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Technical Protocol
Applying the Report Content Principles



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Technical Protocol – Applying the Report Content Principles: an overview

Introduction

A reporting organization has to consider many topics when compiling a sustainability report. In order to provide a balanced and reasonable representation of its sustainability performance, topics that are relevant and material for an organization should be covered in its report.

Identifying the topics that are relevant for a sustainability report, and prioritizing those topics that are material, is a challenge for most reporting organizations. The range of topics in a sustainability report varies, depending on the definition of report content and the topics that are identified as material. Material topics include those that reflect the organization's significant economic, environmental and social impacts; and topics that would substantively influence the assessments and decisions of stakeholders.

Defining report content correctly is crucial in making sustainability reporting a valuable exercise, for reporting organizations and report users.

What does the Technical Protocol – Applying the Report Content Principles cover?

This Technical Protocol provides process guidance on how to define the content of a sustainability report. This includes deciding on the Scope of a report, the range of topics covered, each topic's relative reporting priority and level of coverage, and what to disclose in the report about the process for defining its content.

It is important to note that the process of defining report content is dependent on the individual characteristics of a reporting organization. It is a highly iterative and complex process. The Protocol aims to help reporting organizations visualize the process as a series of steps.

The Protocol is designed to be used in conjunction with the GRI Sustainability Reporting Guidelines, the Sector Supplements and other Technical Protocols¹. It proposes a generic approach on how to apply the 'Reporting Guidance for Defining Content'² and the 'Reporting Principles for Defining Content' that are outlined in the GRI Sustainability Reporting Guidelines. Knowledge of the GRI Reporting Framework is a prerequisite for using the Protocol. Definitions of key terms used throughout this Protocol can be found in the Glossary of Terms, on page 13.

In applying the Protocol, the reporting organization will be able to provide an explanation, and documentation, on how it has applied the 'Reporting Guidance for Defining Content' and the 'Reporting Principles for Defining Content', as required by the Standard Disclosures 3.5-3.7³ in the GRI Sustainability Reporting Guidelines.

Audience

The Technical Protocol is intended primarily for the use of those involved in preparing, approving and assuring sustainability reports. The Protocol is also of value for others, internal and external to the reporting organization, who would like to learn more about the process for defining report content outlined by the GRI Reporting Framework, including for analytical, research and/or educational purposes. The Protocol is designed for use by organizations of any size, sector, or location.

¹ For more information on the GRI Reporting Framework visit: www.globalreporting.org

² See GRI Sustainability Reporting Guidelines Versions 3.1 and 3.0, pp.7-13.

³ See GRI Sustainability Reporting Guidelines Versions 3.1 and 3.0, pp.21-22.



Materiality in the context of the GRI Reporting Framework

Material topics for a reporting organization should include those topics that have a direct or indirect impact on an organization's ability to create, preserve or erode economic, environmental and social value for itself, its stakeholders and society at large.

The operations and activities of an organization lead to positive and negative economic, environmental and social impacts. Some of these sustainability impacts will be visible to stakeholders, who will express an interest in them directly. But not all sustainability impacts will be recognized by stakeholders. Some impacts may be slow and cumulative. Others will occur at a distance from stakeholders, so that causal links may not be clear.

Sustainability impacts create both opportunities and risks for an organization. The ability of an organization to recognize opportunities and risks, and act effectively in relation to them, will determine whether the organization creates, preserves or erodes value.

By following the 'Reporting Guidance for Defining Content', and applying the 'Reporting Principles for Defining Content' in the GRI Sustainability Reporting Guidelines, the reporting organization should be able to report on those topics that demonstrate its impacts, to recognize and set out to address opportunities and risks, and to measure and understand its value in financial and non-financial terms.

The materiality focus of sustainability reports is broader than the traditional measures of financial materiality. In financial reporting, materiality is commonly thought of as a threshold for influencing the economic decisions of those using an organization's financial statements, investors in particular. The concept of a threshold is also important in sustainability reporting, but it is concerned with a wider range of impacts and stakeholders. Materiality for sustainability reporting is not limited only to those sustainability topics that have a significant financial impact on the organization. Determining materiality for a sustainability report also includes considering economic, environmental, and social impacts that cross a threshold in affecting the ability to

meet the needs of the present without compromising the needs of future generations. These material topics will often have a significant financial impact in the near-term or long-term on an organization. They will therefore also be relevant for stakeholders who focus strictly on the financial condition of an organization.

Many topics that attract significant stakeholder interest in an organization, or represent major economic, environmental, or social impacts, result in financial consequences within a time frame that will be relevant for at least some participants in capital markets.⁴

The threshold for defining material topics to report should be set to identify those opportunities and risks which are most important to stakeholders, the economy, environment, and society, or the reporting organization, and therefore merit particular focus in a sustainability report.

