization considered selecting or contracting with.

Identify the total number of new suppliers that were screened using human rights criteria.

Human rights criteria may include:

- Child labor
- Discrimination
- Forced or compulsory labor
- Freedom of association and collective bargaining
- Indigenous rights
- Security practices

Definitions

See Glossary in *Implementation Manual*, p. 244

- [Supplier](#)
- [Supplier screening](#)

Documentation sources

Potential sources of information include the organization’s procurement, purchasing and legal departments.

G4-HR11

SIGNIFICANT ACTUAL AND POTENTIAL NEGATIVE HUMAN RIGHTS IMPACTS IN THE SUPPLY CHAIN AND ACTIONS TAKEN

- a. Report the number of suppliers subject to human rights impact assessments.
- b. Report the number of suppliers identified as having significant actual and potential negative human rights impacts.
- c. Report the significant actual and potential negative human rights impacts identified in the supply chain.
- d. Report the percentage of suppliers identified as having significant actual and potential negative human rights impacts with which improvements were agreed upon as a result of assessment.
- e. Report the percentage of suppliers identified as having significant actual and potential negative human rights impacts with which relationships were terminated as a result of assessment, and why.

GUIDANCE**Relevance**

This Indicator informs stakeholders about an organization's awareness of significant actual and potential negative human rights impacts in the supply chain.

The UN *Protect, Respect and Remedy: a Framework for Business and Human Rights*¹⁰⁷ has affirmed the expectation that organizations should respect human rights throughout their activities and relationships with others.

Processes to identify and assess significant actual and potential negative human rights impacts in the supply chain may enable an organization to address them.

Compilation

If it will provide appropriate context on significant impacts, organizations are encouraged to break down the information requested by this Indicator by the location of the supplier and the significant actual and potential negative human rights impact.

Negative impacts include those that are either caused or contributed to by the organization, or that are linked to its activities, products, or services by its relationship with a supplier.

Human rights assessments may include:

- Child labor
- Discrimination
- Forced or compulsory labor
- Freedom of association and collective bargaining
- Indigenous rights
- Security practices

Assessments may be made against agreed performance expectations which were set and communicated prior to the assessment.

Assessments may be informed by audits, contractual reviews, two-way engagement, and grievance and complaint mechanisms.

Improvements may include the adjustment of the organization's procurement practices, the adjustment of performance expectations, capacity building, training, and changes to processes.

Definitions

See Glossary in *Implementation Manual*, p. 244

- [Supplier](#)

Documentation sources

Potential sources of information include procurement, purchasing and legal departments.

Aspect: Human Rights Grievance Mechanisms

If this Aspect has been identified as material, the Guidelines make the following Standard Disclosures and Guidance available:

Overview*

DISCLOSURES ON MANAGEMENT APPROACH

G4-DMA

Guidance: Generic DMA pp. 64-65; Aspect-specific p. 196

INDICATORS

G4-HR12

Number of grievances about human rights impacts filed, addressed, and resolved through formal grievance mechanisms

Guidance p. 197

*All page numbers in this overview refer to the *Implementation Manual*.

References

- United Nations (UN), 'Guiding Principles on Business and Human Rights, Implementing the United Nations "Protect, Respect and Remedy" Framework', 2011.
- United Nations (UN), *Protect, Respect and Remedy: a Framework for Business and Human Rights*, 2008.
- United Nations (UN), *Report of the Special Representative of the Secretary-General on the Issue of Human Rights and Transnational Corporations and Other Business Enterprises, John Ruggie*, 2011.

GUIDANCE - DISCLOSURES ON MANAGEMENT APPROACH

Aspect-specific Guidance for G4-DMA-b.

Describe the availability and accessibility of grievance mechanisms and remediation processes for human rights impacts, including along the organization's supply chain, and the involvement of stakeholders in monitoring their effectiveness. Stakeholders involved in monitoring the effectiveness of the organization's grievance mechanisms and remediation processes may include suppliers and local community and workers' representatives.

List the types of training on the availability and accessibility of grievance mechanisms and remediation processes.

Indicators

G4-HR12

NUMBER OF GRIEVANCES ABOUT HUMAN RIGHTS IMPACTS FILED, ADDRESSED, AND RESOLVED THROUGH FORMAL GRIEVANCE MECHANISMS

- a. Report the total number of grievances about human rights impacts filed through formal grievance mechanisms during the reporting period.
- b. Of the identified grievances, report how many were:
 - Addressed during the reporting period
 - Resolved during the reporting period
- c. Report the total number of grievances about human rights impacts filed prior to the reporting period that were resolved during the reporting period.

GUIDANCE

Relevance

Disputes may occur over the human rights impacts of an organization's activities and relationships with others (such as entities in the supply chain). Effective grievance mechanisms play an important role in the successful protection of human rights.

Compilation

Identify existing formal grievance mechanisms. Formal grievance mechanisms may be managed by the reporting organization or by an external party.

Identify the total number of grievances about human rights impact filed through formal grievance mechanisms during the reporting period.

Identify the total number of grievances addressed or resolved during the reporting period from both current year and prior year grievance filings.

If it will provide appropriate context on significant impacts, organizations are encouraged to break down the number of grievances by the nature and location of the grievance, and the party that filed the grievance. Parties that filed the grievance may include:

- Internal stakeholders (such as employees)
- External stakeholders (such as suppliers, local communities)
- Individuals or groups of people identified by:
 - Membership of underrepresented social groups
 - Other indicators of diversity

Definitions

See Glossary in *Implementation Manual*, p. 244

- [Formal grievance mechanisms](#)

Documentation sources

Potential sources of information include the organization's legal, compliance, procurement, purchasing, and human resources departments.

SUB-CATEGORY: SOCIETY

Introduction

The Society sub-Category concerns impacts that an organization has on society and local communities.

Community members have individual rights based on:

- United Nations (UN) Declaration, 'Universal Declaration of Human Rights', 1948
- United Nations (UN) Convention, 'International Covenant on Civil and Political Rights', 1966
- United Nations (UN) Convention, 'International Covenant on Economic, Social, and Cultural Rights', 1966
- United Nations (UN) Declaration, 'Declaration on the Right to Development', 1986

Collective community rights and indigenous and tribal peoples' rights are recognized by:

- International Labour Organization (ILO) Convention 107, 'Indigenous and Tribal Populations Convention', 1957
- International Labour Organization (ILO) Convention 169, 'Indigenous and Tribal Peoples Convention', 1991
- United Nations (UN) Declaration, 'United Nations Declaration of the Rights of Indigenous Peoples', 2007

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.

Aspect: Local Communities

If this Aspect has been identified as material, the Guidelines make the following Standard Disclosures and Guidance available:

Overview*

DISCLOSURES ON MANAGEMENT APPROACH



Guidance: Generic DMA pp. 64-65; **Aspect-specific** p. 199

INDICATORS



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

Guidance pp. 200-201



Operations with significant actual or potential negative impacts on local communities

Guidance pp. 202-203

*All page numbers in this overview refer to the *Implementation Manual*.

Linkages

OECD Guidelines for Multinational Enterprises

The Standard Disclosures under this Aspect help to report on the implementation of Chapters IV. Human Rights; V. Employment and Industrial Relations; and VI. Environment of the Organisation for Economic Co-operation and Development (OECD), *OECD Guidelines for Multinational Enterprises*, 2011.

United Nations Global Compact 'Ten Principles'

The Standard Disclosures under this Aspect help to report on the implementation of Principle 1 of the United Nations Global Compact, 'Ten Principles', 2000.

References

- International Finance Corporation (IFC), *Performance Standards on Environmental and Social Sustainability*, 2012.
- International Finance Corporation (IFC), *Stakeholder Engagement: A Good Practice Handbook for Companies Doing Business in Emerging Markets*, 2007.
- Organisation for Economic Co-operation and Development (OECD), *Risk Awareness Tool for Multinational Enterprises in Weak Governance Zones*, 2006.

GUIDANCE - DISCLOSURES ON MANAGEMENT APPROACH



Aspect-specific Guidance for G4-DMA-b.

Describe:

- References and statements regarding the collective rights of local communities
- How both women and men are engaged in local communities
- How works councils, occupational health and safety committees or other independent employee representation bodies are empowered to deal with, and have dealt with, impacts on local communities

Indicators

G4-SO1

PERCENTAGE OF OPERATIONS WITH IMPLEMENTED LOCAL COMMUNITY ENGAGEMENT, IMPACT ASSESSMENTS, AND DEVELOPMENT PROGRAMS

- a. Report the percentage of operations with implemented local community engagement, impact assessments, and development programs, including 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
 - Formal local community grievance processes

GUIDANCE

Relevance

A key element in managing impacts on people in local communities is assessment and planning in order to understand the actual and potential impacts, and strong engagement with local communities 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.

Compilation

Identify the total number of operations. The total number of operations matches the operations reported in G4-9.

Identify organization-wide local community engagement, impact assessments, and development programs including 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
- Formal local community grievance processes

Identify the total number of operations that have undertaken organization-wide local community engagement, impact assessments, and development programs.

Using this information, calculate the percentage of operations with implemented local community engagement, impact assessment, and development programs.

Definitions

See Glossary in *Implementation Manual*, p. 244

- Community development program
- Local community
- Vulnerable groups

↓ G4-S01 CONTINUED

Documentation sources

Potential sources of information for this Indicator 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 – such as socio-economic, health, environment, cultural studies
- 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
- Documents held in community information centers

G4-SO2

OPERATIONS WITH SIGNIFICANT ACTUAL AND POTENTIAL NEGATIVE IMPACTS ON LOCAL COMMUNITIES

- a. Report operations with significant actual and potential negative impacts on local communities, including:
- The location of the operations
 - The significant actual and potential 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 Guidelines, 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 actual and potential negative impacts related to operations and not on community investments or donations (which are addressed under G4-EC1).

The Indicator informs stakeholders about an organization's awareness of its impacts on local communities. 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.

Compilation

Identify internal sources of information about actual and potential negative impacts of operations on local communities, including sources such as:

- Actual performance data
- Internal investment plans and associated risk assessments
- All data collected with GRI Indicators (such as G4-EC8, G4-EN1, G4-EN3, G4-EN8, G4-EN12, G4-EN14, G4-EN20 to G4-EN27, G4-EN30, G4-LA7, G4-HR5 to G4-HR8, G4-SO11, G4-PR1, G4-PR2) as relates to individual communities

Identify significant potential negative impacts, including, as a minimum, 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
 - Strength and quality of the governance of local and national institutions around local communities

Identify the exposure of the local community to the organization's operations due to higher than average use of shared resources or impact on shared resources. This may include:

- 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
- Natural resource consumption

Identify the significant actual and potential negative economic, social, cultural, and environmental impacts on local communities and their rights. This may include consideration of:

- Intensity or severity of the impact
- Likely duration of the impact
- Reversibility of the impact
- Scale of the impact

↓ G4-S02 CONTINUED

Definitions

See Glossary in *Implementation Manual*, p. 244

- Local community
- Operations with significant actual and potential negative impacts on local communities

Documentation sources

Potential sources of information 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.

Aspect: Anti-corruption

If this Aspect has been identified as material, the Guidelines make the following Standard Disclosures and Guidance available:

Overview*

DISCLOSURES ON MANAGEMENT APPROACH



Guidance: Generic DMA pp. 64-65; Aspect-specific p. 205

INDICATORS



Total number and percentage of operations assessed for risks related to corruption and the significant risks identified

Guidance p. 206



Communication and training on anti-corruption policies and procedures

Guidance p. 207



Confirmed incidents of corruption and actions taken

Guidance p. 208

*All page numbers in this overview refer to the *Implementation Manual*.

Linkages

OECD Guidelines for Multinational Enterprises

The Standard Disclosures under this Aspect help to report on the implementation of Chapter VII. Combating Bribery, Bribe Solicitation and Extortion of the Organisation for Economic Co-operation and Development (OECD), *OECD Guidelines for Multinational Enterprises*, 2011.

United Nations Global Compact 'Ten Principles'

The Standard Disclosures under this Aspect help to report on the implementation of Principle 10 of the United Nations Global Compact, 'Ten Principles', 2000.

