



Value of Sustainability Reporting and Future trends

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About GRI

Who we are



Our Work



- We are an international independent organization
- We help businesses, governments and other organizations understand and communicate the impact of business on critical sustainability issues
- These issues span climate change, human rights, anti-corruption and many others





A future where
sustainability is
integral to every
organization's
decision-making
process





To empower decision makers everywhere through our sustainability standards and multi-stakeholder network, to take action towards a more sustainable economy and world



Robust Multi-Stakeholder Approach

Diverse, global and inclusive



- This approach ensures the participation and expertise of diverse stakeholders in the development of GRI Standards
- Organizations can have confidence in the robustness of stakeholder participation when considering a wide range of sustainability issues



GRI Standards



Background on GRI and sustainability reporting

- Since 2000, GRI's Sustainability Reporting Guidelines have been used by **thousands of organizations** in more than 90 countries to report publicly about their **impacts on the economy, the environment, and society**
- Reporting on these impacts enables organizations, and their stakeholders, to **understand their contributions towards the goal of sustainable development**
- Now, the world's **most widely-adopted sustainability reporting guidelines** have been further refined to become the first-ever ***Sustainability Reporting Standards***



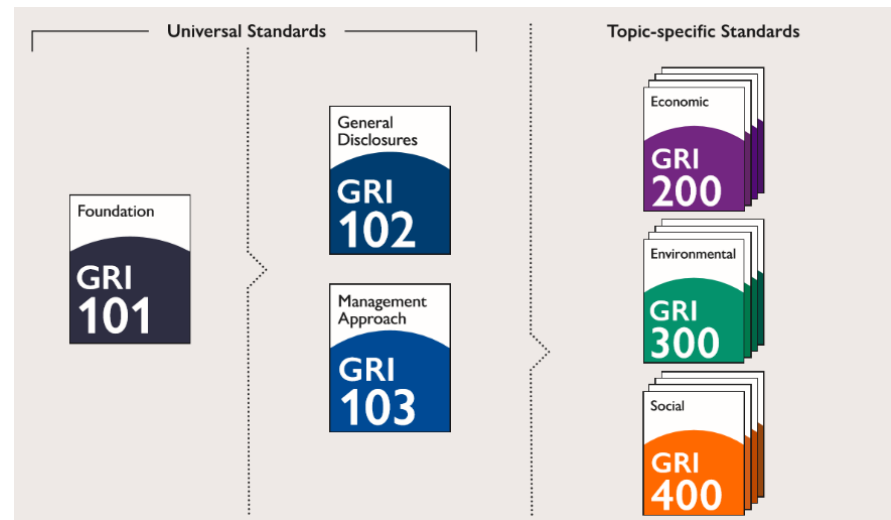
About the GRI Standards

- The GRI Standards **incorporate the key concepts and disclosures** from the *G4 Guidelines* and *G4 Implementation Manual*, but with a **new and improved structure and format**
- The Standards are issued by the **Global Sustainability Standards Board (GSSB)**, GRI's independent standard-setting body