Sustainability Reporting and Companies

There may be overlap between the content of a sustainability report and the content of existing statutory reporting requirements for companies, in terms of:

- Sustainability performance indicators correlated to key value drivers or financial metrics
- Qualitative risks and opportunities within a time frame, relevant for the purposes of statutory reporting requirements

Sustainability reporting should address all material sustainability topics that are relevant in understanding how a company can create, preserve or erode value over time. Economic, environmental and social impacts can become important over an extended time period. Reports must be able to reflect both immediate, acute topics and foreseeable longer-term topics. A sustainability report therefore covers a wider range of topics than statutory reporting requirements, including but not limited to:

- Impacts on stakeholder groups that are of high significance to them
- Opportunities to contribute to broader sustainability objectives
- Opportunities to adapt to planned changes in policies and regulatory frameworks

⁴ These impacts could come in a range of forms, including but not limited to:

- Significant ongoing impacts on short-term financial indicators (e.g., cash flow)
- Sudden changes in the financial position of an organization due to the realization of an opportunity or risk
- Cumulative effects over time resulting in financial consequences that are not material in the short-term, but may be material for long-term investors



Defining report content: the process

This chapter describes the process that reporting organizations should go through in order to answer the question of ‘what to report’.

The process begins with the identification of relevant topics. Relevant topics are then prioritized as material Aspects, which are then validated. The end result of this process is a list of material Aspects and related Standard Disclosures which should be disclosed in the organization’s sustainability report.

The reporting organization’s senior decision-makers should take ownership of the process for defining report content, and should approve any associated strategic decisions.

Figure 1 depicts the terminology used in the GRI Reporting Framework. Knowledge of this terminology is important in understanding the process for defining report content.

The three process steps for defining report content are depicted in Figure 2. They are:

1. Identification
2. Prioritization
3. Validation

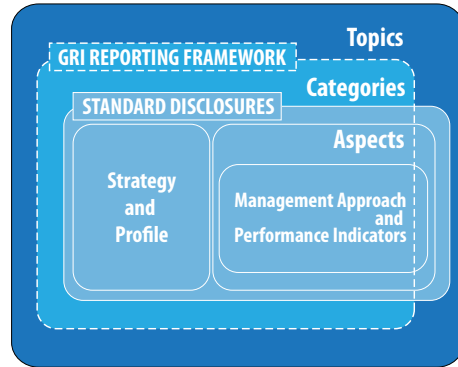


Figure 1: GRI Reporting Framework Terminology

Having followed the process steps, it is vitally important that all reporting organizations undertake a review of their sustainability report.

The four ‘Reporting Principles for Defining Content’ featured in the GRI Sustainability Reporting Guidelines should be used in the process for defining report content: ‘Materiality’, ‘Stakeholder Inclusiveness’, ‘Sustainability Context’ and ‘Completeness’.⁵ Each Reporting Principle features three components: a definition, an explanation, and tests. All three components need to be considered in the process.

Figure 2 indicates which of these Reporting Principles is significant in the different process steps. ‘Stakeholder Inclusiveness’ is applied to varying degrees throughout the whole process.

