



A Short Introduction to the GRI Standards

Introduction

The GRI Standards are a modular system of interconnected standards. They allow organizations to publicly report the impacts of their activities in a structured way that is transparent to stakeholders and other interested parties.

This Short Introduction will:

- give new users of the GRI Standards an overview of how the Standards are set up, and equip them to start working with the various elements involved in the reporting process;
- be of assistance to experienced users in gaining an understanding of changes in the system and the role of the GRI Sector Standards; and
- aid stakeholders and other information users (such as analysts and policymakers) to understand how the reporting process works and what to look for in a report.

Three series of Standards support the reporting process: the GRI Topic Standards, each dedicated to a particular topic and listing disclosures relevant to that topic; the GRI Sector Standards, applicable to specific sectors; and the GRI Universal Standards, which apply to all organizations. Using these Standards to determine what topics are material (relevant) to report on helps organizations

indicate their contributions – positive or negative – towards sustainable development.

Who uses the GRI Standards, and who uses the reported information?

Any organization, large or small, public or private, from any sector or location, can use the GRI Standards. Reporters, stakeholders, and other information users draw on the Standards.

Reporters within an organization use the Standards to report on the organization's impacts in a credible way that is comparable over time and in relation to other organizations. The Standards also help stakeholders and other information users understand what is expected from an organization to report on and use the information published by organizations in various ways.

The organization can use the disclosed information to assess its policies and strategies or to guide decision-making, such as setting goals and targets. Stakeholders can also use this information. For example, investors can use the reported information to assess how an organization integrates sustainable development into its strategy to identify financial risks and evaluate its long-term success. The information provided can also help other information users, such as analysts and policymakers in benchmarking and forming policy, and academics in their research.

The Structure of the GRI Standards

The GRI Standards are a modular system comprising three series of Standards: the GRI Universal Standards, the GRI Sector Standards, and the GRI Topic Standards. Each Standard begins with a detailed explanation of how to use it.

The Standards contain **disclosures**, which provide a structured means for an organization to report information about itself and its impacts.

The disclosures can have **requirements** and can also include **recommendations**. Requirements list the information an organization must report or instructions it must comply with and report in accordance with the GRI Standards. Recommendations indicate that certain

information, or a particular course of action, is encouraged though not compulsory.

Guidance to facilitate understanding can include background information, explanations, and examples.

GRI Universal Standards

The GRI Universal Standards apply to all organizations, and consist of the following:

- *GRI 1: Foundation 2021 (GRI 1)* outlines the purpose of the GRI Standards, clarifies critical concepts, and explains how to use the Standards. It lists the requirements that an organization must comply with to report in accordance with the GRI Standards. It also specifies the principles – such as accuracy, balance, and verifiability – fundamental to good-quality reporting.

- *GRI 2: General Disclosures 2021 (GRI 2)* contains disclosures relating to details about an organization's structure and reporting practices; activities and workers; governance; strategy; policies; practices; and stakeholder engagement. These give insight into the organization's profile and scale, and help in providing a context for understanding an organization's impacts.
- *GRI 3: Material Topics 2021 (GRI 3)* explains the steps by which an organization can determine the topics most relevant to its impacts, its **material topics**, and describes how the Sector Standards are used in this process. It also contains disclosures for reporting its list of material topics; the process by which the organization has determined its material topics; and how it manages each topic.

