



R E P O R T



# A Practical Guide to Sustainability Reporting Using GRI and SASB Standards

---

PRODUCED BY GRI AND SASB,  
WITH SUPPORT FROM PWC, THE IMPACT MANAGEMENT PROJECT,  
AND CLIMATEWORKS FOUNDATION

## PARTIES INVOLVED

---

Global Reporting Initiative (GRI) is the independent, international organization that helps businesses and other organizations take responsibility for their impacts, by providing them with the global common language to communicate those impacts. We provide the world's most widely used standards for sustainability reporting – the GRI Standards. Headquartered in Amsterdam, the Netherlands, we have a network of seven regional hubs ensuring we can support organizations and stakeholders worldwide. You can download the Standards and find supporting materials at [globalreporting.org](https://globalreporting.org).

The Sustainability Accounting Standards Board (SASB) connects businesses and investors on the financial impacts of sustainability. SASB Standards enable businesses around the world to identify, manage, and communicate financially material sustainability information to investors. SASB Standards are industry-specific and are designed to be decision-useful for investors and cost-effective for companies. They are developed using a process that is evidence based and market informed. To download any of the 77 industry-specific standards, or learn more about SASB, please visit [SASB.org](https://sasb.org).

## THANK YOU

---

GRI and SASB would like to thank the ClimateWorks Foundation for their generous support of this joint publication and PwC and the Impact Management project for their assistance. GRI and SASB would also like to thank the interviewees and survey respondents who contributed to this research.



### **Global Reporting Initiative**

PO Box 10039  
1001 EA  
Amsterdam  
The Netherlands  
[globalreporting.org](https://globalreporting.org)

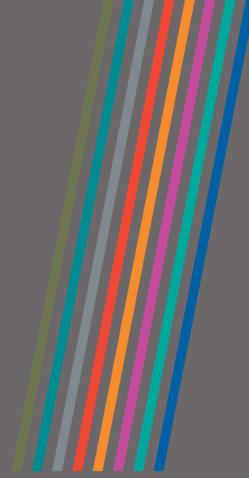


### **Sustainability Accounting Standards Board**

1045 Sansome Street, Suite 450  
San Francisco, CA 94111  
[sasb.org](https://sasb.org)

Copyright © 2021 The information, text, and graphics in this publication (the “Content”) are owned by The SASB Foundation and the Global Reporting Initiative (GRI). All rights reserved. The Content may be used only for non-commercial, informational, or scholarly use, provided that all copyright and other proprietary notices related to the Content are kept intact, and that no modifications are made to the Content. The Content may not be otherwise disseminated, distributed, republished, reproduced, or modified without the prior written permission of The SASB Foundation and GRI. To request permission, please contact us at [info@sasb.org](mailto:info@sasb.org) or [copyright@globalreporting.org](mailto:copyright@globalreporting.org).

# CONTENTS



<b>Foreword</b>	<b>4</b>
<b>Introduction</b>	<b>5</b>
<b>Part 1: The Broad View</b>	<b>10</b>
<b>Part 2: Audiences and Channels</b>	<b>12</b>
<b>Part 3: Use of the GRI and SASB Standards</b>	<b>22</b>
<b>Part 4: Organization’s Approaches to Reporting</b>	<b>25</b>
<b>Part 5: Benefits and Challenges</b>	<b>37</b>
<b>Part 6: Advice for Reporting Organizations</b>	<b>38</b>
<b>Part 7: Increasing Importance of Sustainability Information</b>	<b>40</b>
<b>Resources</b>	<b>41</b>



## Foreword

---

**Eric Hespeneide, Chairman, GRI Board of Directors**

**Janine Guillot, CEO, SASB**

The attention on how companies manage and communicate their sustainability impacts has never been greater. In response to the growing interest of various stakeholders in how companies are managing their impacts, sustainability reporting has continued to grow rapidly. At the same time, the range of impacts that stakeholders seek to better understand has also continued to evolve. Most recently, we have seen additional focus on many different issues, from the impacts of business on nature, to persistent issues around inequality – be it economic, racial or gender inequality – to the accelerating impacts of climate change.

Clearly and accurately communicating these impacts through sustainability reporting provides multiple stakeholders with information they can use to understand and evaluate the performance of companies on a wide range of issues and inform their assessments and decision-making processes. As the demand for sustainability information grows among stakeholder groups, standards provide value in ensuring both those reporting the information and those using the information are speaking the same language.

GRI defines sustainability reporting as the practice of companies disclosing the most significant economic, environmental and social impacts that arise from their corporate activities, and thereby being held accountable for these impacts and responsible for managing them. The GRI Standards offers organizations a global common language for communicating their impacts on people and

planet in a comprehensive and consistent way – one that responds to the needs of all stakeholders and enables any company to be transparent about how it contributes to sustainable development.

The impacts that a company has on its stakeholders can also present risks and opportunities to the organization itself, including implications for a company's financial performance and long-term enterprise value. For this reason, investors have become increasingly interested in sustainability information. SASB focuses on this connection between businesses and investors, on the financial impacts of sustainability and, specifically, on how sustainability issues can create or erode enterprise value. As a complement to the GRI Standards, SASB Standards help companies communicate effectively with investors about performance on the subset of industry-specific sustainability issues that are most relevant to risk, return and long-term enterprise value.

GRI and SASB have been working together to support companies that want to communicate with their various stakeholders using both the GRI Standards and SASB Standards. In this publication we highlight the ways in which companies are already using the two sets of standards together, demonstrate the complementary nature of the GRI and SASB Standards, and provide reporters with valuable insights from peer companies to support their sustainability reporting and disclosure journeys.



## Introduction

Sustainability reporting continues to accelerate globally, and it is a growing requirement for large and listed companies around the world. The 2020 KPMG Survey of Sustainability Reporting<sup>11</sup> found 96% of the world's largest 250 companies (the G250) report on their sustainability performance, as do 80% of the N100 – 5,200 companies comprising the largest 100 firms in 52 countries.

There are many players with different roles in the field of sustainability information, including sustainability standard-setters such as GRI and SASB, for-profit data aggregators and ESG ratings providers. As a result, understanding the ways in which these different players form a comprehensive ESG information ecosystem can be a challenge. All players in the ecosystem require comparable and reliable data. Standards such as those of GRI and SASB help ensure that companies report high-quality information that can be sourced by all relevant stakeholders, including data aggregators and raters, and ultimately used to inform decisions by companies and their stakeholders.

The two comprehensive and internationally recognized sustainability standard-setters for corporate reporting – GRI and SASB – provide standards that are complementary and help organizations meet the needs of their intended audiences.

The sustainability disclosure landscape can appear daunting, and GRI and SASB's collaborative work is designed to help companies and investors use both sets of standards in a more efficient and cost-effective manner.

The collaboration includes delivering communication materials to demonstrate how both sets of standards may be used concurrently. This publication provides real-world examples from four companies and highlights the lessons that can be shared. It is intended to help stakeholders better understand how and why the GRI and SASB standards may be used concurrently.

### How the GRI and SASB Standards work together

Transparency is the best currency for creating trust among organizations and their stakeholders, including investors. That is why companies and other organizations focus on disclosing the information each stakeholder group requires. GRI and SASB provide compatible standards for such disclosures. Their standards are mutually supportive and designed to fulfill different purposes.

SASB's industry-specific standards identify the sustainability-related risks and opportunities most likely to affect a company's financial condition (i.e. its balance sheet), operating performance (i.e. its income statement), or risk profile (i.e. cost of capital). All of these factors impact a company's current and future market valuation.

The GRI Standards focus on the economic, environmental and social impacts of the activities of a company, and hence its contributions – positive or negative – towards sustainable development. It is the underlying assumption that if not already financially material at the time of reporting, these impacts may become financially material over time.

The GRI Standards support broad and comprehensive disclosures by providing the framework and supporting standards for a comprehensive understanding of the organization's impacts on economy, environment, and society including financially material impacts. SASB's Standards offer an industry-focused perspective by identifying the subset of issues that are reasonably likely to be financially material for the typical company in an industry. Each set of standards, therefore, complement rather than act as a substitute one another.

Companies can use both the GRI Standards and SASB Standards to meet the needs of their intended audiences—for example, in addition to the companies featured in this report, others use the standards in different ways: ArcelorMittal publishes GRI and SASB disclosures within the same [integrated report](#), as does the [PSA Group](#). Nike publishes a report in accordance with the GRI Standards and provides a [SASB reference table](#).

1 KPMG Survey of Sustainability Reporting 2020, available at <https://home.kpmg/xx/en/home/insights/2020/11/the-time-has-come-survey-of-sustainability-reporting.html>



Asset owners and managers also see the power of companies disclosing information using both GRI and SASB standards, as demonstrated by this statement by [Norges Bank Investment Management](#).

In a post-COVID world, companies and other reporting organizations will increasingly be expected to disclose their performance on the sustainability issues that are reasonably likely to drive risk and opportunity, both internally for their business and externally for the surrounding society, economy and environment. Reporting based on the GRI and SASB Standards can provide the depth and breadth of disclosure that all of an organization's stakeholders require.

## Distinctions Between GRI and SASB

### *The application of materiality*

The GRI reporting framework guides organizations to select topics that reflect their most significant economic, environmental, and social impacts in consultation with its stakeholders. These topics could include issues that have financially material impacts on the organization as well as topics that impact people and the environment outside the organization – such as greenhouse gas emissions, human rights, supply chain practices and many other matters.

SASB's approach to materiality is based on a financial-oriented definition that is well-accepted by capital markets globally. The SASB Standards identify sustainability topics that are reasonably likely to impact the financial performance and long-term enterprise value of the typical company in an industry. SASB's process requires evidence of investor interest and evidence of financial impact for a topic to be included in the Standards. SASB Standards include disclosure topics across five sustainability dimensions, including environmental, social and human capital, business model and innovation, and leadership and governance.

### *The type and scope of disclosure*

GRI offers reporting organizations a comprehensive principle-based framework to guide them to create high quality, relevant and reliable disclosures. GRI also offers universal and topic-specific reporting standards.

The GRI Universal Standards include disclosures about the organization's specific context, such as its governance, management systems, reporting practices, products, services, stakeholder engagement and management approach.

Each of GRI's 34 topic-specific Standards include required and recommended disclosures. In addition, each standard includes guidance for the reporting organization. The disclosures include both qualitative and quantitative information, forward looking as well as retrospective information. The GRI topic-specific Standards are universally applicable to every reporting organization regardless of their industrial sector.

GRI is also developing Sector Standards for 40 to 45 high-impact sectors. These sector standards aim to define the most likely significant impacts for companies in a given sector and what to report for these impacts, thereby increasing comparability.

SASB provides standards for 77 industries across 11 sectors. Each standard identifies the subset of sustainability issues reasonably likely to impact financial performance and long-term enterprise value of the typical company in an industry. On average, each standard has six disclosure topics and 13 accounting metrics. Each standard also includes technical protocols for compiling data and activity metrics for normalization. Approximately 75% of the accounting metrics in the SASB Standards are quantitative. The SASB Standards are designed to ensure that providers of financial capital have access to comparable, consistent and reliable data to inform investment and stewardship decisions.

### *Audience and stakeholder interests covered*

The GRI Standards are used by all organizations, including companies to inform all stakeholders, including investors, labor, civil society and governments. SASB focuses on disclosure by companies to their investors and other providers of financial capital.

### *Standard-setting process*

The GRI Standards are governed by the multi stakeholder Global Sustainability Standards Board (GSSB), an independent entity supported solely by the GRI Secretariat. The GSSB's activities are conducted in the public interest. Standards are developed according to a due process protocol overseen by a Due Process Oversight Committee (DPOC). Working groups of subject matter experts representing the diversity of stakeholder interests across the world are selected to develop each of the GRI Standards. These working groups utilize a consensus approach that builds on their diverse backgrounds and expertise. Standards development processes are conducted in public



and all draft Standards are exposed to public consultation. Once all comments are resolved, the final standard is issued and translated into 11 languages.

Transparency lies at the heart of the GSSB's work. All meetings of the GSSB and the documents discussed at these meetings, including drafts of Standards, are publicly accessible. The GSSB is solely funded from the GRI Secretariat. These funds are sourced from a combination of grants, membership fees and GRI's support services.

The GRI Standards incorporate and/or are aligned with recognized international norms for responsible business conduct. These include authoritative intergovernmental instruments such as the UN Guiding Principles on Business and Human Rights, the ILO conventions, and the OECD Guidelines for Multinational Enterprises. By applying the GRI Standards, organizations can demonstrate how they apply these instruments.

SASB's standard-setting process includes evidence-based research; broad and balanced participation from companies, investors, and subject matter experts; and oversight and direction from an independent Standards Board. SASB engages market participants from around the globe in its standard-setting process, including through its nearly 300-member Standards Advisory Group (SAG) which includes representatives from companies, investors and other subject matter experts.

SASB takes an evidence-based approach to assess whether sustainability topics are reasonably likely to have material impacts on the financial condition or operating performance of the company. In doing so, this approach considers evidence of interest to investors and evidence of financial impact.

SASB's standards development process is overseen by an independent Standards Board that is accountable for the due process, outcomes and ratification of the SASB Standards, including any changes to the standards. Members of the Standards Board are appointed by the SASB Foundation Board of Directors, which has additional oversight over the strategy, finances and operations of the entire organization. The SASB Foundation is funded by a balanced mix of revenue which includes earned revenue from membership fees and licensing, contributions from market participants, and philanthropy.

The SASB Standards Board operates with a due process that is transparent and inclusive, and its decisions are guided by a Conceptual Framework that is a public document. Standards Board meetings are open to observers from the public when standard-setting or agenda planning is conducted. Changes to the SASB Standards are exposed for public comment.

When possible, SASB harmonizes the disclosure topics and metrics in its Standards with existing metrics, definitions, frameworks and management disclosure formats to minimize the corporate reporting burden. SASB Standards reference standards and metrics from over 200 organizations.

The GRI and SASB Standards are copyrighted and made available free of charge to everyone as a public good, including organizations that use the Standards in their own reporting. Incorporating either the GRI or SASB Standards into a commercial product requires a license agreement.

## About this publication

The main objective of this publication is to demonstrate how the GRI and SASB Standards can be used concurrently for reporters who are considering using both sets of standards. This is done by focusing on real-world examples that demonstrate the complementary nature of the GRI and SASB Standards and that provide insights and lessons learned from reporting companies.