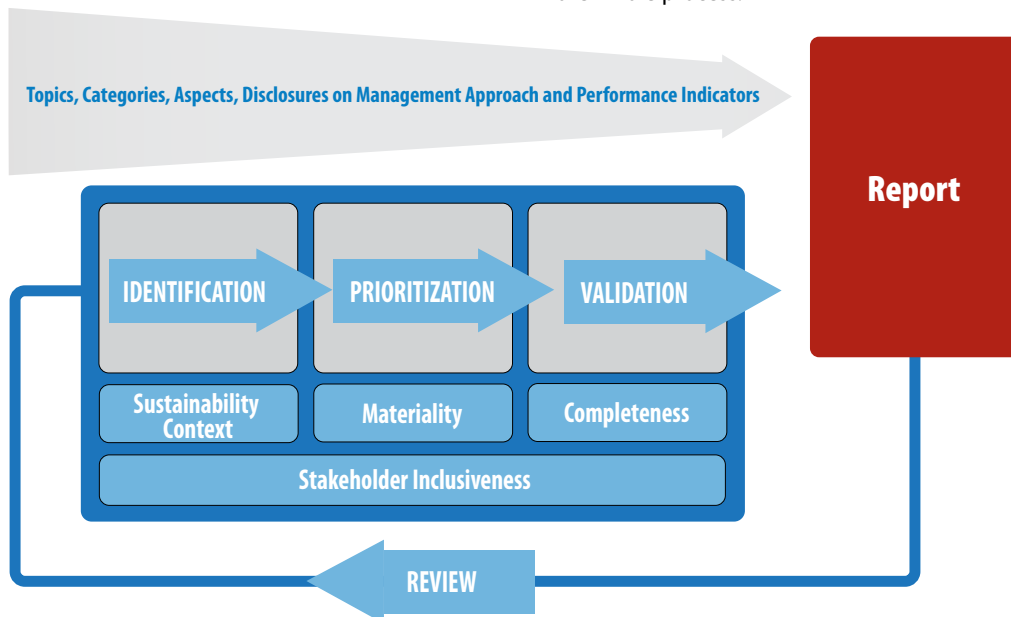


Figure 2: Defining report content – the process

⁵ See GRI Sustainability Reporting Guidelines Versions 3.1 and 3.0, pp. 8-13.



It is important to note that the process for defining report content is iterative and dynamic, rather than linear and static. The reporting organization repeats the process for each reporting period, thereby refining the reporting process.

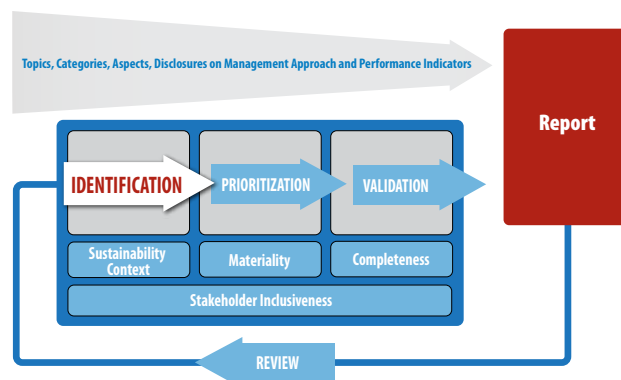
Documentation of the process is crucial, including its methodologies, assumptions and the decisions taken. Accurate records facilitate analysis and assurance, help to fulfill the Standard Disclosures 3.5-3.8 in the GRI Sustainability Reporting Guidelines⁶, and enable the reporting organization to explain and defend its chosen approach.

Inevitably, the process for defining report content requires subjective judgments. The reporting organization should be transparent about its judgments. This will enable internal and external stakeholders to understand the process.

This Technical Protocol is based on the assumption that the reporting organization determines the Report Scope in conjunction with determining the Report Boundary - the range of entities whose performance is represented in the report (e.g., subsidiaries, joint ventures, sub-contractors, etc).

The 'Reporting Guidance for Boundary Setting'⁷ and the GRI Boundary Protocol⁸ offer guidance on how to set the Boundary for a sustainability report and how to describe the chosen Boundary to report users. It is referenced at the relevant stages in the following process description.

Step 1: Identification – identify relevant topics



The aim of the Identification step is to create a shortlist of relevant topics that should be assessed for inclusion in an organization's sustainability report.

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

Reporting organizations should apply a wide-ranging radar to identify all relevant topics. All Aspects and related Standard Disclosures identified under each Category in the GRI Sustainability Reporting Guidelines and applicable Sector Supplements should be considered relevant. They have been developed through GRI's multi-stakeholder processes and are generally applicable for reporting an organization's sustainability performance. Alongside these, any other topic outside the GRI Reporting Framework that meets the definition for relevant topics should be included in the shortlist.

In order to factor in sustainability impacts and reasonable stakeholder expectations and interests when defining relevant topics, the reporting organization needs to define the range of entities, or groups of entities, that fall within the Report Boundary. To do so, the reporting organization needs to determine which entities it controls or significantly influences.

The Reporting Principles 1. 'Stakeholder Inclusiveness' and 2. 'Sustainability Context' are the most relevant Principles for the Identification step, and must be applied. In assessing the range of potentially relevant

⁶ See GRI Sustainability Reporting Guidelines Versions 3.1 and 3.0, pp. 21-22.

⁷ See GRI Sustainability Reporting Guidelines Versions 3.1 and 3.0, pp. 17-19.

⁸ The Boundary Protocol is available for free download from www.globalreporting.org.



topics, it is vital to use the tests that underlie these two Principles⁹.

These two Reporting Principles involve different points of departure.

1. 'Stakeholder Inclusiveness' emphasizes attentiveness to topics raised through the range of stakeholder engagement. In order to compile a report that provides a balanced and reasonable representation of the reporting organization's performance, and can inform the assessment and decision-making of stakeholders, the reporting organization must understand the reasonable expectations and interests of those stakeholders, and be able to describe the process of engagement.

The reporting organization needs to identify its stakeholders, and learn about their expectations and interests, in order to take a well-informed decision on Report Scope. The Principle underlines the usefulness of stakeholder engagement in informing decision-making during the reporting process.

2. 'Sustainability Context' emphasizes the necessity of considering actual impact on sustainability. Impacts can be considered in absolute and relative terms.

