

GRI's Contribution to Sustainable Development



2016 - 2020

Contents

1. GRI: Shaping an Inclusive and Sustainable Future	3
2. Sustainability Reporting and Sustainable Development: The Causal Link	5
3. Current State of Sustainability Reporting: Global Trends	7
4. GRI's Sustainable Development Strategy	16
I. Strategic Objectives	16
II. Activities	19
III. Thematic Areas	21
IV. Regional Focus	24
V. Theory Of Change	28
5. Key Partnerships	29
6. Looking Ahead	30
Annex: GRI Donors	31

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I. GRI: Shaping an Inclusive and Sustainable Future

GRI has pioneered the sustainability reporting process for nearly 20 years, changing the way companies think about the contribution of their environmental, economic and social impacts to sustainable development. This increase in corporate transparency has transformed sustainability reporting from a niche practice to one now used by a growing majority of organizations.

The Sustainable Development Goals (SDGs) adopted at the United Nations Sustainable Development Summit in September 2015 will inform the Sustainable Development Agenda until 2030 and include a strong role for the private sector. Businesses are considered as key actors in the implementation of this ambitious agenda and as providers of business solutions to the sustainability challenges the world faces. Corporate sustainability reporting is explicitly addressed in one of the targets¹ as a tool for engaging the private sector in

sustainable development. Sustainability reporting can help to catalyze business action as well as assess the contribution of the private sector to the SDGs.

The sustainability reporting process is vital for creating more inclusive and resilient markets and economies. Increased disclosure on environmental, social and economic impacts by organizations leads to greater transparency which helps to inform better decision making. This helps to build trust with stakeholders, and ultimately paves the way for a more sustainable economy and world.

GRI Sustainability Reporting Standards form the cornerstone of GRI's work, and are the world's most widely used and trusted sustainability reporting standards. GRI's reach is truly global. Of the world's largest 250 corporations, 92% report on their sustainability performance and 74% of these use GRI Standards to do so.²



¹ Target 12.6 of the 2030 Sustainable Development Agenda calls to: Encourage companies, especially large and transnational companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle.

² The KPMG Survey of Corporate Responsibility Reporting 2015



Thousands of companies use these standards to assess and publicly disclose their sustainability impacts. GRI is also a great enabler of policy, working with approximately 55 governments³ and numerous other policy makers and market regulators to help enable the appropriate environment and policies that encourage corporate disclosure, accountability and responsibility.

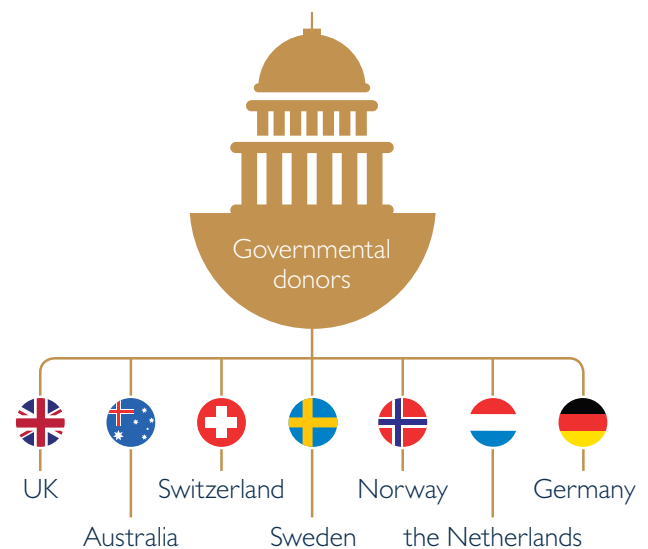
EMPOWERING SUSTAINABLE DECISIONS

GRI's vision is to create a future where sustainability is integral to every organization's decision-making process. Through its sustainability standards and multi-stakeholder network, GRI aims to empower decision makers everywhere to take action towards a more sustainable economy and world. In 2015, GRI announced the next phase of its strategy and expanded scope to reflect this renewed vision. The new five-year strategy includes a focus on four strategic priorities, with sustainable development activities running as thematic streams throughout

each priority area: Enabling smart policy; More reporters, better reporting; Moving beyond reports; Innovation and collaboration.

The development of a new overarching GRI strategy merits an updated version of the GRI Sustainable Development Strategy. It also comes at a timely moment in the evolution of sustainable development. There is now an accepted understanding that governments are no longer the only responsible agent in building sustainable societies. Corporate actors and the private sector are crucial in creating green growth outcomes and sustainable development. This new paradigm is anchored in international policy arenas such as the UN Sustainable Development Goals, and incorporated into national development and trade policies.⁴ This is where GRI serves as a powerful agent for change.

GRI's Sustainable Development program of work would not be possible without the support of several governments.⁵



³ As of 1 January 2016.

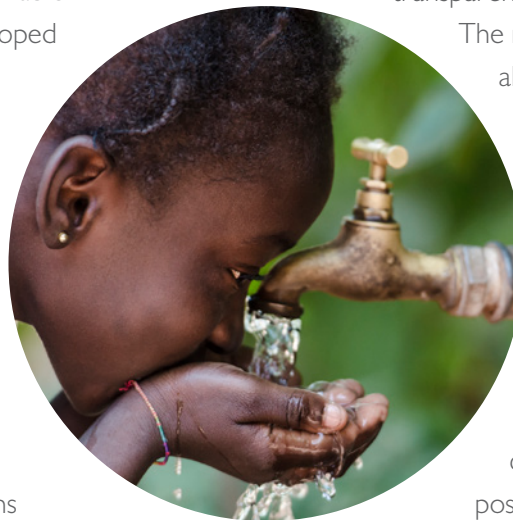
⁴ E.g. development and trade policies of Australia, Denmark, the Netherlands, Norway, Sweden and Switzerland.

⁵ See Annex: GRI Donors.

2. Sustainability Reporting and Sustainable Development: The Causal Link

GRI strongly believes, and has evidence to show, that transparency and accountability contribute to sustainable development outcomes.⁶ Sustainability reporting is a concrete tool that reinforces transparency of the private sector. It builds an enabling environment for sustainable development to occur.

GRI Standards provide a global understanding and knowledge base on sustainable development. They are developed in the public interest and are the product of a robust multi-stakeholder process. Sustainability reporting as promoted by GRI Standards is the practice of public reporting by organizations on their economic, environmental and social impacts. It is a process by which organizations identify their significant impacts and disclose them in accordance with a standardized framework. The use of reporting standards increases both the comparability and quality of the information reported, allowing for more



informed decisions concerning the relationship of the organization's activities and its impact on sustainable development.

Sustainability reporting enables organizations to discover their material sustainability impacts.

Sustainability reporting encourages companies to firstly identify their economic, governance, social and environmental risks and impacts, and then be transparent and accountable for them.

The reporting process not only allows companies to see their impacts, it also lets them see the value in target setting and working towards sustainable development goals in each reporting cycle. Sustainability reporting also builds competitiveness by helping companies reduce risk and position themselves favorably in the global marketplace.

Sustainability reports empower stakeholders by providing access to important information. A global sustainability reporting standard provides

⁶ See the GRI report: *Sustainable Development: Better Business for Better Lives, 2012*; or an example of corporate sustainability impacts from Heineken: *The Knowledge Share Project: Saving Water, Serving Sustainability, 2012*.



a platform to disclose sustainability issues associated with activities and business operations. This knowledge empowers groups of stakeholders and gives them a common language for communicating and engaging with corporations. It supports a rights-based approach, whereby transparent and accessible information helps stakeholders make informed decisions, express grievances, and know who the responsible parties are.

Sustainability reporting can contribute to poverty alleviation and encourage sustainable economic growth. GRI receives feedback from companies that have changed their policies and practices in order to make a positive impact on people's incomes, environmental conditions, health and knowledge. The feedback demonstrates that negative actions are avoided, and improvements occur as a consequence of disclosure on sustainability performance. An external evaluation was conducted of GRI activities in developing countries and concluded that: "These (reporting) processes had a positive impact on wider sustainable development and

even poverty alleviation, both in the economic, environmental and social arenas."⁷

Sustainability reporting is also a filter for sustainable foreign investment. On the macro

level, it can be leveraged as a tool to create an enabling environment for investment to occur in developing countries. In adopting and championing internationally accepted sustainability reporting standards, nations will increase access to international markets, and be able to identify and monitor relevant environmental, social, and governance risks and impacts without an additional regulatory burden. For businesses, it helps individual companies become more competitive, and sharpen performance with long-term sustainability in mind. For example, a recent study conducted by the Danish financial institution, Nykredit, found that companies that disclosed sustainability performance had the best equity returns.⁸ This is an indication that sustainability reporting is moving from an option to a need in terms of the value it holds for competitiveness. In all respects, GRI serves as a powerful agent of change for both policy and the improvement of peoples' livelihoods.