The source material for this publication is:

- Interviews with reporters using both sets of standards
- Report examples from interviewed companies' reports
- Results of a survey of users of GRI and SASB Standards

By sharing the experiences of companies who use both GRI and SASB Standards, we hope to provide insights into how the two sets of standards can be applied in a complementary fashion to generate information that meets the needs of all constituencies and markets.



## Companies interviewed

### ***City Developments Limited (CDL), a global real estate company (Singapore)***

CDL is a leading global real estate company with a network spanning 106 locations in 29 countries and regions. Listed on the Singapore Exchange, the Group is one of the largest companies on the Singapore Exchange by market capitalization. Its income-stable and geographically-diverse portfolio comprises residences, offices, hotels, serviced apartments, shopping malls and integrated developments. With a proven track record of over 55 years of experience in real estate development, investment and management, the Group has developed over 46,000 homes and owns over 24 million square feet of gross floor area in residential, commercial and hospitality assets globally. Its diversified global land bank offers 3.4 million square feet of land area. Along with its London-based hotel arm, Millennium & Copthorne Hotels Limited (M&C), the Group has 152 hotels and 44,000 rooms worldwide, many in key gateway cities. For more information visit [www.cdl.com.sg](http://www.cdl.com.sg) or [www.cdlsustainability.com](http://www.cdlsustainability.com).

**ESTHER AN – CHIEF SUSTAINABILITY OFFICER**

### ***Diageo, a producer of spirits and beers (UK)***

Diageo is a global leader in beverage alcohol with an outstanding collection of brands across spirits and beer. These brands include Johnnie Walker, Smirnoff, Captain Morgan, Baileys, Tanqueray and Guinness. Its products are sold in 180 countries at almost every price point, in every category to meet consumer demand. The company is listed on both the London Stock Exchange (DGE) and the New York Stock Exchange (DEO). For more information about Diageo, visit [www.diageo.com](http://www.diageo.com).

**HARRIET HOWEY – GLOBAL NON-FINANCIAL REPORTING AND ESG LEAD**

### ***General Motors (GM), an automotive manufacturer (USA)***

General Motors (NYSE:GM) is a global company focused on advancing an all-electric future that is inclusive and accessible to all. At the heart of this strategy is the Ultium battery platform, which powers everything from mass-market to high-performance vehicles. General Motors, its subsidiaries and its joint venture entities sell vehicles under the Chevrolet, Buick, GMC, Cadillac, Baojun and Wuling brands. More information on the company and its subsidiaries, including OnStar, a global leader in vehicle safety and security services, can be found at [www.gm.com](http://www.gm.com).

**SHARON BASEL – SENIOR MANAGER, SUSTAINABILITY REPORTING AND ESG STRATEGY**

### ***Suncor Energy, a global energy provider (Canada)***

Suncor Energy is Canada's leading integrated energy company. Suncor's operations include oil sands development and upgrading, offshore oil and gas production, petroleum refining, and product marketing under the Petro-Canada™ brand. A member of Dow Jones Sustainability indices, FTSE4Good and CDP, Suncor is working to responsibly develop petroleum resources while also growing a renewable energy portfolio. Suncor is listed on the UN Global Compact 100 stock index. Suncor's common shares (symbol: SU) are listed on the Toronto and New York stock exchanges. For more information visit [www.suncor.com](http://www.suncor.com).

**HILARY SCHUMACHER – SUSTAINABILITY REPORTING ADVISOR  
KRIS FREDERICKSON – MANAGER, SUSTAINABILITY DISCLOSURE & ENGAGEMENT**



### Survey participants

To provide an extra dimension to our knowledge on the use of GRI and SASB Standards, the project team conducted a survey of reporting organizations. The survey was designed to gather views from organizations that report using the GRI Standards and/or the SASB Standards. It consisted of questions in three sections: respondent details; use of standards and frameworks in the organization’s sustainability reporting; and general comments.

There were 132 responses to the survey. The largest group of respondents (63) worked in CSR/sustainability/EHS functions, the next largest group in corporate communications (9), then investor relations (7).

Function of Respondent (all respondents)



Respondents came from around the world, with North America most represented (45%) and Africa least (3%).



## Part 1: The Broad View

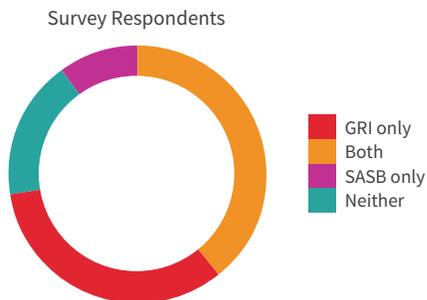
Before delving into the detail of how organizations use the GRI Standards and SASB Standards together, we first present a broad view of the reporting practices of the survey respondents and interviewees who contributed to this report.

### Using the GRI and SASB Standards

Both sets of standards are applicable to organizations of any size, public or private, anywhere in the world. The GRI Standards are designed to be used by organizations in any sector, whereas the SASB Standards are sector-specific and identify specific disclosure topics for each of 77 industries.

According to the 2020 KPMG Survey of Sustainability Reporting, 96% of the world’s largest 250 companies (the G250) report on their sustainability performance and 73% of these use the GRI Standards to do so; similarly, 80% of the N100 report, and 67% of them use the GRI Standards. As of January 2021, more than 600 companies disclose SASB metrics, with more than 1,000 companies referencing SASB as an input to their reports.

Among survey respondents, more organizations use GRI and SASB standards together than separately. Of the 132 respondents, 39% (52) used both the GRI Standards and the SASB Standards together. The next largest group was the GRI-only reporters, at 33% (44). Only 17% (23) reported using neither, and 10% (13) SASB only.



There were respondents in each industry who used both GRI and SASB Standards for reporting. The three industries with the highest proportion of respondents using both sets of standards were infrastructure (50%), food & beverage (60%) and health care (83%).

Of the 22 industries for which there was only one respondent, eight (8) claimed to use both GRI and SASB Standards. These were mostly in the infrastructure, extractives and resources industries. Six (6) respondents reported used neither the GRI nor SASB Standards; these were mostly in the consulting sector, supporting other companies in their reporting. The remaining eight (8) used GRI Standards only; these covered a range of industries, from electric utilities to packaging and logistics.

The top ten industries represented in the survey results were:

- Financials (17 respondents)
- Extractives & minerals processing (15 respondents)
- Services (14 respondents)
- Infrastructure (12 respondents)
- Technology & communications (11 respondents)
- Consumer goods (11 respondents)
- Resource transformation (8 respondents)
- Transportation (7 respondents)
- Health care (6 respondents)
- Food & beverage (5 respondents)

### Reporting history

The survey results clearly reflect the divergent history of GRI and SASB, with the most seasoned SASB reporters starting their SASB journey in 2013 (the first year the first set of provisional standards was issued), compared to 2002 for GRI (the year the G2 Guidelines were launched). Twenty-nine (29) of the respondents using both GRI and SASB started their SASB reporting in 2019 or 2020, compared to 8 in the same period for GRI. Uptake of the GRI Guidelines and since 2016, the GRI Standards, has been fairly steady over the last two decades, according to the survey results, with an increase in recent years.

In the four interviews conducted for this report, interviewees were asked about their use of the GRI and SASB Standards.



Their use of the standards aligns with the results from the survey: most have been long-term GRI reporters, bringing in SASB reporting more recently. (SASB's first full set of Standards was released in November of 2018.) Here is a summary of each interviewed company's reporting history.

### **CDL**

- Started sustainability reporting: more than 20 years ago
- Used GRI Standards since: 2008
- Used SASB Standards since: 2019

In 2004, CDL included its CSR reporting within the annual report; three years later, the company was encouraged by investors to issue a separate report. In 2008, CDL started using the GRI Guidelines, making it a relatively early adopter in the space. The next milestone took place in 2015 when CDL adopted the IIRC's integrated reporting approach, strengthening the connection between financial and sustainability performance. It has been issuing its annual Integrated Sustainability Report ever since. In 2016, CDL embraced the newly launched Sustainable Development Goals (SDGs). In Singapore, the "Comply or Explain" regulation came into effect in January 2017, applying to all companies listed on the Singapore Stock Exchange.

The Paris Agreement and national regulations further increased the interest in reporting, and the development of the Task Force on Climate-related Financial Disclosures (TCFD) made the financial-sustainability connection even easier to explain. The following year, CDL started getting questions about SASB from investors, and 2020 was the first year it reported against both the GRI and SASB real estate Standards.

### **Diageo**

- Started sustainability reporting: 2003
- Used GRI Standards since: 2011
- Used SASB Standards since: 2018

Diageo has been a member of the United Nations Global Compact (UNGC) since 2002. The company's sustainability reporting journey began in 2003 when it published its first report. It has since published an annual global sustainability responsibility report, which is released in August. Diageo started reporting in accordance with GRI in 2011.

After a conversation with SASB, the company first looked at the SASB Standards and felt it already had all the data required for reporting. Its first report using the SASB Standards came out in 2018; it has now reported in accordance with SASB Standards for three years.

### **GM**

- Started sustainability reporting: more than 20 years ago
- Used GRI Standards since: 2000
- Used SASB Standards since: 2018

GM is among the earliest sustainability reporters and was one of the first companies to start using the GRI Guidelines. Over the years, GM has been closely involved in the development of the GRI Guidelines and now Standards, and the company was one of the pioneers in using the Standards.

Similarly, GM adopted the SASB Standards in 2018, when they were still provisional, with the aim of continuous improvement. That same year, GM moved from core to comprehensive reporting using the GRI Standards. The company is now on its third report using the GRI and SASB Standards concurrently.

### **Suncor**

- Started sustainability reporting: 1995
- Used GRI Standards since: 2001
- Used SASB Standards since: 2019

Suncor has had a 25-year journey in sustainability reporting so far: the company released its first environmental report in 1995. Suncor first started using the GRI Guidelines in 2000, releasing its report consistent with GRI guidance in 2001. Until 2009, the report was released every two years.

Since 2009, Suncor has reported annually. In 2017, the sustainability report evolved into an additional climate risk and resilience report. Suncor started using the SASB Standards for its 2019 report.



## Part 2: Audiences and Channels

Stakeholder engagement is a key element of sustainability reporting, and it features in the processes described in both the GRI Standards and the SASB Standards, albeit with differences in stakeholder groups. Understanding a company's approach to defining, selecting and engaging stakeholders sheds light on how and why they use the reporting standards.

### Audiences for sustainability reporting

The audience is a major point of differentiation for GRI and SASB: the GRI Standards appeal to a broad stakeholder base, whereas the SASB Standards are focused on financial stakeholders – investors and other providers of financial capital.

The survey reflects this clearly. The 52 respondents who used both the GRI and SASB standards were more likely to use both sets of standards together to report to all stakeholder groups (civil society 22, customers 28, employees 25, governmental bodies 28, investors 48, local communities 24, regulators 31 and suppliers 21). The next most likely option was to use the GRI Standards only, with one exception: investors. No respondent reported using the GRI Standards alone for investor reporting, though four used the SASB Standards alone for this group.

#### **Broad stakeholder groups: GRI**

Based on the interviews conducted, stakeholder engagement was highlighted as a key step in developing disclosures. All the interviewees mentioned engaging various stakeholder groups in different ways. The way they identified and defined these groups also differed. They all acknowledged that the GRI Standards are the standards suited for communicating with broader stakeholder groups.

For Suncor, the standards themselves were a source of information for defining stakeholder groups. Every year, Suncor goes through a review of audience types for its reporting, looking at the standards as well as conducting an internal review. The team develops a primary, secondary,

and tertiary audience and match communications to their needs. These tiers enable Suncor to determine what it includes in its reporting based on the decision usefulness of this information to each stakeholder group.

Kris Frederickson, Manager, Sustainability Disclosure & Engagement at Suncor Energy, explained the tiers: “The first tier is the engagement tier; this is the information intended to support engagement. The second tier is stakeholders who wouldn't necessarily access information on sustainability directly, but people within our organization would use as a tool to engage with or inform different audiences. Tier three I consider as a reference document – it's a resource for anybody that may want to come and look at Suncor's sustainability performance.”

Sustainability reporting is one aspect of Suncor's overall sustainability communication strategy – and it's a means to an important end: engagement. Kris continued: “The engagement is arguably the more important thing to have. Through engagement, we get to share our story, and get to hear the input and identify blind spots from other groups that we just don't get visibility to.”

For Diageo, it's important to engage the different stakeholder groups and to make sustainability reporting more accessible to them. Employees have been a recent focus. With the launch of Diageo's new 10-year strategy, which focuses on the SDGs, it's important for employees to be aware of the company's sustainability performance. This is business-relevant information that leaders especially need access to.

Harriet Howey, Global Non-Financial Reporting and ESG Lead at Diageo, said: “One of the things we have been exploring more is how to bring our non-financial performance to life for our employees and a broader stakeholder audience than just investors and regulators.”

GM also engages a range of stakeholders: NGOs, government organizations, community organizations, customers, employees, potential employees, Chambers of Commerce. One group stands out: investors and rating and ranking organizations, who need information that's easy to find



and access. “The GRI Standards really serve to shape your reporting for all stakeholders,” Sharon Basel, Senior Manager, Sustainability at GM, said. “I see the SASB Standards as another layer, that has been driven by the investor community a lot.”

### **Investor focus: SASB**

Investor interest in ESG topics is increasing, according to the interviewees. In response to this increasing interest, companies are sharpening their focus on the informational needs of investors and other providers of financial capital, and this is impacting how they engage, what they report, and how they communicate this information to investors.

“I’ve been waiting for two decades for this to happen and finally people are listening to sustainability professionals,” Esther An, Chief Sustainability Officer at CDL, said. “In the good old days, investors and analysts didn’t ask to see me. The change started after the Paris Agreement and I’ve been seeing more investors and analysts, especially over the last two years or so.”

CDL understands the specific information needs investors have, and as such only reports the top 15 material issues for them. In 12 pages, CDL’s summary report in the annual report is focused and investor-driven. But not all investors are as engaged with sustainability. There is still a majority who do not ask about ESG topics, as Esther explained:

“I think we still need to address this group of investors who are not very focused on ESG as yet. The summary report will be very useful for those mainstream, non-ESG investors and analysts to have an overall view. That’s why the 12-page statement is very strategic for our company to communicate succinctly and clearly to the so-called non-converts. The converts will definitely go into the full integrated sustainability report.”

