

The Future

The GRI vision is bold. It has brought together disparate reporting initiatives into a new multi-stakeholder, global process with long-term implications for disclosure, investment, and business responsibility. Its success will lead to:

- Expanded credibility of sustainability reports using a common framework for performance measurement;
- Simplification of the reporting process for organisations in all regions and countries;
- Quick and reliable benchmarking;
- More effective linkage between sustainable practises and financial performance.

On the basis of this vision, the United Nations Foundation awarded a \$3 million partnership grant to CERES and UNEP to support GRI activities.

From 2000 - 2002, the GRI will pursue:

- Creation of a permanent, independent host institution for the GRI;
- Continued periodic revision of the Sustainability Reporting Guidelines developed through the efforts of a global, multi-stakeholder process;
- Extending the reach of the GRI to all regions of the world to broaden its network and ensure continual feedback to enhance the quality of the Guidelines.

"We see no alternative to a business strategy that generates profits while contributing to the well-being of the planet and its people. The development of tools enabling progress to be measured and reported is a crucial part of this."

Mark Moody-Stuart
Chairman, Royal Dutch/Shell Group
June 2000

"Economic liberalisation and privatisation need not lead to environmental damage if adequate space and support is provided to the civil society to act as a powerful and knowledgeable watchdog."

Centre for Science and Environment, India
June 2000

The GRI is uniquely positioned to bring standard reporting guidelines to a global audience. The GRI's engagement of multiple stakeholders across regions and nations distinguishes the GRI from numerous other reporting initiatives. At the same time, the GRI continues to build bridges to such initiatives in pursuit of its vision of a generally accepted sustainability reporting framework.



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The GRI benefits from the generous funding from the United Nations Foundation.

In addition, the Steering Committee members and hundreds of others participants also contribute to the GRI's success.

Additional funding has also been provided by:

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Environmental Protection Agency

Further information on the GRI and the Guidelines may be obtained from:

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www.globalreporting.org

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**A Common Framework
for Sustainability Reporting**

Overview

Timely, credible, and consistent information on an organisation's economic, environmental, and social performance is a key element in building sustainable societies. Communities, investors, governments, and businesses need reliable information to effectively address the development challenges of the 21st century.

The Global Reporting Initiative (GRI) was established in late 1997 with the mission of developing globally applicable guidelines for reporting on the economic, environmental, and social performance, initially for corporations and eventually for any business, governmental, or non-governmental organisation (NGO).

Convened by the Coalition for Environmentally Responsible Economies (CERES) in partnership with the United Nations Environment Programme (UNEP), the GRI incorporates the active participation of businesses, NGOs, accountancy, human rights and labour organisations, and other stakeholders from around the world.

"We need help from the private sector. Transnational companies have been the first to benefit from globalisation. They must take their share of responsibility for coping with its effects. That's why, earlier this year, I proposed a Global Compact between business and the U.N., under which we will help corporations to act in accordance with internationally accepted principles of human rights, labor standards and environmental protection."

Kofi A. Annan
Secretary General of the United Nations
The Wall Street Journal, 29 November 1999

The GRI's *Sustainability Reporting Guidelines*TM were released in exposure draft form in London in March 1999. Twenty-one pilot test companies, numerous other companies, and a diverse array of non-corporate stakeholders commented on the draft *Guidelines* during 1999-2000. Revised *Guidelines* were released in June 2000.

By 2002, the GRI will be established as a permanent, independent, international body with a multi-stakeholder governance structure. Its core mission will be maintenance, enhancement, and dissemination of the *Guidelines* through a process of ongoing consultation and stakeholder engagement.

Vision

The GRI seeks to make sustainability reporting as routine and credible as financial reporting in terms of comparability, rigour, and verifiability. Specifically, the GRI's goals are to:

- Elevate sustainability reporting practises worldwide to a level equivalent to financial reporting;
- Design, disseminate, and promote standardised reporting practises, core measurements, and customised, sector-specific measurements;
- Ensure a permanent and effective institutional host to support such reporting practises worldwide.

A generally accepted framework for sustainability reporting will enable corporations, governments, NGOs, investors, labour, and other stakeholders to gauge the progress of organisations in their implementation of voluntary initiatives and toward other practises supportive of sustainable development. At the same time, a common framework will provide the basis for benchmarking and identifying best practises to support internal management decisions.

Opportunity

Improved disclosure of sustainability information is an essential ingredient in the mix of approaches needed to meet the governance challenges in the globalising economy. Today, at least 2,000 companies around the world voluntarily report information on their economic, environmental, and social policies, practises, and performance. Yet, this information is generally inconsistent, incomplete, and unverified. Measurement and reporting practises vary widely according to industry, location, and regulatory requirements.

The *GRI Guidelines* are designed to assist organisations publish reports:

- In a way that provides stakeholders with reliable and relevant information that fosters dialogue and learning;
- Through well-established reporting principles, applied consistently from one reporting period to the next;
- In a way that facilitates reader understanding and comparison with similar reports;
- In a form that provides management across different organisations with valuable information to enhance internal decision-making.

Learning

A broad array of stakeholders interested in sustainability reporting came together to fashion the March 1999 exposure draft *Sustainability Reporting Guidelines*.

Twenty-one companies, representing diverse countries and multiple industry sectors, tested and provided comments on the draft *Guidelines*. At the same time, hundreds of additional comments were provided by external stakeholders, representing perspectives from human rights, accountancy, government, business, labour, and multi-lateral, international, environmental, and religious organisations.

"...if strong corporate governance is to permeate every facet of our marketplace, its practise must extend beyond merely prescribed mandates, responsibilities, and obligations. It is absolutely imperative that a corporate governance ethic emerge and envelop all market participants: issuers, auditors, rating agencies, directors, underwriters, and exchanges."

Arthur Levitt
Chairman, U.S. Securities & Exchange Commission
October, 1999

Reflecting the feedback gathered through this process, the June 2000 *Sustainability Reporting Guidelines* incorporate the following:

- Flexibility in the order in which reporters present information, while assuring information is easily located by users;
- Guidance to reporters on selecting generally applicable and organisation specific indicators, as well as integrated indicators that span multiple aspects of sustainability;
- Incremental application of the Guidelines (e.g., "environmental only" reports, or "headquarters country" reports);
- Forward-looking indicators; including strategy, management indicators, trend information, and targets for future years;
- Articulation of reporting principles adapted from financial accounting.



The organisations listed are represented on the GRI Steering Committee