

Case Study: The Global Reporting Initiative (GRI)

What is the Global Reporting Initiative?

The Global Reporting Initiative (GRI) was set up with the vision that “reporting on economic, environmental, and social performance by all organisations becomes as routine and comparable as financial reporting”.

In order to achieve this vision, the GRI published the current GRI Sustainability Reporting Guidelines in 2002, while the updated third version will be released in October 2006. The Guidelines provide a framework for companies and other organisations for reporting their environmental and social performances along with their economic performances.

The Global Reporting Initiative is a membership-based organisation, which started as a project of a Boston-based NGO, the Coalition for Environmentally Responsible Economies (CERES) in 1997. Its present formal status as an independent non-profit institution (UNEP Collaborating Centre) was adopted in 2002 and headquarters were set up in Amsterdam, the Netherlands.

The GRI describes itself as a multi-stakeholder network consisting of the board, which is the highest decision making body, the secretariat as the executive body, a stakeholder council that elects and advises the board, a technical committee giving guidance on technical issues and an unlimited number of organisational stakeholders worldwide that are the foundation of the Initiative (see Fig. GRI.I).

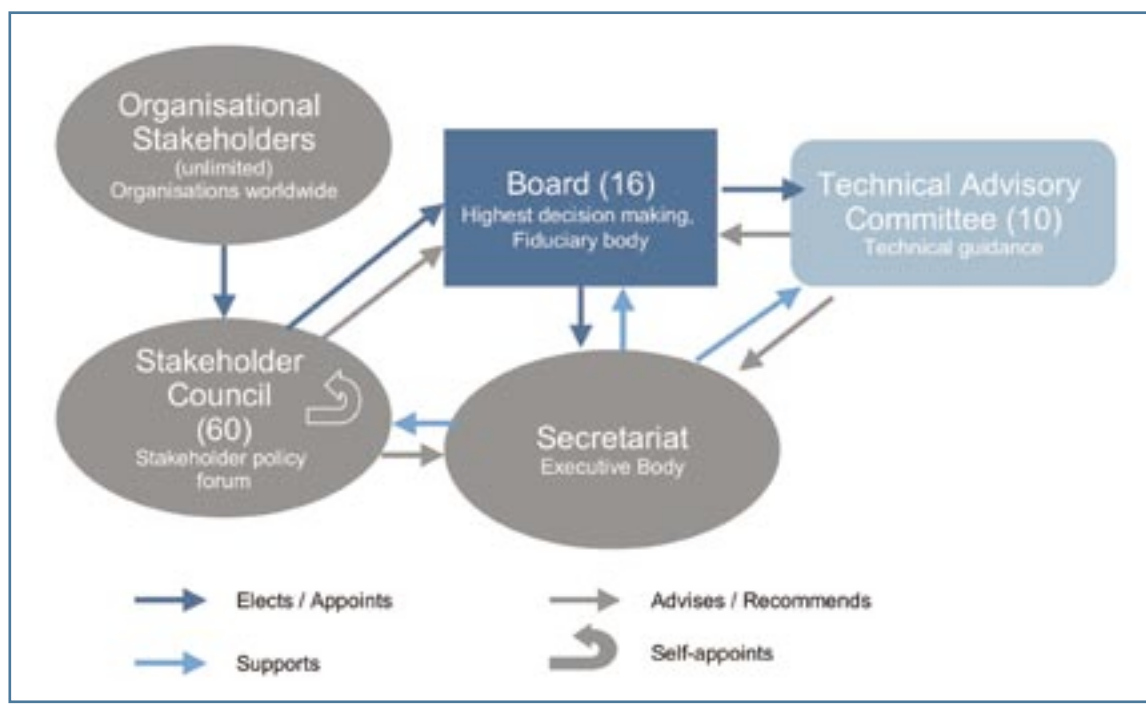


Fig. GRI.I: Organisational Structure of the Global Reporting Initiative

The work of the GRI is targeted at private companies of all sectors and sizes, which are interested in reporting non-financial aspects of their business activities, and other organisations such as public institutions. In addition to the Guidelines that are generally applicable to all businesses alike, supplements that provide guidance specific to particular sectors have also been developed.

How does the Global Reporting Initiative work?

The GRI Sustainability Reporting Guidelines are the result of a continuous process of consultation with its stakeholders such as organisations using the Guidelines and other experts.

Organisations can use the Guidelines as an informal support for compiling a sustainability report or publish their report “in accordance” with the Guidelines, which may be stated clearly in the report.

The Guidelines consist of three parts. The first part contains the principles of sustainability reporting with regards to the content and scope of the report. The reporting organisation is expected to develop its sustainability reports based on certain principles including relevance, completeness, accuracy and transparency.

The second part gives a list of relevant indicators on the economic, environmental and social performance of the company or organisation. As the Guidelines are a voluntary standard, the reporting organisation does not need to report on all of these indicators. However, as more and more companies report according to the Guidelines, the set of indicators may become “state-of-the-art”. The Guidelines list 13 indicators for economic performance including economic value generated, spending on locally based suppliers and indirect economic impacts. 35 indicators describe the environmental performance of the organisation, e.g. with regards to water, energy, biodiversity and other important environmental media. Finally, the 49 social indicators include statements about management practice and child labour as well as corruption and community involvement.

The third part of the Guidelines gives advice on more general questions, for example how to use the Guidelines and how the credibility of a report can be ensured.

Evaluating the Global Reporting Initiative

The GRI Sustainability Reporting Guidelines can be a useful tool for making organisations think about their environmental impacts and analyse them according to the environmental indicators. However, its influence on their resource efficiency is only indirect.

The tool is mainly useful for larger corporations, which are required by law or by public pressure to disclose information on their non-financial performance. The GRI is attempting to make the Guidelines more attractive for small and medium-sized enterprises (SMEs), but has not been very successful so far.

It can be concluded that the GRI Guidelines are not a means in themselves to increase resource efficiency, but are a useful instrument for assisting organisations in analysing and publicising their environmental (and social) performance as the first step towards greater resource efficiency.

Sustainability reports can become an important source of information for decision makers to draw policy measures to improve environmental performance of companies and other organisations, especially once the number of companies using the Guidelines has increased and the comparability of the non-financial performance of businesses has improved.

Further information on the Global Reporting Initiative

Global Reporting Initiative <http://www.globalreporting.org>

Centre for Public Agency Sustainability Reporting <http://www.publicagencyreporting.org>