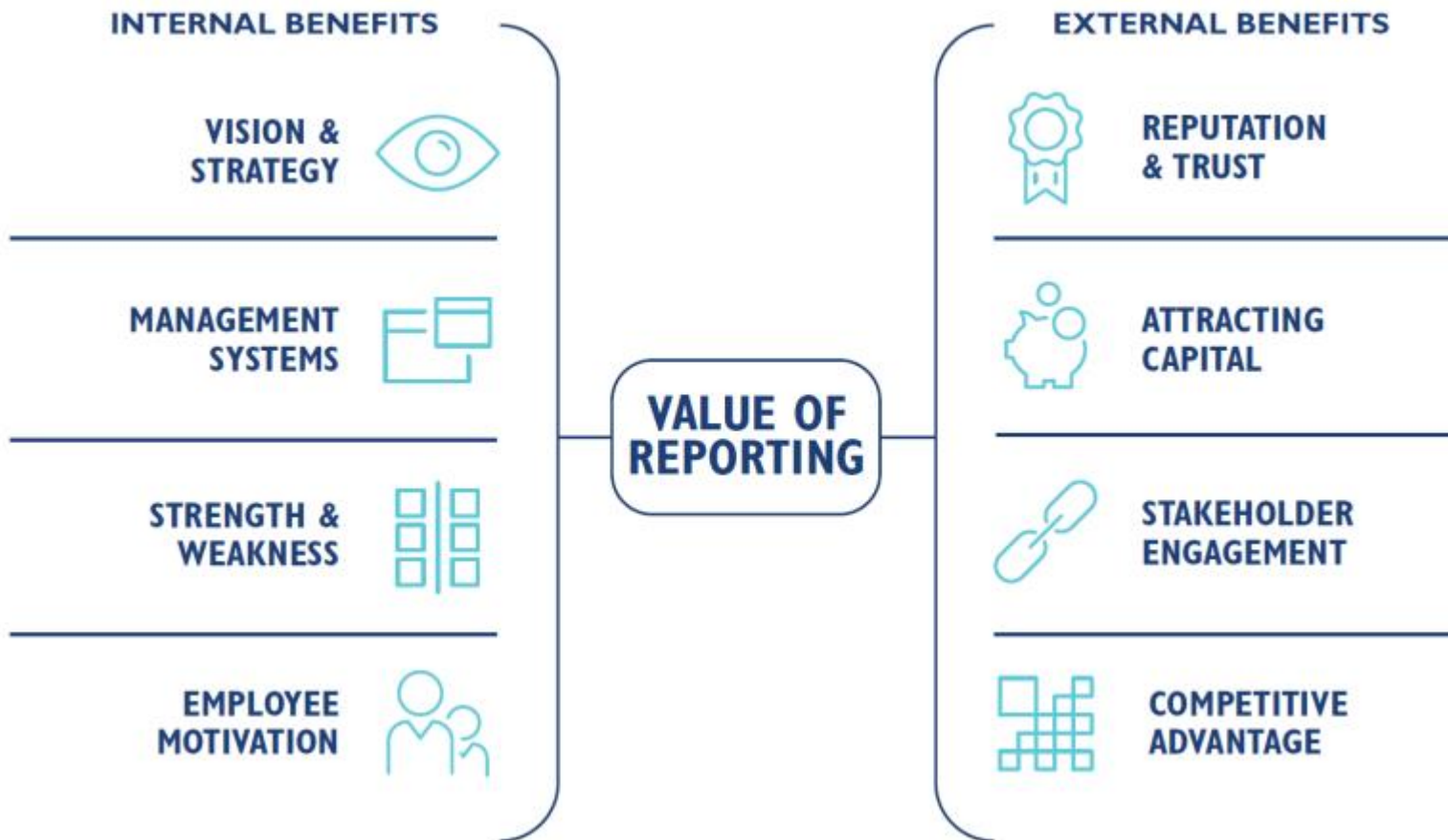
G4 Guidelines and G4 Implementation Manual



NEW Set of modular GRI Standards



What is the business case for sustainability reporting?



Value of GRI reporting



Why companies should adopt GRI Standards?

- **Globally accepted standards** – the GRI Sustainability Reporting Standards, provide a common language and credible set of disclosures for organizations to communicate about their impacts on the economy, the environment, and the society.
- GRI Standards are **compatible with a range of reporting formats and aligns with other internationally-recognized frameworks**, and thus helps organizations to build up their sustainability information database.
- Companies can demonstrate their commitment and actions in terms of **policies, processes** and **disclosure**.
- Companies can provide stakeholders with **focused, comprehensive** and **credible** information about sustainability impacts and performance.