GM has various approaches for engaging investors. Taken together, these result in constant contact. GM engages 24 organizations on a formal basis, and the report used for communicating with other investors is reviewed by the board of directors. GM meets with investors one-on-one in the lead up to the annual meeting, and there’s another formal engagement with shareholders and the CEO and board members after the annual meeting. Sustainability-related questions come through the investor relations team throughout the year. All investor-facing parts of the business are well versed in ESG matters and they understand what’s

behind ratings and rankings like MSCI and Sustainalytics, as well as the reporting standards used.

The constant engagement has an impact on reporting, too, as Sharon said: “As they’re interacting, that brings up additional issues, and they can become another disclosure or more clarification. Sometimes it even leads to some kind of KPI that we hadn’t thought of before.”

Currently, investors are interested in the transition to electric vehicles, and the topic is a focus for GM in terms of employee use. “Are we capturing all those risks and opportunities as they relate to the workforce?” Sharon asked. “We don’t necessarily have all the answers, but the little connectors in the brain start firing, about how we might have to up our narrative that addresses that to make it a more concise narrative about how we’re managing that part of this transition.”

### **Channels to reach these audiences**

Alongside the separation of investors and other stakeholders, there is a parallel split in reporting channels for those groups. Overall, a range of channels were used, both by survey respondents and interviewees.

The survey showed that most of the respondents who use both sets of standards in their reporting include information from both in a dedicated sustainability/CSR report (33) and on a corporate website (27). Nine (9) said they include information from using both sets of standards in an integrated report, and only six (6) in a mainstream financial report. Occasionally, respondents said they split the information from GRI and SASB reporting – three (3) only use GRI information in their sustainability/CSR report, two (2) on the website and two (2) in an integrated report, while one (1) used SASB information only in an integrated report and two (2) in a mainstream financial report.

Other channels were mentioned in addition to these commonly used ones. There were benchmarking reports, UNGC-COP reports, NASDAQ One Report platform, investor-specific communications, reports to national governments, social media and direct verbal communication.

### **Reporting channels to match audiences**

CDL believes the reporting channel is important, and as such, it publishes a standalone sustainability report for its



multi-stakeholder audience and investors focused on ESG, and a concise version in the annual report for investors who may be less ESG-focused.

GM takes the opposite approach, with a more concise ‘marketing report’ for customers and potential talent, and a lengthier ‘business report’ for investors and NGOs, which includes content on mega trends and how the business is responding. “While we try to make the full report easy to read and bring in some of those features, we absolutely cannot compromise on a GRI-based report that has all the disclosures. But we focus on many more stakeholders than investors alone.”

Diageo integrates non-financial information into the Strategic Report and produces a separate, detailed, Sustainability and Responsibility Performance Addendum, which covers the three frameworks Diageo uses: GRI, SASB and UNGC. “I would never expect anyone to sit down and read our Sustainability and Responsibility Performance Addendum cover to cover,” Harriet said. “It’s not designed to be a report that tells people what we are doing; that information is in our annual report. This is really an index document.”

Selecting the right channels for each audience is about focusing on the stakeholders’ information needs. Kris explained: “The Task Force on Climate Related Financial Disclosures doesn’t mean a whole lot to my dad in his garage in Minnesota,” he said. “There are different information needs and engagement styles for different groups, so we engage them differently.”

At the heart of Suncor’s reporting efforts are three reports: the sustainability report, the annual report and the climate risk and resilience report. These are interlinked: in the annual report, the strategy piece weaves in sustainability information to identify how sustainability is core to the business.

### **Succinct information for investors**

Some investors may not yet be asking for integrated reports, but they have clear information needs. The result is that the companies interviewed provide succinct, decision-useful data for investors.

CDL keeps its investor-targeted communications comprehensive in a succinct manner for readability. “We want our integrated sustainability report to be a very interesting and insightful read,” Esther said. “We don’t want it to be

a PR report with hard-selling messages or philanthropic activities. It should focus on data and trending of ESG performance as investors, analysts, financiers and researchers prefer such information.”

Suncor publishes a management proxy circular that includes some ESG information in the form of principal risks. Strategy and sustainability are included in the CEO letter of the annual report. Although there is some crossover in content, the sustainability and annual reports are different. This is partly down to timing – the annual report comes out in February and the sustainability report in early July. The reports also have different angles: the annual report takes a risk-based view of certain ESG issues, and the sustainability report goes into depth on more sustainability issues.

### **Broader information on websites**

Succinct reports work for investors, but there is often a bigger narrative that companies want to share with other stakeholder groups. Websites were frequently identified as an ideal solution for this, as they have fewer limits than traditional printed or PDF reports. GM has a portal on the corporate website, and CDL has a separate website, which “has no limit for the scope and scale of sustainability narratives and data we wish to communicate to our stakeholders,” Esther said.

For Diageo, the website can repeat and extend the stories told in the annual report. There are usually three or four ‘non-financial’ case studies in the annual report, and the website will carry an additional 10 to 15. “We find those really useful because they’re really about demonstrating our strategy in action,” Harriet said. “And we can use them throughout the year. So somebody might come to us and say, ‘you’ve got a really strong commitment to water stewardship, what does that look like in practice?’ We could provide two or three examples from the case studies on the website.”

Suncor use websites in three ways: a sustainability microsite that contains reporting information and is suitable for all audiences, a corporate site with some sustainability information included, and an intranet for internal reporting on sustainability issues, to motivate employees internally.



**CDL Integrated Sustainability Report 2020, page 18. This identifies different stakeholder groups, as well as the issues and concerns of each group.**

<p><b>INTEGRATED STRATEGY FOR VALUE CREATION</b></p>	Introduction and Leadership Statements	<b>Integrated Strategy for Value Creation</b>	Building Sustainable Cities and Communities	Reducing Environmental Impact	Shaping a Fair, Safe and Inclusive Workplace	Creating Shared Economic and Social Value	<p>102-40 102-42 102-44</p> <p>Annexes</p> <ul style="list-style-type: none"> <li>Assurance Statements</li> <li>GRI Content Index</li> <li>Glossary</li> </ul>
	<p><b>Identifying Issues Material to Stakeholders</b></p> <p>Engaging, anticipating and meeting the needs of our stakeholders is of utmost importance to CDL's long-term business viability and success. We define our stakeholders as groups that our business has a significant impact on, and those with a vested interest in our operations. Lenders, as well as Academics and Industry Experts, are newly added stakeholder groups in 2019.</p>						
STAKEHOLDER GROUPS AND THEIR SIGNIFICANCE TO CDL	ENGAGEMENT PLATFORMS	ISSUES AND CONCERNS					
 <p><b>Our Employees</b> Health and safety, competencies, welfare and professional development of employees are fundamental to CDL's performance and key to enhancing our human capital.</p>	<ul style="list-style-type: none"> <li>Regular dialogue sessions, town halls and forums fronted by Senior Management</li> <li>CDL 360 – Company intranet</li> <li>Daily news bulletin</li> <li>Staff Connect – an inter-department committee that organises company-wide activities to foster work-life balance and reinforce team spirit</li> <li>Frequent employee activities</li> <li>Biennial Employee Engagement Survey</li> <li>Employee Assistance Programme (counselling service)</li> <li>Employee grievance handling procedures</li> <li>City Sunshine Club – employee volunteering platform</li> </ul>	<ul style="list-style-type: none"> <li>Corporate direction and growth plans</li> <li>Job security</li> <li>Remuneration and benefits</li> <li>Career development and training opportunities</li> <li>Workplace safety and health</li> <li>Labour and human rights</li> <li>Work-life balance</li> <li>Employee volunteerism</li> </ul>					
 <p><b>Our Customers</b> Delivering safe and high-quality products and services to our customers is our <i>raison d'être</i> as customers are key to generation of financial capital.</p>	<p><b>Homebuyers</b></p> <ul style="list-style-type: none"> <li>Integrated customer and call centre</li> <li>Homebuyer e-portal</li> <li>Residential services</li> <li>Green Living Guides</li> <li>Defects management tracking app and procedures</li> <li>Post-TOP customer satisfaction surveys</li> <li>Show suites feedback system</li> </ul> <p><b>Tenants</b></p> <ul style="list-style-type: none"> <li>CDL Green Lease Partnership Programme</li> <li>CDL Green Ambassadors</li> <li>Green fitting out kits</li> <li>Project: Eco-Office kits</li> <li>Recycling programme</li> <li>1°C Up Campaign</li> <li>Curated events and activities for C-suites and office community (e.g. Healthy Workplace Ecosystem workouts and workshops, and treats giveaways)</li> <li>CityNexus mobile app for office community</li> <li>Annual tenant satisfaction surveys</li> <li>Precinct improvement with Raffles Place Alliance (Raffles Place Business Improvement District)</li> </ul>	<p><b>Homebuyers</b></p> <ul style="list-style-type: none"> <li>Customer service and experience</li> <li>Status of TOP progress and handover appointments</li> <li>Ethical marketing practices</li> <li>Workmanship and defects rectification</li> <li>Design and features</li> <li>Common areas and facilities</li> </ul> <p><b>Tenants</b></p> <ul style="list-style-type: none"> <li>Green building and office interior certifications</li> <li>Green leases</li> <li>Workplace safety and health</li> <li>Management of facilities</li> <li>Customer service and experience</li> <li>Resource efficiency</li> <li>Environmental management, education and advocacy</li> <li>Ethical marketing practices</li> </ul>					



**CDL Integrated Sustainability Report 2020, pages 19-20. This identifies different stakeholder groups, as well as the issues and concerns of each group.**

<p><b>INTEGRATED STRATEGY FOR VALUE CREATION</b></p>		<p>Introduction and Leadership Statements</p>	<p><b>Integrated Strategy for Value Creation</b></p>	<p>Building Sustainable Cities and Communities</p>	<p>Reducing Environmental Impact</p>	<p>Shaping a Fair, Safe and Inclusive Workplace</p>	<p>Creating Shared Economic and Social Value</p>	<p>102-40 102-42 102-44</p> <p>Annexes  <ul style="list-style-type: none"> <li>Assurance Statements</li> <li>GRI Content Index</li> <li>Glossary</li> </ul> </p>
STAKEHOLDER GROUPS AND THEIR SIGNIFICANCE TO CDL	ENGAGEMENT PLATFORMS	ISSUES AND CONCERNS						
 <p><b>Our Builders and Suppliers</b>            We work closely with partners in our value chain to ensure that our operations are carried out in line with CDL's EHS policies and standards that place environmental conservation, work site safety and workers' health and well-being as priorities.</p>	<ul style="list-style-type: none"> <li>• Policies including climate change, EHS, human rights and Universal Design</li> <li>• Supplier code of conduct</li> <li>• Green procurement specifications</li> <li>• CDL 5-Star EHS assessment</li> <li>• CDL EHS Challenge</li> <li>• Bi-annual seminars and peer sharing</li> <li>• Annual EHS Awards</li> <li>• Declaration of EHS commitment through letter and pledge-signing</li> <li>• EHS risk assessments at concept, design and construction stages</li> <li>• Construction vision casting</li> <li>• Bi-annual vendor evaluation</li> </ul>	<ul style="list-style-type: none"> <li>• Legal compliance</li> <li>• Quality and design</li> <li>• Safety of infrastructure and managed facilities</li> <li>• Productivity</li> <li>• Innovation</li> <li>• Workers safety and health</li> <li>• Labour practices and welfare</li> <li>• Human rights</li> <li>• Social inclusion</li> <li>• Resource and waste management</li> <li>• Sustainable procurement</li> </ul>						
 <p><b>Our Investors and Analysts</b>            Maximising long-term shareholder returns is a key priority to generate financial capital. In line with our strong emphasis on corporate governance, we continue to build investor trust and confidence through open dialogue and two-way communication with shareholders and the investment community.</p>	<ul style="list-style-type: none"> <li>• Annual General Meetings</li> <li>• Bi-annual financial results briefings and webcasts</li> <li>• Financial results announcements</li> <li>• Regular analyst and investor meetings</li> <li>• Post-results luncheons</li> <li>• Non-deal roadshows</li> <li>• Conferences, meetings and site visits</li> <li>• Media releases and interviews</li> <li>• Annual reports</li> <li>• Integrated sustainability reports</li> <li>• Corporate website and social media platforms</li> <li>• Sustainability microsite</li> <li>• Timely response to ESG rating agencies and analysts</li> </ul>	<ul style="list-style-type: none"> <li>• Growth strategy</li> <li>• Financial performance</li> <li>• Acquisitions</li> <li>• Market diversification and innovation</li> <li>• Market disruptions</li> <li>• Risk management</li> <li>• Corporate governance</li> <li>• ESG indicators</li> <li>• Climate change and carbon pricing strategies</li> <li>• Sustainability performance and tracking, including global sustainability rankings and indices</li> <li>• Reporting standards</li> <li>• Advocating green consumerism and lifestyle</li> </ul>						
 <p><b>Our Lenders (NEW)</b>            As CDL's low-carbon strategy in property development is generally capital intensive, we work closely with like-minded lenders by tapping on sustainable financing products, to help lower our overall capital cost in the long-run.</p>								
 <p><b>The Media</b>            By engaging the media community regularly, through mainstream news and information channels, we can raise greater awareness of the green agenda and CDL's drive to adopt sustainability practices.</p>								