⁷ Source: *Reaching out to Developing Countries, Mid Term Review of GRI Project "Bridging the Sustainability Gap", 2008 (Review of GRI activities in developing countries, commissioned by the Netherlands Ministry of Foreign Affairs, September 2008).*

⁸ Focus Denmark, 2015. [*Sustainability Increases Market Value*](#)

3. Current State of Sustainability Reporting: Global Trends

The state of sustainability reporting and awareness of corporate accountability has been changing rapidly. The following trends help to provide the context of the new paradigm within which we are operating, and where both our strategic advantage and value lie.

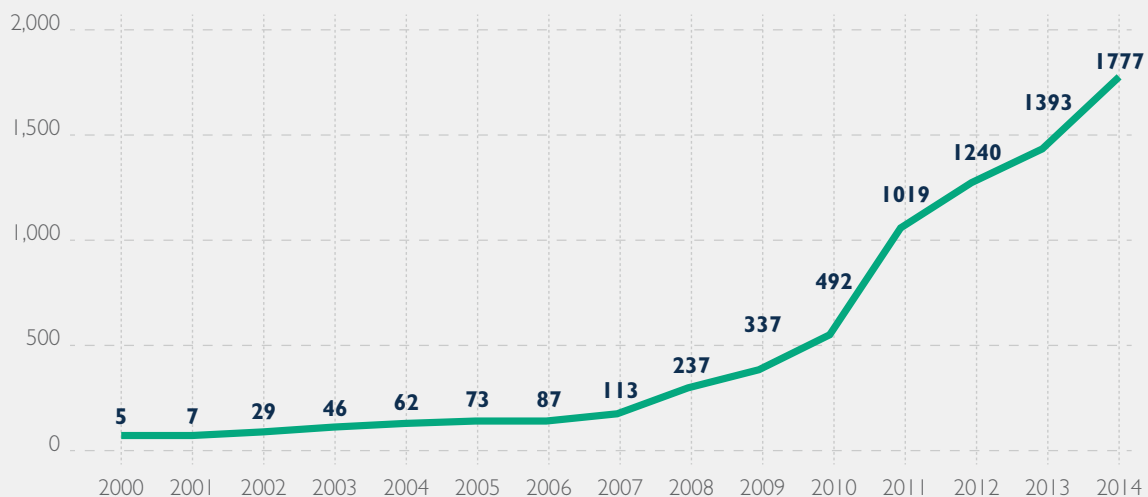
GLOBAL TREND: THE GROWTH OF SUSTAINABILITY REPORTING IN DEVELOPING COUNTRIES

There has been a rapid uptake of sustainability reporting in developing countries. Whereas

in 2000, developing countries only produced five sustainability reports (according to the GRI Sustainability Disclosures Database), that number surged to 1393 in 2013. This is reflective of the awareness of reporting in businesses in emerging economies. Figure 1 illustrates this increase.

Asia has experienced a steady increase in the number of reporters over the last six years. Compared with the other regions, a less significant trend can be observed in Latin America, the Caribbean, and Africa. Trends indicate that the

FIGURE 1: TREND OF REPORTS IN DEVELOPING COUNTRIES (ANNUALLY)



* The data represented in this graph is based on reports registered in the GRI Sustainability Disclosure Database. Registration of reports in the Database is voluntary and therefore does not capture every report produced.



African region is still struggling to steadily move forward which highlights the need for capacity building in this region.

Developing countries are representing a larger share of the total number of reports published every year. The share strongly increased from only 5% in 2001 to 33% in 2013. Hence, sustainability reporting in developing countries is not only becoming more important in absolute terms, but also in terms of its share of the overall global development (Figure 2).

GLOBAL TREND: THE RISE OF ACTIVE ENGAGEMENT

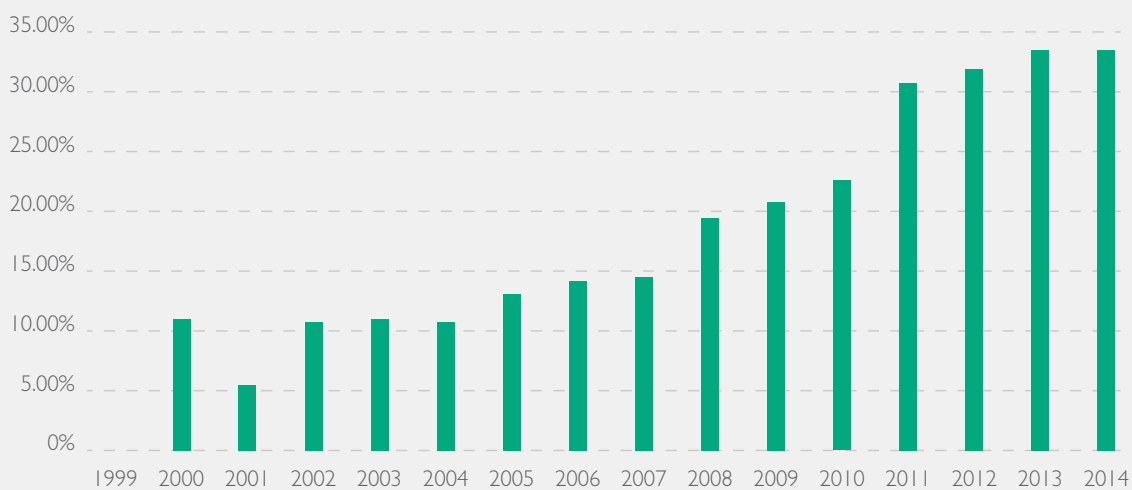
There is a burgeoning interest from corporate leaders, government officials and civil society groups to become involved in promoting better business behavior. The leading corporate

responsibility organizations (UN Global Compact - UNGC, GRI, and the World Business Council on Sustainable Development - WBCSD) have all seen a growth in their membership and engagement programs, and in particular in developing countries.

Proactive corporate engagement programs have also risen in number. Most companies now have proactive corporate engagement programs that go well beyond the traditional interface of corporate philanthropy. These initiatives tackle areas of mutual strategic interest in resolving development issues with the active involvement of the private sector.

GRI has also seen a marked increase in its members, training partners, and engagement programs. Nearly 600 organizations in 67 countries participate in GRI's Engagement Program. They range from multinationals to small enterprises,

FIGURE 2: PERCENTAGE OF DAC⁹ REPORTS FROM TOTAL REPORTS (ANNUALLY)*



* The data represented in this graph is based on reports registered in the GRI Sustainability Disclosure Database. Registration of reports in the Database is voluntary and therefore does not capture every report produced.

⁹ Further information about DAC member countries can be found here: www.oecd.org/dac/dacmembers.htm



drawn from civil society, business, mediating institutions, investors, public agencies, and intergovernmental bodies. In total they represent more than 38 unique sectors.

GRI also works alongside and in collaboration with close to 30 international organizations across a variety of sectors. This number is indicative of the rise of awareness of sustainability reporting among governments and the international organizations that work closely with them. GRI has special strategic relationships and works collaboratively with the UNGC, OECD, United Nations Environment Program, the UN Conference on Trade and Development, International Labor Organization and the UN Working Group on Business and Human Rights.

GLOBAL TREND: STOCK EXCHANGES AND MARKET REGULATORS EMERGE AS SUSTAINABILITY REPORTING PROMOTERS

Stock exchanges and market regulators all over the world, especially in emerging markets and developing countries, are increasingly using

sustainability reporting as a baseline for businesses to be listed. Notable examples leading this trend are the Johannesburg Stock Exchange, Indonesia Stock Exchange, Securities and Exchange Board of India, Bursa Malaysia, and the Nigerian Stock Exchange. Capital market actors know that like share price, a company's value is not determined by financial performance alone, but by a wide range of factors, both financial and non-financial. Markets work on trust and transparency. Sustainability reporting is a crucial tool to build and maintain trust. For stock exchanges it's about enhancing this trust in their listed companies. A company's risk around many non-financial aspects of their business is crucial. Through sustainability reporting, stock exchanges enable stronger risk management, empowering and enabling informed decision-making by both organizations and investors. It also increases stakeholders' trust. Market regulators similarly play a crucial role in building trust and reducing investors' exposure to undue risk. Better visibility on non-financial aspects of corporate behavior leads to reduced risks on behalf of the investor and the policymaker, enabling all market



actors to make better decisions. This reduced risk helps build the trust that is necessary for long-term market stability.