The Principle is intended to assess the organization's contribution to the environmental and social trends that are the focus of sustainability concerns. Understanding the organization's impacts and dependencies on ecosystem services can also be seen as part of 'Sustainability Context'.

The tests for this Principle¹⁰ will guide the reporting organization. In using the tests the organization's actions are not limited to but may include the review of documents and information sources that assist in determining and analyzing its significant economic, environmental and social impacts.

These documents and information sources may include, but are not limited to:

- Authoritative research and forecasts on economic, environmental, and social topics, for example, those published by local and international public institutions/governmental organizations
- Relevant national and international public policy targets and indicators on economic, environmental, and social topics

- Organizational performance in relation to information about economic, environmental, and social conditions in relevant locations, e.g., discussing water consumption in relation to available supply in a particular location
- Organizational performance in relation to other actors. For example, relating resource usage, employment creation or wages to that of other organizations

Further perspectives for analyzing significant economic, environmental, and social impacts may include, but are not limited to:

- The scale of impact and its current and future implications
- Comparison of impacts to relative scale; absolute norms; global vs. local limits
- The consequences of impacts
- Size and type (positive/negative) of contribution including externalities
- The accumulative severity of impacts over time
- Analysis of the absolute and relative significance of the organization's impacts in terms of overall economic, environmental and social trends

Time horizons and criteria play a crucial role in evaluating impacts. The accumulation of impacts over time, and generational repercussions, should be evaluated. It is also important to document how the trends that are then identified are prioritized and tracked in future reports.

The organization's analysis of its impacts should be systematic and consider the precautionary principle. In addition, where practicable the reporting organization should apply a scientific and internationally validated approach to measurement, and rely on proven expertise and authoritative research.

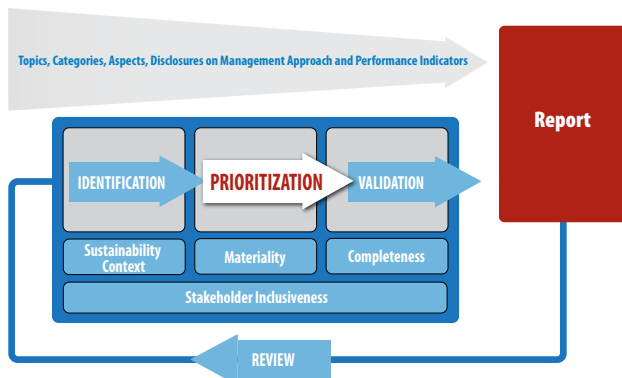
After applying these two Principles to the range of potential topics to consider, the organization should have identified a shortlist of relevant topics that can then be assessed for materiality and relative reporting priority.

⁹ See GRI Sustainability Reporting Guidelines Versions 3.1 and 3.0, pp. 11-12.

¹⁰ See GRI Sustainability Reporting Guidelines Versions 3.1 and 3.0, p. 12.



Step 2: Prioritization



The Prioritization step involves examining all identified topics that could be included in a sustainability report, assessing which topics are material, and deciding the level of coverage and detail they will be afforded; the relative reporting priority.

In the Prioritization step, analysis should be undertaken on the Aspect level. The step also involves deciding how to represent the reporting organization's performance in material topics in the report.

The methodology applied in the Prioritization step varies according to the individual organization. Specific circumstances such as business model, sector, geographic, cultural and legal operating context, ownership structure, and size and nature of impacts affect how an organization prioritizes the topics and Aspects it covers in its sustainability report. What is important, given this variation, is the need for an organization to develop a rational process, the ability to document it, and the ability to replicate the process in subsequent reporting cycles.

The GRI Sustainability Reporting Guidelines require disclosure on these areas under Standard Disclosure 3.5¹¹.

Analysis of 'Significance to Stakeholders' and 'Significance to the Organization'

It is important to note that while each Aspect should be assessed on 'Significance to Stakeholders' and 'Significance to the Organization', these viewpoints overlap to some extent with respect to internal stakeholders. The interests and expectations of stakeholders that are invested specifically in the success of the organization (e.g., of workers, shareholders, and suppliers) should inform the analysis of both viewpoints.

BASIC FEATURES OF THE PRIORITIZATION STEP

The Prioritization step should include the following features as a minimum:

1. An assessment of the Aspects based on analyzing the:
 - Significance to Stakeholders; and
 - Significance to the Organization.

An analysis of Aspects using these viewpoints will help the reporting organization to combine findings from stakeholder engagement (on how stakeholders perceive impacts) with an assessment of organizational priorities.

2. Determining materiality and relative reporting priority. Depending on the Aspect, this determination should involve qualitative analysis and discussion, or quantitative assessment, or both, on the basis of criteria. It is important to note that the fact that a topic is difficult to quantify does not mean that the topic is not material.