<p><b>INTEGRATED STRATEGY FOR VALUE CREATION</b></p>		<p>Introduction and Leadership Statements</p>	<p><b>Integrated Strategy for Value Creation</b></p>	<p>Building Sustainable Cities and Communities</p>	<p>Reducing Environmental Impact</p>	<p>Shaping a Fair, Safe and Inclusive Workplace</p>	<p>Creating Shared Economic and Social Value</p>	<p>102-40 102-42 102-44</p> <p>Annexes  <ul style="list-style-type: none"> <li>Assurance Statements</li> <li>GRI Content Index</li> <li>Glossary</li> </ul> </p>
STAKEHOLDER GROUPS AND THEIR SIGNIFICANCE TO CDL	ENGAGEMENT PLATFORMS	ISSUES AND CONCERNS						
 <p><b>Government and Regulators</b>            We partner with key government agencies and regulators to jointly elevate industry standards for green building, green financing, sustainability practices, and health and safety standards.</p>	<ul style="list-style-type: none"> <li>• Senior management representation on boards of various industry bodies</li> <li>• Participation in tri-sector and sustainability-related consultations and dialogues</li> <li>• Longstanding partnership of various national programmes</li> <li>• Thought leadership in support of public policies and regulations pertaining to sustainability, green buildings and reporting</li> </ul>	<ul style="list-style-type: none"> <li>• Development of green buildings</li> <li>• Programmes to cultivate responsible workplace practices</li> <li>• Advocating green consumerism and lifestyle</li> <li>• Sharing of industry best practices</li> <li>• Regulatory development towards a low-carbon economy</li> <li>• Promoting sustainability reporting in Singapore</li> <li>• Advocating ESG integration with financial reporting</li> <li>• Promoting workplace health and safety</li> </ul>						
 <p><b>Academics and Industry Experts (NEW)</b>            We work closely with academics and industry experts to explore and testbed new building innovations. By tapping on their expertise in green buildings and sustainability, CDL can continue to develop novel solutions for a low-carbon future.</p>								
 <p><b>Our Community</b>            We create green and well living spaces that promote social integration and occupants' well-being. We also invest in community development projects (especially youths and women-related), and foster tri-sector collaborations that support the SDGs.</p>	<ul style="list-style-type: none"> <li>• Public communications plan with residents within a 100-metre radius of our new developments</li> <li>• Builders' contact details displayed at construction sites for public feedback</li> <li>• Participation in sustainability-related conferences/forums</li> <li>• Consultation and dialogues with academics, NGOs, and business associations</li> <li>• Annual reports</li> <li>• Integrated sustainability reports</li> <li>• Company website and social media</li> <li>• Corporate advertisements</li> <li>• Collaborations with charity and NGOs partners for community development</li> <li>• Universal design for homes and offices</li> </ul>	<ul style="list-style-type: none"> <li>• Proactive communication on CDL's development plans and construction works</li> <li>• Promoting environmental awareness and zero waste</li> <li>• Advocating best practices in sustainability</li> <li>• Empowering youths and women as sustainability champions</li> <li>• Supporting Singapore's arts scene</li> <li>• Caring for the less fortunate</li> <li>• Sustainability and green building thought-leadership and advocacy</li> <li>• Social inclusion</li> <li>• Ethical marketing practices</li> </ul>						



**GM 2019 Sustainability Report, page 28. Identifies different stakeholder groups, why the group matters and engagement strategies.**



GENERAL MOTORS 2019 SUSTAINABILITY REPORT

ESG MANAGEMENT

**STAKEHOLDER ENGAGEMENT**

Our success depends on relationships inside and outside the company. This core value drives engagement with our stakeholders. We engage these stakeholders in a variety of ways, all with the goal of sharing information and informing business decisions with meaningful dialogue.

Brand marketing, investor relations, global purchasing, human resources, labor relations and government relations are some of the GM functions that engage stakeholders on a regular basis to understand and address concerns, as well as to advance social and environmental goals. Forms of engagement include, but are not limited to, quantitative consumer research studies, stakeholder focus groups, congressional testimony, blog posts and community meetings.

For the past 10 years, our global sustainability team also has engaged with stakeholders through Ceres, a nonprofit organization advocating for corporate sustainability leadership. Recently, this engagement has focused on specific topic areas, such as human rights, when GM has needed to garner insights and perspective from subject matter experts and other third parties.

**ESG Interest From Investors**

We continue to see increased interest in nonfinancial issues from investors who believe that these issues and positive contributions to society can be important indicators of long-term performance. In response, we are engaging with investors more often on these topics so that both GM's financial and nonfinancial performance can be considered together. As an example, GM teams — including our CEO, CFO, corporate secretary and director of investor relations, as well as GM's lead independent director and the chair of the Board's governance and corporate responsibility committee — have conducted briefings with some of our largest shareholders. Topics have included corporate governance, company culture, workplace and vehicle safety, and diversity and inclusion. In 2019, members of the Board and senior management engaged with shareholders representing approximately 50 percent of GM's outstanding shares of common stock.

Who We Engage With	Why It Matters	Examples of How We Engage
<b>CUSTOMERS</b> (both individual and fleet)	We aim to earn customers for life, which ensures the long-term sustainability of our business in a competitive and changing marketplace.	Participating in customer satisfaction surveys to understand what vehicle attributes customers value.  Partnering to expand EV charging infrastructure.  Educating customers on the benefits of EVs.
<b>INVESTORS AND ANALYSTS</b>	Investors are increasingly interested in greater disclosure and transparency, particularly related to ESG topics and performance, which they link to long-term value.	Publishing an annual Sustainability Report.  Holding focused conversations and briefings to put data in context.  Reporting to frameworks including SASB and TCFD.



**GM 2019 Sustainability Report, page 29. Identifies different stakeholder groups, why the group matters and engagement strategies.**

GENERAL MOTORS 2019 SUSTAINABILITY REPORT		ESG MANAGEMENT
Who We Engage With	Why It Matters	Examples of How We Engage
<p><b>EMPLOYEES</b> (both current and potential new talent)</p>	<p>We must attract and retain top talent to remain innovative and build competitive advantage.</p>	<p>Recruiting talent at colleges and universities.</p> <p>Adhering to a responsible employer philosophy, which includes paying a living wage and offering competitive benefits.</p> <p>Conducting a global Workplace of Choice survey.</p> <p>Holding regular conversations with labor partners such as the United Auto Workers.</p>
<p><b>SUPPLIERS</b> (Tier 1 and beyond)</p>	<p>As our vehicles increase in technological complexity and we seek to make our supply chain more sustainable, we need strong and collaborative relationships with suppliers around the world.</p>	<p>Participating with organizations that help foster responsible supply chains industry-wide, such as:</p> <ul style="list-style-type: none"> <li>• Automotive Industry Action Group (AIAG)</li> <li>• Suppliers Partnership for the Environment</li> <li>• International Automotive Task Force</li> </ul> <p>Assessing risks related to mineral sourcing through engagement with the Responsible Minerals Initiative.</p> <p>Helped develop a global platform for sourcing of sustainable natural rubber.</p>
<p><b>DEALERS</b> (and dealer councils)</p>	<p>Dealers are our first line of engagement with customers, and we rely on them to help us build trust.</p>	<p>Using Standards for Excellence and Essential Brand Elements to evaluate performance.</p> <p>Maintaining the Mark of Excellence program to recognize high-achieving dealers.</p>
<p><b>COMMUNITIES</b></p>	<p>Improving lives in the communities where our employees live and work is directly linked to the health of our business. We also have a strategic interest in developing a pipeline of talent proficient in STEM.</p>	<p>Volunteering for STEM education initiatives worldwide.</p> <p>Sponsoring innovation challenges related to STEM subjects, such as MIT-SOLVE.</p> <p>Working with academic and nonprofit partners to educate community members on the importance of driving safety and seatbelt usage.</p> <p>Improving quality of life in communities where we operate through volunteerism and donations.</p>
<p><b>GOVERNMENTS</b> (at the national, state/provincial and local levels)</p>	<p>We work with government representatives at all levels to provide information about our business to advance policies that help GM realize its vision and contributions to local economies.</p>	<p>Engaging on fuel economy standards with the U.S. Environmental Protection Agency (EPA), NHTSA and California Air Resources Board.</p> <p>Continued commitment to engaging in innovative city and mobility initiatives as we have done in the past with the Smart Cities Challenge and others, to tackle congestion and other transportation challenges.</p>
<p><b>NGOS</b> (both environmental and social)</p>	<p>NGOs have the power to influence public opinion, as well as to provide us with insight and guidance on emerging issues.</p>	<p>Partnering on issues related to resource conservation.</p> <p>Sharing best practices with other companies that have made renewable energy commitments through RE100.</p>



**Diageo S&R Performance Addendum to the Annual Report 2020, page 3, notes three different communication channels (annual report, website and performance addendum) and the purpose of each.**

# Welcome

**Our ambition is to create one of the best performing, most trusted and respected consumer products companies in the world.**

To achieve that ambition, we need to make sure we are doing business the right way, from grain to glass. That means thinking about the long-term value we create and the risks and opportunities of our operating environment and business model. It also means ensuring we are proud of what we do at work, at home and in our communities.

Alongside our Annual Report and our website, this Performance Addendum contributes to that ambition, by reporting transparently on elements of our non-financial performance that play a vital role in delivering our strategy.

## How we report to our stakeholders



### Annual Report

Where we present our most material disclosures and describe how our strategy delivers value for our business and our communities.



### diageo.com

Where, through the 'In society' section, we give further details of our approach and performance, including examples of our strategy in action.



### Performance Addendum

Where we give additional disclosures in line with the GRI Standards index and the UNGC advanced reporting criteria index, plus our response to the Sustainability Accounting Standards Board (SASB).

### Who are our stakeholders?

Everyone who is affected by our business, and everyone who affects it, is a stakeholder. A detailed description of our stakeholder engagement process is on pages 12-13 of our Annual Report. We provide further details in disclosure 101-01 on [page 9](#) of this Performance Addendum.

### Contact us

If you have any questions or comments about this report or our strategy and performance, we'd like to hear from you. Please contact [sustainability@diageo.com](mailto:sustainability@diageo.com)

**Since 2014 we have used the International Integrated Reporting Commission (IIRC)'s framework to guide us as we integrate sustainability within our business.**

**Diageo Annual Report 2020, page 12, identifies different stakeholders, what matters to them and how those items are addressed.**

**GRI Index**

Universal standards

**GRI 102: GENERAL DISCLOSURES** continued

**ORGANISATIONAL PROFILE** continued

Disclosure	Our response
<p>102-07 <b>Scale of the organisation</b>                      The reporting organisation shall report the following information:</p> <p>a. Scale of the organisation, including:</p> <ul style="list-style-type: none"> <li>i. total number of employees;</li> <li>ii. total number of operations;</li> <li>iii. net sales (for private sector organisations) or net revenues (for public sector organisations);</li> <li>iv. total capitalisation (for private sector organisations) broken down in terms of debt and equity;</li> <li>v. quantity of products or services provided.</li> </ul>	<p>Diageo employs 27,775 people around the world. The production side of the business includes 163 sites in 26 countries.</p> <p>This year we made £11,752 million in net sales. Further details of our business model can be found on pages 10-11 of the Annual Report, and detailed financial performance is included in the Financial statements, from page 109.</p>

102-08 <b>Information on employees and other workers</b> The reporting organisation shall report the following information:	<b>Employees by region, by gender, and by employment contract type<sup>1</sup></b>					
	Part-time	Full-time	Permanent	Fixed-term/ temporary	Total	
a. Total number of employees by employment contract (permanent and temporary), by gender	<b>North America</b>					
	Men	5	1,578	1,572	11	1,583
	Women	3	1,052	1,042	13	1,055
b. Total number of employees by employment contract (permanent and temporary), by region	<b>Europe and Turkey</b>					
	Men	141	5,921	5,841	221	6,062
	Women	373	3,652	3,796	229	4,025
c. Total number of employees by employment type (full-time and part-time), by gender	<b>Africa</b>					
	Men	0	2,983	2,885	98	2,983
	Women	1	1,160	1,092	69	1,161
d. Whether a significant portion of the organisation's activities are performed by workers who are not employees. If applicable, a description of the nature and scale of work performed by workers who are not employees	<b>Latin America and Caribbean</b>					
	Men	0	1,700	1,691	9	1,700
	Women	1	1,001	994	8	1,002
e. Any significant variations in the numbers reported in Disclosures 102-08-a, 102-08-b, and 102-08-c (such as seasonal variations in the tourism or agricultural industries)	<b>Asia Pacific</b>					
	Men	10	6,091	5,972	129	6,101
	Women	27	2,076	1,929	174	2,103
f. An explanation of how the data have been compiled, including any assumptions made.	<b>Diageo (total)</b>					
	Men	156	18,273	17,961	468	18,429
	Women	405	8,941	8,853	493	9,346
	All	561	27,214	26,814	961	27,775

1. In some markets the concept of 'permanent employment' does not exist. For reporting purposes, we have considered as 'permanent' all those employees whose contract is not fixed-term/temporary. Part-time is defined as an employee not working at 100% of a Full-Time Equivalent.

**How we have met each disclosure**

- Fully disclosed as outlined by the GRI Sustainability Reporting Standards
- ◐ Partially disclosed and missing at least one required indicator
- Not disclosed
- ⊗ Not considered material to our business at this time



**Diageo Annual Report 2020, page 13, identifies different stakeholders, what matters to them and how those items are addressed.**

**GRI Index**

Universal standards

**GRI 102: GENERAL DISCLOSURES** continued

**ORGANISATIONAL PROFILE** continued

Disclosure	Our response
<p>102-08 continued</p> <p><b>Information on employees and other workers</b> continued</p>	<p>Total workforce by employees and supervised workers, and by gender: this information is included in the Our people section of the Annual Report, page 27.</p> <p>Most people who work on behalf of Diageo are employed by Diageo, although, in common with most manufacturing companies, we also employ contractors, the numbers of whom vary significantly by region. For the most part, when we use contractors, it is for the following:</p> <ul style="list-style-type: none"> <li>• Construction projects, resulting from investments we are making in the business</li> <li>• Logistics (from the end of the packaging line), such as warehouse operators, forklift truck drivers and loaders</li> <li>• Selected sales and merchandising activity</li> <li>• Cleaning, catering and site security.</li> </ul> <p>Some aspects of our business use seasonal employment, for example, in agricultural operations or in logistics and packing activities. In general, although seasonal employment is a feature of our business, it is not significant compared to our overall number of employees.</p>
<p>102-09</p> <p><b>Supply chain</b></p> <p>The reporting organisation shall report the following information:</p> <p>a. A description of the organisation's supply chain, including its main elements as they relate to the organisation's activities, primary brands, products and services.</p>	<p>Around 29,000 direct suppliers from more than 100 countries provide us with the raw materials, expertise and other resources that help us make great brands. Many of those direct suppliers themselves have an extensive supply chain, connecting us with thousands more farmers and businesses. Details of how we work with our suppliers are included in the Pioneer grain-to-glass sustainability section of the Annual Report, pages 28-29.</p>
<p>102-10</p> <p><b>Significant changes to the organisation and its supply chain</b></p> <p>The reporting organisation shall report the following information:</p> <p>a. Significant changes to the organisation's size, structure, ownership, or supply chain, including:</p> <p>i. changes in the location of, or changes in, operations, including facility openings, closings and expansions;</p> <p>ii. changes in the share capital structure and other capital formation, maintenance, and alteration operations (for private sector organisations);</p> <p>iii. changes in the location of suppliers, the structure of the supply chain, or relationships with suppliers, including selection and termination.</p>	<p>For acquisitions and disposals, see Note 8 to the Financial statements in the Annual Report, pages 136-137.</p> <p>For material organisational restructuring programmes, see Note 3 to the Financial statements in the Annual Report, page 172. For changes in share capital structure, see Note 9 to the Financial statements in the Annual Report, page 174.</p> <p>There were no material changes to the overall location of suppliers, structure of the supply chain, or our relationships with suppliers during this reporting period. Other, less material changes in our supply chain occurred as a result of our routine tendering processes.</p> <p>We continue to promote local raw material sourcing, particularly in Africa. In 2020 we sourced 79% of the agricultural raw materials used in our African operations locally. This means we are importing proportionately fewer raw materials from Europe, and promoting economic development in local communities, while maximising the tax benefits of local sourcing. Details are included in the Pioneer grain-to-glass sustainability section of the Annual Report, pages 28-29.</p>
<p>102-11</p> <p><b>Precautionary principle or approach</b></p> <p>The reporting organisation shall report the following information:</p> <p>a. Whether and how the organisation applies the precautionary principle or approach.</p>	<p>We take a precautionary approach to our environmental strategy, as described in our work to reduce greenhouse gases in the Pioneering grain-to-glass sustainability and Climate risk sections of the Annual Report, pages 28-29 and 42-43 respectively.</p> <p>We are developing our strategy to address our most material issues and support sustainable growth over the critical decade until 2030. While the launch of our strategy and the targets that will drive its delivery have been delayed by Covid-19 until later this fiscal year, we are clear on our direction of travel and our overall goals. We know we must continue to be global champions for water stewardship, and vocal advocates for a low carbon world. And we will go further in pioneering sustainability from grain to glass, including through encouraging regenerative agriculture and by exploring circular economy approaches as we seek to minimise waste in our operations and value chain.</p>

**How we have met each disclosure**

- Fully disclosed as outlined by the GRI Sustainability Reporting Standards
- ◐ Partially disclosed and missing at least one required indicator
- Not disclosed
- ⊗ Not considered material to our business at this time



## Part 3: Use of the GRI and SASB Standards

All four companies interviewed use both the GRI Standards and the SASB Standards. We asked them why, and what other frameworks they use alongside them.