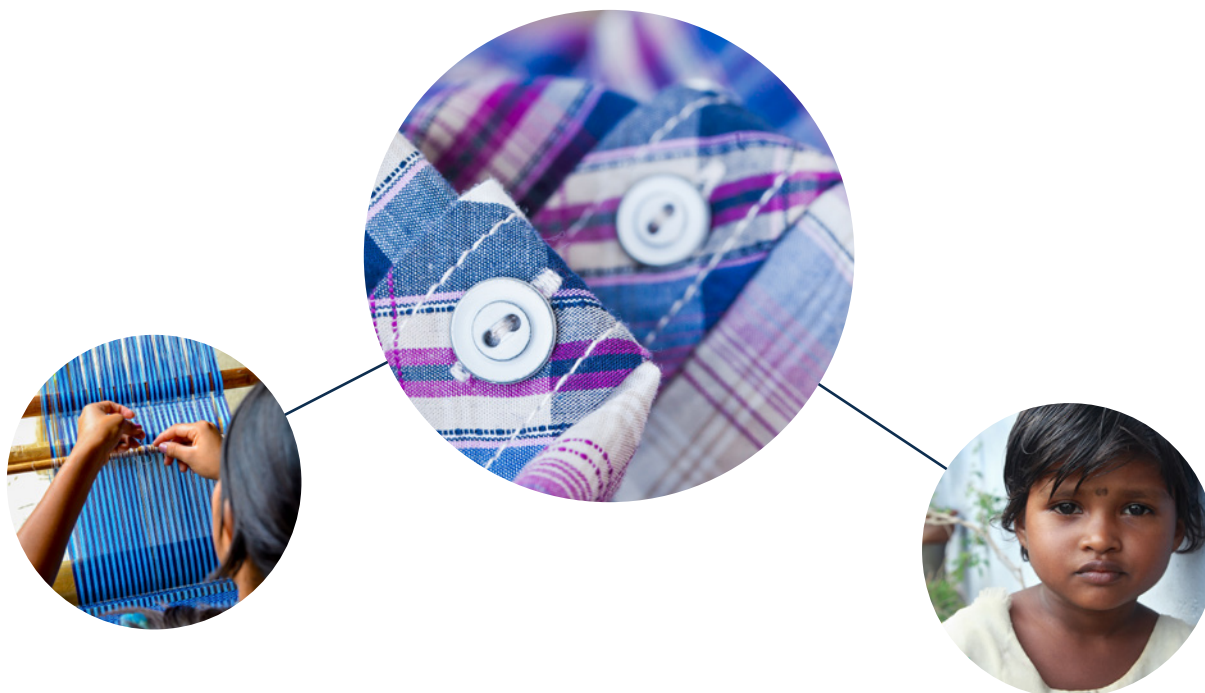
Stock exchanges and market regulators play an important role in transforming business conduct. Increasingly, with a strong appreciation for GRI Standards as the global standard, stock exchanges and regulators around the world require or recommend that their listed companies publish a GRI sustainability report. In this role, they have acted as an important multiplier for the adoption of sustainability reporting in developing economies. GRI is also involved in the international coalition, Sustainable Stock Exchange Initiative, which raises

the bar on sustainability listing rules and regulatory initiatives for market entry on stock exchanges around the world.

GLOBAL TREND: SUSTAINABILITY REPORTING IS ON THE GLOBAL DEVELOPMENT AGENDA

In the outcome document of the 2012 United Nations Conference on Sustainable Development (Rio+20), paragraph 47¹⁰ acknowledged the importance of corporate sustainability reporting. GRI played a pivotal role in the formulation of this paragraph, which has helped to successfully advance the agenda of sustainability reporting on the international stage. Following Rio+20, an inter-governmental group, referred to as the

¹⁰ Paragraph 47 states: We acknowledge the importance of corporate sustainability reporting, and encourage companies, where appropriate, especially publicly listed and large companies, to consider integrating sustainability information into their reporting cycle. We encourage industry, interested governments and relevant stakeholders, with the support of the United Nations system, as appropriate, to develop models for best practice and facilitate action for the integration of sustainability reporting, taking into account experiences from already existing frameworks and paying particular attention to the needs of developing countries, including for capacity building.



Group of Friends of Paragraph 47, made an active commitment to support the development of reporting. GRI, along with the United Nations Environment Programme (UNEP), serves on the Secretariat.

The United Nations launched the Sustainable Development Goals (SDGs) in September 2015, which set the roadmap for how countries will tackle the world's most pressing sustainability issues. From poverty alleviation, to gender equality, to effective governance and sustainable resource management, the international community is defining a common framework and agenda. One of the specific SDG targets is related to sustainability reporting. This is the first time that there has been such a high-level UN global target focusing

on sustainability reporting as a tool to achieve a development outcome.

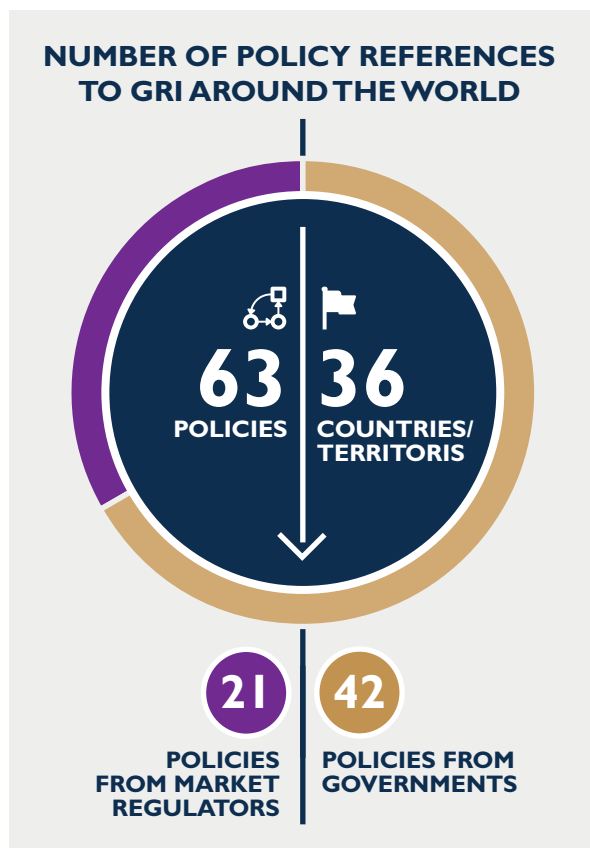
GRI has been referenced as a leading agency in many of the SDG-related reports, including a high level report by UNEP; and was invited by UN General Secretary Ban Ki-moon to form a coalition with UNGC and WBCSD to develop guidance for the SDGs for the private sector.¹¹ Moreover, GRI is formally anchored within the United Nations sustainable development agenda through a UN General Assembly Resolution.¹²

In addition to global conventions, we have seen a rise of new normative frameworks, such as the UN Guiding Principles on Business and Human Rights and the Revision of the OECD Guidelines

¹¹ UNGC, WBCSD, and GRI launched the SDG Compass, a tool for measuring private sector contribution to the SDGs www.sdgcompass.org

¹² UN General Assembly Resolution – Agenda item 26 [Towards global partnerships](#)





for MNEs. All of these new frameworks contain a strong element of sustainability reporting and disclosure of information on how companies implement these frameworks. GRI has incorporated references to these, and other common frameworks in G4, its latest Sustainability Reporting Guidelines.¹³

GLOBAL TREND: NATIONAL POLICIES CONTINUE TO RISE

Increasingly, governments are recognizing the value of national policies and regulation for sustainability reporting. In 2013, GRI co-authored a report '*Carrots and Sticks*' with UNEP and KPMG, which showed that an overwhelming 72% of the

45 countries profiled had mandatory national initiatives on corporate governance and disclosure. An increasing amount of these policies are based on a 'report or explain' approach, whereby companies have to explain why they chose not to report on their impacts.