The CLG on Reporting 2025



Corporate Leadership Group on Reporting 2025



The first year – 2016. ...Identification of Sustainability Trends

Interviews to Companies participating in this CLG plus other experts



Interview with Mario di Loreto, People Value Director, Telecom Italia

21 December 2015



Interview with Jeanne Ng, Director of Group Sustainability, CLP

14 December 2015



Interview with Kumi Naidoo, International Executive Director, Greenpeace

See also the [interview summary](#)

4 December 2015



'Shaping the future of sustainability' – a highlights video from the Sustainability and Reporting 2025 Forum held 21 October 2015 in Rome, Italy

30 November 2015



Interview with Elena Valderrábano Vázquez, Global Director for Corporate Ethic and Sustainability, Telefónica

25 November 2015



Interview with Dr. Ashutosh Karnatak, Director (Projects) & Chairman of Sustainable Development Committee, GAIL (India) Ltd.

20 November 2015



Interview with Ben Pratt, Vice President Corporate Public Affairs, Mosaic Company

17 November 2015



Interview with Luca Crisciotti, CEO, DNV GL - Business Assurance

10 November 2015



Interview with Prof. Mervyn King, Chairman, International Integrated Reporting Council (IIRC)

See also the [interview summary](#)

21 September 2015

Check the website
to watch the videos

Corporate Leadership Group on Reporting 2025



Purpose

- To stimulate international discussion on the main issues that will be at the heart of companies' agendas
- To identify those sustainability trends that will be affecting companies in the future
- To influence GRI's contribution to the global debate on the future of disclosures

Program



Corporate Leadership Group on Reporting 2025



The second year – 2016 ..Trajectory with companies

4 Labs which focused in four trends

- Climate change
- Wealth inequality
- Human rights
- Data & Technology

Leadership Labs (2016)

- state of the art related to the trend, a presentation on the future of the trend and,
- a summary of the findings of how the group is reporting this trend,
- wrap up with the identification of the elements that need to evolve in our reports

Corporate Leadership Group on Reporting 2025



Members



The CLG on Reporting 2025



The Future of reporting: Climate Change *Video*



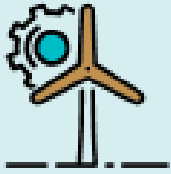
The CLG on Reporting 2025



Future Trends in Sustainability Reporting *Publication*



Future Trends in Sustainability Reporting



**CLIMATE
CHANGE**



**HUMAN
RIGHTS**



**WEALTH
INEQUALITY**



**DATA &
TECHNOLOGY**



CURRENT LANDSCAPE



**DRIVERS OF CORPORATE PERFORMANCE
ON THE TREND**



IMPLICATIONS FOR BUSINESS



**EXAMPLES OF BUSINESS ADDRESSING
THE TREND**



PRIORITIES & NEXT STEPS

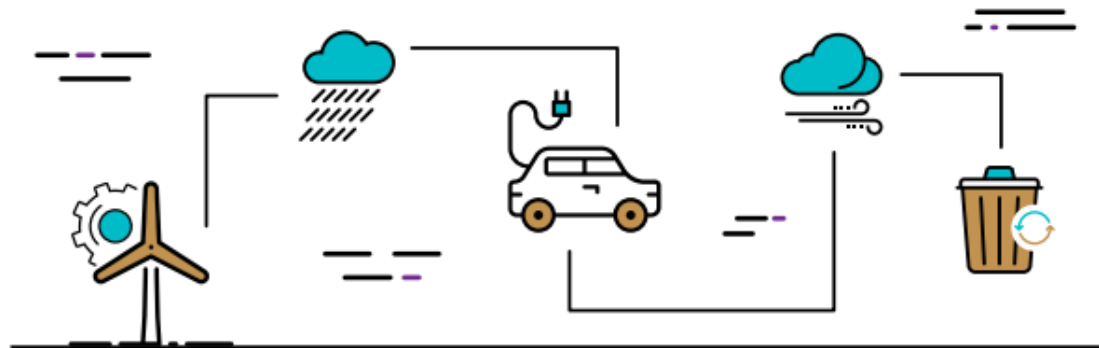
Climate change



CURRENT LANDSCAPE

Climate change tops the global agenda and many organizations already disclose information on it. The landmark agreement made at COP21 in Paris in December 2015 resulted in:

- A tighter climate policy environment
- A long-term goal being set for global decarbonisation
- Momentum in investor interest in the issue, so far playing out by sector lines
- The certainty that governments cannot achieve global targets alone



Climate change



DRIVERS OF CORPORATE PERFORMANCE ON CLIMATE CHANGE

Top factors driving companies to address climate change are:

- Using alternative and renewable energy
- New technologies/innovation
- Setting targets and having a climate strategy
- Communicating and advocating on climate
- Supportive governance
- Leadership from the top
- Committing and delivering real results
- Reviewing products and services for climate impacts
- Climate change is being deemed financial and companies are encouraged to disclose climate-related financial risk information

Climate change



IMPLICATIONS FOR BUSINESS

- Companies are solution providers
- Climate change is interrelated with other issues such as human rights
- Clear, ambitious, science-based targets are needed
- Linking to INDCs is important



“The Bank’s contribution to the Paris agreement is an important part of our priority setting. Climate-related finance, green finance, green bonds are issues where the Bank has been focusing for years, and certainly that focus is not going to go away.” –
Parminder Plahe, European Investment Bank (EIB)

Climate change



PRIORITIES & NEXT STEPS

- Contextualize and internalize the challenge of climate change more
- Aim to understand the interconnections, or nexus, of climate change and other issues
- Set and achieve long-term (beyond 2020), science-based targets
- Determine how to align the interests and activities of reporting organizations on governments, given national plans on climate change and the multinational nature of many reporting organizations
- Develop a clear and concise narrative of the vulnerability of your organization in light of climate change and the shared challenge it presents
- Focus on behaviour change

Human rights



CURRENT LANDSCAPE

Many companies are still grappling with concerns in their **supply chains**. We see substantial developments regarding human rights moving towards national implementation and accountability:

- Human rights are embedded across the ***Sustainable Development Goals***
- A number of nations have developed National Action Plans specifically for human rights



Human rights



DRIVERS OF CORPORATE PERFORMANCE ON CLIMATE CHANGE

Two mega trends that will be fundamental to business operations and demonstrate the interconnectivity of the trends the CLG explored:

- The rise of hyper-inequality and opportunity of shared prosperity
- The worsening ecological crisis.



“There is no clean supply chain: every supply chain contains serious risk. And risk is constantly evolving with conflict and economic crisis.” – Phil Bloomer, Director, Business & Human Rights Resource Center

Human rights



IMPLICATIONS FOR BUSINESS

- Human rights due diligence is now the expected minimum
- Benchmarking and ranking will enable easy and quick comparisons between organizations
- Investors, rating agencies and regulators are increasingly seeking this information
- Greater mandatory transparency and due diligence
- A focus on labour rights as essential
- Conflict over natural resource wealth
- Emerging areas of strong corporate advocacy

