An introduction to Sustainability Reporting

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Benefits to organizations

1. Develop a vision & strategy on sustainability.
2. Improve management systems.
3. Identify strengths & weaknesses.
4. Attract & motivate the staff.
5. Connect departments & promote innovation.
6. Source of competitive advantage & become a “market leader”.
Just to start with...

**Sustainability Report**

is the end product

**Sustainability Reporting**

is the process
Implementing Change

What you do not measure you can not manage.

And what you do not manage you can not change.
Learning Objectives

1. **Explain** the basics of what is GRI & the GRI Guidelines.

2. **Discuss** why organizations of all types and sizes are preparing sustainability reports.

3. **Identify** the main activities to be carried out and the challenges to be faced by organizations during the Sustainability Reporting Process.

4. **Apply** the GRI Materiality Test for your sustainability report.

5. **Explore** the relationship between LCA and sustainability reporting.

6. **Comment** about the different GRI Application Levels.
Sustainability Report

A report about economic, environmental & social impacts caused by an organization through its everyday activities.
What are the GRI Guidelines?

**GRI & the GRI Guidelines** are developed based on systematic **dialogue** with relevant stakeholder constituencies.

GRI proposes a methodology for sustainability reporting. The GRI guidelines and methodology are recognized and used by all types or organizations worldwide, from industries to NGOs and the public sector.
GRI: Network Organization

GRI: A multi-stakeholder network of thousands based globally.

They use and contribute to developing the Reporting Framework – both formally and informally.
GRI Reporting Framework

Evolving Guidelines

Structured feedback process on 2002 guidelines | Collaborative Working groups | International sneak peeks | TAC & BoD Approval | Future development

2003 | 2004 | 2005 | 2006

2011: G3.1 in progress: G4
GRI Reporting Framework
GRI Reporting Framework

GRI

Principles

Standard Disclosures

+ 

Sector Supplements

National Annexes

Brazil: first pilot

Electric Utilities
Financial Services
Food Processing
Mining and Metals
Metals
Structure of the GRI Guidelines

**INPUT**
- Content
- Quality
- Boundary

**OUTPUT**
- A. Profile
- B. Management Approach
- C. Performance Indicators

Source: GRI Sustainability Reporting Guidelines (2011), Figure 2: Overview of the GRI Guidelines, p. 4
update on G3.1

What is new?

G3.1 is an update and completion of the G3 Guidelines

• Improves the guidance on
  human rights, gender and community impacts

• Four new performance indicators:
  two in Human Rights and two in Society
Sustainability Reporting Process: It’s a journey!
Sustainability Reporting Process:
activities and challenges at each phase

(GRI) Sustainability Reporting process can be described in 5 steps:

- Prepare
- Connect
- Define
- Monitor
- Report

Ongoing cycle of engagement to understand, debate, measure & improve internal processes and to monitor and communicate performance.
Phase 1: Prepare

- Imagine your report.
- Hold a kick off meeting.
- Create the “reporting team”.
- Develop an Action Plan.

Reference: The GRI Sustainability Reporting Cycle: a handbook for small and not-so-small organizations, p.10
Phase 2: Connect

- Identify stakeholders.
- Prioritize them.
- Dialogue with them - What to ask & how to dialogue?

Reference: The GRI Sustainability Reporting Cycle: a handbook for small and not-so-small organizations, p.24
Phase 3: Define

• Select issues for action & report.
• Decide on report content.

Reference: The GRI Sustainability Reporting Cycle: a handbook for small and not-so-small organizations, p.36
Phase 4: Monitor

- Check procedures & systems.
- Discuss & set goals.
- Monitor activities & record data.
- Ensure quality of information.
- Follow up.

Reference: The GRI Sustainability Reporting Cycle: a handbook for small and not-so-small organizations, p.52
Phase 5: Report

- Choose best way to communicate.
- Write the report.
- Finalize & launch the report.
- Prepare for the next cycle.

Reference: The GRI Sustainability Reporting Cycle: a handbook for small and not-so-small organizations, p.60
 Reporting Process: Activities & Challenges

Activities to carry out during each of the five phases.

- **Prepare**
  - Imagine your report.
  - Create the “reporting team”.
  - Develop an Action Plan.
  - Hold a kick off meeting.

- **Connect**
  - Identify stakeholders.
  - Prioritize them.
  - Dialogue with them, (what & how).

- **Define**
  - Select issues for action & report.
  - Decide on report content.

- **Monitor**
  - Check processes & systems.
  - Discuss & set goals.
  - Monitor activities & record data.
  - Ensure quality of information.
  - Follow up.

- **Report**
  - Choose best way to communicate.
  - Write the report.
  - Finalize & launch the report.
  - Prepare for the next cycle.
Potential challenges for organizations

• Ensuring **commitment** from staff at all levels, especially senior staff.

• Engaging & communicating with **key stakeholders**.

• Identifying the **sustainability issues** (“material”) to include and prioritizing.

• Establishing practical & **realistic goals / targets**.

• Preparing the organization to **achieve published goals** (possibly conflicting with operations and organizational culture).

• **Collecting, organizing & analyzing** the necessary information.

• Making it more than just a **“marketing tool”**.

**Reference:** GRI learning series Starting Points, “How valuable is the journey?”
Potential challenges for organizations

- Managing *expectations* around final report.
- Communicating *negative results*.
- Producing a picture of the *real performance* of the organization.
- Producing a *clear document* that meets readers’ different needs after a difficult process of collecting data from different areas.
- Keeping *the process going* to the next reporting period.

*Reference:* GRI learning series Starting Points, “How valuable is the journey?”
Ready to learn more or plan for GRI reporting yourself?

PRé offers a 2-day GRI Certified Training
next training on December 8, 9 – 2011

Please check www.pre-sustainability.com or contact support@pre-sustainability.com