Over the last five years there has been a strong increase in the focus on transparency and accountability in policy arenas in both developing and developed countries. The OECD/DAC Busan Partnership Agreement is an example of this. Two key development principles of the OECD/DAC Busan Partnership are:

1. Development depends on the participation of all actors, including business
2. There must be transparency and shared responsibility

Another recent example of strong focus on transparency in the policy arena is the European Union *Directive 2014/95/EU on disclosure of non-financial and diversity information by certain large undertakings and groups*. GRI played a pivotal role in shaping the Directive and creating a pathway for 6000 companies in the EU to report on their sustainability impacts. The EU directive sets the stage for other economic trading blocs in ASEAN and Africa, for example, to do the same. It provides a single language for sustainability reporting across borders, facilitates trade, and lowers barriers.

GLOBAL TREND: SUSTAINABILITY DATA EMPOWERING CHANGE

While there is still a long way to go in utilizing sustainability data to its full potential to drive

¹³ *GRI Linkage Documents* provide a resource on how its reporting guidelines link with other common frameworks. The *CDP* and *ISO 26000* linkage documents are some of them.



change, some stakeholder groups are beginning to use existing sustainability information to influence decisions and actions. Oxfam's 'Behind the Brands' campaign, for example, uses publicly available sustainability data from the 'Big 10' food and beverage companies to monitor and rank them on their social and environmental performance, generating positive competition between the companies in a race to improve sustainability performance. GRI and Oxfam have developed important research on this topic, publishing the report *'Informing decisions, driving change: The role of data in a sustainable future'* in June 2015. This report is a starting point which provides greater understanding about how different stakeholder groups are using sustainability data. Armed with this information, organizations can tailor the data they present about their sustainability performance, and stakeholder groups can identify ways to use that data more effectively.

Investors assess a wide range of data when making decisions about where to put their money, and there has been a marked increase in sustainable and responsible investment in recent years. Sustainability reporting helps investors identify risks and opportunities and uncover hidden value. Aggregators and rating agencies, such as the Global 100 Index of the most sustainable corporations in the world, provide a vital service to help investors navigate the vast amounts of data available. The Global 100 Index, which is available on Bloomberg and Reuters, is an annual ranking of all publicly traded companies with a market capitalization of at least US \$2 billion. The ranking is based on an evaluation of how effectively companies manage their ESG risks and opportunities, and provides investors with relevant sustainability assessments.



Sustainability Reporting and Community Development



“Jubilant Life Sciences started project Muskaan (meaning smile) in 2007 to support government initiatives towards primary education for everyone. Alongside work on primary education, Jubilant also runs Livelihood Generation programs for young people in rural areas. The aim is to contribute to developing the resource pool of skilled workers – in particular, the programs aim to help women become self-reliant, working towards providing vocational training to 5000 young people and women every year. There are often problems in rural areas with education, health and livelihood – as a company operating in those areas it is our responsibility to support communities, and improve quality of life. If you want such a license to operate, you have to engage with the local community, and establish dialogue. You cannot create prosperity otherwise – to operate sustainably, you have to engage with local people. There are many reasons to engage communities, for example optimizing human resources. If you want to manufacture something, you need technically educated manpower. Sourcing workers from outside areas costs more, and absenteeism may be high. By employing locally, companies can ensure



more committed staff, and lower absentee rates – this ultimately saves money. Staff will be happy to be with the company, and the company will be supporting the local economy. We report the results annually. In 2008 we did the baseline assessment and reported this in our sustainability report, which is based on the GRI Guidelines. We first looked at the GRI Guidelines in 2002-2003, and they have given us direction. At the beginning we started working towards the Millennium Development Goals, and we reported based on these. GRI has given us the guidelines for reporting this information to our stakeholders. Reporting our performance using the GRI Guidelines has given us good mileage with suppliers and vendors. If we have to sign an export agreement, they send a questionnaire for a social audit for us to complete. When we started using the GRI Guidelines, they were more than happy with the information we were reporting – they can see we’re doing a lot.”



Vivek Prakash, CSR Coordinator - Jubilant Life Sciences, India, in an interview with GRI, 2012

Taking Action on Child Labor in the Supply Chain



This testimony comes from the world's second largest mining company, Companhia Vale do Rio Doce (CVRD Vale) based in Brazil. In a GRI review of the company's corporate practices, CVRD informed GRI that the introduction of sustainability reporting marked a major change. The sustainability indicators helped CVRD involve external stakeholders and address its supply chain. This resulted in a temporary moratorium on supplying iron to a producer that used child labor and charcoal from unmanaged Amazonian forests. Only when the producer could prove that its charcoal came from legitimate sources was the ban removed.*



** This case study was taken from the 2008-2009 GRI Year in Review report. Today CVRD faces many new challenges and its role is under scrutiny. Sustainability reporting still remains a tool to keep pressure on companies to enhance and better their practices.*

Sustainability Reporting for Sustainable Development: A Growing Movement

South Asia is rapidly becoming a major player in pushing the agenda on sustainability reporting, and promoting greater corporate responsibility. In June 2015, GRI's South Asia Regional Hub (located in India) organized the Sustainability Reporting for Sustainable Development conference in Mumbai, bringing together over 200 thought leaders from business, civil society, academia and government. After two days of inspiring presentations, dialogues, best practices, dilemma sharing, and lively and fruitful discussions, the participants committed to the '[Mumbai Declaration on Sustainability Reporting for Sustainable Development](#)'. This commitment offers a new vision for the way forward for sustainability reporting in the region.

4. GRI's Sustainable Development Strategy

GRI's Sustainable Development Goal: *to foster inclusive development and sustainable, green, economic growth by empowering decision makers through our sustainability standards and multi-stakeholder network*

The preceding Sustainable Development Strategy illustrates how GRI will chart this path over the next five years. The strategy has been prepared as GRI undergoes a renewal of its organizational strategy, vision and mission, and governance model.¹⁴ GRI's overarching organizational strategic priorities can be seen in the diagram below.

Each of these pillars correspond to the four objectives of GRI's Sustainable Development Strategy. The four objectives have two distinctive supporting blocks: GRI Sustainability Reporting Standards and the wealth of GRI data from corporate reporting. Both provide the technical backbone and expertise to the sustainable development program of work.

I. STRATEGIC OBJECTIVES

- Sustainable development policy:** This objective enables and strengthens local and international policy in the field of sustainable development

GRI'S FOUR STRATEGIC ORGANIZATIONAL FOCUS AREAS



¹⁴ GRI's new governance model can be found here: [GRI governance model](#)



and sustainability reporting. GRI will strategically engage at various governance levels, in a variety of political fora, and with several international actors.

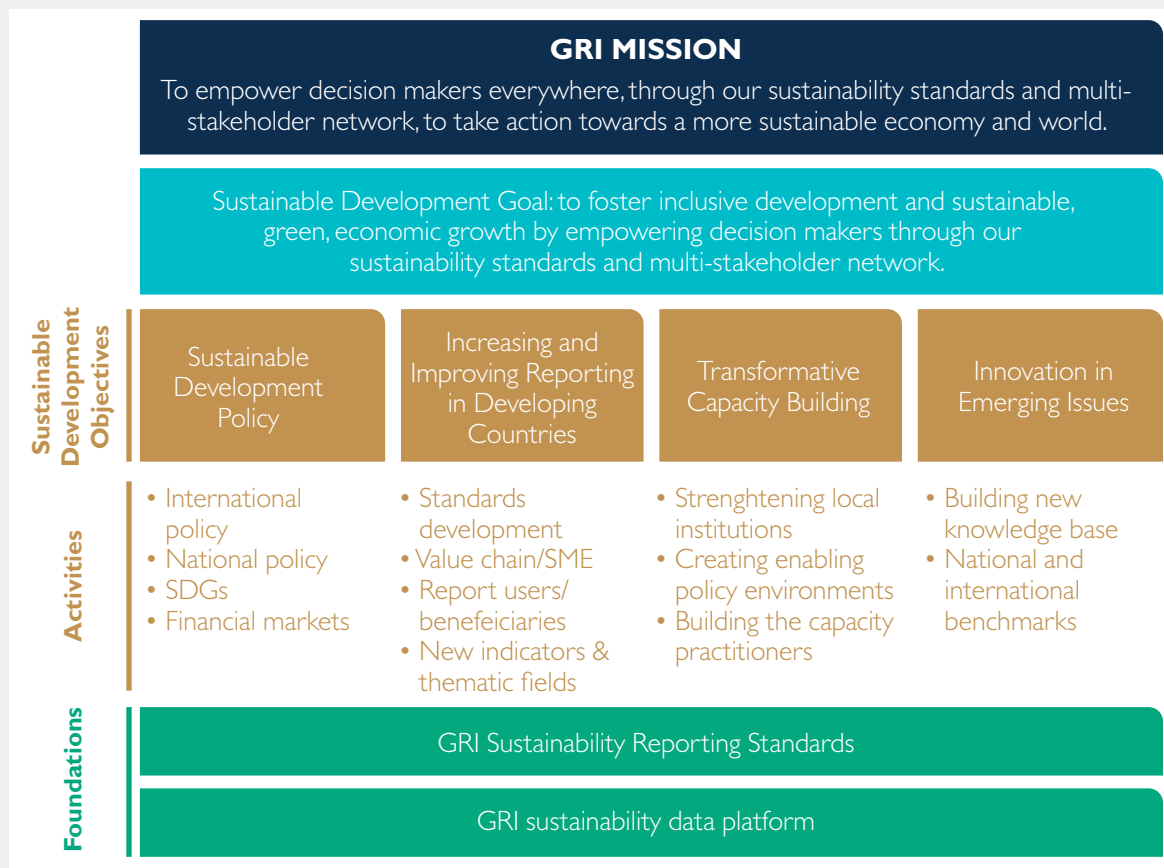
or not traditionally reached, such as small and medium-sized enterprises (SMEs), local community leaders and advocacy groups. It will strengthen the capacity and expand the base for report makers and report users.