The reporting organization needs to establish the thresholds that render an Aspect material, and support its decision-making about relative reporting priority. Establishing thresholds should include consideration of time horizons. The thresholds and underlying criteria need to be clearly defined, documented and communicated.

3. A systematic approach. The Prioritization assessment should be systematic, documented and replicable, and used consistently from year to year. Changes to the assessment approach, and their implications, should be documented.
4. Visual communication. The reporting organization should be able to communicate the results of its Prioritization step in a simple visual manner, explaining the relationship of the selected Aspects to the analysis of the two viewpoints stated above. The representation of Aspects within this visual explanation should be supported by evidence or a documented rationale.

¹¹ See GRI Sustainability Reporting Guidelines Versions 3.1 and 3.0, pp. 21-22.



SIGNIFICANCE TO STAKEHOLDERS

The analysis of this viewpoint should include, but is not limited to, assessment of the views expressed by stakeholders during the reporting period.

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

The nature of the organization's impact should inform the geographic focus of engagement, and the process of engagement should be appropriate to the stakeholder group. Stakeholder engagement should identify the interests of stakeholders who are unable to articulate their views (e.g., future generations, fauna, ecosystems, etc). These views could be presented by proxies. The reporting organization should identify a process for taking such views into account in determining materiality. The organization should identify the interests of stakeholders with whom it may not be in constant or obvious dialogue.

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

An organization should also be able to identify and consider their key stakeholders and their respective concerns, and how their views may affect decisions on the report content.

The engagement process should be sensitive to Aspects that are important to key stakeholders while recognizing gaps between the perceptions of the organization and stakeholders. Aspects of high significance to key stakeholders should be considered material, especially those Aspects that concern the stakeholders' own interests.

The analysis requires the reporting organization to translate the varied opinions of different stakeholders

into a series of decisions on what to include and exclude from its report.

Consideration of the Aspects identified by stakeholders may include but is not limited to:

- Each stakeholder group's perception of the organization's impact on that stakeholder group
- Each stakeholder group's perception of the group's dependency on the organization
- The geographical location of stakeholders, and the significance of the Aspect to their region
- The diversity and range of stakeholders who express interest and/or are affected
- The expectations of stakeholders regarding action and response to an Aspect
- The expectations of stakeholders regarding transparency on a particular Aspect

In addition, prioritizing stakeholders requires analysis of how stakeholders relate to the reporting organization. This process may include, but is not limited to, the degree to which stakeholders:

- Are interested in or affected by the organization's impacts
- Have the ability to influence outcomes within the organization
- Are invested in the success/failure of the organization

The GRI Sustainability Reporting Guidelines require disclosure on stakeholder engagement under Standard Disclosures 4.14-4.17¹². The reporting organization should be able to describe how stakeholders are identified and prioritized, how their input has been used or not used, and how different expectations and interests are assessed, as well as the organization's rationale behind the chosen approach.

The analysis of 'Significance to Stakeholders' must include use of the tests that relate to stakeholders for the Reporting Principle of 'Materiality'¹³.

¹² See GRI Sustainability Reporting Guidelines Versions 3.1 and 3.0, p. 24.

¹³ See GRI Sustainability Reporting Guidelines Versions 3.1 and 3.0, p. 8.



SIGNIFICANCE TO THE ORGANIZATION

The analysis should include but is not limited to:

- Current and future financial and non-financial implications
- Impacts on the strategies, policies, processes, relationships and commitments of the organization
- Impacts on competitive advantage/management excellence

The aim of the analysis is to prioritize those Aspects that might positively or negatively influence the organization's ability to deliver on its vision and/or strategy.

To prioritize these Aspects for reporting, the organization's assessment can include but is not limited to:

- The likelihood of risks or opportunities arising from an Aspect
- The likelihood of a potential long or short term impact
- Severity of impact
- How critical the impact is for the long-term performance of the organization
- Ability/maturity of the organization to respond
- Preparedness
- Opportunity for the organization to grow or gain advantage from the impact

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

The analysis of 'Significance to the Organization' must include use of the tests that relate to organizational factors for the Reporting Principle of 'Materiality'¹⁴.

Determining materiality and relative reporting priority

After completing the analysis of 'Significance to Stakeholders' and 'Significance to the Organization', the reporting organization will be able to visually represent an Aspect with respect to both viewpoints.

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

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

In defining thresholds, the organization needs to make a decision on how to address Aspects that weigh more in one viewpoint than the other. Emerging issues – Aspects that might become relevant over time – are an example of this. An Aspect does not need to weigh heavily in both viewpoints to be deemed a priority for reporting. The Aspect's weight within one viewpoint is more important than convergence between the different viewpoints, and the establishing of a lowest common denominator should be avoided. In addition, as noted earlier, Aspects of high significance to key stakeholders concerning their own interests should be considered material for reporting.