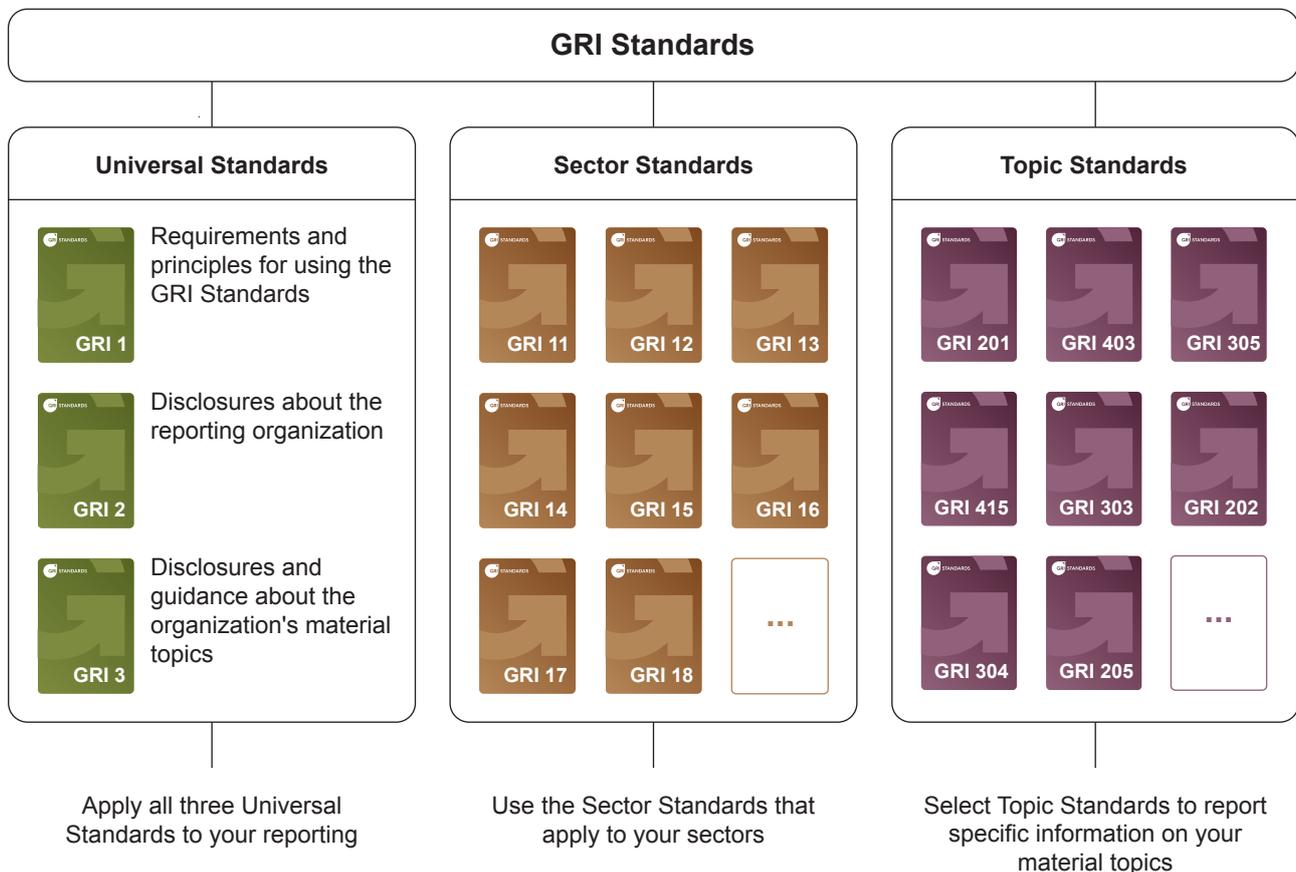
GRI Sector Standards

The GRI Sector Standards intend to increase the quality, completeness, and consistency of reporting by organizations. Standards will be developed for 40 sectors, starting with those with the highest impact, such as oil and gas, agriculture, aquaculture, and fishing.

The Standards list topics that are likely to be material for most organizations in a given sector, and indicate relevant disclosures to report on these topics. If an applicable Sector Standard is available, an organization is obliged ('required') to use it when reporting with the GRI Standards.

Each Sector Standard consists of an initial section that gives an overview of the sector's characteristics, including the activities and business relationships that can underpin its impacts. The main section of the Standard then lists the likely material topics for the sector. Topic by topic, the most significant impacts associated with the sector are described in this section. Each topic description points to the relevant disclosures in the Topic Standards for the organization to report. A Sector Standard may also list additional disclosures that are not in a Topic Standard, for example, where the disclosures from the Topic Standard do not provide sufficient information about the organization's impacts concerning the topic. The topics and associated disclosures are determined using sector-specific evidence, international instruments, and advice from sector experts. Consequently, they reflect the

Figure 1. GRI Standards: Universal, Sector and Topic Standards



expectations of a wide range of stakeholders regarding the management of impacts in the sector.

GRI Topic Standards

The GRI Topic Standards contain disclosures for providing information on topics. Examples include Standards on

waste, occupational health and safety, and tax. Each Standard incorporates an overview of the topic and disclosures specific to the topic and how an organization manages its associated impacts. An organization selects those Topic Standards that correspond to the material topics it has determined and uses them for reporting.