II. Increasing and improving reporting in

developing countries: This objective concentrates on leveraging GRI as the global standard for sustainability reporting. Activities under this objective will work towards making reporting relevant for all stakeholders (in particular in developing countries), including those stakeholders who are 'underserved'

III. Transformative capacity building: Building the capacity of institutions, businesses, governments and communities to be more aware of corporate responsibility and accountability has always been paramount in GRI's strategic mission. Under this objective, the organization will continue enhancing its interventions

FIGURE 4: GRI'S SUSTAINABLE DEVELOPMENT STRATEGY





by looking for new potential partnerships, engagement and training opportunities. It will build on its work to empower the beneficiaries and intended users of reported data and information – NGOs, investors, employees, media, and companies themselves.

IV. Innovation in emerging issues: Sustainability reporting needs to keep pace with knowledge on the latest trends in sustainable development. With a rapid evolution, clarity is needed on a host of emerging topics and issues. Policy makers and corporations alike seek deeper guidance on issues, some of them being: how to incorporate land use and land tenure into reporting frameworks, human rights, and the role of big data. This objective contributes to a better understanding of these new concepts, and how actors can be more informed of them.

GRI SUSTAINABILITY REPORTING STANDARDS

GRI's Sustainable Development Strategy is inextricably interlinked with the evolution of GRI Standards. GRI Standards are developed and approved by the Global Sustainability Standards Board (GSSB)¹⁵ with the intention of those standards being applied on a globally consistent basis. This provides stakeholders with the ability to compare the impacts of organizations. The GSSB has sole responsibility for setting GRI Standards. The GSSB is formed of 15 members who represent the best available combination of multi-stakeholder perspective, technical expertise and diversity of experience.

In the coming five years the GSSB's standard setting activities will focus on the further development of GRI Standards. This will include a full review of all the 40+ sustainability topics that are currently covered in GRI Standards

¹⁵ The GSSB is established as an independent operating entity under the auspices of the GRI Board of Directors, and has the sole responsibility for setting globally accepted sustainability reporting standards, according to a formally defined due process, exclusively in the public interest.



to align them with emerging best practice and international norms and conventions on an ongoing basis. There is also capacity to introduce emerging issues into the set of standards if deemed appropriate based on stakeholder consultation and assessment by the GSSB.

II. ACTIVITIES

GRI's ambition is to undertake the activities and areas of work as listed below. The list is not exhaustive and represents a starting point which could organically develop further, following the progress of the 2030 Agenda for Sustainable Development.

PILLAR	ACTIVITIES
 <p>Sustainable Development Policy</p>	<ul style="list-style-type: none"> • Participate and serve as a resource point for countries and the UN system in the implementation of the SDGs, including national implementation and continuous monitoring. • Develop informative and creative knowledge products concerning the SDGs. • Build Regional Hub engagement and partnerships with national country governments. • Serve as the hub for the future SDG Target 12.6. • Support national statistical offices and the UN on data use and indicators for sustainable development. • Cultivate new partnerships and deepen existing ones with UN agencies, governments, stock markets, and other international NGOs on sustainable development.
 <p>Increasing and improving reporting in developing countries</p>	<ul style="list-style-type: none"> • Expand and improve the use of GRI Standards in developing countries. • Implement the joint UNGC, WBCSD and GRI project, the SDG Compass, which provides a reporting toolkit for businesses to measure their contribution to the SDGs. • Build SME reporting in developing countries. • Training and capacity building for better quality reporting. • Promote supply chain transparency. • Empower users of data: activate civil society, media, investors, employees, and governments to fully benefit from the reporting process and the harmonization of standards. • Develop creative communications around GRI's work, and help corporate actors and reporters package and communicate their sustainability information with stakeholders.



PILLAR

ACTIVITIES



Transformative capacity building

- Provide tailored policy guidance to countries to define strategies for sustainability reporting or responsible corporate governance policies.
- Expand the services of Regional Hubs in developing regions.
- Develop public education campaigns and communications.
- Engage with commodities and market transformation initiatives and industry roundtables, on key topics such as: soy, palm oil, cocoa, coal, flowers, fossil fuels, extractives, etc.
- Work on capacity building with stakeholders in local markets, such as business sustainability transformation in local value chains.
- Support national statistical bureaus in defining sustainability indicators.
- Host the GRI Global Conference which gives a platform for policy makers, practitioners and academics to collaborate on ways to improve the use of data in sustainability reports, particularly in the context of poverty alleviation.



Innovation in emerging issues

- Facilitate use of big data from the private sector to solve development issues, including developing services models for big data in sustainability reports.
- Chart new thinking and intellectual guidance on specific themes for policy makers and companies, including: aid for trade, human rights, climate change, new supply chains and land use/tenure.
- Pioneer new approaches to quantify the transformational impact of sustainability reporting.
- Explore links between sustainability reporting, impact investing, and social investment funds.
- Engage with issues around sustainable and transparent technology transfer.



III. THEMATIC AREAS

GRI is well-positioned as a global knowledge hub on sustainability reporting policy and sustainable development. It serves as a policy knowledge broker, providing policy relevance on various global themes.

In the coming five years, GRI has the ambition to contribute to, and influence corporate practice and public policy on the following themes:



Human rights: Human rights is an important topic for GRI and one of the organization's objectives is to advance the quantity and quality of companies reporting on human rights issues, and ultimately improve their impacts in this area. GRI's latest reporting standards, the GRI G4 Guidelines, make direct reference to numerous international tools and instruments for human rights including the UN Guiding Principles on Business and Human Rights, the Universal Declaration of Human Rights,

the ILO conventions and OECD guidelines for multinational enterprises, among others. G4 also provides organizations the opportunity to report on their human rights performance through indicators directly related to human rights.

GRI will continue to work closely with prominent actors in the field of human rights. These interventions include those with the UN Guiding Principle Reporting Framework developed by Shift and Mazars, UN Working Group on Business and Human Rights, and UN Fora on Business and Human Rights.

Climate change: GRI will continue to strengthen its corporate reporting indicators related to climate change and emission reductions. It will continue to build key partnerships with organizations, such as the Carbon Disclosure Project (CDP). GRI will continue to align reporting practice with emerging best practice and scientific evidence.

Good governance and anti-corruption: GRI will examine how corporations can begin to measure good governance and anti-corruption throughout their supply chains. GRI will also partner with leaders in this space to unlock the power of reported data to make changes.

SMEs: SMEs form the economic backbone of many developing country economies. Without the financial and personnel support that larger corporations have, SMEs need to be given guidance on how to conduct their sustainability reports in an economically efficient way. GRI will continue to develop guidance for SMEs to report, as well as build awareness and capacity among them on the importance of reporting.

Trade facilitation and sustainability: GRI will explore how sustainability reporting facilitates the functioning of supply chains and trade. This research will look at how sustainability considerations in the supply chain (supply chain risk management / CSR procurement policy), affect companies' (especially SMEs') access to global value chains and their ability to tap into the international trade market. GRI plans to engage with international organizations working on trade such as the UN Conference on Trade and Development and UN Industrial Development Organization. GRI will also engage with transnational corporations and smaller suppliers.