References

- British Ministry of Justice, *The Bribery Act 2010 Guidance*, 2011.
- Criminal Division of the U.S. Department of Justice and Enforcement Division of the U.S. Security and Exchange Commission, *A Resource Guide to the U.S. Foreign Corrupt Practices Act*, 2012.
- Organisation for Economic Co-operation and Development (OECD) Convention, 'Convention on Combating Bribery of Foreign Public Officials in International Business Transactions', 1997.
- Organisation for Economic Co-operation and Development (OECD), *Good Practice Guidance on Internal Controls, Ethics, and Compliance*, 2010.
- Transparency International, 'Business Principles for Countering Bribery', 2011.
- Transparency International, Corruption Perceptions Index, <http://www.transparency.org/research/cpi/overview>, accessed on 1 May 2013.
- United Nations (UN) Convention, 'Convention against Corruption', 2003.
- United Nations Global Compact and Transparency International, *Reporting Guidance on the 10th Principle Against Corruption*, 2009.
- World Bank, Worldwide Governance Indicators (WGI), Control of Corruption, http://info.worldbank.org/governance/wgi/mc_countries.asp, accessed on 1 May 2013.

↓ ASPECT ANTI-CORRUPTION CONTINUED

GUIDANCE - DISCLOSURES ON MANAGEMENT APPROACH **Aspect-specific Guidance for G4-DMA-a.**

Describe the organization's risk assessment procedures for corruption, including the criteria used in the risk assessment (such as location, activity, sector).

Aspect-specific Guidance for G4-DMA-b.

Describe how the organization identifies and manages conflicts of interest that employees or persons linked to the organization's activities, products or services may have. Conflicts of interest for the highest governance body are covered in G4-41.

Describe how the organization ensures that charitable donations and sponsorships (financial and in-kind) that are made to other organizations are not used as a disguised form of bribery. Recipients of charitable donations and sponsorships (financial and in-kind) may include not-for profit organizations, religious organizations, private organizations and events.

Describe the extent to which communication and training on anti-corruption is tailored to those governance body members, employees, and business partners that have been

identified as having a high risk of incidents of corruption.

Describe at which stage the training on anti-corruption for governance body members, employees, and business partners is provided (such as when new employees join the organization, when relationships with new business partners are established) and the frequency of the training (such as annually, biannually).

Describe the collective action activities to combat corruption in which the organization participates, including:

- The strategy for collective action activities
- A list of collective action initiatives in which the organization participates
- A description of the main commitments of these initiatives

Definitions

See Glossary in *Implementation Manual*, p. 244

- Collective action to combat corruption
- Conflict of interest
- Corruption

Indicators

G4-S03

TOTAL NUMBER AND PERCENTAGE OF OPERATIONS ASSESSED FOR RISKS RELATED TO CORRUPTION AND THE SIGNIFICANT RISKS IDENTIFIED

- a. Report the total number and percentage of operations assessed for risks related to corruption.
- b. Report the significant risks related to corruption identified through the risk assessment.

GUIDANCE

Relevance

Efforts to manage risks of incidents of corruption require a system that has supporting procedures in place. This Indicator measures the extent of the risk assessment's implementation across the organization. Risk assessments help to assess the potential for incidents of corruption within and related to the organization, and help the organization to design policies and procedures to combat corruption.

Compilation

Identify operations assessed for risks related to corruption. 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

See Glossary in *Implementation Manual*, p. 244

- [Corruption](#)
- [Operation](#)

Documentation sources

Potential information sources include monitoring reports, risk registers or risk management systems.

G4-SO4

COMMUNICATION AND TRAINING ON ANTI-CORRUPTION POLICIES AND PROCEDURES

- a. Report the total number and percentage of governance body members that the organization's anti-corruption policies and procedures have been communicated to, broken down by region.
- b. Report the total number and percentage of employees that the organization's anti-corruption policies and procedures have been communicated to, broken down by employee category and region.
- c. Report the total number and percentage of business partners that the organization's anti-corruption policies and procedures have been communicated to, broken down by type of business partner and region.
- d. Report the total number and percentage of governance body members that have received training on anti-corruption, broken down by region.
- e. Report the total number and percentage of employees that have received training on anti-corruption, broken down by employee category and region.

GUIDANCE**Relevance**

Communication and training build the internal and external awareness and the necessary capacity to combat corruption. This Indicator reveals the proportion of the organization's governance body members, employees and business partners that can reasonably be assumed to be aware of the organization's anti-corruption policies and procedures.

Compilation

Using data from G4-LA12 identify:

- The governance bodies that exist within the organization (such as the board of directors, management committee, or similar body for non-corporate organizations)
- The total number of individuals and/or employees who comprise these governance bodies

- The total number of employees in each employee category (excluding governance body members)

The total number of business partners is to be estimated.

Definitions

See Glossary in *Implementation Manual*, p. 244

- Business partner
- Corruption
- Employee
- Employee category

Documentation sources

Potential information sources include training records.

G4-S05

CONFIRMED INCIDENTS OF CORRUPTION AND ACTIONS TAKEN

- a. Report the total number and nature of confirmed incidents of corruption.
- b. Report the total number of confirmed incidents in which employees were dismissed or disciplined for corruption.
- c. Report the total number of confirmed incidents when contracts with business partners were terminated or not renewed due to violations related to corruption.
- d. Report public legal cases regarding corruption 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 negative impacts such as 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 risks of corruption. For stakeholders, there is an interest in both the occurrence of incidents and the organization's response.

Compilation

Identify the total number of confirmed incidents of corruption. Confirmed incident of corruption refers to each individual case of corruption that has been found to be substantiated.

Identify the nature of the confirmed incidents of corruption.

Public legal cases regarding corruption include current public investigations, prosecutions or closed cases.

Definitions

See Glossary in *Implementation Manual*, p. 244

- [Business partner](#)
- [Confirmed incidents of corruption](#)
- [Corruption](#)
- [Employee](#)

Documentation sources

Potential information sources include legal department records of cases brought against the organization, its employees, or business partners; minutes of the proceedings of internal disciplinary hearings; and contracts with business partners.

Aspect: Public Policy

If this Aspect has been identified as material, the Guidelines make the following Standard Disclosures and Guidance available:

Overview*

DISCLOSURES ON MANAGEMENT APPROACH

G4-DMA

Guidance: Generic DMA pp. 64-65; **Aspect-specific** p. 209

INDICATORS

G4-S06

Total value of political contributions by country and recipient/beneficiary

Guidance p. 210

*All page numbers in this overview refer to the *Implementation Manual*.

Linkages

OECD Guidelines for Multinational Enterprises

The Standard Disclosures under this Aspect help to report on the implementation of Chapter VII. Combating Bribery, Bribe Solicitation and Extortion of the Organisation for Economic Co-operation and Development (OECD), *OECD Guidelines for Multinational Enterprises*, 2011.

United Nations Global Compact 'Ten Principles'

The Standard Disclosures under this Aspect help to report on the implementation of Principle 10 of the United Nations Global Compact, 'Ten Principles', 2000.

References

- Organisation for Economic Co-operation and Development (OECD) Principles, 'Principles of Corporate Governance', 2004.
- Organisation for Economic Co-operation and Development (OECD) Recommendation, 'Recommendation of the Council on Principles for Transparency and Integrity in Lobbying', 2010.

GUIDANCE - DISCLOSURES ON MANAGEMENT APPROACH

Aspect-specific Guidance for G4-DMA-b.

Describe 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, rather than individual operations.

Provide the organization's core position for each of the identified issues, and describe any significant differences between lobbying positions and stated policies, sustainability goals, or other public positions.

Indicators

G4-SO6

TOTAL VALUE OF POLITICAL CONTRIBUTIONS BY COUNTRY AND RECIPIENT/BENEFICIARY

- a. Report the total monetary value of financial and in-kind political contributions made directly and indirectly by the organization by country and recipient/beneficiary.
- b. Report how the monetary value of in-kind contributions was estimated, if applicable.

GUIDANCE

Relevance

The purposes of this Indicator are to identify the organization's support for political causes, and to ensure integrity and transparency in their political dealings and relationships.

Direct or indirect contributions to political causes can present risks of corruption as they may be used for undue influence or to corrupt the political process. Many countries have legislation that sets limits on expenditure by parties and political candidates for campaigning purposes, and contributions may be made improperly to circumvent such legislation. This can include channeling contributions indirectly through intermediaries, lobbyists, or organizations linked to political causes.

Compilation

Identify in which countries and to which political parties, politicians or causes financial and in-kind political

contributions have been made directly or indirectly by the organization.

Calculate financial political contributions in accordance with national accounting rules (where these exist).

The value of in-kind political contributions is to be estimated.

Definitions

See Glossary in *Implementation Manual*, p. 244

- [Indirect political contributions](#)
- [Political contributions](#)

Documentation sources

Potential sources of information include the accounting records of external payments and in-kind contributions and public disclosure statements.

Aspect: Anti-competitive Behavior

If this Aspect has been identified as material, the Guidelines make the following Standard Disclosures and Guidance available:

Overview*

DISCLOSURES ON MANAGEMENT APPROACH



 Guidance pp. 64-65

INDICATORS



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

 Guidance p. 212

*All page numbers in this overview refer to the *Implementation Manual*.

Linkages

OECD Guidelines for Multinational Enterprises

The Standard Disclosures under this Aspect help to report on the implementation of Chapters X. Competition and XI. Taxation of the Organisation for Economic Co-operation and Development (OECD), *OECD Guidelines for Multinational Enterprises*, 2011.

Indicators

G4-S07

TOTAL NUMBER OF LEGAL ACTIONS FOR ANTI-COMPETITIVE BEHAVIOR, ANTI-TRUST, AND MONOPOLY PRACTICES AND THEIR OUTCOMES

- a. Report the total 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.
- b. Report the main outcomes of completed legal actions, including any decisions or judgments.

GUIDANCE

Relevance

This 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.

Anti-competitive behavior, anti-trust, and monopoly practices may 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 may carry the risk of significant disruption of market activities for the organization as well as punitive measures.

Compilation

Identify 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.

Definitions

See Glossary in *Implementation Manual*, p. 244

- [Anti-competitive behavior](#)
- [Anti-trust and monopoly practices](#)

Documentation sources

Potential sources of information include the legal department records and public records.

Aspect: Compliance

If this Aspect has been identified as material, the Guidelines make the following Standard Disclosures and Guidance available:

Overview*

DISCLOSURES ON MANAGEMENT APPROACH



 Guidance pp. 64-65

INDICATORS



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

 Guidance p. 214

*All page numbers in this overview refer to the *Implementation Manual*.

Linkages

OECD Guidelines for Multinational Enterprises

The Standard Disclosures under this Aspect help to report on the implementation of Chapters X. Competition and XI. Taxation of the Organisation for Economic Co-operation and Development (OECD), *OECD Guidelines for Multinational Enterprises*, 2011.

Indicators

G4-S08

MONETARY VALUE OF SIGNIFICANT FINES AND TOTAL NUMBER OF NON-MONETARY SANCTIONS FOR NON-COMPLIANCE WITH LAWS AND REGULATIONS

- a. Report significant fines and non-monetary sanctions in terms of:
 - Total monetary value of significant fines
 - Total number of non-monetary sanctions
 - Cases brought through dispute resolution mechanisms
- b. If the organization has not identified any non-compliance with laws or regulations, a brief statement of this fact is sufficient.
- c. Report the context against which significant fines and non-monetary sanctions were incurred.

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.

Indicators G4-EN29 and G4-PR9 address compliance with specific aspects of law. An organization's overall record of compliance with the range of laws under which it operates is equally of interest. This Indicator is intended to reflect significant fines and non-monetary sanctions under laws or regulations not covered by G4-EN29 and G4-PR9, such as laws and regulations related to accounting fraud, workplace discrimination, or corruption.

Compilation

Identify administrative or judicial sanctions levied against the organization for failure to comply with laws or regulations, including:

- International declarations, conventions, and treaties; and national, sub-national, regional, and local regulations
- Cases brought against the organization through the use of international dispute mechanisms or national dispute mechanisms supervised by government authorities

Documentation sources

Potential sources of information include audit results or regulatory tracking systems operated by the legal department. Information regarding monetary fines may be found in accounting departments.

Aspect: Supplier Assessment for Impacts on Society

If this Aspect has been identified as material, the Guidelines make the following Standard Disclosures and Guidance available:

Overview*

DISCLOSURES ON MANAGEMENT APPROACH



Guidance: Generic DMA pp. 64-65; Aspect-specific pp. 215-216

INDICATORS



Percentage of new suppliers that were screened using criteria for impacts on society

Guidance p. 217



Significant actual and potential negative impacts on society in the supply chain and actions taken

Guidance p. 218

*All page numbers in this overview refer to the *Implementation Manual*.

Linkages

OECD Guidelines for Multinational Enterprises

The Standard Disclosures under this Aspect help to report on the implementation of Chapters IV. Human Rights; VI. Environment; VII. Combating Bribery, Bribe Solicitation and Extortion; and X. Competition of the Organisation for Economic Co-operation and Development (OECD), *OECD Guidelines for Multinational Enterprises*, 2011.