After the decision on which Aspects should be considered material, the reporting organization needs to make an assessment of relative reporting priorities. Depending on the relative reporting priority assigned, the coverage of material Aspects in the report varies. The reporting organization can then decide on the level of coverage for the individual Aspects.

In Figure 3, the area between the two axes includes the Aspects identified during the Identification step. Here, the Aspects are placed with respect to the considerations of stakeholders and the organization. All the Aspects within the chart should be considered for reporting. The thresholds, represented by the red arcs, are set by the organization. Where an Aspect sits within defined thresholds will determine the level of coverage the Aspect should receive in a sustainability report.

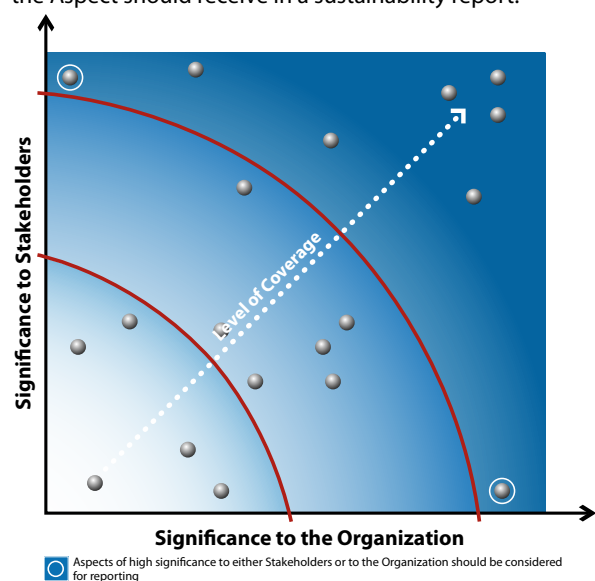


Figure 3: Relative reporting priority

¹⁴ See GRI Sustainability Reporting Guidelines Versions 3.1 and 3.0, pp. 11-12.

An organization could consider the following as examples of how it may address content and coverage levels according to relative reporting priority:

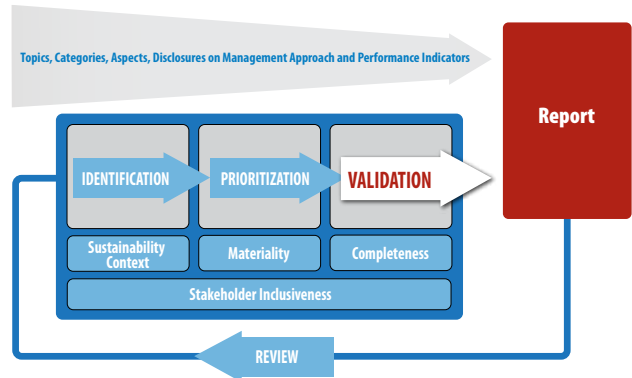
- Aspects with relatively low reporting priority may be Aspects reported to fulfill regulatory or other reporting requirements. It may be decided to not include them in the report.
- Aspects assigned medium-level reporting priority may be considered for inclusion in the report, but given less attention and content.
- Aspects deemed high-level may be reported on in great detail, be given more attention, or form a theme for the report itself.

At this stage in defining report content, the reporting process should revisit the range of entities, or groups of entities, that fall within the Report Boundary. To do so, the organization needs to determine the level of impact of the entities it controls or has significant influence upon, to determine their relative importance.

Alongside this, the reporting organization needs to decide on the depth of information in its report; for which of its entities should it include Performance Indicators, Disclosure on Management Approach or a narrative disclosure covering strategies and dilemmas. See the 'Reporting Guidance for Boundary Setting' and the GRI Boundary Protocol for further guidance and definitions.

At the end of the Prioritization stage the reporting organization will have established all the Aspects to be included in the report and the level of coverage that each Aspect will be afforded.

Step 3: Validation – checking the Completeness of the material Aspects



The Validation step requires all identified material Aspects to be assessed against the Reporting Principle of 'Completeness' prior to gathering the information to be reported. This ensures that Aspects identified in the Prioritization step are checked against the dimensions of Scope, Boundary and Time. If necessary, adjustments should be made to the selection and coverage of the material Aspects.

The reporting organization can also take the approach of assessing the Performance Indicators for materiality during the Validation step. If a Performance Indicator is deemed material, yet the Aspect it belongs to was not identified as material, the Aspect should be reconsidered for its materiality.

Validation should be undertaken with the aim of ensuring a report provides a reasonable and balanced representation of the organization's sustainability performance, including both its positive and negative contributions.