### ***Why report against both the GRI Standards and the SASB Standards?***

The survey revealed several main reasons for using the GRI and SASB Standards. Many respondents mentioned that the two sets of standards are complementary. Using both, therefore, provides a more complete overview. The converse is also true: some mentioned using the two sets of standards together for their different perspectives, different approaches to materiality and different stakeholder groups.

Of the 52 respondents who used both sets of standards, twelve (12) specifically mentioned the reason they did so was to meet the needs of investors or financial stakeholders, and nine (9) mentioned stakeholders in general. Other reasons included best practice reporting, materiality needs and keeping up with trends.

However, the decision to use each of the two reporting standards occurred separately in most cases, given that most companies started using the GRI Standards much earlier. So the reasons for starting each may be different to the reasons for using them in tandem.

### ***Pioneering transparency***

CDL, for example, started using the GRI Standards in 2008 and has maintained its use as the core reporting framework that its multi-stakeholders are familiar with. SASB was added in 2020 to address the growing investor interest in ESG issues.

“As a pioneer in sustainability reporting in Singapore, CDL has been committed to pushing the boundaries to drive change,” Esther said. “Based on the knowledge we have built up over our journey in publishing 13 sustainability reports, we created a blended reporting framework that combines GRI, IIRC, SDG and SASB standards. In an ever-changing business landscape, companies need to remain

limber and anticipate the changing expectations of their stakeholders. CDL is privileged to be an active advocate for sustainability integration and reporting to help reporters who are at the early stages of their journey.”

### ***Meeting investors’ needs***

As a critical stakeholder group, investors are a priority audience. As the discussion has developed around the connection between sustainability and financial impacts and materiality, reporting has evolved to meet investor needs for comparable, consistent and reliable data.

Historically, Diageo has tried to get ahead of data demands through transparency. When SASB appeared, the company believed it would probably grow in value to the investor audience. “We don’t believe it’s possible to separate non-financial performance from financial performance,” Harriet said. “You’re just not painting a full picture for your stakeholders if you separate that information. Non-financial performance is really pre-financial, rather than something which just makes the company look good.”

Diageo are keen for the non-financial information presented in the annual report to be useful to investors, which is why they use SASB to cross-reference a few areas with the broader GRI disclosures. “Ultimately, we want to make this information easily comparable, and you can’t do that unless you use a standard like GRI or SASB. It’s not meaningful unless it’s comparable.”

According to CDL, investors and stakeholders are increasingly interested in having a more comprehensive overview of its ESG practices. In addition to the environmental issues and their impact, many investors are concerned about how CDL manages the social impact caused by the COVID-19 pandemic on its building tenants.

### ***A holistic picture***

The interviewees noted that using GRI and SASB Standards together provides a holistic picture of company performance, bringing sustainability and financial information more closely together. GM considers GRI the core,



foundational standard for sustainability reporting, which serves to shape reporting for all stakeholders. It goes beyond what investors want, to look at how the company is managing its material issues in terms of both their impact on the business and their impact on stakeholders.

This narrative approach is complemented by the more data driven SASB disclosures. SASB Standards provide another layer of reporting, but GM would not report only on the SASB Standards. GM considers SASB to be a subset of information that is contained within GRI. This means the narrative management context GRI provides works well with the data SASB requires, making it clear how that data should be interpreted.

Suncor considers another key difference: the sector focus. “GRI is larger scope, more global, not as sector specific,” Hilary Schumacher, Sustainability Reporting Advisor at Suncor Energy, said. “And then with SASB, you’re able to dive deeper on sector-specific information with a financial lens for a more targeted audience, and it improved our reporting efforts.”

“Our data is intended to be decision useful,” Kris added. “That’s why we also adopted the SASB Standards.”

### **Business value**

Sustainability reporting provides stakeholders with core insights into the long-term value and viability of the business. At the same time, procuring and reporting sustainability information requires resources. What gets measured gets managed. Setting goals, tracking progress and reporting help companies to identify gaps and improve on operational efficiency and create growth opportunities. “ESG integration has become a strong business case,” Esther said. “It is never easy when you need to ask for resources, but now is a good time to convince the board and top management of the real benefits sustainability can bring to the business, not just for today but for long-term resilience against future challenges.”

She added: “ESG disclosure is not just about reporting operational performance. A good report should communicate the business strategy clearly. It should demonstrate the ability and commitment of the top management to be resilient and future-fit for the long haul.”

### **Other standards/frameworks in use**

Of the 52 survey respondents who reported using both GRI and SASB Standards, 11 said they did not use any other standards or frameworks. Of the remaining 41 respondents, two (2) said they used the CDSB Framework, seven (7) used the Integrated Reporting Framework, and 30 reported against the TCFD Recommendations.

Other frameworks, standards, surveys and disclosure guidance used were CDP (climate and water), DJSI, EU Taxonomy, GHG Protocol, IFC Performance Standards, Equator Principles, PRI, UN Sustainable Development Goals (SDGs), UN Global Compact (UNGC), WBCSD ESG Disclosure Handbook, Chemical Industry Responsible Care initiative, European directive on non-financial reporting - 2014/95/EU, and IPIECA. The development of the WEF-IBC Core Disclosures and Metrics was also mentioned.

Looking to the future, only seven (7) of the 52 who currently use GRI and SASB Standards said they were not considering using additional standards and frameworks. Of the remainder who are considering adding frameworks to the mix, five (5) mentioned CDSB, four (4) Integrated Reporting and twenty (20) TCFD. Twenty-one (21) respondents mentioned other frameworks, the most popular being the proposed WEF International Business Council’s proposed Common Metrics for Consistent Reporting of Sustainable Value Creation (WEF-IBC, mentioned by eight (8)), SDG indicators (mentioned by three (3)). The other frameworks mentioned were: EFFAS, IMM, CDP, IPIECA, IRIS+, IUCN, UNPRI, r3.0, the EU green taxonomy, and NFRD requirements.

There was a similar breadth of frameworks being used by the interviewees. TCFD and the SDGs are used almost across the board.

### **CDL: GRI, SASB, CDP, IR, UNGC, TCFD, SDGs**

CDL believes that the set of frameworks and standards is much more harmonized than it was four years ago. This is creating a “common language” for sustainability that enhances reporting efficiency. This strengthens the business case for reporting using the different frameworks. In particular, SASB is aligned with TCFD in terms of risk mitigation and adaptation. The SDGs help CDL to connect with a common language around sustainable development, though mapping to the other frameworks is difficult.



CDL takes a pragmatic approach to using the different frameworks. “We blend the relevant things together,” Esther explained. “What we embrace is really relevant to our material issues. In fact, we find out that actually there are a lot of similarities between the frameworks.”

***Diageo: GRI, SASB, IR, UNGC, CDP, TCFD***

Diageo acknowledges that adopting the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) is an important step in addressing climate change risks and supporting a transition to a low-carbon economy. Adopting TCFD involves the entire business, which is where a lot of the value from the process comes in; TCFD ensures that climate change considerations are not siloed. For CDP, Diageo currently has an A rating for water and A for climate.

***GM: GRI, SASB, CDP, UNGC, SDGs, TCFD***

GM looks at the company’s impacts and analyzes and selects frameworks that help it disclose on those impacts. GM noted that some things can’t be quantified, which is where identifying opportunities and risks in narrative form is useful. The team believes looking at TCFD could be helpful in this sense. As an industry with significant climate exposure, it was really important to adopt the recommendations.

***Suncor: GRI, SASB, IPIECA, TCFD, UNGC, UN SDGs, GHG Protocol, ISO***

Suncor continually monitors and assesses the standards and frameworks that appear. Most recently, the company has been looking at the WEF-IBC’s proposed metrics. The team analyze the frameworks and create connection points. Given how many they already use and the number appearing, this is a continual process for them. One advantage is that because of the company’s leading position in reporting, they are offered the opportunity to test new frameworks early.



## Part 4: Organization's Approaches to Reporting

Using each of the reporting standards, there are different reporting processes, as well as very different approaches to materiality. While guidance is available for the individual standards, there is no single recommended way to use the two sets of standards together.

The survey respondents who use both GRI and SASB Standards generally reported having a high level of knowledge of or experience with the standards. For GRI Standards, two (2) reported having limited knowledge or experience; eight (8) moderate; and 31 high. For SASB Standards, three (3) reported limited knowledge or experience; 18 moderate; and 20 high.

The interviewees all had a high level of knowledge and experience, being pioneers in the sustainability reporting world. Here we look at their experiences, processes and materiality determinations.

### Experiences of using GRI and SASB together

For CDL, the move to using the GRI Standards and the SASB Standards together was not a big leap; with over two decades of sustainability monitoring and reporting, it had the processes in place already to support the SASB data collection and reporting process. As Esther commented, in CDL's experience, the many frameworks they use have enough of a crossover that makes reporting relatively streamlined.

"Our experience makes it a little bit easier for us to adapt to the latest SASB, GRI, CDP and GRESB guidance, as all these are interrelated," she said. "If you have no experience in working with the other three, I think SASB will be a big challenge for some companies."

GRI is a natural choice for CDL, and the Standards help the company map issues close to its business operations. The team have learned a lot from using GRI in terms of tracking, reporting and improvement. When they started reporting, it was quite operational, focusing on areas like energy and water, but this has since expanded.

As SASB is much newer, they have not seen this kind of learning yet. However, CDL has noted a large overlap between GRI and SASB, and between CDP, GRESB and SASB. Since the team had already completed the CDP and GRESB questionnaires, they could extract the information and map it to the SASB Real Estate Standard.

CDL takes a pragmatic approach to material issues, recognizing it's not a one-size-fits-all but rather a blended view, incorporating the different frameworks. The team feels there has been significant harmonization over the last four years, which has created a "common language" for ESG reporting that increases the efficiency of communication.

Likewise, Suncor already had a large amount of reporting infrastructure in place over its 25 years of sustainability reporting. "We felt like, okay, we're covering off enough critical mass of standards, we should actually go ahead and disclose this stuff," Kris said. "For a company that's new it will take longer, they just wouldn't have the data in place to get there."

In particular, using both the GRI and SASB Standards together has helped Suncor identify material issues to report and communicate effectively with all stakeholders, including investors. It has also improved the consistency in data for benchmarking and analysis.

Diageo has used the two sets of standards for integrated reporting. It does not believe it's possible to separate non- or pre-financial performance from financial performance, so the intention was to provide the details of both in the same place.



**GM has separate tables of disclosures for GRI and SASB. Pictured: GM Sustainability Report 2019.**

GENERAL MOTORS 2019 SUSTAINABILITY REPORT		GRI CONTENT INDEX
<b>GENERAL DISCLOSURES</b>		
Disclosure Number	Description	Reference/Response
<b>GRI 102: General Disclosures</b>		
<b>Organizational Profile</b>		
102-1	Name of the organization	General Motors
102-2	Activities, brands, products, and services	ESG Management — Scale & Scope
102-3	Location of headquarters	Detroit, Michigan
102-4	Location of operations	ESG Management — Scale & Scope; 2019 Form 10-K pages 2, 17
102-5	Ownership and legal form	General Motors is a publicly held corporation incorporated in the state of Delaware. Our shares trade on the New York Stock Exchange and Toronto Stock Exchange.
102-6	Markets served	ESG Management — Scale & Scope; 2019 Form 10-K pages 2-3
102-7	Scale of the organization	ESG Management — Scale & Scope; 2019 Form 10-K pages 2-3
102-8	Information on employees and other workers	Developing Talented People — GM Workforce Profile The majority of our workforce is comprised of GM employees. There are no significant variations in employment numbers.
102-9	Supply chain	Supporting Supplier Responsibility
102-10	Significant changes to the organization and its supply chain	2019 Form 10-K page 85
102-11	Precautionary Principle or approach	GM does not follow the precautionary approach, but has a comprehensive risk management plan in place.
102-12	External initiatives	<ul style="list-style-type: none"> <li>• CDP</li> <li>• Business for Innovation Climate &amp; Energy Policy (BICEP) Coalition</li> <li>• United Nations Global Compact</li> <li>• U.S. Business for Climate Action</li> </ul>
102-13	Membership of associations	We work with automotive industry groups in many countries in which we operate, including, but not limited to Alliance of Automobile Manufacturers' Association (AAM) and China Association of Automobile Manufacturers (CAAM). Examples of other associations we work with include the Engine Manufacturers Association, Diesel Technology Forum, Electric Drive Transportation Association and the Fuel Cell & Hydrogen Energy Association.
<b>Strategy</b>		
102-14	Statement from senior decision-maker	ESG Management — Leadership Message
102-15	Key impacts, risks, and opportunities	ESG Management — ESG Highlights, Our Strategy, Chief Sustainability Officer Conversation; Reducing Carbon Impact; Transforming Mobility; 2019 Form 10-K pages 10-17; <a href="#">CDP Climate Change 2019</a>
<b>Ethics and Integrity</b>		
102-16	Values, principles, standards, and norms of behavior	ESG Management — Our Vision, Our Values, Ethics — Code of Conduct; <a href="#">Code of Conduct</a> ; <a href="#">Supplier Code of Conduct</a>
102-17	Mechanisms for advice and concerns about ethics	ESG Management — Our Vision, Our Values, Ethics — Code of Conduct, Reporting Concerns; <a href="#">Code of Conduct</a> ; <a href="#">Supplier Code of Conduct</a>

GM has separate tables of disclosures for GRI and SASB. Pictured: GM Sustainability Report 2019.