References

- United Nations (UN), 'Guiding Principles on Business and Human Rights, Implementing the United Nations "Protect, Respect and Remedy" Framework', 2011.
- United Nations (UN), *Protect, Respect and Remedy: a Framework for Business and Human Rights*, 2008.
- United Nations (UN), *Report of the Special Representative of the Secretary-General on the Issue of Human Rights and Transnational Corporations and Other Business Enterprises*, John Ruggie, 2011.

GUIDANCE - DISCLOSURES ON MANAGEMENT APPROACH

Aspect-specific Guidance for G4-DMA-b.

Describe the systems used to screen new suppliers using criteria for impacts on society. List the criteria used to screen new suppliers for impacts on society. Criteria or assessments for impacts on society may cover Aspects under the Society sub-Category.

Describe processes used, such as due diligence, to identify and assess significant actual and potential negative impacts on society in the supply chain. Negative impacts include those that are either caused or contributed to by the organization, or that are linked to its activities, products, or services by its relationship with a supplier.

Describe how the organization identifies and prioritizes suppliers for assessment of impacts on society. Assessments may be informed by audits, contractual reviews, two-way engagement, and grievance and complaint mechanisms.

Describe actions taken to address the significant actual and potential negative impacts on society identified in the supply chain. Explain if the actions are intended to prevent, mitigate, or remediate the impacts. Actions taken may include the adjustment of the organization's procurement practices, the adjustment of performance expectations, capacity building, training, changes to processes and terminating the relationship with a supplier.

↓ ASPECT-SPECIFIC G4-DMA-b CONTINUED

Describe how expectations are established and defined in contracts with suppliers to promote the prevention, mitigation, and remediation of significant actual and potential negative impacts on society (including targets and objectives).

Describe whether suppliers are incentivized and rewarded for the prevention, mitigation, and remediation of significant actual and potential negative impacts on society.

Describe practices for assessing and auditing suppliers and their products and services using criteria for impacts on society.

List the type, system, scope, frequency, current implementation of assessment and audit, and which parts of the supply chain have been certified and audited. Assessments and audits of suppliers and their products and services using criteria for impacts on society may be undertaken by the organization, by a second party or by a third party.

Describe the systems in place to assess the potential negative impacts of terminating a relationship with a supplier as a result of assessing impacts on society, and the organization's strategy to mitigate these impacts.

Indicators

G4-S09

PERCENTAGE OF NEW SUPPLIERS THAT WERE SCREENED USING CRITERIA FOR IMPACTS ON SOCIETY

a. Report the percentage of new suppliers that were screened using criteria for impacts on society.

GUIDANCE

Relevance

This Indicator informs stakeholders about the percentage of suppliers selected or contracted subject to due diligence processes for impacts on society. Due diligence should be initiated as early as possible in the development of a new relationship with a supplier.

Significant potential negative impacts on society may be prevented or mitigated at the stage of structuring contracts or other agreements.

Compilation

Identify the total number of new suppliers that the organization considered selecting or contracting with.

Identify the total number of new suppliers that were screened using criteria for impacts on society.

Criteria for impacts on society may include Aspects under the Society sub-Category.

Definitions

See Glossary in *Implementation Manual*, p. 244

- [Supplier](#)
- [Supplier screening](#)

Documentation sources

Potential sources of information include the organization's procurement, purchasing and legal departments.

G4-SO10

SIGNIFICANT ACTUAL AND POTENTIAL NEGATIVE IMPACTS ON SOCIETY IN THE SUPPLY CHAIN AND ACTIONS TAKEN

- a. Report the number of suppliers subject to assessments for impacts on society.
- b. Report the number of suppliers identified as having significant actual and potential negative impacts on society.
- c. Report the significant actual and potential negative impacts on society identified in the supply chain.
- d. Report the percentage of suppliers identified as having significant actual and potential negative impacts on society with which improvements were agreed upon as a result of assessment.
- e. Report the percentage of suppliers identified as having significant actual and potential negative impacts on society with which relationships were terminated as a result of assessment, and why.

GUIDANCE

Relevance

This Indicator informs stakeholders about an organization's awareness of significant actual and potential negative impacts on society in the supply chain.

Processes to identify and assess significant actual and potential negative impacts on society in the supply chain may enable an organization to address them.

Compilation

If it will provide appropriate context on significant impacts, organizations are encouraged to break down the information requested by this Indicator by the location of the supplier and the significant actual and potential negative impact on society.

Negative impacts include those that are either caused or contributed to by the organization, or that are linked to its activities, products, or services by its relationship with a supplier.

Assessments for impacts on society may include Aspects under the Society sub-Category.

Assessments may be made against agreed performance expectations which were set and communicated prior to the assessment.

Assessments may be informed by audits, contractual reviews, two-way engagement, and grievance and complaint mechanisms.

Improvements may include the adjustment of the reporting organization's procurement practices, the adjustment of performance expectations, capacity building, training, and changes to processes.

Definitions

See Glossary in *Implementation Manual*, p. 244

- [Supplier](#)

Documentation sources

Potential sources of information include procurement, purchasing and legal departments.

Aspect: Grievance Mechanisms for Impacts on Society

If this Aspect has been identified as material, the Guidelines make the following Standard Disclosures and Guidance available:

Overview*

DISCLOSURES ON MANAGEMENT APPROACH



Guidance: Generic DMA pp. 64-65; Aspect-specific p. 219

INDICATORS



Number of grievances about impacts on society filed, addressed, and resolved through formal grievance mechanisms

Guidance p. 220

*All page numbers in this overview refer to the *Implementation Manual*.

Linkages

OECD Guidelines for Multinational Enterprises

The Standard Disclosures under this Aspect help to report on the implementation of Chapters IV. Human Rights; VI. Environment; VII. Combating Bribery, Bribe Solicitation and Extortion; and X. Competition of the Organisation for Economic Co-operation and Development (OECD), *OECD Guidelines for Multinational Enterprises*, 2011.

References

- United Nations (UN), 'Guiding Principles on Business and Human Rights, Implementing the United Nations "Protect, Respect and Remedy" Framework', 2011.
- United Nations (UN), *Protect, Respect and Remedy: a Framework for Business and Human Rights*, 2008.
- United Nations (UN), *Report of the Special Representative of the Secretary-General on the Issue of Human Rights and Transnational Corporations and Other Business Enterprises*, John Ruggie, 2011.

GUIDANCE - DISCLOSURES ON MANAGEMENT APPROACH

Aspect-specific Guidance for G4-DMA-b.

Describe the availability and accessibility of grievance mechanisms and remediation processes for impacts on society, including along the organization's supply chain, and the involvement of stakeholders in monitoring their effectiveness. Stakeholders involved in monitoring the effectiveness of the organization's grievance mechanisms and remediation processes may include suppliers and local community and workers' representatives.

List the types of training on the availability and accessibility of grievance mechanisms and remediation processes.

Indicators

G4-SO11

NUMBER OF GRIEVANCES ABOUT IMPACTS ON SOCIETY FILED, ADDRESSED, AND RESOLVED THROUGH FORMAL GRIEVANCE MECHANISMS

- a. Report the total number of grievances about impacts on society filed through formal grievance mechanisms during the reporting period.
- b. Of the identified grievances, report how many were:
 - Addressed during the reporting period
 - Resolved during the reporting period
- c. Report the total number of grievances about impacts on society filed prior to the reporting period that were resolved during the reporting period.

GUIDANCE

Relevance

Disputes may occur over the impacts on society of an organization's activities and relationships with others (such as entities in the supply chain). Effective grievance mechanisms play an important role in remediating impacts on society.

Compilation

Identify existing formal grievance mechanisms. Formal grievance mechanisms may be managed by the reporting organization or by an external party.

Identify the total number of grievances about impacts on society filed through formal grievance mechanisms.

Identify the total number of grievances addressed or resolved during the reporting period from both current year and prior year grievance filings.

If it will provide appropriate context on significant impacts,

organizations are encouraged to break down the number of grievances by the nature and location of the grievance, and the party that filed the grievance. Parties that filed the grievance may include:

- Internal stakeholders (such as employees)
- External stakeholders (such as suppliers, local communities)
- Individuals or groups of people identified by:
 - Membership of underrepresented social groups
 - Other indicators of diversity

Definitions

See Glossary in *Implementation Manual*, p. 244

- [Formal grievance mechanisms](#)

Documentation sources

Potential sources of information include the organization's legal, compliance, procurement, purchasing, and human resources departments.

SUB-CATEGORY: PRODUCT RESPONSIBILITY

Introduction

The Aspects under the sub-Category of Product Responsibility concern the products and services that directly affect stakeholders, and customers in particular.

Linkages

OECD Guidelines for Multinational Enterprises

The Standard Disclosures under this sub-Category help to report on the implementation of Chapter VIII. Consumer Interests of the Organisation for Economic Co-operation and Development (OECD), *OECD Guidelines for Multinational Enterprises*, 2011.

Aspect: Customer Health and Safety

If this Aspect has been identified as material, the Guidelines make the following Standard Disclosures and Guidance available:

Overview*

DISCLOSURES ON MANAGEMENT APPROACH

G4-DMA

Guidance: Generic DMA pp. 64-65; **Aspect-specific** p. 222

INDICATORS

G4-PR1

Percentage of significant product and service categories for which health and safety impacts are assessed for improvement

Guidance p. 223

G4-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

Guidance p. 224

*All page numbers in this overview refer to the *Implementation Manual*.

Linkages

OECD Guidelines for Multinational Enterprises

The Standard Disclosures under this Aspect help to report on the implementation of Chapter VI. Environment of the Organisation for Economic Co-operation and Development (OECD), *OECD Guidelines for Multinational Enterprises*, 2011.

GUIDANCE - DISCLOSURES ON MANAGEMENT APPROACH

Aspect-specific Guidance for G4-DMA-b.

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

- Development of product concept
- Research and development
- Certification
- Manufacturing and production
- Marketing and promotion
- Storage distribution and supply
- Use and service
- Disposal, reuse, or recycling

Indicators



PERCENTAGE OF SIGNIFICANT PRODUCT AND SERVICE CATEGORIES FOR WHICH HEALTH AND SAFETY IMPACTS ARE ASSESSED FOR IMPROVEMENT

- a. Report the percentage of significant product and 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 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 Multinational Enterprises*⁷³.

Efforts made to protect the health and safety of those who use or deliver the product or 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.

Compilation

Identify significant product and service categories for which health and safety impacts are assessed for improvement.

Documentation sources

Potential sources of information include the organization’s legal and sales departments as well as the documentation collected through quality management systems.

G4-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

- a. Report the total number of incidents of non-compliance with regulations and voluntary codes concerning the health and safety impacts of products and services within the reporting period, by:
 - Incidents of non-compliance with regulations resulting in a fine or penalty
 - Incidents of non-compliance with regulations resulting in a warning
 - Incidents of non-compliance with voluntary codes
- b. If the organization has not identified any non-compliance with regulations and voluntary codes, a brief statement of this fact is sufficient.

GUIDANCE

Relevance

Protection of health and safety is a recognized goal of many national and international regulations. Non-compliance with legal requirements indicates either inadequate internal management systems and procedures, or ineffective implementation. In addition to direct financial consequences (refer to G4-PR9), ongoing non-compliance poses increased financial risk due to damage to both reputation and employee motivation.

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.

The trends revealed by this Indicator may indicate improvements or deterioration in the effectiveness of internal controls.

Compilation

Identify the total number of incidents of non-compliance with regulations and voluntary codes concerning the health and safety impacts 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 labeling are dealt with in G4-PR4.

This Indicator refers to incidents of non-compliance within the reporting period. If a number of incidents relate to events in preceding periods, identify this.

Definitions

See Glossary in *Implementation Manual*, p. 244

- Type of non-compliance

Documentation sources

Potential sources of information include the organization's legal, occupational health and safety, human resources, research and development (R&D) departments, as well as documentation collected through quality management systems.

Aspect: Product and Service Labeling

If this Aspect has been identified as material, the Guidelines make the following Standard Disclosures and Guidance available:

Overview*

DISCLOSURES ON MANAGEMENT APPROACH

G4-DMA

Guidance: Generic DMA pp. 64-65; **Aspect-specific** p. 225

INDICATORS

G4-PR3

Type of product and service information required by the organization’s procedures for product and service information and labeling, and percentage of significant product and service categories subject to such information requirements

Guidance p. 226

G4-PR4

Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes

Guidance p. 227

G4-PR5

Results of surveys measuring customer satisfaction

Guidance p. 228

*All page numbers in this overview refer to the *Implementation Manual*.