It is hoped that these interventions will result in greater thought leadership on how reporting and transparency can enable trade. Capacity building programs will also provide future training and capacity in this regard.

Capital markets/market regulators: Sustainability reporting can be used as a filter for investment, ensuring that important sustainability issues like climate change, human rights, corruption and many others are taken into account. GRI will continue to

work with businesses and governments to ensure the increased uptake of reporting to improve the level of transparency required to enhance trust in the market and help organizations build the credibility they need to grow. GRI will continue engaging with institutional multipliers in this field: IOSCO, World Federation of Exchanges (WFE) Sustainability Working Group (SWG), the UN Sustainable Stock Exchanges Initiative, and a number of professional associations (International Corporate Governance Network, Principles for Responsible Investment, Forum for Sustainable and Responsible Investment, etc.) as well as individual market regulators SEBI (India), CVM (Brazil), SEC of USA, Philippines, etc. This will lead to more reporters and better quality reporting, and will enable sustainable decisions by actors within capital markets.

Gender Equality: GRI aims to influence corporate practice and public policy on gender equality over the next five years. GRI will be developing workshops and related materials to guide organizations in their reporting on gender and diversity.





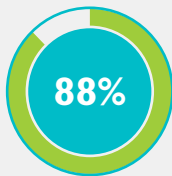
GRI's legacy on capacity building in developing countries

GRI runs a Certified Training Program (CTP) to help build organizational capacity for sustainability reporting, equipping practitioners with the knowledge and skills to manage a successful reporting process around the world. As of June 2015, more than 23,000 participants in 101 countries had followed a GRI Certified Training Session. In the previous programming cycle (2015), 105 training courses were given in developing countries, providing training to 1542 participants.



A survey was conducted in December 2014 to provide insight into the impact of the training. The findings showed that 36% of the 874 respondents started reporting for the first time following the training. Of those who did already report, 15% said their organizations reported more frequently following the training. Across all topics, 88% of respondents said that their knowledge and skills had improved as a result of the training, especially on materiality and GRI Standards. 66% of

respondents said this increase in knowledge and skills helped them to create awareness of sustainability issues throughout their organization, and 62% said they had created action plans to further improve their sustainability impacts following the training. GRI will continue its focus on capacity building, notably in developing countries going forward as part of its strategy to encourage more reporters and better reporting in developing countries.



88% OF PARTICIPANTS' SKILLS IMPROVED AS A RESULT OF THE TRAINING



62% CREATED ACTION PLANS TO IMPROVE THEIR SUSTAINABILITY IMPACTS FOLLOWING THE TRAINING



IV. REGIONAL FOCUS

A crucial way of implementing GRI's strategic objectives is through presence on the ground in key developing countries. GRI's Regional Hubs act as an integral part of GRI, coordinating their actions with the main office and helping to ensure that reporting contributes to improving conditions where sustainability issues can be hardest hitting – in emerging markets. The Regional Hubs work with companies, policy makers and data users to fulfill their mandate. All are guided by high level Advisory Groups comprised of local leaders from businesses, NGOs, investors, labor and governments that help shape strategy and programming aligned with GRI's global mission.

Regional Hubs help local companies apply GRI Standards in the local context. Their value

is demonstrated through the expertise and knowledge they present to stakeholders, such as:

- Providing a local platform for organizations to engage with each other and GRI to advance reporting, and generate feedback.
- Creating a linkage between global and local innovations on reporting, bridging the gap between developing countries and international activities.
- Building local capacity through understanding of the local market and communicating in the local language.

Following the successful pilot project in Brazil in 2007, GRI has continued to open Regional Hubs around the world in strategic locations.

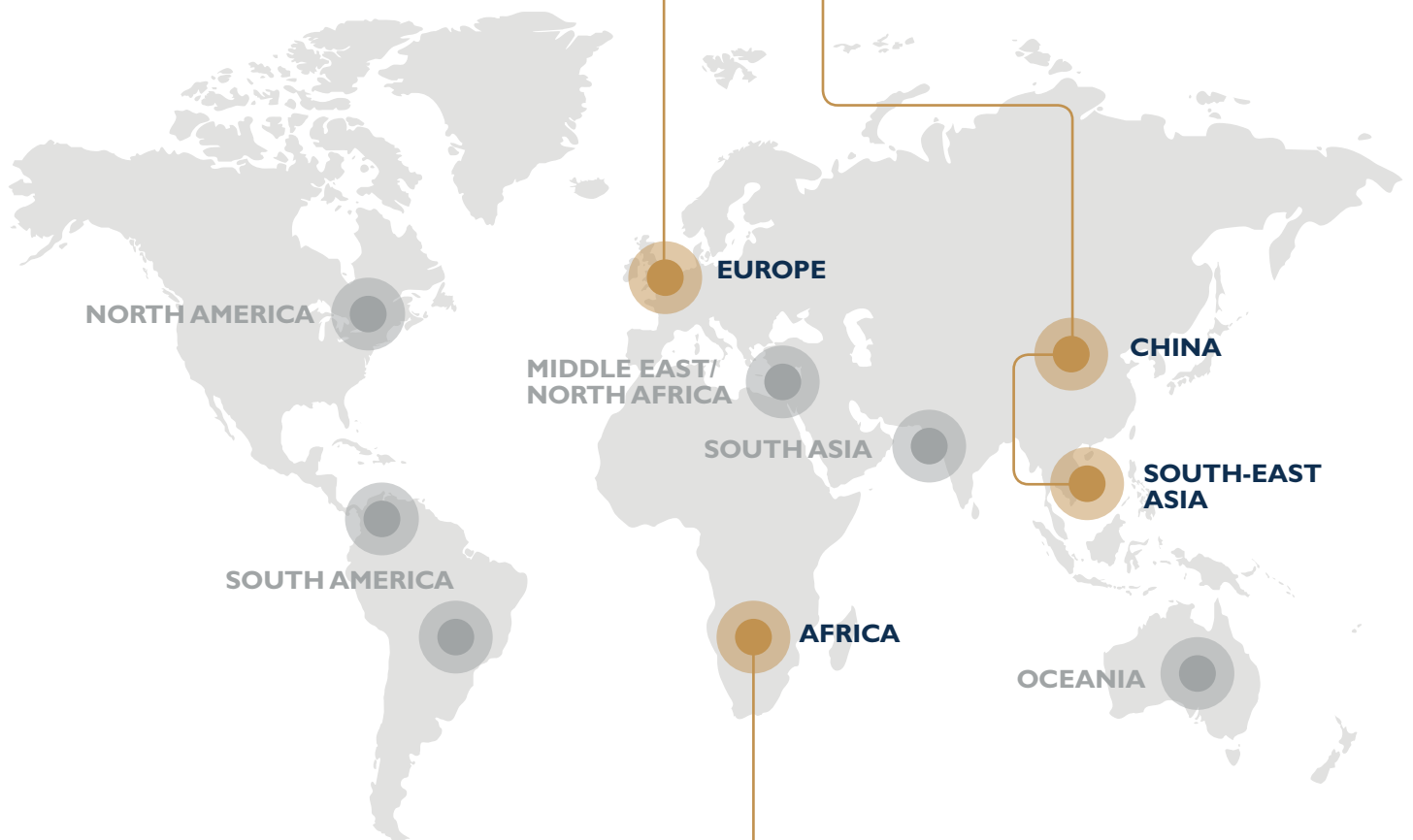


EUROPE

- Located in Amsterdam (GRI main office), established in 2002.
- Priority Countries: European countries, global.
- Strategic Focus: The GRI Amsterdam office oversees all GRI activities around the world.

EAST ASIA/CHINA

- Located in Beijing, established in 2009.
- Priority Countries/regions: China, Hong Kong, Taiwan, Singapore.
- Strategic Focus: Impact reporting to support growth.