GENERAL MOTORS		2019 SUSTAINABILITY REPORT			SASB RESPONSE																					
zero crashes, zero congestion, zero crashes, zero emissions, zero crashes, zero congestion, zero emissions, zero crashes, zero congestion, zero emissions, zero crashes, zero congestion, zero emissions, zero crashes, zero emissions, zero crashes, zero congestion, zero emissions, zero crashes, zero emissions																										
Sustainability Accounting Standards Board Response (SASB)																										
METRIC	CATEGORY	UNIT OF MEASURE	CODE	RESPONSE/COMMENT																						
Activity Metrics	Number of vehicles manufactured	Quantitative	Number	TR-AU-000.A	7,332,373																					
	Number of vehicles sold	Quantitative	Number	TR-AU-000.B	7,718,000 (2019 10-K page 2)																					
TOPIC	METRIC	CATEGORY	UNIT OF MEASURE	CODE	RESPONSE/COMMENT																					
Product Safety	Percentage of vehicle models rated by NCAP programs with an overall 5-star safety rating, by region	Quantitative	Percentage (%) of rated vehicles	TR-AU-250a.1	US — 51% China — 83% Australasia — 100% South Korea — 67% Asean Region — 50%																					
	Number of safety-related defect complaints, percentage investigated	Quantitative	Number, Percentage (%)	TR-AU-250a.2	There were 4,755 submissions to our internal Speak Up For Safety program in 2019. All submissions are investigated.																					
	Number of vehicles recalled	Quantitative	Number	TR-AU-250a.3	8.58 million																					
Labor Practices	Percentage of active workforce covered under collective-bargaining agreements	Quantitative	Percentage (%)	TR-AU-310a.1	64% global																					
	Number of (1) work stoppages and (2) total days idle	Quantitative	Number, Days	TR-AU-310a.2	Our collective bargaining agreement with the United Auto Workers (UAW) expired on September 14, 2019. The UAW went on strike September 16, 2019, causing subsequent stoppages to most vehicle production and parts distribution across our North America facilities. The stoppage spanned 29 working days resulting in a cumulative loss of 1,334,000 work days. For more information on the cause of the stoppage, impact on production and corrective actions taken, see 2019 10-K, page 23.																					
Fuel Economy & Use-phase Emissions	Sales-weighted average passenger fleet fuel economy, by region	Quantitative	Mpg, L/km, gCO2/km, km/L Methodology: Average F/E calculated by model year as required for regulatory purposes.	TR-AU-410a.1	<table border="1"> <thead> <tr> <th></th> <th>2016</th> <th>2017</th> <th>2018</th> <th>2019</th> </tr> </thead> <tbody> <tr> <td>USA</td> <td>195 gCO2/km</td> <td>191 gCO2/km</td> <td>189 gCO2/km</td> <td>193 gCO2/km</td> </tr> <tr> <td>China</td> <td>6.78 L/km</td> <td>6.42 L/km</td> <td>6.46 L/km</td> <td>6.13 L/km</td> </tr> <tr> <td>Brazil</td> <td>123 gCO2/km</td> <td>124 gCO2/km</td> <td>122 gCO2/km</td> <td>121 gCO2/km</td> </tr> </tbody> </table>			2016	2017	2018	2019	USA	195 gCO2/km	191 gCO2/km	189 gCO2/km	193 gCO2/km	China	6.78 L/km	6.42 L/km	6.46 L/km	6.13 L/km	Brazil	123 gCO2/km	124 gCO2/km	122 gCO2/km	121 gCO2/km
		2016	2017	2018	2019																					
	USA	195 gCO2/km	191 gCO2/km	189 gCO2/km	193 gCO2/km																					
China	6.78 L/km	6.42 L/km	6.46 L/km	6.13 L/km																						
Brazil	123 gCO2/km	124 gCO2/km	122 gCO2/km	121 gCO2/km																						
Number of (1) zero emission vehicles (ZEV) sold, (2) hybrid vehicles sold, and (3) plug-in hybrid vehicles sold	Quantitative	Vehicle units sold	TR-AU-410a.2	<table border="1"> <thead> <tr> <th></th> <th>2017</th> <th>2018</th> <th>2019</th> </tr> </thead> <tbody> <tr> <td>ZEV</td> <td>29,348</td> <td>61,473</td> <td>111,950</td> </tr> <tr> <td>Hybrid</td> <td>34,596</td> <td>24,697</td> <td>22,575</td> </tr> <tr> <td>Plug-In Hybrid</td> <td>34,276</td> <td>29,209</td> <td>6,868</td> </tr> </tbody> </table>			2017	2018	2019	ZEV	29,348	61,473	111,950	Hybrid	34,596	24,697	22,575	Plug-In Hybrid	34,276	29,209	6,868					
	2017	2018	2019																							
ZEV	29,348	61,473	111,950																							
Hybrid	34,596	24,697	22,575																							
Plug-In Hybrid	34,276	29,209	6,868																							
Discussion of strategy for managing fleet fuel economy and emissions risks and opportunities	Discussion and Analysis		TR-AU-410a.3	Reducing Carbon Impact — Climate Change Management, Vehicle Emissions, Regulatory Engagement  <a href="#">CDP Climate Change 2019</a>																						



**Suncor Energy has a combined GRI and SASB content index. Pictured: Suncor 2020 Report on Sustainability.**

Executive summary
Table of contents
About our report
Strategy and governance
Our business
Climate change
Environment
Communities
Appendix

## GRI and SASB disclosure index < >

This Report on Sustainability has been prepared in accordance with:

- the Core option of the **Global Reporting Initiative (GRI)** Standards with additional use of the GRI's Oil and Gas Sector Disclosures. This index describes:
  - which GRI Standards and material topics have been covered in this report
  - where to find additional information in this report, other public disclosures, or omissions
  - standards that have been externally assured
- the **Sustainability Accounting Standards Board (SASB)** as the most relevant to long-term value creation for the industry we operate in. We value disclosure as a foundational activity for investor engagement and support efforts which seek to drive consistency and comparability of sustainability performance data. Due to the integrated nature of our business, we've elected to refer to several SASB standards including Metals and Mining, Oil & Gas – Exploration & Production, and Oil & Gas – Refining and Logistics. Any values that are classified within the Midstream categorization will be included within the Refining and Logistics section. We'll continue to evaluate additional SASB metrics for potential disclosure in future reports.

The disclosure index below contains information and additional links that relate to specific content within the 2020 Report on Sustainability and other annual disclosures published by Suncor Energy, which supply useful information for gathering a full understanding of the company.

Legend:

- ROS – Suncor's 2020 Report on Sustainability
- CRRR – Suncor's 2020 Climate Risk and Resilience Report
- AIF – Annual Information Form dated February 26, 2020
- MPC – Suncor's 2020 Management Proxy Circular
- AR – Suncor's 2019 Annual Report
- CDP Climate – Suncor's 2020 CDP Climate Change Response
- CDP Water – Suncor's 2020 CDP Water Security Response

SASB code	GRI code	Description	Response, link or additional information
<b>General</b>			
	102-1	Name of the organization	Suncor Energy Inc.
	102-2	Activities, brands, products, and services	ROS – Operations summary
	102-3	Location of headquarters	Calgary, Alberta (Canada)
	102-4	Location of operations	ROS – Operations summary
	102-5	Ownership and legal form	<a href="#">AIF (p. 5)</a>
	102-6	Markets served	ROS – Operations summary
	102-7	Scale of the organization	ROS – Operations summary ROS – Performance data <a href="#">AR (p. 3)</a>
EM-MM-000.B	102-8	Information on employees and other workers	ROS – Performance data
	102-9	Supply chain	ROS – Supply chain
	102-10	Significant changes to the organization and its supply chain	ROS – Performance data <a href="#">AR (pp. 29-31)</a>
	102-11	Precautionary Principle or approach	ROS – Our purpose
	102-12	External initiatives	ROS – Engagement



## The reporting process

### *A fast turnaround to break down silos*

Diageo believes it has the fastest published integrated annual report in the world and is the fastest company to publish a full GRI and SASB report. “I have not seen anyone quicker than us, but if there is someone, I really want to know how they do it,” Harriet said.

Aligning the timing for collecting and reporting sustainability data alongside traditional financial data requires significant up-front planning and organization. At Diageo, the process is currently based on content ownership. There are a number of content owners across the business who are responsible for certain elements of sustainability disclosures. The team has a map of every GRI indicator with the name(s) of the owner(s) next to it.

The reporting process starts properly in February, with a steering committee of the annual report group. In March and April the team start interviews to get the narratives for the different areas of the sustainability story. The draft content is developed in May, June and July for both the annual report’s sustainability content and the Sustainability and Responsibility Performance Addendum.

They go through a series of drafts based on a skeleton of the previous year’s report. Once the information has been collected, near the end of the process, they cross-reference for SASB. Some of these points will link to GRI indicators, others to information in the annual report.

The company reports preliminary results slightly earlier than the annual report is published in the UK – that usually means preliminary results are shared on the last Thursday of July and the annual report is published a week later. The US filing is generated from the annual report. But along the way, the company’s decision makers see quarterly performance updates on all ESG-related KPIs.

### *Quarterly reporting*

CDL has a similar silo-breaking philosophy, which is reflected in the team structure. There are 13 people in the team, and they act as internal consultants. They are independent from the operation of the company; as Chief Sustainability Officer Esther doesn’t report to the operational head, “because I have to set target goals, and I will have to track their performance and report their

performance.” However, they are integrated into the operations by way of Esther chairing the sustainability committee that cuts across all business and operational units. This structure means Esther and the team do not rely on other divisional heads or department heads, but they have to engage them. “I have to rope them in to understand our whole overall corporate sustainability strategy, and to help,” Esther said.

CDL has implemented quarterly sustainability reporting, based on a traffic light system. If an area is coded green, it means they’re on track; amber means room for improvement, and red is an alarm bell. It’s an ongoing process for tracking because, as Esther pointed out, “what gets measured gets managed.” They measure and track carefully all year, rather than waiting until November, and suddenly realize something is missing. “If you don’t measure, you are going to have a rude shock at the end of the year when you start to collect data,” she said.

### *Engaging people across the business*

Sustainability reporting has accelerated over the past six years at GM: the company started reporting with SASB and TCFD and moved from GRI core to comprehensive reporting. It also reorganized with the appointment of a Chief Sustainability Officer, moving from public policy to the new corporate function.

The reporting process starts with the team engaging a much broader team across the organization: there are 125 subject matter experts, including people in ethics, manufacturing and supply chain. They then build in external inputs, such as inquiries from investors. For example, investor attention recently focused on lobbying. In response to this, GM added a specific mention in the governance area of its sustainability report on the board’s oversight of lobbying. Although it already has a separate lobbying report, investor questions highlighted that the company may not have been as clear as it should have been on the governance oversight.

This is where a lot of support for SASB and TCFD disclosure has come from – anticipating investor demand for information. It also ensures GM is well positioned when these requests are received. A couple of years ago, members of the GM finance team were asked about ESG reporting and ratings that they were unfamiliar with. This was a wake-up call for this part of the business, and it elevated the importance of not only GM’s ESG performance, but also



ESG literacy internally at GM. GM has since emphasized the importance of ESG knowledge across the business, and every employee in contact with investors is well versed in the issues and the reporting.

### **Data empowerment**

Suncor's annual gap analysis of reporting frameworks feeds into its reporting process. Once they have decided what indicators to use, the team begins the rather manual task of data collection. Though they're working on it, Suncor does not yet have a consolidated system for collecting sustainability data. There are various teams that own the data to be collected, and a number of older systems for collecting environmental, social and economic data. A consolidated data collection system is something they have identified as a need for the future.

The reporting process starts with a kickoff meeting in February. At this meeting, they set out responsibilities with a RASCI chart, featuring about 30 data coordinators across all business units. Many of Suncor's environmental metrics are aligned with provincial and federal regulations which are leveraged for sustainability disclosure. "For example, in Alberta, we have a robust greenhouse gas and water reporting regulations that require third-party verification," Kris said.

However, if the sustainability team have identified new data to be reported, there first needs to be an approval process. This involves putting forward recommendations and moving up the chain of command garnering buy-in. One example of this relates to process safety disclosure. "Sustained efforts to show the benefit of reporting, which is also highlighted in the SASB Standards, helped set the stage for the process safety group to be able to provide the data and be comfortable with disclosing the information."

The result is robust data owned by coordinators across the company that reflects the material issues. In its 2020 report, Suncor presents this data in a combined GRI and SASB disclosure index table.

## **Materiality**

One of the most significant differences between the GRI and SASB Standards is the approach to materiality. For SASB, material topics are those that are "reasonably likely to impact the financial performance of a typical company in

an industry" – i.e. sustainability issues that impact the long-term value of the company. A sustainability topic is included in an industry-specific SASB Standard based on evidence of investor interest and evidence of financial impact. SASB's standards cover five sustainability dimensions, including environmental, human and social capital, business model and innovation, and leadership and governance.

The GRI reporting framework guides organizations to select topics that reflect their most significant economic, environmental and social impacts in consultation with stakeholders. The impacts considered should be external-facing – topics that impact people and the environment outside the organization, such as greenhouse gas emissions, human rights and supply chain practices.

For some organizations, this provides a challenge in reporting. In the survey, several respondents said they would welcome a more aligned materiality process.

Here we look at considerations for materiality raised by reporters when using the two sets of Standards together.