GUIDANCE - DISCLOSURES ON MANAGEMENT APPROACH

Aspect-specific Guidance for G4-DMA-b.

Describe organization-wide practices in place to assess and maintain customer satisfaction. These may include:

- The frequency of measuring customer satisfaction
- Standard requirements regarding methodologies of surveys
- Mechanisms for customers to provide feedback

Indicators

G4-PR3

TYPE OF PRODUCT AND SERVICE INFORMATION REQUIRED BY THE ORGANIZATION'S PROCEDURES FOR PRODUCT AND SERVICE INFORMATION AND LABELING, AND PERCENTAGE OF SIGNIFICANT PRODUCT AND SERVICE CATEGORIES SUBJECT TO SUCH INFORMATION REQUIREMENTS

a. 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)		

b. 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*⁷³) and, potentially, with strategies for brand and market differentiation. This Indicator discloses the degree to which information and labeling addresses a product's or a service's impact on sustainability.

Compilation

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 related environmental or social impacts
- Other (explain)

Definitions

See Glossary in *Implementation Manual*, p. 244

- [Product and service information and labeling](#)

Documentation sources

Potential sources of information include legal and sales departments, and the documentation collected through quality management systems.

G4-PR4

TOTAL NUMBER OF INCIDENTS OF NON-COMPLIANCE WITH REGULATIONS AND VOLUNTARY CODES CONCERNING PRODUCT AND SERVICE INFORMATION AND LABELING, BY TYPE OF OUTCOMES

- a. Report the total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by:
 - Incidents of non-compliance with regulations resulting in a fine or penalty
 - Incidents of non-compliance with regulations resulting in a warning
 - Incidents of non-compliance with voluntary codes
- b. If the organization has not identified any non-compliance with regulations and voluntary codes, a brief statement of this fact is sufficient.

GUIDANCE**Relevance**

The display and provision of information and labeling 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 to G4-PR9), non-compliance poses a risk to reputation and customer loyalty and satisfaction.

The trends revealed by this Indicator may indicate improvements or deterioration in the effectiveness of internal controls.

Compilation

Identify the total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling 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.

This Indicator refers to incidents of non-compliance within the reporting period. If a number of incidents relate to events in preceding periods, identify this.

Definitions

See Glossary in *Implementation Manual*, p. 244

- [Product and service information and labeling](#)
- [Type of non-compliance](#)

Documentation sources

Potential sources of information include the organization's legal and technical departments, as well as documentation collected through quality management systems.

G4-PR5

RESULTS OF SURVEYS MEASURING CUSTOMER SATISFACTION

- a. 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 or service category
 - Significant locations of operation

GUIDANCE**Relevance**

Customer satisfaction is one measure of an organization's sensitivity to its customers' needs and preferences 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 may also be used in combination with other sustainability measures.

Customers' needs and preferences may differ by gender and other diversity factors. Customer satisfaction may provide

insights into the degree to which an organization considers the needs of other stakeholders.

Compilation

For any survey results reported, identify the product or service category, or locations of operations to which they apply.

Documentation sources

Potential sources of information include the organization's customer relations, marketing and research and development (R&D) departments.

Aspect: Marketing Communications

If this Aspect has been identified as material, the Guidelines make the following Standard Disclosures and Guidance available:

Overview*

DISCLOSURES ON MANAGEMENT APPROACH



 Guidance pp. 64-65

INDICATORS



Sale of banned or disputed products

 Guidance p. 230



Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship, by type of outcomes

 Guidance p. 231

*All page numbers in this overview refer to the *Implementation Manual*.

References

- International Chamber of Commerce (ICC), *Consolidated Code of Advertising and Marketing Communication Practice*, 2011.

Indicators

G4-PR6

SALE OF BANNED OR DISPUTED PRODUCTS

- a. Report whether the organization sells products that are:
 - Banned in certain markets
 - The subject of stakeholder questions or public debate
- b. Report how the organization has responded to questions or concerns regarding these products.

GUIDANCE

Compilation

Identify, by reviewing the organization’s product portfolio, whether the organization sells products that are:

- Banned in certain markets
- The subject of stakeholder questions 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.

Documentation sources

Potential sources of information include the organization’s legal, sales, and marketing departments.

G4-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

- a. Report the total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship, by:
 - Incidents of non-compliance with regulations resulting in a fine or penalty
 - Incidents of non-compliance with regulations resulting in a warning
 - Incidents of non-compliance with voluntary codes
- b. If the organization has not identified any non-compliance with regulations and voluntary codes, a brief statement of 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 to G4-PR9), non-compliance poses a risk to reputation and to customer loyalty and satisfaction. The trends revealed by this Indicator may indicate improvements or deterioration in the effectiveness of internal controls.

Compilation

Identify the total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship, 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.

This Indicator refers to incidents of non-compliance within the reporting period. If a number of incidents relate to events in preceding periods, identify this.

Definitions

See Glossary in *Implementation Manual*, p. 244

- [Marketing communications](#)
- [Type of non-compliance](#)

Documentation sources

Potential sources of information include the organization's legal, sales, and marketing departments.

Aspect: Customer Privacy

If this Aspect has been identified as material, the Guidelines make the following Standard Disclosures and Guidance available:

Overview*

DISCLOSURES ON MANAGEMENT APPROACH



 Guidance pp. 64-65

INDICATORS



Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data
 Guidance p. 233

*All page numbers in this overview refer to the *Implementation Manual*.

Indicators

G4-PR8

TOTAL NUMBER OF SUBSTANTIATED COMPLAINTS REGARDING BREACHES OF CUSTOMER PRIVACY AND LOSSES OF CUSTOMER DATA

- a. 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
 - Complaints from regulatory bodies
- b. Report the total number of identified leaks, thefts, or losses of customer data.
- c. If the organization has not identified any substantiated complaints, a brief statement of this fact is sufficient.

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.

Compilation

Identify the total number of complaints regarding breaches of customer privacy during the reporting period.

If a substantial number of these breaches relate to events in preceding years, this should be indicated.

Definitions

See Glossary in *Implementation Manual*, p. 244

- [Breach of customer privacy](#)
- [Customer privacy](#)
- [Substantiated complaint](#)

Documentation sources

Potential sources of information include departments responsible for customer service, public relations, or legal concerns.

Aspect: Compliance

If this Aspect has been identified as material, the Guidelines make the following Standard Disclosures and Guidance available:

Overview*

DISCLOSURES ON MANAGEMENT APPROACH



 Guidance pp. 64-65

INDICATORS



Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services

 Guidance p. 235

*All page numbers in this overview refer to the *Implementation Manual*.

Indicators

G4-PR9

MONETARY VALUE OF SIGNIFICANT FINES FOR NON-COMPLIANCE WITH LAWS AND REGULATIONS CONCERNING THE PROVISION AND USE OF PRODUCTS AND SERVICES

- a. Report the total monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services.
- b. If the organization has not identified any non-compliance with laws or regulations, a brief statement of 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 may also affect its ability to expand operations or gain permits.

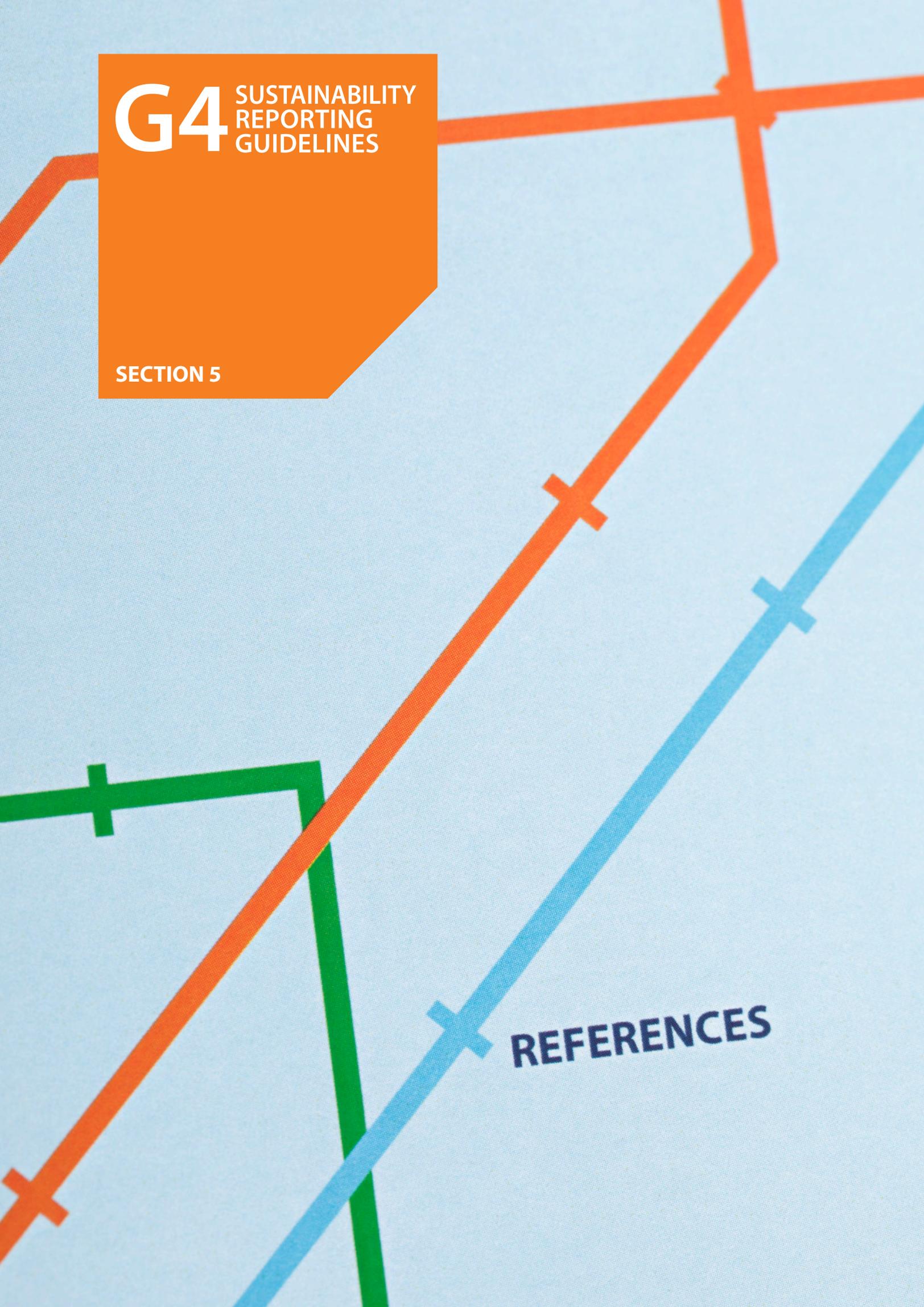
Compilation

Identify administrative or judicial sanctions levied against the

organization for failure to comply with laws and regulations, including international declarations, conventions and 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 data from G4-PR2, G4-PR4, and G4-PR7.

Documentation sources

Potential sources of information include audit results or regulatory tracking systems operated by the legal department. Information regarding monetary fines can be found in accounting departments.