The Validation step involves assessing the material Aspects against:

1. Report Scope – the range of sustainability topics covered in a report
2. Report Boundary – the range of entities whose performance will be represented by the report
3. Time – the completeness of selected information with respect to the reporting period

The four tests featured in the Reporting Principle of 'Completeness'¹⁵ should guide the reporting organization during the Validation of its report content.

¹⁵ See GRI Sustainability Reporting Guidelines Versions 3.1 and 3.0, p. 13.



Conducting these tests will help ensure that report content has been decided on properly.

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

Once the report content has been signed off, the identified material Aspects require translating into disclosure items to report against.

Many of the Aspects identified will correspond to Aspects in the GRI Sustainability Reporting Guidelines and Sector Supplements. These documents set out Disclosures on Management Approach and Performance Indicators under each of the Aspects.

Performance Indicators, as defined in the GRI Reporting Framework, are the result of a unique engagement process and may be considered authoritative: the best expected practice for a globally consistent way of measuring and monitoring performance on each Aspect. Performance Indicators include Core and Additional Indicators.

Core Indicators are generally applicable Indicators in the GRI Sustainability Reporting Guidelines, and are assumed to best capture the measuring of material Aspects for most organizations. There may be cases where an Aspect is considered material, but a specific Indicator could be deemed not material in the context and circumstances.

An organization should report on Core Indicators unless they are deemed not material on the basis of the Reporting Principles for Defining Report Content.¹⁶ Additional Indicators may also be determined material.

A reporting organization may identify material Aspects that are not addressed in the GRI Reporting Framework. To address these Aspects the organization may apply alternative indicators, or develop their own indicators. Organization-specific indicators included in the report

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

After the Validation step, the reporting organization should have authorized its chosen material Aspects to be included in the report. The organization can now start to gather the information to be reported, and assemble the report. In gathering the information, the organization will need to determine the Aspects for which it already has management and performance information available, and those for which it still needs to establish management approaches and performance measurement systems.¹⁷

Review

Once a sustainability report has been compiled and presented, it is vitally important that the reporting organization reviews it. In compiling a report it is crucial to follow the three steps of 1. Identification, 2. Prioritization and 3. Validation. Reviewing a report is of equal importance to the following of these three steps.

Review takes place after the report has been released and the organization is preparing for the next report cycle. A wide-ranging radar should be utilized for the review. The findings will inform and contribute to the Identification step for the next reporting cycle.

The Principles of 'Stakeholder Inclusiveness' and 'Sustainability Context', and their associated tests in the GRI Sustainability Reporting Guidelines¹⁸, should inform the review of a sustainability report. They serve as checks regarding the presentation and evaluation of report content, as well as checks for the reporting process as a whole.

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

¹⁶ If a Core Indicator is not reported and the reporting organization plans to declare an Application Level A or A+, the organization must explain the reason for the Indicator's omission. See the GRI Sustainability Reporting Guidelines and www.globalreporting.org for further information on the GRI Application Levels and background information on reasons for omission.

¹⁷ If an Aspect has been identified as material and the reporting organization lacks sufficient information to report on it, the sustainability report should state what action will be taken to resolve the information deficit, and the timeframe for doing so.

¹⁸ See GRI Sustainability Reporting Guidelines Versions 3.1 and 3.0, pp. 11-12.



Conclusion

This Technical Protocol provides process guidance on how to define the content of a sustainability report. This includes deciding on the Scope of a report, the range of topics covered, each topic's relative reporting priority and level of coverage, and what to disclose in the report about the process for defining its content.

Defining report content is a process that varies with an organization's individual circumstances and relies on informed judgment. As the Protocol cannot address all variations, the GRI website features a collection of examples from reporting organizations that describe the process by which they defined their report content, required by Standard Disclosures 3.5 – 3.7¹⁹.

The online examples can be found at:

www.globalreporting.org

The Report Content and Materiality Protocol is intended to help organizations optimize the quality and value of their sustainability reporting. With a clear idea of what is involved in defining report content, organizations are able to focus sustainability reports on material sustainability topics. Identifying and prioritizing material topics helps organizations to identify opportunities and anticipate risks, and enables greater understanding of their ability to create, preserve or erode economic, environmental and social value for itself, its stakeholders and society at large.

¹⁹ See GRI Sustainability Reporting Guidelines Versions 3.1 and 3.0, pp. 21-22.



Glossary of Terms

Additional Indicators

Additional Indicators are those Indicators identified in the GRI Guidelines that represent emerging practice or address topics that may be material to some organizations but not generally for a majority.

Aspects

The general types of information that are related to a specific Indicator category (e.g., energy use, child labor, customers).