Human rights



PRIORITIES & NEXT STEPS

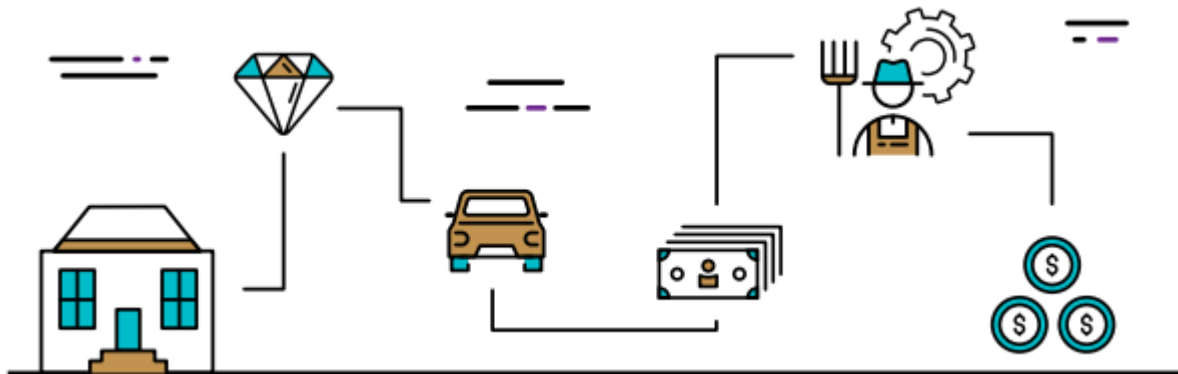
- Better understand human rights
- Building awareness and spreading knowledge throughout a company and its supply chain is fundamental
- Multi-stakeholder collaboration for collective action around an area of human rights, whether commodity-specific or a local region
- Supply chain risk analysis work and auditing is a first step to identifying risks in human rights

Wealth inequality



CURRENT LANDSCAPE

- Addressing wealth inequality is increasingly seen as a fundamental prerequisite of a sustainable economy
- Wealth inequality is rarely addressed directly as a mega trend or part of the wider operating context influencing business
- There are signals that more companies are recognizing the potential – and expectation – for them to **influence socio-economic challenges through specific business activities such as employment, wage levels, and ratios and local sourcing**



Wealth inequality



DRIVERS OF CORPORATE PERFORMANCE ON CLIMATE
CHANGE

Concerns

- An increasing share of the value of our global economy is going to capital, rather than labour, which speaks to the disparity between lower income workers and high wealth individuals
- Inequality is reflected in the way that power, privilege and influence are used in the inter-linkages in supply chains

Encouraging signals

- UN SDG 10 squarely focuses on reducing inequality with specific targets
- The World Economic Forum also identified wealth inequality as a top trend in 2015

Wealth inequality



IMPLICATIONS FOR BUSINESS

- Radically increasing the share of value captured by workers and small-scale producers
- Eliminating economic gender inequality and gender discrimination
- Tackling the race-to-the-bottom on public governance to attract investment
- Calling for an end to the era of tax havens
- Breaking market concentration and addressing the unequal distribution of power



“Probably one of the most pervasive ways in which inequality works in the world today is reflected in the way that power, privilege and influence are being used in the inter-linkages in supply chains.” – Ioan Nemes, Policy Lead CSR and Sustainable Agriculture at Oxfam Novib

Wealth inequality



PRIORITIES & NEXT STEPS

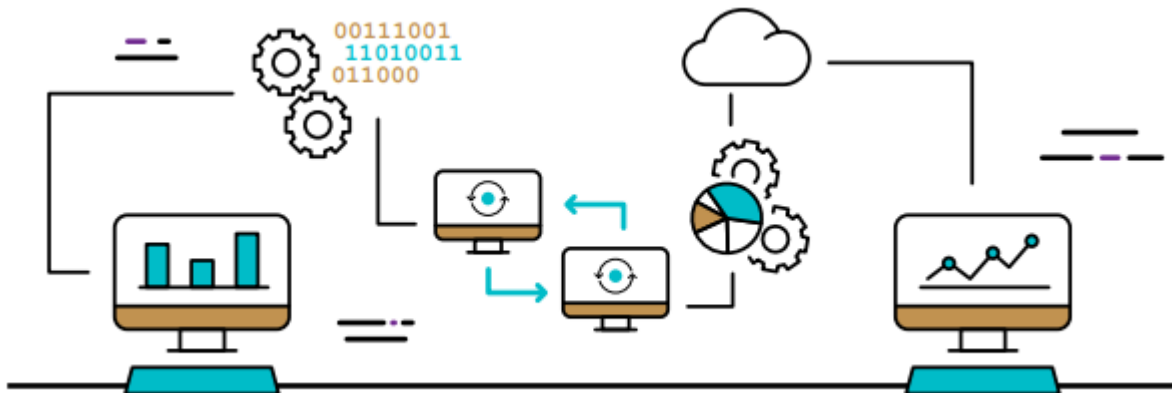
- Start somewhere – look at your own operations and employees with a social rights perspective and then consider expanding the boundaries of this assessment to include the supply chain
- Seek more information and detail on where the company has made community-level investments and tracking going forward
- Consider how your company already does, or can, influence access to essential products and services (e.g. food, water, energy) on a global basis or in the local communities in which you operate
- Explore impact and outcomes-based measurement
- Consider what your company's most material impact related to wealth inequality may be and develop impact-related KPIs