G4 SUSTAINABILITY
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SECTION 5

REFERENCES

5

REFERENCES

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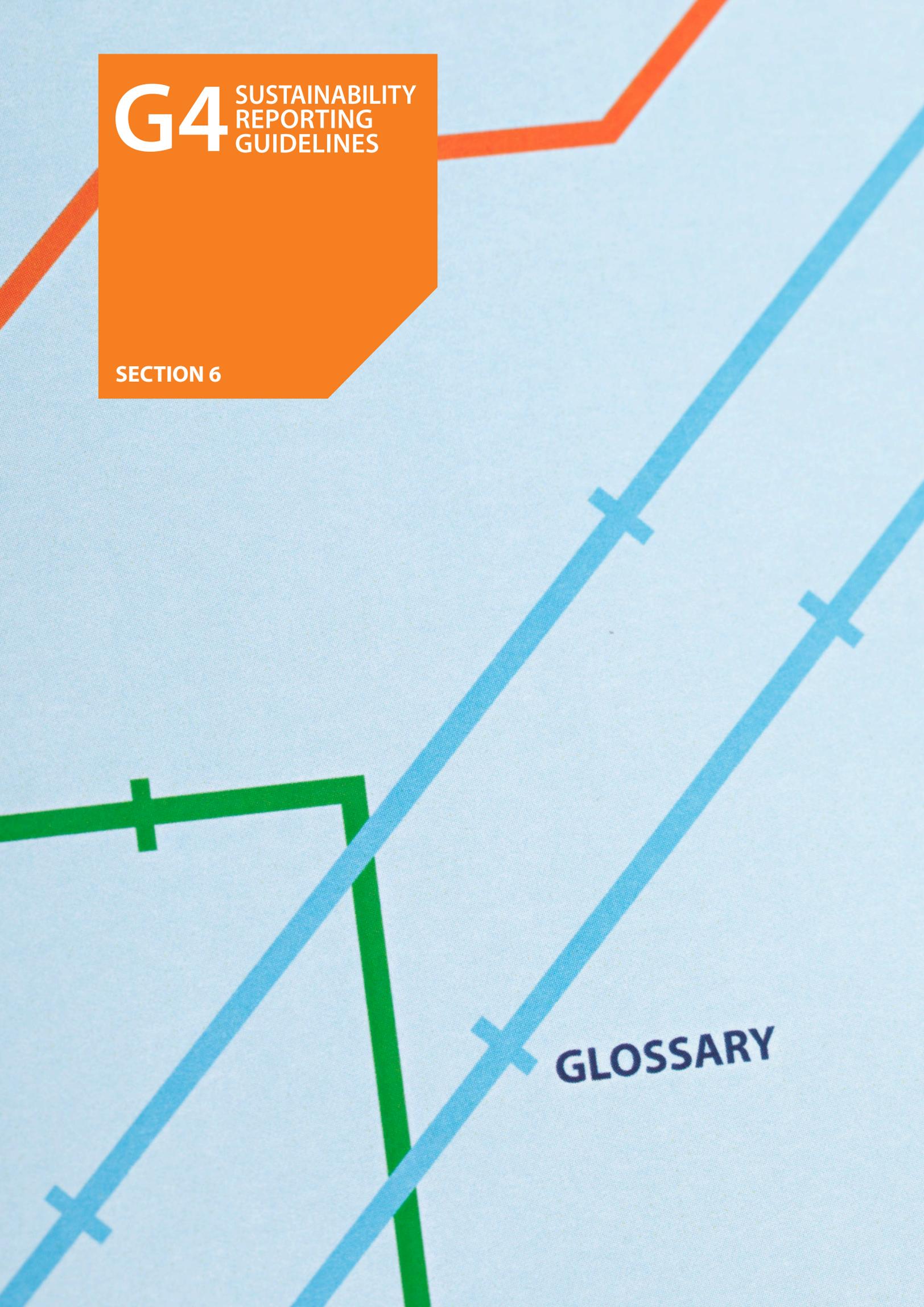
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G4 SUSTAINABILITY
REPORTING
GUIDELINES

SECTION 6

GLOSSARY

6

GLOSSARY

DEFINITIONS OF KEY TERMS

Aspect

The word Aspect is used in the Guidelines to refer to the list of subjects covered by the Guidelines.

Aspect Boundary

Refers to the description of where impacts occur for each material Aspect. In setting the Aspect Boundaries, an organization should consider impacts within and outside of the organization. Aspect Boundaries vary based on the Aspects reported.

General Standard Disclosures

General Standard Disclosures offer a description of the organization and the reporting process.

Impact

In the Guidelines, unless otherwise stated the term 'impact' refers to significant economic, environmental and social impacts that are: positive, negative, actual, potential, direct, indirect, short term, long term, intended, unintended.

Material Aspects

Material Aspects are those that reflect the organization's significant economic, environmental and social impacts; or that substantively influence the assessments and decisions of stakeholders. To determine if an Aspect is material, qualitative analysis, quantitative assessment and discussion are needed.

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.

Scope

The range of Aspects covered in a report.

Specific Standard Disclosures

Specific Standard Disclosures offer information on the organization's management and performance related to material Aspects.

Stakeholders

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

Topic

The word topic is used in the Guidelines to refer to any possible sustainability subject.

GLOSSARY***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 or paternity leave, and compassionate leave are excluded.

Absentee rate

Refers to a measure of actual absentee days lost expressed as a percentage of total days scheduled to be worked by the workforce for the same period.

Annual total compensation

Annual total compensation includes:

- Salary
- Bonus
- Stock awards
- Option awards
- Non-equity incentive plan compensation
- Change in pension value and nonqualified deferred compensation earnings
- All other compensation

Anti-competitive behavior

Actions of the organization 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.

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 UN 'Convention on Biological Diversity'⁽⁸³⁾). Several international conservation organizations have identified particular areas of high biodiversity value.

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.

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.

Base year

A historical datum (such as a year) against which an organization's energy consumption is tracked over time.

Baseline

A starting point used for comparisons. For Indicators G4-EN6, G4-EN7 and G4-EN19, baseline is the projected energy consumption in the absence of any energy reduction activity.

Basic salary

A fixed, minimum amount paid to an employee for performing his or her duties. This does not include any additional remuneration, such as payments for overtime working or bonuses.

Benefits

Benefits refer 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 may also be included. 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 Indicator G4-LA2.

Breach of customer privacy

Covers any non-compliance with existing legal regulations and (voluntary) standards regarding the protection of customer privacy.

Business partner

Business partners include, among others, suppliers, agents, lobbyists and other intermediaries, joint venture and consortia partners, governments, customers, and clients. In the Guidelines, suppliers include brokers, consultants, contractors, distributors, franchisees or licensees, home workers, independent contractors, manufacturers, primary producers, sub-contractors and wholesalers.

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Carbon dioxide equivalent

CO₂ (carbon dioxide) equivalent is the universal unit of measurement used to compare the emissions from various GHGs based on their global warming potential (GWP). The CO₂ equivalent for a gas is determined by multiplying the metric tons of the gas by the associated GWP.

Career endings

Retirement by reaching statutory national retiring age or termination of employment.

CFC-11 equivalent

CFC-11 equivalent 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.

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 International Labour Organization (ILO) in response to special application by the country concerned and consultation with representative organizations of employers and workers.

Note: The ILO Convention 138 'Minimum Age Convention'³⁷ refers to both child labor and young workers. See the definition of 'young worker' on p. 254 of the *Implementation Manual*.

Clawback

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

Collective action to combat corruption

Collective action refers to voluntary engagement with initiatives and stakeholders to improve the broader operating environment and culture to combat corruption. It can include proactive collaboration with peers, governments and the wider public sector, trade unions and civil society organizations.

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.

Community development program

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.

Confirmed incidents of corruption

Incidents of corruption that have been found to be substantiated. This does not include incidents of corruption that are still under investigation in the reporting period.

Conflict of interest

A situation where an individual is confronted with choosing between the requirements of his/her function and his/her own private interests.

Conservation and efficiency initiatives

Organizational or technological modifications that allow a defined process or task to be carried out using less energy. This includes process redesign, the conversion and retrofitting of equipment (such as energy-efficient lighting), or the elimination of unnecessary energy use due to changes in behavior.

Continued employability

Adaptation to the changing demands of the workplace through the acquisition of new skills.

Corruption

Corruption is 'the abuse of entrusted power for private gain'^X and can be instigated by individuals or organizations. In the Guidelines, corruption includes practices such as bribery, facilitation payments, fraud, extortion, collusion, and money laundering. It also includes an offer or receipt of any gift, loan, fee, reward, or other advantage to or from any person as an inducement to do something that is dishonest, illegal, or a breach of trust in the conduct of the enterprise's business^{XI}. This may include cash or in-kind benefits, such as free goods, gifts, and holidays, or special personal services provided for the purpose of an improper advantage or that may result in moral pressure to receive such an advantage.

X Transparency International

XI These definitions are based on Transparency International, 'Business Principles for Countering Bribery', 2011.

Customer privacy

The right of the customer to privacy and personal refuge, including matters such as the protection of data, the use of information/data only for its original intended purpose (unless specifically agreed otherwise), the obligation to observe confidentiality, and protection from misuse or theft. A customer is understood to include end-customers (consumer) as well as business-to-business customers.

Defined benefit plans

Post-employment benefit plans other than defined contribution plans.

Defined contribution plans

Post-employment benefit plans under which an entity pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods.

Direct GHG emissions (Scope 1)

Emissions from operations that are owned or controlled by the organization.

Direct (Scope 1) GHG emissions come from sources (physical units or processes that release GHG into the atmosphere) that are owned or controlled by the organization.

Direct (Scope 1) GHG emissions include, but are not limited to, the CO₂ emissions from the fuel consumption reported in Indicator G4-EN3.

Discrimination

The act and the result of treating people unequally by imposing unequal burdens or denying benefits rather than treating each 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.

Economic impact

A change in the productive potential of the economy that has an influence on a community's or stakeholder's well-being and longer-term prospects for development.

Employee

An individual who is, according to national law or practices, recognized as an employee of the organization.

Employee category

Breakdown of employees by level (such as senior management, middle management) and function (such as technical, administrative, production). This information is derived from an organization's own human resources system.

Employee turnover

Employees who leave the organization voluntarily or due to dismissal, retirement, or death in service.

Employment contract

An employment contract as recognized under national law or practice that may be written, verbal, or implicit (that is, when all the characteristics of employment are present but without a written or witnessed verbal contract).

Indefinite or permanent contract: A permanent employment contract 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 employment contract is an employment contract 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 employment contract is of limited duration and terminated by a specific event, including the end of a project or work phase or return of replaced personnel.

Employment types

Full-time: A 'full-time employee' is defined according to national legislation and practice regarding working time (such as 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.

Energy indirect (Scope 2) GHG emissions

Emissions that result from the generation of purchased or acquired electricity, heating, cooling, and steam consumed by the organization.

Energy reduction

The amount of energy no longer used or needed to carry out the same processes or tasks. The term does not include overall reduction in energy consumption from reducing production capacity or outsourcing organizational activities.

Entry level wage

Entry level wage refers to the full-time wage offered to an employee in the lowest employment category. Intern or apprentice wages are not considered.

Environmental laws and regulations

Refers to regulations related to all types of environmental issues (that is, 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.

Environmental protection expenditures

All expenditures on environmental protection by the organization, or on its behalf, to prevent, reduce, control, and document environmental aspects, impacts, and hazards. These expenditures also include expenditures on disposal, treatment, sanitation, and clean-up.

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.

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.

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 herself or himself voluntarily (ILO Convention 29 'Forced Labour Convention'²⁴). 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. Examples of forced labor include:

- Withholding identity papers
- Requiring compulsory deposits
- Compelling workers, under threat of firing, to work extra hours to which they have not previously agreed

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.

Formal committee

'Formal committee' 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.

Formal grievance mechanisms

Systems consisting of specified procedures, roles and rules for methodically addressing complaints as well as resolving disputes. Formal grievance mechanisms are expected to be legitimate, accessible, predictable, equitable, rights-compatible, clear and transparent, and based on dialogue and mediation.

Freedom of association

The right of workers and employers to establish and join organizations of their own choosing without the need for prior authorization.

Full coverage

Plan assets that meet or exceed plan obligations.

GHG reductions

A decrease in GHG emissions or an increase in removal or storage of GHGs from the atmosphere, relative to baseline emissions. Primary effects will result in GHG reductions, as will some secondary effects. An initiative's total GHG reductions are quantified as the sum of its associated primary effect(s) and any significant secondary effects (which may involve decreases or countervailing increases in GHG emissions).

Global warming potential (GWP)

GWP values describe the radiative forcing impact of one unit of a given GHG relative to one unit of carbon dioxide over a given period of time. GWP values convert GHG emissions data for non-CO₂ gases into units of CO₂ equivalent.

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.

Highest governance body

The formalized group of persons charged with ultimate authority in an organization. In instances where the highest governance body consists of two tiers, both tiers should be included.

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.

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Human rights reviews

A formal or documented assessment process that applies a set of human rights performance criteria.

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.

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.

Indicator

Qualitative or quantitative information about results or outcomes associated with the organization that is comparable and demonstrates change over time.

Indicators of diversity

Indicators of diversity for which the organization gathers data may include citizenship, ancestry and ethnic origin, creed, and disability.

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.

Indirect economic impact

An additional consequence of the direct impact of financial transactions and the flow of money between an organization and its stakeholders.

Indirect political contributions

Any financial or in-kind support to political parties, their representatives, or candidates for office made through intermediary organizations such as lobbyists or charities or support given to organizations such as think tanks or trade associations linked to or supporting particular political parties or causes.

Infrastructure

Facilities (such as 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.

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.

IUCN Red List of Threatened Species

An inventory of the global conservation status of plant and animal species developed by the International Union for Conservation of Nature (IUCN)⁶⁸.

Lifelong learning

Acquiring and updating abilities, knowledge, qualifications, and interests throughout life, from pre-school years to post-retirement.