Categories

Broad areas or groupings of sustainability topics. The categories included in the GRI Guidelines are: economic, environmental, and social. The social grouping is categorized in terms of Labor Practices, Human Rights, Society, and Product Responsibility. A given category may have several Indicator Aspects.

Core Indicator

Core Indicators are those Indicators identified in the GRI Guidelines to be of interest to most stakeholders and assumed to be material unless deemed otherwise on the basis of the GRI Reporting Principles.

Ecosystem dependencies

For detailed information on 'dependencies', see the TEEB (The Economics of Ecosystems and Biodiversity) study discussions at www.teebweb.org.

Entity

An organization or sometimes an operation that is considered for inclusion or exclusion from a reporting boundary, no matter whether it is a legally constituted body.

GRI Reporting Framework

The GRI Reporting Framework is intended to provide a generally accepted framework for reporting on an organization's economic, environmental, and social performance. The Framework consists of the Sustainability Reporting Guidelines, the Indicator Protocols, Technical Protocols, and the Sector Supplements.

Indicator Protocol

An Indicator Protocol provides definitions, compilation guidance, and other information to assist report preparers, and to ensure consistency in the interpretation of the Performance Indicators. An Indicator Protocol exists for each of the Performance Indicators contained in the Guidelines.

Performance Indicator

Qualitative or quantitative information about results or outcomes associated with the organization that is comparable and demonstrates change over time.

Precautionary Principle

The Precautionary Principle refers to the approach taken to address potential environmental impacts. See Rio Declaration on Environment and Development (1992), United Nations Conference on Environment and Development. 'Principle 15: In order to protect the environment, the precautionary approach shall be widely applied by States according to their capabilities. Where there are threats of serious or irreversible damage, lack of full scientific certainty shall not be used as a reason for postponing cost effective measures to prevent environmental degradation.'

Report Boundary

Boundary refers to the range of entities (e.g., subsidiaries, joint ventures, sub-contractors, etc) whose performance is represented in the report. In setting the Boundary for its report, an organization must consider the range of entities over which it exercises control (often referred to as the 'organizational boundary' and usually linked to definitions used in financial reporting) and over which it exercises influence (often called the 'operational boundary'). In assessing influence, the organization will need to consider its ability to influence entities upstream (e.g., in its supply chain) as well as entities downstream (e.g., distributors and users of its products and services). The Boundary may vary based on the specific Aspect or type of information being reported.



Report Scope

Scope refers to the range of sustainability topics covered in a report. The sum of the topics and Indicators reported should be sufficient to reflect significant economic, environmental, and social impacts. It should also enable stakeholders to assess the organization's performance. In determining whether the information in the report is sufficient, the organization should consider both the results of stakeholder engagement processes and broadbased societal expectations that may not have surfaced directly through stakeholder engagement processes.

Reporting Principle

Concepts that describe the outcomes a report should achieve and that guide decisions made throughout the reporting process, such as which Indicators to respond to, and how to respond to them.

Sector Supplements

Sector Supplements are versions of the GRI Guidelines tailored for particular sectors. Some sectors face unique issues. Sector Supplements capture these issues, which may not be covered in the original Guidelines. Sector Supplements feature integrated commentary and new Performance Indicators, ensuring that sustainability reports cover key sectoral concerns.

Stakeholders

Stakeholders are defined broadly as those groups or individuals: (a) that can reasonably be expected to be significantly affected by the organization's activities, products, and/or services; or (b) whose actions can reasonably be expected to affect the ability of the organization to successfully implement its strategies and achieve its objectives.

Standard Disclosures

The Guidelines present topics and information for reporting that are material to most organizations and of interest to most stakeholders. These are captured in three types of Standard Disclosures:

- Strategy and Profile Disclosures set the overall context for reporting and for understanding organizational performance, such as its strategy, profile, governance, and management approach;
- Disclosures on Management Approach cover how an organization addresses a given set of topics in order to provide context for understanding performance in a specific area; and

- Performance Indicators that elicit comparable information on the economic, environmental, and social performance of the organization.

Topics

The largest group of subjects within the terminology used in the GRI Reporting Framework (see Figure 1 in this Technical Protocol).



Legal Liability

This document, designed to promote sustainability reporting, has been developed through a unique multi-stakeholder consultative process involving representatives from reporting organizations and report information users from around the world. While the GRI Board of Directors encourage use of the GRI Sustainability Reporting Guidelines (GRI Guidelines) by all organizations, the preparation and publication of reports based fully or partially on the GRI Guidelines is the full responsibility of those producing them. Neither the GRI Board of Directors nor Stichting Global Reporting Initiative can assume responsibility for any consequences or damages resulting directly or indirectly, from the use of the GRI Guidelines in the preparation of reports or the use of reports based on the GRI Guidelines.

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