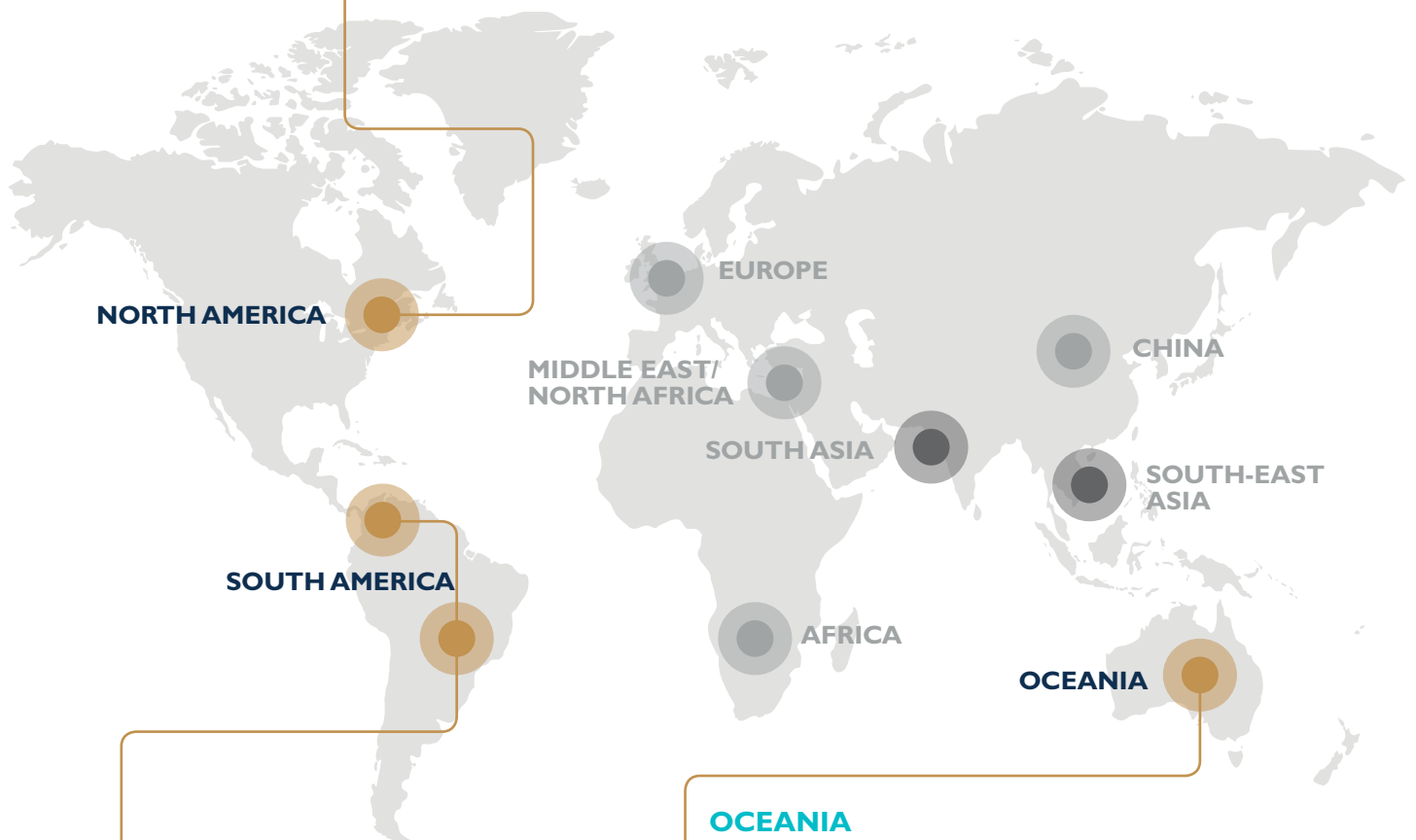
AFRICA

- Located in Johannesburg, established in 2013.
- Priority Countries: South Africa, Nigeria, Ghana, Kenya (other countries as collaboration allows).
- Strategic Focus: Reporting as a driver for Africa's transformation.



NORTH AMERICA

- Located in New York, established in 2010.
- Priority Countries: United States, Canada.
- Strategic Focus: Embed sustainability disclosure into core business strategy by engaging with new sectors throughout the region, communicate best practices in sustainability reporting to stakeholder groups, and increase local ownership.



SOUTH AMERICA

- Two offices: One located in Bogota, established in 2013; and one located in Sao Paulo, established in 2007.
- Priority Countries: Brazil, Colombia, Peru, Chile, Argentina, and Mexico.
- Strategic Focus: Sustainable business as an enabler for sustainable economies.

OCEANIA

- Established in 2008.¹⁶
- Priority Countries: Australia, New Zealand, Papua New Guinea.
- Strategic Focus: Improving quality of reporting and flow of data specifically in extractives, financial and superannuation sectors. The hub will also serve as a gateway to Asia for sustainable finance and supply chains. It will also provide thought leadership on reporting and standards.

¹⁶ The GRI Regional Hub office was located in Sydney from 2008 - 2015. GRI still operates in the region, but currently has no office base.

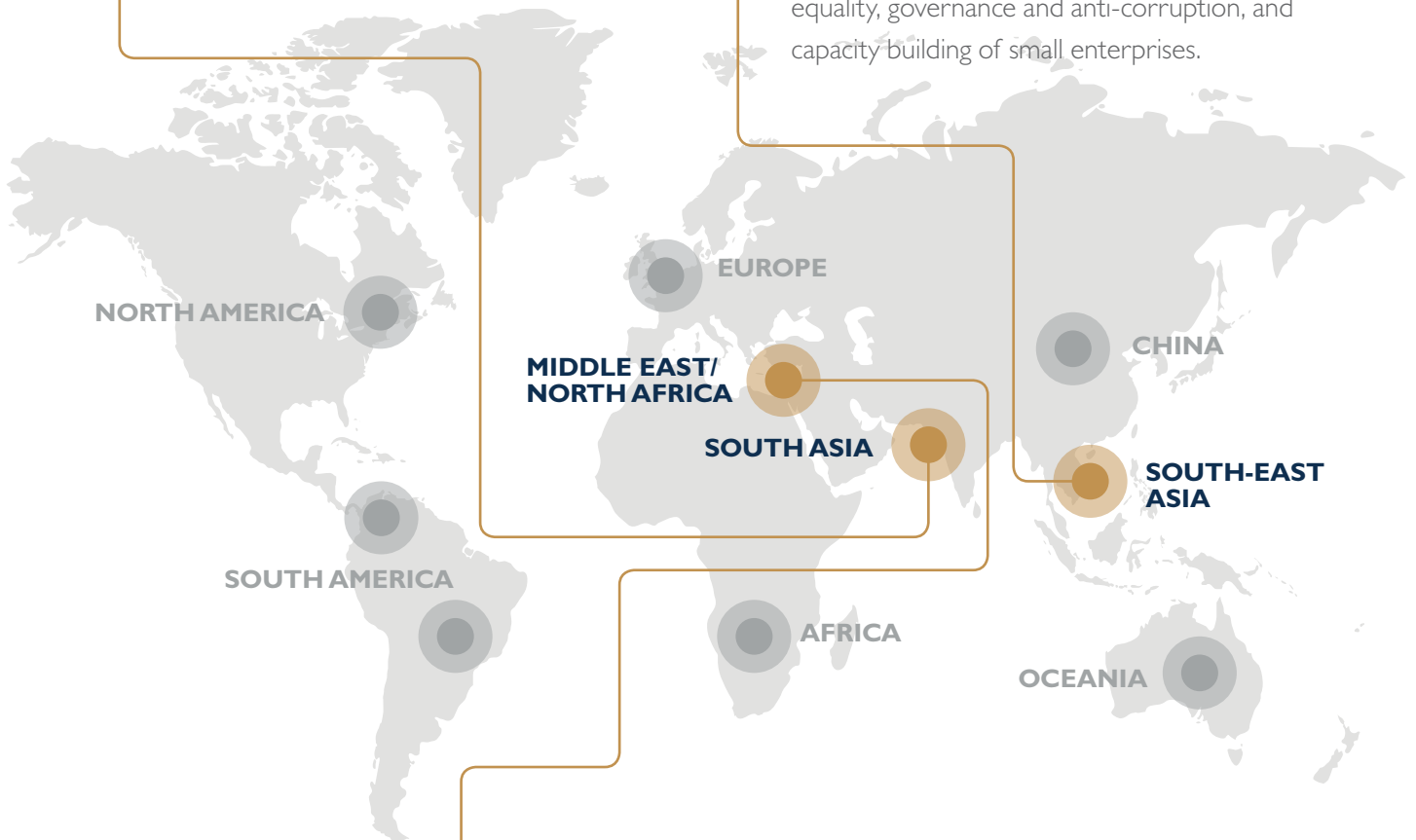


SOUTH ASIA

- Located in New Delhi, established in 2008.
- Priority Countries: India, Sri Lanka, Bangladesh.
- Strategic Focus: Tackling sustainability issues alongside rapid economic growth.