Local community

Persons or groups of people living and/or working in any areas that are economically, socially or environmentally impacted (positively or negatively) by the organization's operations. The local community can range from people living adjacent to operations through to isolated settlements at a distance from operations that may experience the impacts of these operations.

Local employee

Individuals either born or who have the legal right to reside indefinitely (such as naturalized citizens or permanent visa holders) in the same geographic market as the operation. The geographical definition of 'local' may include the community surrounding operations, a region within a country or a country.

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 (such as by state or province or by employment category), identify which minimum wage is being used.

Local supplier

Organization or person that provides a product or service to the reporting organization and that it is based in the same geographical market as the reporting organization (that is, no trans-national payments to the supplier are made). The geographical definition of 'local' may include the community surrounding operations, a region within a country or a country.

Logistical purposes

The forward or reverse flow and storage of goods and services between the point of origin and the point of consumption.

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.

Marketing communication

The combination of strategies, systems, methods, and activities used by an organization to promote its reputation, brands, products, and services to target audiences. Marketing communications can include activities such as advertising, personal selling, promotion, public relations, and sponsorship.

Mechanisms for reporting concerns about unethical or unlawful behavior, and matters related to integrity

Systems and processes through which an individual or organization can report concerns about illegal, irregular, dangerous or unethical practices related to the organization's operations. Individuals may include the organization's governance body members, employees, business partners, and other stakeholders.

New employee hires

New employees joining the organization for the first time.

Non-renewable energy sources

Energy sources that cannot be replenished, reproduced, grown or generated in a short time period through ecological cycles.

Non-renewable energy sources include:

- Fuel distilled from petroleum or crude oil (such as gasoline, diesel fuel, jet fuel, heating oil)
- Natural gas (such as compressed natural gas (CNG), liquefied natural gas (LNG))
- Fuels extracted from natural gas processing and petroleum refining (such as butane, propane, liquefied petroleum gas (LPG))
- Coal
- Nuclear power

Non-renewable materials

Resources that do not renew in short time periods, such as minerals, metals, oil, gas, or coal.

Occupational disease

A disease arising from the work situation or activity (such as 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.

Operation

A single location used by an organization for the production, storage and/or distribution of its goods and services, or for administrative purposes (such as office). Within a single operation, there may be multiple production lines, warehouses, or other activities. For example, a single factory may be used for multiple products or a single retail outlet may contain several different retail operations that are owned or managed by the organization.

Operations with significant actual or potential 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).

Other indirect GHG emissions (Scope 3)

Other indirect GHG emissions are all indirect emissions (not included in Scope 2) that occur outside of the organization, including both upstream and downstream emissions.

Ozone-depleting substance (ODS)

Any substance with an ozone depletion potential (ODP) greater than 0 that can deplete the stratospheric ozone layer. Most ODS are controlled under the UNEP 'Montreal Protocol on Substances that Deplete the Ozone Layer'¹²⁰ and its amendments, and include CFCs, HCFCs, halons, and methyl bromide.

Parental leave

Leave granted to men and women workers on the grounds of the birth of a child.

Political contributions

Any financial or in-kind support given directly or indirectly to political parties, their elected representatives, or persons seeking political office. Financial contributions may include donations, loans, sponsorships, retainers, or the purchase of tickets for fundraising events. In-kind contributions may include advertising, use of facilities, design and printing, donation of equipment, or the provision of board membership, employment or consultancy work for elected politicians or candidates for office.

Precautionary Principle

The Precautionary Principle refers to the approach taken to address potential environmental impacts. See United Nations (UN) Declaration, 'The Rio Declaration on Environment and Development', 1992. 'Principle 15: In order to protect the environment, the precautionary approach shall 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.'

Product

Article or substance that is offered for sale or is part of a service delivered by an organization.

Product and service information and labeling

Information and labeling are used synonymously and describe communication delivered with the product or service describing its characteristics.

Product category

A group of related products sharing a common, managed set of features that satisfy the specific needs of a selected market.

Protected areas

A geographically defined area that is designated, regulated, or

managed to achieve specific conservation objectives.

Reclaimed

Refers to collecting, reusing, or recycling products and their packaging materials at the end of their useful lives. Collection and treatment may 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
- Separated into raw materials (such as steel, glass, paper, some kinds of plastic) or components
- Used by the organization or other users

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 organization.

Regular performance and career development review

Performance targets and reviews are based on criteria known to the employee and his or 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.

Remuneration

Basic salary plus additional amounts such as those based on years of service, bonuses including cash and equity such as stocks and shares, benefit payments, overtime, time owed, and any additional allowances (such as transportation, living and childcare allowances).

Renewable energy sources

Energy sources that are capable of being replenished in a short time through ecological cycles. Renewable energy sources include:

- Geothermal
- Wind
- Solar
- Hydro
- Biomass

Renewable materials

Renewable materials are materials that are derived from plentiful resources that are quickly replenished by ecological cycles or agricultural processes so that the services provided by these and other linked resources are not endangered and remain available for the next generation.¹³⁵

* Note to users of an electronic version of this document: To return to previous page, please click "alt" + left arrow.

Reporting period

Reporting period is the specific time span covered by the information reported.

Risk control for diseases

Practices that seek to limit exposure and transmission of diseases.

Security personnel

Individuals employed for the purposes of guarding property of the organization; crowd control; loss prevention; and escorting persons, goods, and valuables.

Senior executive

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

Serious diseases

Occupational or non-occupational related impairment of health with serious consequences for employees, their families, and communities. This may include HIV/AIDS, diabetes, repetitive strain injuries (RSI), malaria and stress.

Service

Action of an organization to meet a demand or need.

Services supported

Services that provide a public benefit either through direct payment of operating costs or through staffing the facility or service with the organization's own employees. Public benefit may also include public services.

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.

Significant impact for biodiversity

Impacts that may adversely affect the integrity of a geographical area or 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 the particular species that make that habitat important cannot be sustained.

On a species level, a significant impact causes a population decline 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.

Significant operational changes

Alterations to the organization's pattern of operations that 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.

Significant spill

All spills that are included in the organization's financial statements (such as due to resulting liabilities) or recorded as a spill by the organization.

Skills management

Policies and programs that focus on developing employees' skills to meet the evolving strategic needs of the organization or the industry.

Spill

Accidental release of a hazardous substance that can affect human health, land, vegetation, water bodies, and ground water.

Standard benefits

Standard benefits refer to those typically offered to the majority of full-time employees. Such benefits do not need to be offered to every single full-time employee of the organization. The intention of Indicator G4-LA2 is to disclose what full-time employees can reasonably expect.

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.

Supervised worker

An individual who performs regular work on-site for, or on behalf of, the organization but is not recognized as an employee under national law or practice.

Supplier

Organization or person that provides a product or service used in the supply chain of the reporting organization.

The supplier can have a direct or indirect relationship with the organization.

Examples of suppliers are:

- Brokers: Persons or organizations that buy and sell products, services, or assets for others, including contracting agencies that supply labor
- Consultants: Persons or organizations that provide expert advice and services on a legally recognized professional and commercial basis. Consultants are legally recognized as self-employed or are legally recognized as employees of another organization
- Contractors: Persons or organizations working onsite or offsite on behalf of an organization with a relationship determined by a contract. A contractor may hire their own staff directly or hire sub-contractors or independent contractors
- Distributors: Agents that supply products to others
- Franchisees or licensees: Persons or organizations that are granted a franchise or license by the reporting organization. Franchises and licenses permit specified commercial activities (such as the production and sale of a product)
- Home workers: Persons at home or in other premises of their choice, other than the workplace of the employer, who perform work for remuneration and which results in a product or service as specified by the employer, irrespective of who provides the equipment, materials or other inputs used
- Independent contractors: Persons or organizations working for an organization, a contractor, or a sub-contractor, with a relationship determined by a contract. Independent contractors do not have an employment relationship with the organization
- Manufacturers: Persons or organizations that make products for sale
- Primary producers: Persons or organizations that grow, harvest, or extract raw materials
- Sub-contractors: Persons or organizations working onsite or offsite on behalf of an organization that have a direct contractual relationship with a contractor or sub-contractor but not necessarily with the organization. A sub-contractor may hire their own staff directly or hire independent contractors
- Wholesalers: Sellers of products in large quantities to be retailed by others

Supplier screening

A formal or documented process that applies a set of performance criteria as one of the factors in determining whether to proceed with a relationship with a supplier.

Supply chain

Sequence of activities or parties that provides products or services to the organization.

Termination payment

All payments made and benefits given to a departing executive or member of the highest governance body whose appointment is terminated. This extends beyond monetary payments to the giving of property and the automatic or accelerated vesting of incentives given in connection with a person's departure from office.

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)
- Wastewater removed from the organization via truck. Discharge of collected rainwater and domestic sewage is not regarded as water discharge

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.

Total workforce

The total number of persons working for the organization at the end of the reporting period (that is, the sum of all employees and supervised workers).

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
- Training on specific topics such as health and safety

Training does not include on-site coaching by supervisors.

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 (such as employee commuting and business traveling).

Transportation of the members of the organization's workforce

Transportation used for commuting to and from work by members of the workforce or travel for business purposes including air, train, bus, and other forms of motorized and non-motorized travel.

Two-tier board system

A governance system found in a limited number of jurisdictions where supervision and management are separated or where local law provides for a supervisory board drawn from non-executives to oversee an executive management board.

Type of non-compliance

Court judgment on failure to act in accordance with regulations or laws, categorized by the nature of the laws or regulations breached.

Under-represented social group

A population that, relative to its numbers in a given society, has less opportunity to express its economic, social, or political needs and views. Specific groups included under this definition are not uniform for every organization. The organization identifies relevant groups based on its operating context.

Vulnerable groups

A vulnerable group is a set or subset of people with some

specific physical, social, political, or economic condition or characteristic that places the group at a higher risk of suffering a burden, or at a risk of suffering a disproportionate burden of the social, economic or environmental impacts of an organization's operations. Vulnerable groups may include children and youth, the elderly, people with disabilities, ex-combatants, the internally displaced, refugees or returning refugees, HIV/AIDS-affected households, indigenous peoples, and ethnic minorities. Vulnerabilities and impacts may differ by gender.

Waste disposal method

The method by which waste is treated or disposed of, including composting, reuse, recycling, recovery, incineration, landfill, deep well injection, and on-site storage.

Water recycling and reuse

The act of processing used water and wastewater through another cycle before discharge to final treatment and discharge to the environment. In general, there are three types of water recycling and reuse:

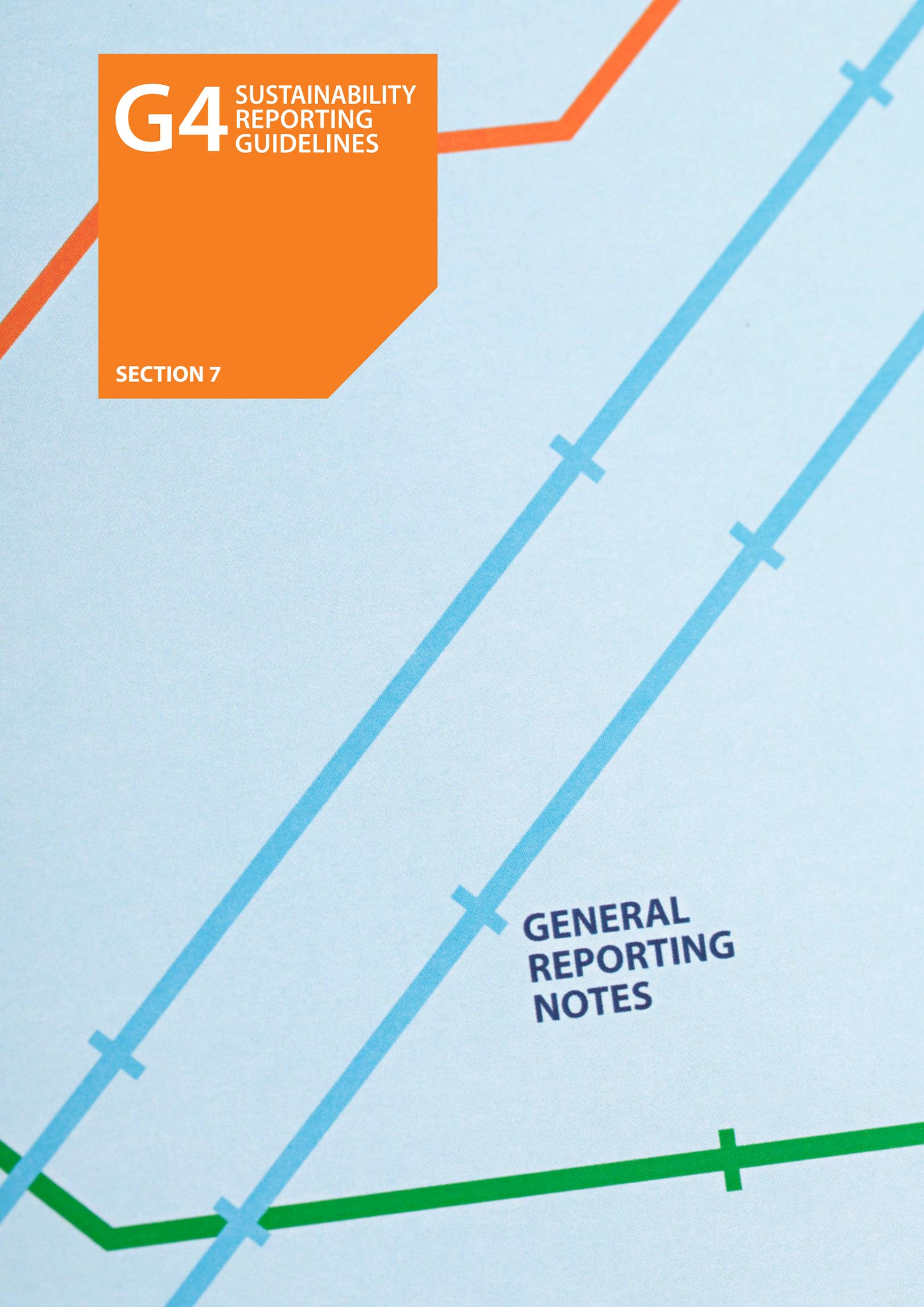
- Wastewater recycled back in the same process or higher use of recycled water in the process cycle
- Wastewater recycled and reused in a different process, but within the same facility
- Wastewater reused at another of the organization's facilities

Worker

Generic term for any person performing work, regardless of the contractual relationship.