Data & technology



CURRENT LANDSCAPE

- An acceleration of the amount of data being made available, including in real-time
- A need for more correlation between data and technology to understand impacts
- Better data enables stakeholders to understand a company's performance and in turn make better decisions
- Technology can also enable stakeholders to access data more effectively



Data & technology



DRIVERS OF CORPORATE PERFORMANCE ON CLIMATE CHANGE

- Collecting data on human, physical, natural and social capital can achieve a multi-dimensional sense of value that is reflected in sustainability considerations being better integrated into companies and reporting;
- Understanding these aspects better – and for some, attaching a monetary value to them – will enable companies to identify potential areas to improve, to increase positive impacts, decrease negative impacts and ultimately increase business value.



“There is a lack of data on particular business models, on factories, and technologies to help companies understand the impacts across nature, society and human beings.”

– Pavan Sukhdev, Founder and CEO, GIST Advisory



IMPLICATIONS FOR BUSINESS

Challenges:

- Securing sufficient internal buy-in
- Promoting the culture: creating awareness for good use of the internal systems that deliver high-quality, comparable data
- Availability of sensitive and confidential data
- Need for more analytical tools to better understand data
- Manually collating data across spreadsheets or decentralized systems, or transitioning to new, more innovative systems to manage data and information



IMPLICATIONS FOR BUSINESS

Opportunities:

- Online reporting as an innovative tool to communicate data effectively
- Embedding sustainability data into targets and performance management systems
- Being proactive and keeping colleagues informed around the process and results
- Monitor – and provide feedback loops to data providers – both the positive and the negative impacts of sustainability issues tracked
- Understand the dynamics and other demands on the same data to improve the information channels and lower the burden for colleagues, where possible

Data & technology



PRIORITIES & NEXT STEPS

- Use data and technology to approach stakeholders in different ways
- Use technology to ease the collection of data by moving towards more sophisticated and centralized data systems
- Explore and better understand the needs of different stakeholder groups and tailor the presentation of data accordingly
- Present information to stakeholders (e.g. infographics, report microsites) more effectively



“With the explosion of technology we face challenges in issues such as freedom of expression, privacy safeguarding, personal data, and children protection. We’ve had to update policies, and we rolled out a voluntary training for employees that may become mandatory down the road.” – Giacomo Cosimo Befo, TIM

Future focus: What's next?



Greater expectations

Reset targets

Country-level and local lenses

Deepen the understanding of impact

Improve data

SDGs matter



Additional resources



6 Resources

This section contains a pool of resources that are useful for reporting organizations to better understand the trends the CLG on Reporting 2025 explored. The section features a list of GRI Standards and disclosures related to each trend as well as documents and articles related to each topic.