### **Catering for changing needs through materiality**

Assessing materiality is about ensuring the business is prepared for risks and opportunities and improving its external impact. For CDL, material topics have changed a lot in recent years. Working with green buildings, the company has tracked trends like air quality and green spaces. As a developer, it now has to think about multipurpose living, moving from a previous split between residential and commercial to buildings that cater to more than one need. This emphasis on understanding CDL's most important impacts, and the subset of which that constitute core risks and opportunities to the business, forms an important foundational layer for its materiality assessment.

An example of this can be seen evolving during the COVID-19 pandemic. "During lockdown, the only solace condominium residents could find was to go down to their garden, really find some sanity looking at some trees, plants, doing herbal farming, you know, do a bit of that. So, your home, your condominium moving forward has to be almost everything. Cycling was allowed, and suddenly we saw a lot of people in the park. People have to learn how to maintain that strength when we deal with all these challenges and changes. So we need to design that."



The focus on materiality has been key to driving effective reporting. CDL carries out its materiality assessment every other year with a broad stakeholder audience, facilitated by EY. Their aim is a balanced view between internal and external stakeholders.

### ***Focusing on a handful of priorities***

Diageo carries out its materiality assessment every three years. It is a horizon-scanning process, looking at macro trends that could affect the business over the next decade. The process involves a number of stakeholder interviews, including with members of the Executive Committee, board members and other key people heading up various functions within the business. Externally, the team speak to stakeholders such as NGOs, government officials and investors. They also carry out desk research.

The results of the conversations and research feed into a list of material issues for the company. As a business, they have six strategic priorities, three of which would be considered sustainability and responsibility: ‘promoting positive drinking’, ‘championing inclusion and diversity’, and ‘pioneering grain to glass sustainability’. Diageo’s materiality assessment therefore ensures that it identifies its major impacts, as well as the set of those impacts that are core to its strategy and long-term business success. Each topic area has a number of quantitative targets that they report on, adding some narrative against the numbers.

“We try to focus on communicating our progress and stance on addressing our most material issues,” Harriet said. “And we try and produce insights for our stakeholders, which give them information about what we’re doing on all those topic areas.”

### ***Balancing financial and ESG materiality***

The auto industry has had the same material sustainability issues for a long time, and many of these can be financially material. “I was cleaning up earlier in the year, and I found some older corporate responsibility reports, when they used to be printed,” Sharon said. “They had the same issues: vehicle safety, fuel economy and emissions, how we’re doing in terms of our suppliers, and a little bit about our workforce.”

These issues are reflected in the SASB Standards, helping GM report on them effectively. But the landscape is

changing quickly, and it’s important to look beyond financial impact, GM believes. For example, GM’s commitment to the community, or to their use of resources for their social programs may not be financially material, but they are material to stakeholders. “You can’t say that the world only revolves around the financial materiality,” Sharon said. This broader impact is what they can capture effectively with the GRI Standards.

In recent years, there has been a greater emphasis on workforce-related disclosure. Talent attraction is also critical to the business, because it will lead innovation into a low carbon economy. GM identified this as a critical internal business issue, and it shaped the strategy on disclosure.

Another source of input for materiality is enterprise risk management – looking at which issues are being elevated through the organization’s risk function. Taken together, these inputs shape the focus areas for sustainability. While the broader issues may remain the same, what the company is doing changes based on the inputs.

### ***Reporting standards as input for materiality***

Suncor considers a broad range of information and perspectives when conducting its formal materiality assessment. This includes issue research, benchmarking, best practices across the sector and broad trends. It also carries out an annual review of the relevant standards and frameworks, looking for new ones and updates to see if any new issues or priorities have arisen. In particular, using GRI Standards and SASB Standards has helped the company identify material issues to report by providing Suncor with a set of its potential impacts, as well as the sub-set of those industry-specific impacts that may be financially material.

With this input, Suncor then prioritizes the issues with internal and external audiences through workshops, surveys and knowledge sharing sessions. The outcome of this informs the final analysis of stakeholder interest and business imperative. “There can be tension between having a focus in a particular area because we think it’s important, versus what the general audience might think is important,” Kris said. “Sometimes those things don’t match.”

The issues are in a state of constant flux, and trends arise every year. This means adding and subtracting material issues wherever needed, depending on whether things become more or less important. More broadly, Suncor is



evolving its idea of what sustainability looks like, moving away from the typical Venn diagram of overlapping economic, environmental and social issues.

“We started looking at more of an embedded model – we recognize that the company has business needs that exist within a society that exists within environmental thresholds globally,” Kris said. “We started dividing up the issues around business success, societal success and environmental resilience. I think the structure can allow for a clearer understanding of what’s material.”



**Suncor 2020 Report on Sustainability, p8: “We review priorities for our report annually to define issues that are of relative significance to environmental, social, governance and economic priorities and their impacts (both positive and negative) to both our business and to our stakeholders.**

Executive summary	Table of contents	<b>About our report</b>	Strategy and governance	Our business	Climate change	Environment	Communities	Appendix
-------------------	-------------------	-------------------------	-------------------------	--------------	----------------	-------------	-------------	----------

**About our report** < >

### Materiality: Identifying sustainability priorities

An important step in preparing our Report on Sustainability is to review the most relevant sustainability priorities for our business and those that matter most to our stakeholders.

In early 2018, we conducted a formal materiality assessment to ensure we accurately considered a broad range of perspectives. We were supported by a third party with expertise in sustainability reporting and facilitating materiality assessments to evaluate our priority topics for our Report on Sustainability.

We review priorities for our report annually to define issues that are of relative significance to environmental, social, governance and economic priorities and their impacts (both positive and negative) to both our business and to our stakeholders. The following internal practices are used to identify and assess sustainability priorities across our business and topics for our report:

#### Input

- Stakeholder engagement: Build and maintain relationships with local communities, Indigenous Peoples and stakeholders, and meaningfully consider their issues and concerns affected by our operations or who could, through their actions, affect our business. For more information please see the [Engagement](#) section of this report.
- Issues research: Conduct ad hoc issue research, peer benchmarking and review of previously identified priority sustainability topics.
- Trends: Assess trends and conduct best practice analysis, including reporting best-practices.

#### Analysis

- Rank and prioritize topics considering a range of perspectives internally and externally through both workshops and knowledge sharing.
- Evaluation in line with our annual enterprise risk management process.
- Informed by a number of sustainability reporting frameworks to determine relevance.

#### Assessment

The prioritization of topics, which could have a significant impact on Suncor’s business success or that would substantively influence the assessments and decisions of stakeholders over the next one-three years.

### Material sustainability priorities

Indigenous Peoples and communities and our stakeholders consider these priorities critically important and, for our business to be successful, they require innovative, strategic approaches and commitment to operational excellence across all functions of our organization.

### Safety and reliability

Suncor is committed to incident prevention and believes that a zero-incident workplace is achievable. We continue to work to improve process safety and reliability performance – safety above all else.

### Climate change

The world needs action to reduce carbon emissions and avoid the worst effects of climate change.

### Indigenous relations

As a pillar of our social goal, the trust and support of stakeholders and Indigenous communities are valuable to Suncor and foundational to successful energy development.

### Water stewardship

Water is a shared and precious resource. Suncor’s integrated water management approach balances optimizing our water use practices with technological innovation to sustainably manage water.

### Other significant priorities

Other significant priorities were also identified and our performance or approach to these priorities are listed below and included throughout our report. Topics that were evaluated, but not reported on, are managed, tracked internally and monitored in the context of an ever-changing external landscape. Our approach to technology and innovation is a key theme of this report and is closely related to many of the priorities identified in our materiality assessment.

<h4>Our business</h4> <ul style="list-style-type: none"> <li>governance and ethics</li> <li>health and wellness</li> <li>compliance</li> <li>economic impact</li> <li>public policy</li> <li>inclusion and diversity</li> <li>market access</li> </ul>	<h4>Environment</h4> <ul style="list-style-type: none"> <li>tailings management</li> <li>land use and reclamation</li> <li>biodiversity</li> <li>air quality</li> <li>cumulative impacts</li> <li>spills</li> </ul>
<h4>Social</h4> <ul style="list-style-type: none"> <li>community investment and social innovation</li> <li>stakeholder engagement</li> </ul>	



**GM Sustainability Report 2019, p31-32: “The content of this report and many of our sustainability initiatives is based on the results of a global materiality assessment, a process we undertake every two to three years... While materiality is an important input into our reporting and disclosure strategy, it is not the only consideration. The content of this report also reflects the interests and needs of ESG ratings and rankings, as well as other nonfinancial disclosures. Our goal is for GM’s sustainability report to satisfy the interests of stakeholders through coverage of our most material topics and to discuss other topics that are reflective of our corporate priorities and strategy.”**

**CDP**

GM has worked with CDP since 2010, when we began tracking carbon emissions and reduction activities through the CDP Climate Change Program. Since 2013, we have reported all 15 categories of Scope 3 emissions and in 2019 received an A- on climate change performance. In addition to the climate change program, we have voluntarily participated in the CDP Water program since 2011 and were named again to the CDP Water Security A list in 2019.

We also participate in the CDP Supply Chain program, engaging our supply chain for the past six years in actions to reduce their emissions, mitigate their effects on climate change, address water security and strengthen their overall businesses. We continue to use the information gained from this program to more accurately measure our indirect GHG emissions and water impact and prioritize our climate change risk and water security management within the GM supply chain. In 2019, GM responded to CDP Forests for the first time related to timber and rubber using the short version. We intend to respond to the full version in 2020. Read more about CDP Supply Chain on [page 93](#).

**United Nations Global Compact**

We are a signatory to this voluntary initiative based on CEO commitments to implement universal sustainability principles and support UN goals. As part of our annual disclosure, we include an index that aligns report content with the Compact’s 10 Principles.

**United Nations Sustainable Development Goals**

We map our most material issues to the 17 sustainable development goals and the underlying targets where we have the most opportunity for impact. An index for this exercise is included in the report. During 2019, we refreshed our materiality assessment and intend to use its findings to further refine our focus on the UNSDGs.

## Assurance

For 2019, Stantec conducted limited independent assurance of operational management topics such as: waste, water, carbon and energy data for global facilities. See Stantec’s full statement of assurance on [page 171](#). Due to limited assurance on most material data streams within the report, this review only involves operational management. Neither the GM Board of Directors nor senior management is involved in seeking assurance for the report.

## Materiality Assessment

The content of this report and many of our sustainability initiatives is based on the results of a global materiality assessment, a process we undertake every two to three years. The use of “material” or “materiality” in this report is not related to or intended to convey matters or facts that could be deemed “material” to a reasonable investor as referred to under U.S. securities laws or similar requirements of other jurisdictions. A third party, CRI Communications, conducted the assessment in 2019 based on a process outlined in the GRI Technical Protocol.

**IDENTIFY:** Relevant sustainability topics covered in previous materiality assessments, as well as key industry reports, were reviewed to finalize a list of 37 ESG topics and subtopics.

**PRIORITIZE:** Two online surveys were deployed to GM employees and external stakeholders globally. Internal respondents were asked to rate the level of impact each topic would have on GM’s business over the next five years, as well as selecting topics that represented the greatest leadership opportunities and greatest business risks for GM. External stakeholders were asked to rate topics based on the level of impact that GM’s management of each topic would have on the world around us, as well as selecting topics that would influence their opinion of GM or decision to invest in GM.

**VALIDATE:** Based on the survey results, all 37 topics were plotted on a preliminary materiality matrix, which was reviewed by GM’s internal sustainability team in order to validate the relative importance of each topic.

Among the key learnings from this most recent materiality assessment: Climate change-related topics emerged as a key area of concern. For the first time, the market development for electric vehicles (EV) and zero emission vehicles (ZEV) emerged as the top-ranked issue. Closely-related topics — technological innovation, vehicle fuel economy, CO2 emissions and climate change management — all ranked within the top 10 topics. Vehicle safety and customer trust and loyalty continued to be highly ranked topics, consistent with our 2014 and 2016 assessments.

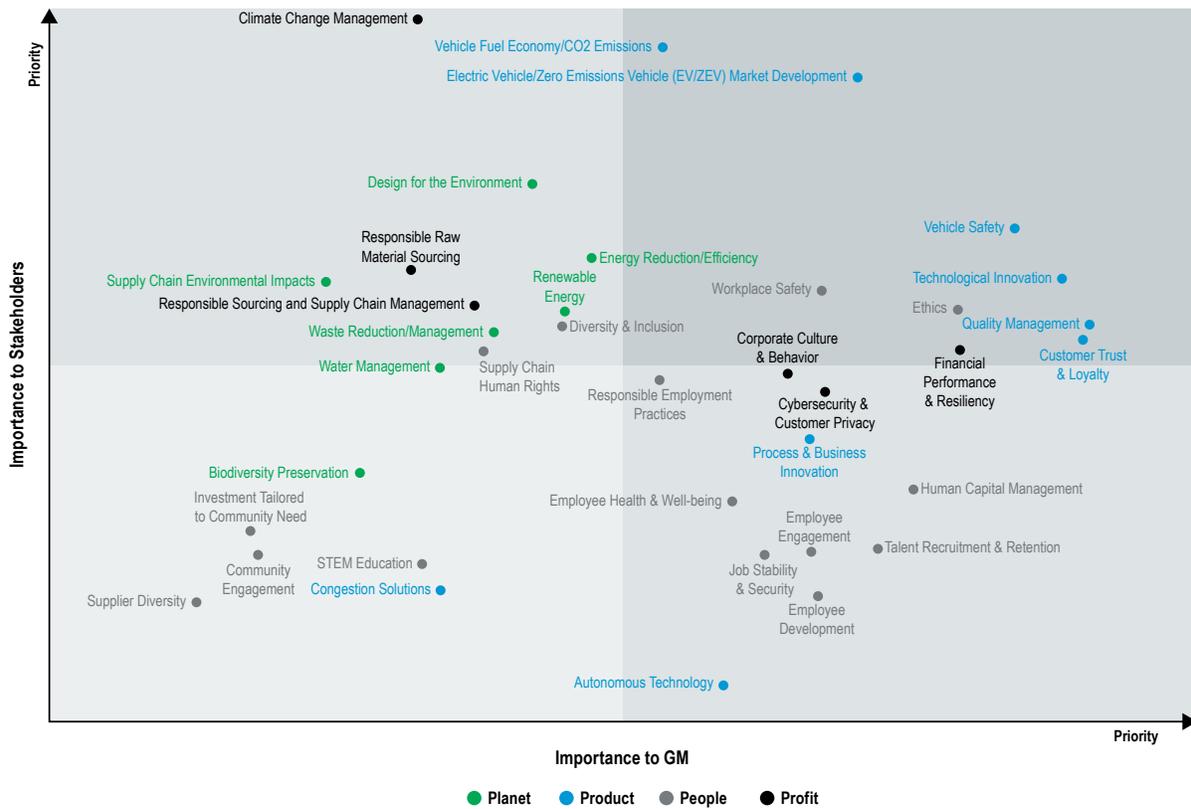


GM Sustainability Report 2019, p31-32: “The content of this report and many of our sustainability initiatives is based on the results of a global materiality assessment, a process we undertake every two to three years... While materiality is an important input into our reporting and disclosure strategy, it is not the only consideration. The content of this report also reflects the interests and needs of ESG ratings and rankings, as well as other nonfinancial disclosures. Our goal is for GM’s sustainability report to satisfy the interests of stakeholders through coverage of our most material topics and to discuss other topics that are reflective of our corporate priorities and strategy.”