Young worker

A person who is above the applicable minimum working age and younger than 18 years of age.



G4 SUSTAINABILITY
REPORTING
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SECTION 7

**GENERAL
REPORTING
NOTES**

7

GENERAL REPORTING NOTES

7.1 REPORTING ON TRENDS

Information should be presented for the current reporting period (such as the current year such as) and at least two previous periods, as well as future targets, where they have been established, for the short- and medium-term.

7.2 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. Explanatory notes are advisable.

7.3 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 (such as 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 *Implementation Manual*. Disaggregation may vary by Indicator, but will generally provide more insight than a single, aggregated figure.

7.4 METRICS

Reported data should be presented using generally accepted international metrics (such as kilograms, tonnes, litres) and calculated using standard conversion factors. When specific international conventions exist (such as GHG equivalents), these are typically specified in the Indicators' Guidance presented in the *Implementation Manual*.

7.5 REPORT FORM AND FREQUENCY

REPORTING REQUIRED STANDARD DISCLOSURES BY USING REFERENCES

Information related to Standard Disclosures required by the 'in accordance' options may already be included in other reports prepared by the organization, such as its annual report to shareholders or other regulatory or voluntary reports. In these circumstances, the organization may elect to not repeat those disclosures in its sustainability report and instead add a reference to where the relevant information can be found.

This presentation is acceptable as long as the reference is specific (for example, a general reference to the annual report to shareholders would not be acceptable, unless it includes the name of the section, table, etc.) and the information is publicly available and readily accessible. This is likely the case when the sustainability report is presented in electronic or web based format and links are provided to other electronic or web based reports.

MEDIUM OF REPORTING

Electronic or web-based reporting and paper reports are appropriate media for reporting. Organizations may choose to use a combination of web and paper-based reports or use only one medium. For example, an organization may choose to provide a detailed report on their website and provide an executive summary including their strategy and analysis and performance information in paper form. The choice will likely depend on the organization's decisions on its reporting period, its plans for updating content, the likely users of the report, and other practical factors, such as its distribution strategy.

At least one medium (web or paper) should provide users with access to the complete set of information for the reporting period.

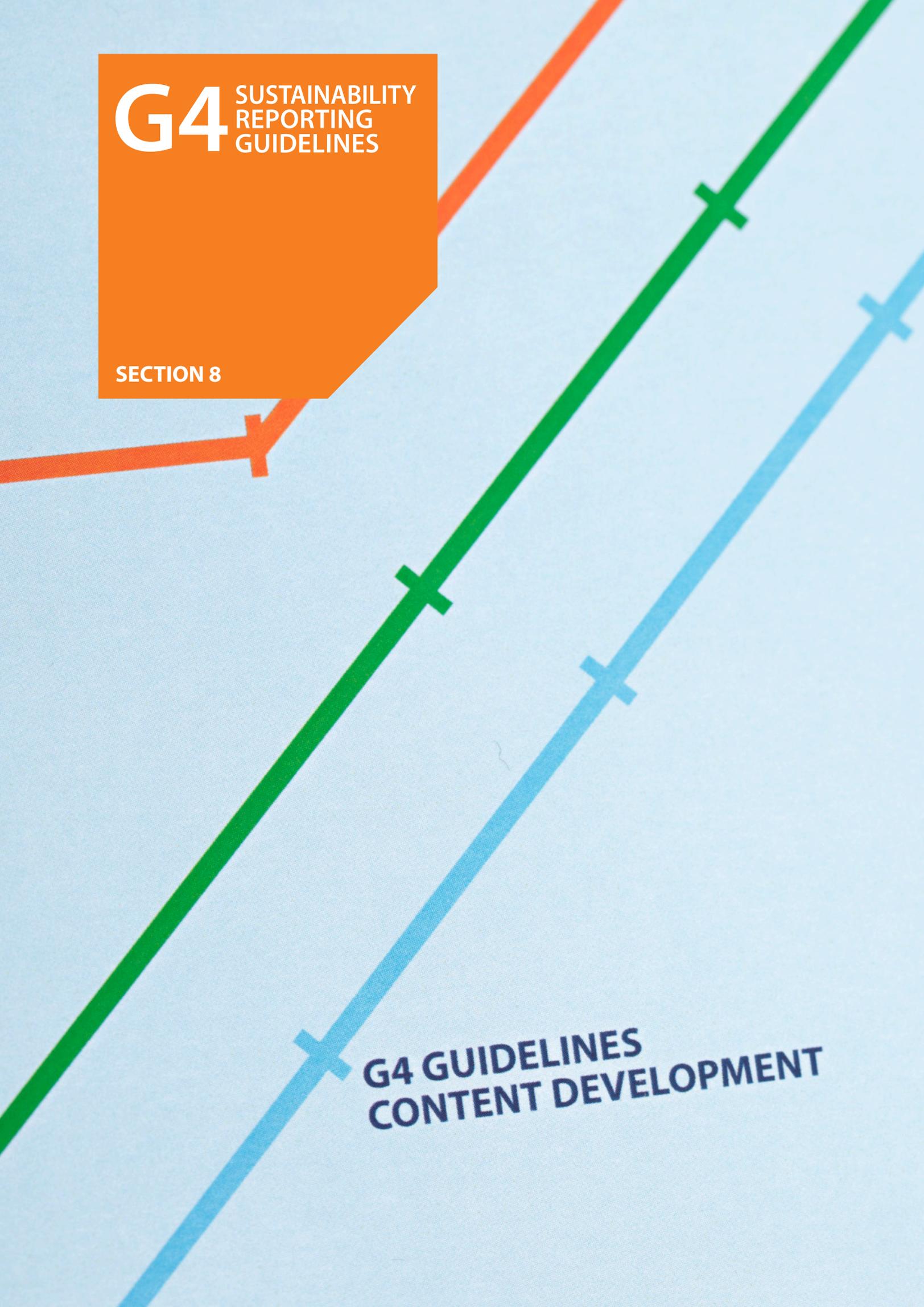
FREQUENCY OF REPORTING

Organizations should define a consistent reporting period for issuing a report. For many organizations, this will be annually, although some organizations choose to report biannually. An organization may choose to update information 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 on economic, environmental and social performance could coincide or be integrated with other organizational reporting, such as annual financial statements. Coordinated timing reinforces the linkages between financial performance and economic, environmental and social performance.

UPDATING REPORT CONTENT

When preparing a new report, an organization may identify areas of information that have not changed since the prior report (such as a policy that has not been amended). The organization may choose to only update the topics and Indicators that have changed and to re-publish the Standard Disclosures that have not changed. For example, an organization may choose to reproduce the information on policies that have not changed and only update its Indicators. The flexibility to take such an approach will depend in large part on the organization's choice of reporting medium. Some topics such as Strategy and Analysis and DMA and Indicators, are likely to show changes each reporting period, while other topics, 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 (either a paper or web-based document).

The background features three thick diagonal lines: an orange line at the top, a green line in the middle, and a light blue line at the bottom. Each line has several small cross-shaped markers. In the top-left corner, there is an orange box with a white border and a white diagonal cut-off at the bottom-right corner. Inside this box, the text 'G4 SUSTAINABILITY REPORTING GUIDELINES' is written in white. Below the box, the text 'SECTION 8' is written in white. At the bottom right, the text 'G4 GUIDELINES CONTENT DEVELOPMENT' is written in dark blue, following the angle of the light blue diagonal line.

G4 SUSTAINABILITY
REPORTING
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SECTION 8

**G4 GUIDELINES
CONTENT DEVELOPMENT**

8

G4 GUIDELINES
CONTENT
DEVELOPMENT

8.1 GRI DUE PROCESS

All documents in the GRI Framework must be developed in accordance with the due process principles approved by the GRI Board of Directors and outlined in this document. The Technical Advisory Committee is responsible for evaluating whether the development of Framework Documents has followed the due process outlined in this document. The complete Due Process description can be found at www.globalreporting.org.

OVERARCHING DUE PROCESS PRINCIPLES

1. GRI Working Groups are the primary means for developing and revising the text of GRI Framework documents.
2. GRI Working Groups should be multi-stakeholder in their constituency composition. Working Groups developing Reporting Framework Documents for global application must also be global in their composition. The primary constituencies for working groups should be: business, mediating institutions, labor, and civil society.
3. Any individual may serve on GRI Working Groups. Appointment to working groups is based on the expertise of the individuals and the composition needs of the Working Group.
4. The Secretariat forms GRI Working Groups under the direction of the Board in order to implement the technical agenda. Individuals involved in working groups are solicited and selected by the Secretariat taking into consideration potential participants from the Stakeholder Council and Technical Advisory Committee.
5. Working group membership is allocated to individuals rather than to organizations. The GRI Secretariat is responsible for identifying an appropriate replacement in the event that a member must retire from a working group prior to the completion of its task.
6. GRI Working Groups seek to reach decisions by consensus. In the event that consensus proves impossible, minority opinions must be documented for the Technical Advisory Committee's consideration during their review of the working group outputs. The resolution of these issues must be communicated to the Board and the Stakeholder Council for any documents in the GRI Framework which are subsequently forwarded to these bodies for their review and decision.

DEVELOPING PROPOSALS FOR REVISIONS

1. Proposal revisions to the text of the Guidelines or protocols should be drafted by GRI Working Groups as outlined under Overarching Due Process Principles. The constituency composition of these working groups should seek to match the distribution of constituencies within the Stakeholder Council.
2. GRI Stakeholder Council members will be assessed as candidates for GRI Working Groups on the basis of their individual expertise, their availability, and the composition needs of the working group.
3. For minor amendments to the Guidelines and Protocols, the Technical Advisory Committee may propose revisions to the text of the Guidelines and protocols on the basis of outputs from the Secretariat's research and monitoring activities if there has been sufficiently diverse consultation in terms of constituency and geography, and consultation has been sufficiently broad in scale. The process underlying these proposals must be described to the Board of Directors and Stakeholder Council.
4. The Technical Advisory Committee is responsible for reviewing the proposals of GRI Working Groups and other consultative processes. The GRI Secretariat is responsible for preparing "Draft Revisions to the Guidelines for Public Comment". The Draft Revisions may propose amendments to only a single part of the GRI Framework or to multiple parts.
5. "The Draft Revisions to the Guidelines for Public Comment" must be made available to the GRI Governance Bodies and all interested external parties for a period of at least 90 days. Comments received will be considered public record.

APPROVAL FOR GUIDELINES

1. The Technical Advisory Committee is responsible for oversight of the integration of public comments into the draft document. The Secretariat will complete a Draft Revised Guidelines for review by the governance bodies.
2. The Stakeholder Council and Technical Advisory Committee provide concur/non-concur recommendations and the Board is responsible for final approval.
3. The GRI Board of Directors will decide the mode and timing of the release of updates to the Guidelines.