GRI Standards and disclosures related to Climate Change

GRI 302: Energy 2016

Disclosure 302-1 Energy consumption within the organization

Disclosure 302-2 Energy consumption outside of the organization

Disclosure 302-3 Energy intensity

Disclosure 302-4 Reduction of energy consumption

Disclosure 302-5 Reduction in energy requirements of products and services

Topic-specific Standards

GRI 305: Emissions 2016

Disclosure 305-1 Direct (Scope 1) GHG emissions

Disclosure 305-2 Energy indirect (Scope 2) GHG emissions

Disclosure 305-3 Other indirect (Scope 3) GHG emissions

Disclosure 305-4 GHG emissions intensity

Disclosure 305-5 Reduction of GHG emissions

Disclosure 305-6 Emissions of ozone-depleting substances (ODS)

Disclosure 305-7 Nitrogen oxides (NO_x), sulfur oxides (SO_x), and other significant air emissions

Topic-specific Standards

DOCUMENTS & ARTICLES

- [The 2015 Climate Survey, Leadership on Climate Change: COP21 & Beyond, GlobeScan/SustainAbility Survey](#)
- [Google joins RE100 with target to triple renewable energy purchases by 2025](#)
- [CDP Global Climate Change Report 2015 – At the tipping point?](#)
- [OECD & CDSB insights on G20 corporate reporting: Climate Change Disclosure in G20 Countries – Stocktaking of corporate reporting schemes](#)
- [Ipeca, IPECA Climate Change Reporting Framework – A pilot guidance document for the oil and gas industry](#)
- [GRI, Sustainability and Reporting Trends in 2025 – Preparing for the future](#)
- [IEA, World Energy Outlook 2015](#)

IMAGES & VIDEO

- [Global Forest Watch, Monitoring Forests in near real time](#)

https://www.globalreporting.org/resource/library/GRI-CLG_Report-FutureTrends2025.pdf



The Corporate Action Group

Continuing the discussion

A unique two-year partnership (2017–18)



United Nations
Global Compact

A partnership to co-create the mechanisms for global business transparency and reporting on the **SDGs**.

Supported by  **pwc**

The Corporate Action Group

Two Year CAG Agenda

LAB 8 ONLINE

Reporting on corporate performance & the SDGs: review of progress three years on October, 3.5 hours

LAB 7 ONLINE

Efficiency in the production of goods and services June, 3.5 hours

LAB 6 AMSTERDAM

The reporting principle of stakeholder inclusiveness and the new role for business and civil society leaders April, 3.5 hours

LAB 5 ONLINE

Management of natural resources March, 3.5 hours

LAB 4 ONLINE

Food security, global health, equality and education November, 3.5 hours

LAB 1 AMSTERDAM

Introduction to the SDGs: Corporate action & reporting March, 3.5 hours
MAC Launch Event 1.5 hours


MAC ONLINE

UNGC: Making Global Goals Local Business New Delhi April

LAB 2 ONLINE

Poverty and economic growth May, 3.5 hours

PRESENTING LIST OF EXPECTED BUSINESS DISCLOSURES

In connection with the UN High Level Political Forum  NEW YORK July

LAB 3 NEW YORK

Investor Expectations for SDG Reporting & Company self-assessment: Mapping the SDGs to your business 18-20 September, one day session
MAC Handbook publication
UNGC Leaders Summit



The Corporate Action Group



Benefits

Be at the forefront of partnership publications, including the SDG Reporting Handbook and the Preliminary Analysis of Expected Business Disclosures

Influence global decision-making

Access a community of **global experts** to gain cutting edge insights and help **evolve emerging practice**.

Influence a multi-stakeholder movement that will **shape the research** for tracking business performance against the SDGs.

Tackle challenges of reporting on SDGs

Engage in the CAG to receive **expert guidance and identify solutions** and innovative ways to report on your progress towards the SDGs.

Determine the SDGs most material to your business to **understand and communicate your company's contributions**.

Demonstrate your leadership

Position your company at the **forefront of SDG action**, together with two leading sustainable development organizations.

Play a **pioneering role** in the SDG journey, participate in **key discussions and significant events** convened by the UN.

Corporate Action Group

Current members



Thank you



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