SOUTH-EAST ASIA

- Located in Manila, established in 2015.
- Priority Countries: Indonesia, Philippines, Vietnam (other countries as collaboration allows).
- Strategic Focus: Transparency as a facilitator of supply chain and trade. Other priority areas will be the extractives sector, gender equality, governance and anti-corruption, and capacity building of small enterprises.



GRI IN THE MIDDLE EAST AND NORTH AFRICA

GRI will work on capacity building with policymakers, large and small companies, and report users in the Middle East and North African (MENA) region. GRI Community Leaders will be engaged throughout the region, and not centered in one office or hub.



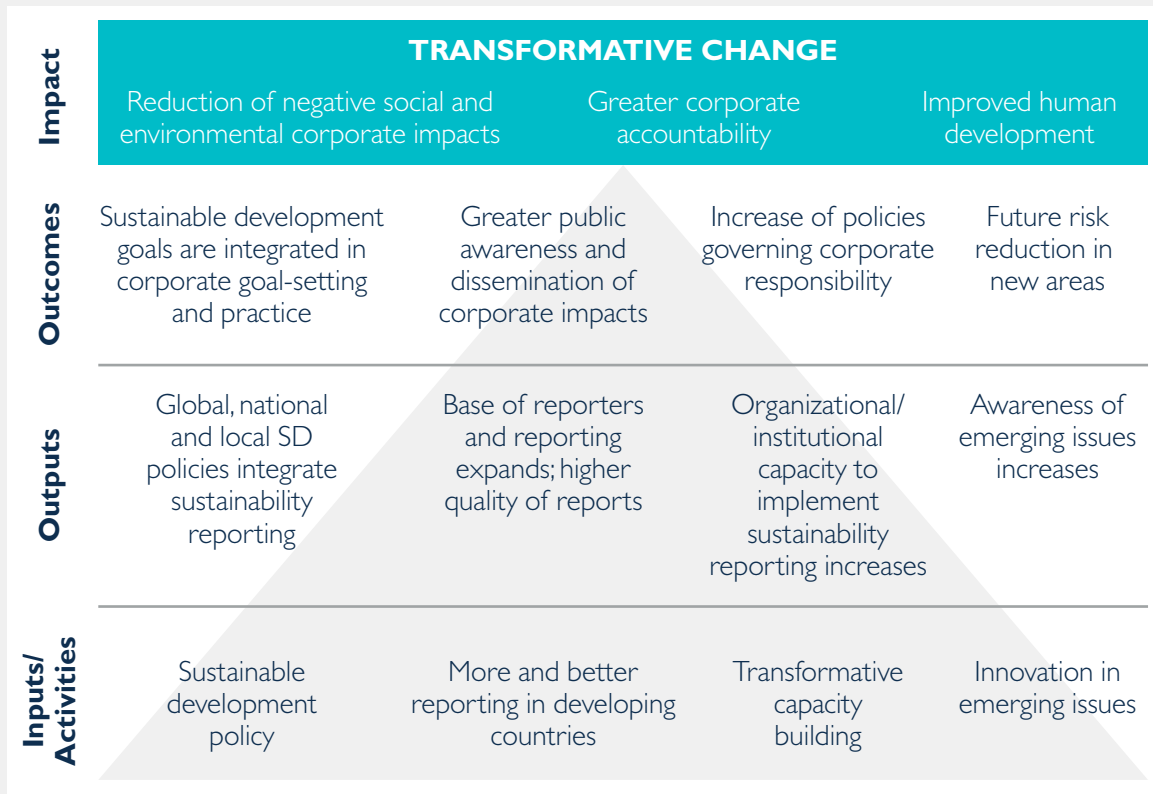
V. THEORY OF CHANGE

The GRI Sustainable Development Strategy follows a theory of change in which all activities and interventions contribute to the overall sustainable development goal, and can culminate into transformative change and impact. The theory of change serves as a conceptual logic model that helps illustrate GRI's contribution on the output, outcome and impact level.

The social, environmental and economic challenges present in today's society drive the theory of change. Figure 3 below shows logically the inputs that the GRI Sustainable Development portfolio contributes to in responding to the challenges.

These inputs lead to the outputs such as the expansion of the base of reporters, strong organizational capacity, increased awareness of reporting, and greater share of policies concerning reporting being developed. The outcomes of these (the multiplier result of the outputs) are the greater changes that can be observed. At the impact level, which is truly transformational, the Sustainable Development activities will result in a sustainable global economy, where there will be a reduction of negative social and environmental corporate impacts, overall improvement of human development, and greater corporate accountability, responsibility, and transparency.

FIGURE 3: GRI'S SUSTAINABLE DEVELOPMENT THEORY OF CHANGE



5. Key Partnerships

GRI relies on its vibrant global network of partners, organizations and practitioners around the world. To date, over 7,000 organizations have used GRI Standards either partly, or fully, in their sustainability reports. Almost 25,000¹⁷ practitioners have been trained in reporting, and 30 international organizations have partnered to bring GRI where it is today. In order to fully achieve the goals and objectives of the GRI Sustainable Development Strategy it is essential to continue to collaborate and engage with strategic partners. The following is a list of some of the organizations that GRI will be fully engaged with over the next five years:

International organizations, policy forums and expert centers

- European Commission (and member states)
- Organization for Economic Development and Cooperation
- International Finance Committee
- UN Children's Fund
- UN Conference on Trade and Development
- UN Economic and Social Council
- UN Environment Program
- UN Global Compact
- UN Office of the High Commission for Human Rights

- UN Office for Project Services
- UN Statistical Commission

Issue or business driven organizations, users of reports/data

- Business and Human Rights Resource Centre
- Carbon Disclosure Project
- CSR Europe
- The global network of GRI reporters
- International Chamber of Commerce
- National Statistical Bureaus
- Oxfam
- Save the Children
- World Business Council on Sustainable Development
- World Wildlife Federation

Frameworks and standards bodies

- International Labour Organization
- International Standards Organization
- Organisation for Economic Cooperation and Development

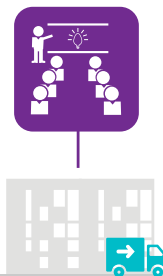
Investors and capital markets

- Bloomberg, Reuters and other data and analyst companies
- Stock exchanges around the world
- Sustainable Stock Exchanges Initiative
- World Federation of Exchanges

OVER 7,000 ORGANIZATIONS HAVE USED GRI STANDARDS



ALMOST 25,000 PRACTITIONERS HAVE BEEN TRAINED IN REPORTING



30 INTERNATIONAL ORGANIZATIONS HAVE PARTNERED TO BRING GRI WHERE IT IS TODAY



¹⁷ This figure was 24,878 on 31 December 2015.

6. Looking ahead

This Sustainable Development Strategy positions GRI as a leader in furthering the agenda on sustainable, responsible, and transparent business conduct in order to achieve sustainable development outcomes.



This ambitious strategy will pave the way for developing regions to better understand what tools they have at their disposal to make businesses perform better and be more transparent, whether that be through sustainability reporting, national disclosure policies, or market regulation.



On the corporate side, the strategy will continuously build the capacity of corporations to report, and expand the base of GRI reporters around the world.



With communities and civil society, we will focus on building an empowered civil society that can hold companies and governments accountable, and be an active part of effecting positive change.



The four objectives discussed in this strategy lay the groundwork for broader, transformational change to occur, resulting in a more inclusive, sustainable, and green global economy.

ANNEX: GRI Donors

CURRENT GOVERNMENT DONORS

- Australian Department of Foreign Affairs and Trade (DFAT)
- Deutsche Gesellschaft für Internationale Zusammenarbeit GmbH (GIZ)
- Netherlands Ministry of Foreign Affairs – Colombia Embassy
- Norway Ministry of Foreign Affairs
- Swedish International Development Agency (Sida)
- Swiss Ministry of Economic Affairs (SECO)
- UK Department of International Development (DFID)

PREVIOUS GOVERNMENT DONORS

- Sweden Ministry of Foreign Affairs

NON-GOVERNMENT DONORS:

GRI has an active Engagement Program which enables organizations to support GRI. As of 31 December 2015, GRI had 568 members (formally known as Organizational Stakeholders).



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