8.2 GRI GOVERNANCE BODIES, THE SECRETARIAT AND G4 WORKING GROUPS

BOARD OF DIRECTORS

GRI's Board of Directors (BoD) has the ultimate fiduciary, financial and legal responsibility for GRI, including final decision making authority on GRI Guidelines revisions, organizational strategy and work plans.

Chairman of the Board at the time of G4 Guidelines publication: Herman Mulder.

STAKEHOLDER COUNCIL

The Stakeholder Council (SC) is the formal stakeholder policy forum within the GRI governance structure. The Council advises the Board on strategic issues. The Stakeholder Council's key governance functions include appointing Board members and making recommendations on future policy, business planning and activity.

Up to 50 members sit on the Stakeholder Council. Its membership is diverse, and drawn from all United Nations-defined regions: Africa, Asia Pacific/Oceania, Latin America/Caribbean, North America/Europe/CIS and West Asia. Its members represent core constituencies in GRI's network: Business, Civil Society Organizations, Labor and Mediating Institutions.

The Council submits a concur/non-concur recommendation to the Board about the release of all GRI's reporting documents.

Chairwoman of the Stakeholder Council at the time of G4 Guidelines publication: Karin Ireton.

TECHNICAL ADVISORY COMMITTEE

The Technical Advisory Committee (TAC) assists the GRI's Board and the Secretariat in maintaining the overall quality and coherence of the GRI Framework by providing high level technical advice and expertise.

With a maximum of 15 members, the TAC recommends the development plan, specific technical direction and form of GRI's technical content. The TAC also ensures that GRI's technical content is developed following due process.

The Committee submits a concur/non-concur recommendation to the Board about the release of all GRI's reporting documents.

Chairwoman of the Technical Advisory Committee at the time of G4 Guidelines publication: Denise Esdon.

GRI SECRETARIAT

Led by the Chief Executive, the Secretariat implements the technical work plan approved by the Board of Directors. The Secretariat also manages network and institutional communications, learning activities, support services, outreach, stakeholder relations, and financial administration.

Chief Executive at the time of G4 Guidelines publication: Ernst Ligteringen.

G4 WORKING GROUPS**Anti-corruption Working Group**

Ann Marley Chilton, Environmental Resources Management (ERM)
 Chong San Lee, Transparency International
 Christiane Meyer, Banarra
 Daniel Kronen, Siemens
 Dante Pesce, Pontificia Universidad Católica de Valparaíso - Centro Vincular
 Dayna Linley-Jones, Sustainalytics
 Dongsoo Kim, Korea Productivity Center (KPC)
 Eileen Kohl Kaufman, Social Accountability International (SAI)
 Eileen Radford, TRACE International
 Jacques Marnewicke, Sanlam
 Janine Juggins, Rio Tinto
 Jayn Harding, FTSE
 Julia Kochetygova, S&P Dow Jones Indices
 Kirstine Drew, Trade Union Advisory Committee (TUAC) to the OECD
 Kris Dobie, Ethics Institute of South Africa
 Loi Kheng Min, Transparency International
 Luis Piacenza, Crowe Horwath
 Olajobi Makinwa, United Nations Global Compact (UNGC)
 Peter Wilkinson, Transparency International
 Sabrina Strassburger, Fiat
 Samuel Kimeu, Transparency International
 Simon Miller, World Vision International (WVI)

Application Level Working Group

Amanda Nuttall, Net Balance Foundation
 Anna-Sterre Nette, SynTao
 Claire White, International Council on Mining and Metals (ICMM)
 Dan Sonnenberg, Russell and Associates
 David Martin Kingma, Holcim
 Deborah Evans, Lloyd's Register Quality Assurance Ltd (LRQA)
 Grace Williams, Oxfam International
 Maria Helena Meinert, BSD Consulting
 Matthéüs van de Pol, Ministry of Economic Affairs
 Michal Pelzig, Essar Group
 Oh, SunTae, Korean Standards Association (KSA)
 Pierre Habbard, Trade Union Advisory Committee (TUAC) to the OECD
 Santhosh Jayaram, Det Norske Veritas (DNV)
 Sonal Kohli, Essar Group

Boundary Working Group

Andrew Cole, LendLease
 Ashling Seely, the International Textile, Garment and Leather Workers Federation (ITGLWF)
 Christian Hell, KPMG
 Connie L. Lindsey, the Northern Trust Company
 David Vermijs, David Vermijs Consulting
 Francesca Poggiali, Ferrero
 Francis J. Maher, Verasiti Inc.
 Hariom Newport, Shell
 Joris Oldenzien, SOMO - Centre for Research on Multinational Corporations
 Kirstine Drew, Trade Union Advisory Committee (TUAC) to the OECD
 Luis Perera, PricewaterhouseCoopers (PwC)
 Maali Qasem Khader, Schema
 Mardi McBrien, CDP
 Michelle Cox, CDP
 Ornella Cilona, CGIL Nazionale
 Ralph Thurm, Deloitte
 Ramesh Chhagan, Exxaro Resources
 Shikhar Jain, CII-ITC Centre of Excellence for Sustainable Development
 Yuki Yasui, United Nations Environment Programme Finance Initiative (UNEP FI)

Disclosure on Management Approach Working Group

Bruno Bastit, Hermes Equity Ownership Services
 Bruno Sarda, Dell, Inc.
 Carlota Garcia-Manas, EIRIS
 Dongsoo Kim, Korea Productivity Center (KPC)
 Dwight Justice, International Trade Union Confederation (ITUC)
 Glenn Frommer, MTR Corporation Ltd.
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 Paul Davies, Banarra
 Julia Robbins, Vancity
 Sandra Cossart, SHERPA
 Sanjib Kumar Bezbaroa, ITC Ltd.
 Victor Ricco, Centro de Derechos Humanos y Ambiente (CEDHA)
 William R. Blackburn, William Blackburn Consulting, Ltd.

Governance and Remuneration Working Group

Cyrille Jégu, The Next Step
 Frank Curtiss, RPMI Railpen
 Heather Slavkin, AFL-CIO
 Hugh Grant, Australian Sustainability Leaders Forum (ASLF)
 Isabelle Cabos, European Investment Bank
 Jan van de Venis, Stand Up For Your Rights
 Janet Williamson, Trades Union Congress
 Karen Egger, Transparency International
 Luiz Fernando Dalla Martha, IBGC - Brazilian Institute of Corporate Governance
 Marleen Janssen Groesbeek, Eumedion
 Sarah Repucci, Independent consultant
 Wesley Gee, Stantec Consulting Ltd.
 Yogendra Saxena, The Tata Power Company Limited

Greenhouse Gas Emissions Working Group

Andrea Smith, CDP
 Christina Schwerdtfeger, Coto Consulting
 Guo Peiyuan, Syntao
 Ian Noble, Global Adaptation Institute (GAIN)
 Jeong-Seok Seo, Korea Productivity Center (KPC)
 Jiang Shan, China Minmetals Corporation
 Kishore Kavadia, Terracon Ecotech
 Mathew Nelson, Ernst & Young
 Michael Cass, Shell
 Nicholas Bollons, Bureau Veritas
 Olivier Elamine, alstria office REIT AG
 Pablo Salcido, Ministry of Environment and Natural Resources
 Patrick Browne, UPS
 Pedro Cabral Santiago Faria, CDP
 Peggy Foran, The Climate Registry
 Peter Colley, The Mining & Energy Division of the Construction, Forestry, Mining and Energy Union (CFMEU)
 Rudolf Schwob, F. Hoffmann-La Roche
 Shamini Harrington, Sasol
 Vince(Yoonjae) Heo, Bloomberg

Supply Chain Disclosure Working Group

Ang-Ting Shih, Delta Electronics and KPMG Taiwan
 Clóvis Scherer, DIEESE - Escritório do Distrito Federal
 Cody Sisco, Business for Social Responsibility (BSR)
 Dante Pesce, Pontificia Universidad Católica de Valparaíso - Centro Vincular
 Douglas Kativu, African Institute of Corporate Citizenship (AICC)
 Dwight Justice, International Trade Union Confederation (ITUC)
 Jane Hwang, Social Accountability International (SAI)
 Jayson Cainglet, Agribusiness Action Initiative (AAI)
 José Figueiredo Soares, EDP - Energias de Portugal
 Juan Carlos Corvalán, Sodimac
 Mike Lombardo, Calvert
 Mohamed El-Husseiny, Industrial Modernisation Center (IMC)
 Ole Henning Sommerfelt, Ethical Trading Initiative Norway
 Sanjiv Pandita, Asia Monitor Resource Centre (AMRC)
 Willie Johnson, Procter & Gamble
 Zhang Long/Yu Ziqiang, Baosteel

PUBLIC COMMENTS

Around 2550 submissions were received in response to two Public Comment Periods held in relation to the development of the G4 Guidelines. They ran from August – November 2011 and June – November 2012 respectively.

8.3 G4 PROJECT SUPERVISION

GENERAL SUPERVISION

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PROJECT MANAGEMENT

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Ásthildur Hjaltadóttir

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8.4 ACKNOWLEDGEMENTS

FOR THEIR PARTICIPATION IN THE G4 CONSORTIUM OF SPONSORS

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Krista Bauer (GE)

Juan Costa Climent (Ernst & Young)

Rodolfo Guttilla (former Natura)

Jessica Fries (PricewaterhouseCoopers (PwC))

Eric Hespenheide (Deloitte)

Kim Hessler (GE)

Andrew Howard (former Goldman Sachs)

Kevin Mcknight (Alcoa)

Marina Migliorato (Enel)

Rupert Thomas (Shell)

FOR THEIR ADVICE ON THE TECHNICAL EDITION

Roger Adams (Association of Chartered Certified Accountants (ACCA)), John Purcell (CPA Australia), Kirsten Simpson (Net Balance) and Matty Yates (Ernst & Young)

FOR THEIR SPECIAL CONTRIBUTION TO THE PROJECT

Amina Batool, Jack Boulter, Laura Espinach, Alice van den Heuvel (Ernst & Young), Jennifer Iansen-Rogers (former KPMG), Katja Kriege, Maggie Lee, Youri Lie, Anna Nefedova (Deloitte), Daniele Spagnoli, Anne Spira, Karlien van der Staak, Enrique Torres, Anouk Wentink (PricewaterhouseCoopers (PwC))

LEGAL LIABILITY

This document, designed to promote sustainability reporting, has been developed through a unique multi-stakeholder consultative process involving representatives from organizations and report information users from around the world. While the GRI Board of Directors encourage use of the GRI Sustainability Reporting Guidelines (GRI Guidelines) by all organizations, the preparation and publication of reports based fully or partially on the GRI Guidelines is the full responsibility of those producing them. Neither the GRI Board of Directors nor Stichting Global Reporting Initiative can assume responsibility for any consequences or damages resulting directly or indirectly, from the use of the GRI Guidelines in the preparation of reports or the use of reports based on the GRI Guidelines.

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Further information on the GRI and the Sustainability
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www.globalreporting.org
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Interpretations

The Global Sustainability Standards Board (GSSB) issues interpretations regarding the G4 Guidelines. For more information on the GSSB's Terms of Reference, click [here](#). For more information on the Due Process Protocol, click [here](#).

All GSSB interpretations are listed on [this webpage](#), and provided as an appendix to the G4 Guidelines, from the date they are issued.

Interpretations are listed by date of issue.

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Interpretation 1

The

relevance of the external assurance column in the GRI Content Index for reporting “in accordance”

Date of issue

5 August 2015

References

G4-32, G4-33

Issues

The interpretation addresses the following issues:

- How an organization should report on external assurance in order to report “in accordance” with the G4 Guidelines

Rationale

Feedback suggested that providing information for each disclosure, whether it has been externally assured or not, is confusing to reporters and does not necessarily add value provided in this format in the Content Index. The assurance report, statement or opinion included in the sustainability report, in combination with reporting against G4-33 should include sufficient information regarding the assurance approach and any limitations regarding the assurance process.

Interpretation Statement

Reporters should keep in mind that the language used in external assurance reports, statements or opinions is not always understood. Important information should be included in broadly accessible language under General Standard Disclosure G4-33. This information should clarify what has and what has not been assured and on what basis, including e.g., the assurance standards used, the level of assurance obtained and limitations of the assurance process.

The reporting organization should include a reference to the external assurance report/ statements/ opinions, if any, under G4-32c.

When the external assurance column in the Content Index is filled out, the information provided should be clear and avoid the use of language that can be ambiguous or misleading.

It is not required to fill out the column on assurance in the Content Index in order to report “in accordance” with G4.