More so than in past years, we observed a sizeable gap between the concerns of external and internal stakeholders. While internal stakeholders prioritized — and rightly so — issues such as quality management and customer trust and loyalty, external shareholders were more focused on climate change-related topics. We have weighted the responses of both stakeholder groups equally and the results of that weighting are reflected in the materiality matrix below.

While materiality is an important input into our reporting and disclosure strategy, it is not the only consideration. The content of this report also reflects the interests and needs of ESG ratings and rankings, as well as other nonfinancial disclosures. Our goal is for GM’s sustainability report to satisfy the interests of stakeholders through coverage of our most material topics and to discuss other topics that are reflective of our corporate priorities and strategy.

### 2019 Materiality Matrix





## Is using both sets of standards together effective?

When Diageo was considering whether to adopt SASB, Harriet was concerned. “Initially, I thought, ‘Oh, no, another framework.’ And then I looked at it, and I realized we could do it already. I think it’s valuable to use both GRI and SASB and it doesn’t need to be difficult.”

This is an opinion many interviewees and survey respondents shared: if your materiality analysis is in order, and you have GRI data collection processes in place, adding SASB to the mix should not be daunting, and can be highly effective in terms of bringing financial and ESG impacts together. Sharon agreed: “I look at SASB as if it’s a subset of information that’s already within GRI. So I also don’t buy any company’s argument that it’s too onerous.”

Harriet said: “If you’re looking at the SASB framework in your industry, and you can’t report against the indicators, you might need to ask yourself if you’ve done a robust enough materiality assessment.”

The GRI Standards go beyond quantitative data points that investors want to see, as Sharon said: “GRI drives the discussion and the narrative about how a company is managing the material issues to all stakeholders, where SASB is more focused purely on financial materiality.”

Taken together, the two sets of standards offer a solution that helps reflect material issues and impacts more realistically for various stakeholder groups. For example, the harmonization between the standards is especially helpful on climate-related issues. But it’s more than this, as Kris explained:

“It’s not just a reporting exercise, it’s really around performance improvement systems. If the standards can highlight challenges or opportunities for improvement, we should take advantage of them.”

GM provides a GRI and SASB index, and reports most of the data in these tables (see GM’s 2019 Sustainability Report, pages 130-143 (GRI) and pages 144-145 (SASB)). By contrast, Suncor includes a combined SASB/GRI table, which has a mix of reported data and cross-referenced data.

- GM Sustainability Report 2019, pages 130-143 (GRI), and 144-145 (SASB). This shows a good example of how GRI and SASB content can be included in indexes. As compared to some other reports, this report tends to include the data directly (where possible) rather than referencing other documents, so this is a good example worth highlighting.
- Suncor Sustainability report page 112, Suncor notes the complementary nature of GRI and SASB, explaining the use of each. Subsequent approach shows integrated approach to SASB/GRI disclosure, and includes direct responses or links to where information can be found.



## Part 5: Benefits and Challenges

There are benefits and challenges in all forms of reporting, especially when using two sets of standards together. Here we share the results of the survey, with insights from the interviewees.

### Benefits

- Both GRI and SASB are widely recognized; they are high-quality reporting standards.
- They provide a common framework resulting in a comparable and consistent dataset for benchmarking and analysis.
- Disclosures meet the needs of a broad range of key stakeholders, supporting increased stakeholder engagement and improved disclosure for key audiences.
- Investors are catered for specifically.
- Reporting covers impacts *by* and impacts *on* the organization.
- Reporting allows a gap analysis and comparison of reported issues and benchmark within or across sectors.
- Reporting provides alignment of materiality, and support for materiality assessment.
- Easy and user-friendly frameworks.
- Covering bases: broad and sector-specific coverage.
- Possible to use with SDGs and other frameworks.
- Balance of social conscience and financial performance.

*“I see the production of the annual report - the GRI indicators and the SASB piece – as a heavy lift that we can reuse and recycle throughout the whole year.”*

– HARRIET, DIAGEO

*“Each has benefits around helping you boost sustainability performance and improving the communications around some of those different aspects.”*

– HILARY, SUNCOR ENERGY

*“These frameworks are a really good acid test for you as a business to make sure that you are tackling issues which you should be thinking about.”*

– HARRIET, DIAGEO

### Challenges

- Balancing relevance and comprehensiveness of data.
- It is difficult to assess the usefulness of data that is asked for by stakeholders that are not investors.
- Divergent approach to materiality is the biggest issue; preferring to do only one materiality assessment to meet the needs of all stakeholders.
- Slight differences in metrics – e.g. SASB wants energy usage info in GJ, GRI in MWh; water volumes: GRI in megaliters, SASB in meters squared.
- Developing a report that is interesting and informative to all stakeholders while meeting the disclosure requirements of the standards.
- Complex (GRI) vs simple (SASB) – the Goldilocks effect.
- Lack of actionable linkages between the Standards.
- Communicating benefit of using both internally, and justifying the costs involved.
- Determining which SASB standards is most relevant.
- Time investment for mapping.
- ESG reporting moving faster than financial.
- How to make more quantitative and therefore comparable?

*“Non-financial reporting is not very automated yet. The sorts of tools that are available for financial reporting haven’t been developed yet for non-financial reporting. We are in the process right now as a business of trying to streamline the development of the non-financial content in our Annual Reporting Suite.”*

– HARRIET, DIAGEO

*“I see the world changing and the risk profiles changing and opportunity profiles changing faster than the standards can keep up with.”*

– SHARON, GM

*“As an integrated oil and gas company with upstream, midstream, and downstream assets, we fit into those three different buckets, but we’re also an oil sands miner, so bringing the mining piece into that. So trying to amalgamate those four was a challenge at first.”*

– KRIS, SUNCOR



## Part 6: Advice for Reporting Organizations

The survey respondents and interviewees shared advice for reporting organizations considering using the GRI Standards and SASB Standards together. (Please note: this advice is not from GRI or SASB.)

### **Gather your resources**

Get help, whether it's from other reporting organizations directly or through their reports, or from consultancies. Stay engaged with other reporting professionals – connect through the standards organizations. And take the time to understand local regulations and associated support and guidelines.

There are very useful resources available, as Hilary mentioned: “What I would go back and tell myself is really make use of all of the various different resources that are made available to you. GRI and SASB do a good job of trying to put a lot of resources out there.”

Experts are an excellent resource too. “Engaging other subject matter experts who have experience in sustainability reporting was a benefit in terms of trying to pull together some lessons that we could eventually incorporate into what we were doing,” Hilary said.

It can be a time consuming process, though, as Esther pointed out: “I doubt whether every company will have the resources or capacity to really study materials that are available online; it's whether corporates have the time and bandwidth to really read it and make sense of it and understand it.” She suggests engaging knowledgeable consultants to fill that gap where necessary.

### **Make a business case**

Survey respondents noted that no single standard is enough today to cover the full range of needs of an organization and their stakeholders. Their suggestion? Use GRI and SASB in conjunction, or with one supplementing the results of the other.

This may require setting out the business case for reporting in order to allocate people and funds for the process. Esther suggests highlighting the benefits of reporting using both sets of standards. “It is never easy when you need to ask for resources, ask for funding to do things. So it has to be a

strong business case.” She suggests pointing out that the return on investment (ROI) is likely to be in the longer term.

### **Know your stakeholders**

Consider your audience, say the survey respondents. Understand who your internal and external stakeholders are, and get to know their requirements. From this, you can work out which departments need to be involved, and then plan your data collection.

Sharon explained: “You really need to understand who the stakeholders are. I think that there may be some companies where they don't do anything that would appeal to potential talent or customers, for example.”

Investors are a particularly important group to consider. “For us, it's really about understanding that investors are only going to be asking for more information on these topics,” Harriet said. “You have two choices, you can either pretend that's not happening, or you can take steps to try and preempt that demand. Because it's coming, whether we like it or not. I personally think it's fantastic.”

### **Starting from scratch**

The survey respondents pointed out that sustainability is a journey: when you're starting out from scratch, you begin on a path of continuous improvement. They recommend starting by determining your material issues. Then choose the right reporting framework.

With the proliferation of new reporting requirements around the world, many companies will be starting out on this journey. Esther mentioned the Comply or Explain regulation in Singapore that started in 2017. “Those who started then have completed three years; it is not easy for them, it actually can be quite mind boggling when you have to follow a ‘hot soup of acronyms’. For us, Comply or Explain will not be overly challenging, but for a company who have not reported before, that will be quite challenging.”

Despite acknowledging these potential challenges, the interviewees agreed that the GRI and SASB Standards are a great place to start a reporting journey. Kris commented: “If we were to start from a blank slate, I think it's a great place to start, you can start just internally using your standards,



whether it's GRI or SASB or both, to do internal stewardship reporting, and build that foundation over time.”

And at this point, they remind reporters that it's just the beginning. “Don't be afraid if you've completed a GRI index and you have some omissions,” Harriet said. “That is just something to go after in the following year of reporting. Don't think ‘oh, we can't report against GRI because we're going to have omissions here and there, and that's going to look really bad'. You have to start somewhere.”

### ***Just start***

And that really is the key, according to the interviewees: just start somewhere. Think beyond what the standard asks for and tell the story you need to tell.

“If it's 60% at the start, and we want to get to 80% coverage, we have a bit of a roadmap to get there,” Kris said.



## Part 7: Increasing Importance of Sustainability Information

As the importance of sustainability issues becomes better and more widely understood, the demand for organizations to be transparent about their performance increases.

This brings benefits in the form of greater recognition and understanding of the importance of disclosing sustainability information and changing business practices, but it also brings challenges.

Some of the remaining challenges, say the interviewees, will be around incorporating complex frameworks like the SDGs, which are becoming increasingly important against the backdrop of the COVID-19 pandemic.

### **More stringent, in-depth reporting**

Stricter guidance and regulation around sustainability disclosure is likely to change the landscape in the future, according to the interviewees. The pressure will come not just from legislators but increasingly from stakeholder groups, particularly investors and other companies in the value chain.

Esther expects greater demand for positive and negative results. “They will look at lots of positive and negative impacts, so just be prepared,” she said. “For many years now, we have said that a sustainability report is not a PR report. So don’t expect me just to highlight the positive; I will be truthful and report the areas for improvement as well.”

Kris predicted more regulation coming in: “Whether you think it’s effective or not, I think the way is to regulate it, some of this non-financial information or ESG, information disclosure.”

And Harriet agreed: “I think it’s going to become more regulated, so people should try to get ahead of the regulations now. There are so many consultations out there. It’s another reason that people should be thinking about this.”

Sharon would welcome more specifics in the GRI Standards on management approach, to make the reporting requirements clearer and more stringent. “Some people say they’ve got a GRI report, but there are some I see out there that aren’t covering management approach. They might talk about the career fair that they had, but they’re not talking about how they are managing the workforce, talent, human capital. So I think there could be opportunities in terms

of the global standards to be more specific about that, because I think it’s important. And at some point, investors are going to see that as being important too.”

### **Investor interest will continue to grow**

Investor interest was another theme in the interviews: the general consensus is that investors’ interest in ESG issues will continue to grow both in response to emerging regulation and the recognition of these issues as being relevant to financial performance and enterprise value.

“I think sustainability reporting and overall disclosure will be growing,” Esther said. “Definitely. But it will probably be more succinct, focusing on important issues, and investors have to say more about what they want.”

### **The value of standards**

These dynamics all point to the rapidly evolving demands for sustainability information. As interest in a company’s significant impacts grows among a diverse range of stakeholders, and as investors sharpen their focus on the sub-set of those impacts that are material for enterprise value creation, disclosure guidance will need to continue to evolve to facilitate the effective reporting of this information.

As leading sustainability standard-setting organizations, GRI and SASB are focused on meeting these informational needs. As demonstrated throughout this publication, the complementary focus of each organization ensures that companies have the tools they need to effectively communicate with a range of stakeholders – both now and in the future.



## Resources

---

[GRI Standards](#)

[SASB Standards](#)

[SASB Implementation Primer](#)

[Diageo Annual Report 2020](#)

[Diageo Sustainability & Responsibility Performance Addendum to the Annual Report 2020](#)

[Suncor Report on Sustainability 2020](#)

[Suncor Quarterly Reports](#)

[GM 2019 Sustainability Report](#)

[CDL Integrated Sustainability Report 2020](#)



## ABOUT GRI

---

GRI (Global Reporting Initiative) is the independent, international organization that helps businesses and other organizations take responsibility for their impacts, by providing them with the global common language to communicate those impacts. We provide the world's most widely used standards for sustainability reporting – the GRI Standards.

Headquartered in Amsterdam, the Netherlands, we have a network of seven regional hubs ensuring we can support organizations and stakeholders worldwide. Visit [www.globalreporting.org](http://www.globalreporting.org) for more information, and follow [@GRI\\_Secretariat](https://twitter.com/GRI_Secretariat) and [GRI LinkedIn](https://www.linkedin.com/company/global-reporting-initiative/)

## ABOUT SASB

---

The Sustainability Accounting Standards Board (SASB) connects businesses and investors on the financial impacts of sustainability. SASB Standards enable businesses around the world to identify, manage, and communicate financially material sustainability information to investors. SASB Standards are industry-specific and are designed to be decision-useful for investors and cost-effective for companies. They are developed using a process that is evidence based and market informed. To download any of the 77 industry-specific standards, or learn more about SASB, please visit [SASB.org](http://SASB.org).