The Reporting Process

The foundation of sustainability reporting is for an organization to identify and prioritize its impacts on the economy, environment, and people - to be transparent about their impacts.

GRI 1 is the starting point for all organizations reporting using the GRI Standards in that it lays out key concepts and principles, and lists the requirements for reporting in accordance with the GRI Standards.

Identifying and assessing impacts

Identifying its impacts and assessing their significance is part of an organization's day-to-day activity, which varies according to its specific circumstances.

The Sector Standards are of help at this point in that they describe the characteristics of a sector that underlie its impacts. The topics and impacts listed in the Sector Standards provide a valuable means of identifying an organization's impacts. An organization needs to consider the impacts described, and decide whether these impacts apply to it.

Understanding an organization's context is a crucial factor in identifying and assessing the significance of its impacts. *GRI 2* aids in this process by specifying disclosures in detail for different aspects of an organization's activities (reporting practices, governance). *GRI 3* explains step-by-step how to identify and assess impacts together with their significance.

Determining material topics

Once an organization has assessed the significance of its impacts, it needs to decide on which to report. To do this, it needs to prioritize the impacts. Grouping the impacts into topics (such as 'water and effluents' or 'child labor') facilitates this, as it indicates what topics are most relevant to the organization's activities - its material topics. *GRI 3* also contains a step-by-step explanation of how to organize this grouping. To report in accordance with the GRI Standards, an organization needs to document the

process by which it determined its material topics, and the disclosures contained in *GRI 3* facilitate this.

Again, the Sector Standards are part of the process of determining material topics. An organization should test its selection of material topics against the topics in the applicable Sector Standard. This helps the organization ensure that it has not overlooked any topics that are likely to be material for the sector. If an applicable Sector Standard is available, then an organization is obliged to use it when reporting in accordance with the GRI Standards. Using the Sector Standards is not a substitute for determining material topics, but an aid. However, the organization still needs to consider its specific circumstances when selecting its material topics.

Reporting disclosures

An organization that has determined its material topics needs to gather relevant data to report specific information on each topic. The topics in a Sector Standard list specific disclosures from the Topic Standards identified for reporting on the topic by an organization in the sector. Where relevant, additional disclosures specific to the sector are included.

The disclosures in the Topic Standards specify the information that needs to be collected to report according to the GRI Standards. Together with the disclosures from *GRI 2* and *GRI 3*, they provide a structured way of reporting this information. If an organization cannot comply with the particular reporting requirements, it is in certain instances permitted to omit the information, provided that a valid reason is given for the omission. In addition to the requirements listed under these disclosures, there are also recommendations and guidance that would add to the quality and transparency of a report.

Reporting in accordance with the GRI Standards

The GRI Standards allow an organization to report information in a way that covers all its most significant impacts on the economy, environment, and people, or to focus only on specific topics, such as climate change or child labor.

GRI recommends reporting **in accordance** with the GRI Standards. Under this approach, the organization reports on all its material topics and related impacts and how it manages these topics. This reporting approach provides a comprehensive picture of an organization's most significant impacts on the economy, environment, and people.

However, if an organization cannot fulfill some of the requirements to report in accordance with the GRI Standards or only wants to report specific information for specific purposes, such as when complying with regulatory requirements; in that case, it can use selected GRI Standards or parts of their content, and report **with reference** to the GRI Standards.

Navigating a report

Reports using the GRI Standards may be published in various formats (e.g., electronic, paper-based) and made accessible across one or more locations (e.g., standalone sustainability report, webpages, annual report).

Reports must contain a **GRI content index**. The content index makes reported information traceable and increases the report's credibility and transparency.

The content index provides an overview of the organization's reported information and helps stakeholders navigate the report at a glance. It specifies the GRI Standards that the organization has used. The index also lists the location, such as a page number or URL, for all disclosures that the organization has used to report on its material topics.

The content index can also help a stakeholder understand what the organization has not reported. The organization must specify in the content index if a 'reason for omission' is being used. In addition, the disclosure or the requirement that the organization cannot comply with, together with an explanation, must be listed in the content index.

If Sector Standards apply to the organization, Sector Standard reference numbers provide a unique identifier for each disclosure listed in a Sector Standard. This helps information users assess which of the disclosures listed in the applicable Sector Standards are included in the organization's reporting.

A list of GRI Standards can be found [here](#).

Figure 2. Reporting using the GRI Standards

