

Making the Connection:

Using the **GRI G4 Guidelines** to Communicate Progress on the **UN Global Compact Principles**



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About the United Nations Global Compact

The United Nations Global Compact is a call to companies everywhere to voluntarily align their operations and strategies with ten universally accepted principles in the areas of human rights, labour, environment and anti-corruption, and to take action in support of UN goals and issues. The UN Global Compact is a leadership platform for the development, implementation and disclosure of responsible corporate policies and practices. Launched in 2000, it is the largest corporate sustainability initiative in the world, with over 12,000 signatories based in 145 countries.



About the Global Reporting Initiative

The Global Reporting Initiative (GRI) promotes the use of sustainability reporting as a way for organizations to become more sustainable and contribute to sustainable development. GRI's mission is to make sustainability reporting standard practice. To enable all companies and organizations to report their economic, environmental, social and governance performance, GRI produces free Sustainability Reporting Guidelines. GRI is an international not-for-profit, network-based organization. Its activity involves thousands of professionals and organizations from many sectors, constituencies and regions. Website: www.globalreporting.org

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Introduction

Understanding the link between the UN Global Compact Communication on Progress and the GRI G4 Guidelines

This document describes how to use the G4 Guidelines to prepare a Communication on Progress (COP) and fulfill the elements of the GC Active and GC Advanced levels of the UN Global Compact Differentiation Programme.

The UN Global Compact (Global Compact) and the Global Reporting Initiative (GRI) are complementary initiatives that can help companies of all sizes, and in all locations and sectors, work towards sustainable development and transparently report progress towards this goal.

The Global Compact and GRI renewed their Memorandum of Understanding in May 2013. The renewed agreement affirms a long-standing collaboration and alliance between the two organizations, and also marks the beginning of a number of innovative collaborations, in particular on the UN Post-2015 Development Agenda.

The Global Compact provides a principle-based framework to guide companies in the process of integrating human rights, labour standards, environmental stewardship, and anti-corruption in strategy and operations. Participants are required to communicate annually on their progress in implementing the Global Compact principles.

The GRI G4 Sustainability Reporting Guidelines (“the GRI Guidelines” and “the G4 Guidelines”)¹ – part of GRI’s broader Sustainability Reporting Framework – provide organizations with a set of Reporting Principles and Standard Disclosures on strategy, profile, governance, stakeholder engagement, ethics and integrity, and management approach and Indicators to report sustainability impacts and performance. For the G4 version of the Guidelines, GRI’s Sustainability Reporting Framework consists of the Reporting Principles and Standard Disclosures, the Implementation Manual and Sector Disclosures. It has clearly cross-referenced Global Compact principles and COP requirements in the Standard Disclosures Overview, Quick Links and Implementation Manual. It also highlights Global Compact resources and other relevant frameworks such as the UN Guiding Principles on Business and Human Rights.

Using the two frameworks together – Global Compact principles to guide sustainability strategy and actions, and the GRI G4 Guidelines to communicate progress to stakeholders – companies can achieve key, complementary goals:

- Embed sustainability strategy within universal principles rooted in international standards
- Demonstrate commitment and actions in terms of policies, processes, and disclosure
- Provide stakeholders with focused, comprehensive and credible information about sustainability impacts and performance
- Standardize sustainability reporting

The section “How to fulfill the GC Advanced level requirements and report ‘in accordance’ with G4 at the same time” summarizes a recommended approach.

¹Released in May 2013

Using the GRI G4 Guidelines to Communicate Progress

This document is designed to support Global Compact participants in using the G4 Guidelines as a recommended reporting language to communicate their progress.

Companies participating in the Global Compact commit to integrating universal principles in the areas of human rights, labour, the environment and anti-corruption in their operations and strategies. This includes a continued commitment from the Chief Executive and the highest governing body (e.g. the Board of Directors or equivalent) and an annual communication to stakeholders on the progress made: the COP. The Global Compact Differentiation Programme categorizes COPs based on the level of disclosure on progress made in integrating the Global Compact principles and contributing to broader UN goals.

- As a minimum (**GC Active Level**), the Global Compact requires companies to include in their COP a statement by the Chief Executive demonstrating their continued commitment, a description of practical actions on each of the four issue areas encompassed in the ten principles, and a measurement of outcomes using qualitative and quantitative indicators.
- At the **GC Advanced level**, companies are required to expand upon the minimum content requirements and to disclose actions and results in the following dimensions:
 - o Implementing the Ten Principles into Strategies & Operations in the areas of Human Rights, Labour, Environment, Anti-Corruption
 - o Taking Action in Support of Broader UN Goals and Issues
 - o Corporate Sustainability Governance & Leadership

The G4 Sustainability Reporting Guidelines consist of Reporting Principles and Standard Disclosures. These elements are considered to be of equal weight and importance.

The **GRI Reporting Principles** can help Global Compact participants to determine the Aspects and Indicators to report on in their COP; and help to ensure the quality and appropriate presentation of reported information.

The **GRI G4 Standard Disclosures** can help Global Compact participants disclose the COP requirements (at both GC Active and GC Advanced levels) through three types of disclosures:

- **General Standard Disclosures:** Set the overall context for understanding organizational impacts and performance, such as an organization's strategy, profile, governance, ethics and integrity.
- **Specific Standard Disclosures: G4 Aspects**
 - o **Disclosure of Management Approach:** Explains how the economic, environmental and social impacts related to material Aspects are managed. It provides narrative information on how an organization identifies, analyzes, and responds to its actual and potential material economic, environmental and social impacts and provides context for the performance reported by Indicators.
 - o **Indicators:** Elicit qualitative or quantitative information about results or outcomes associated with the organization that is comparable and demonstrates change over time.

Two options are available for organizations willing to prepare their sustainability reports 'in accordance' with the G4 Guidelines: Core and Comprehensive. Each option can be applied by all organizations, regardless of their size, sector or location.

The Core option contains the essential elements of a sustainability report and provides the background against which an organization communicates the impacts of its economic, environmental and social and governance performance.

The Comprehensive option builds on the Core option by requiring additional Standard Disclosures of the organization's strategy and analysis, governance, and ethics and integrity. In addition, the organization is required to communicate its performance more extensively by reporting all Indicators related to identified material Aspects.

This document is not meant as a substitute for the GRI G4 Guidelines. It is meant to highlight key sections of the G4 Guidelines that can be used to communicate progress on the Global Compact commitment, especially at the GC Advanced.

Spotlight on 'in accordance' and materiality

Upon signing the Global Compact, an organization's chief executive commits to managing and reporting on four issue areas: human rights, labour, environment and anti-corruption. The section "Step 3: Disclose Results and Outcomes" provides an example of a set of G4 General Standard Disclosures and Indicators that can be used to describe actions and outcomes for each issue area (see page 17).

On the other hand, the focus of reporting 'in accordance' with G4 is on the process of identifying material Aspects, including but not limited to the issues encompassed in the Global Compact's ten principles. Material Aspects are those that reflect the organization's significant economic, environmental and social impacts; or substantively influence the assessments and decisions of stakeholders. This applies to both 'in accordance' options – Core and Comprehensive. Both options require General and Specific Standard Disclosures. The concept of materiality relates to the Specific Standard Disclosures, the GRI Aspects.

That is to say, both 'in accordance' options could qualify as a GC Advanced COP, but not all comprehensive GRI reports will automatically qualify as such.

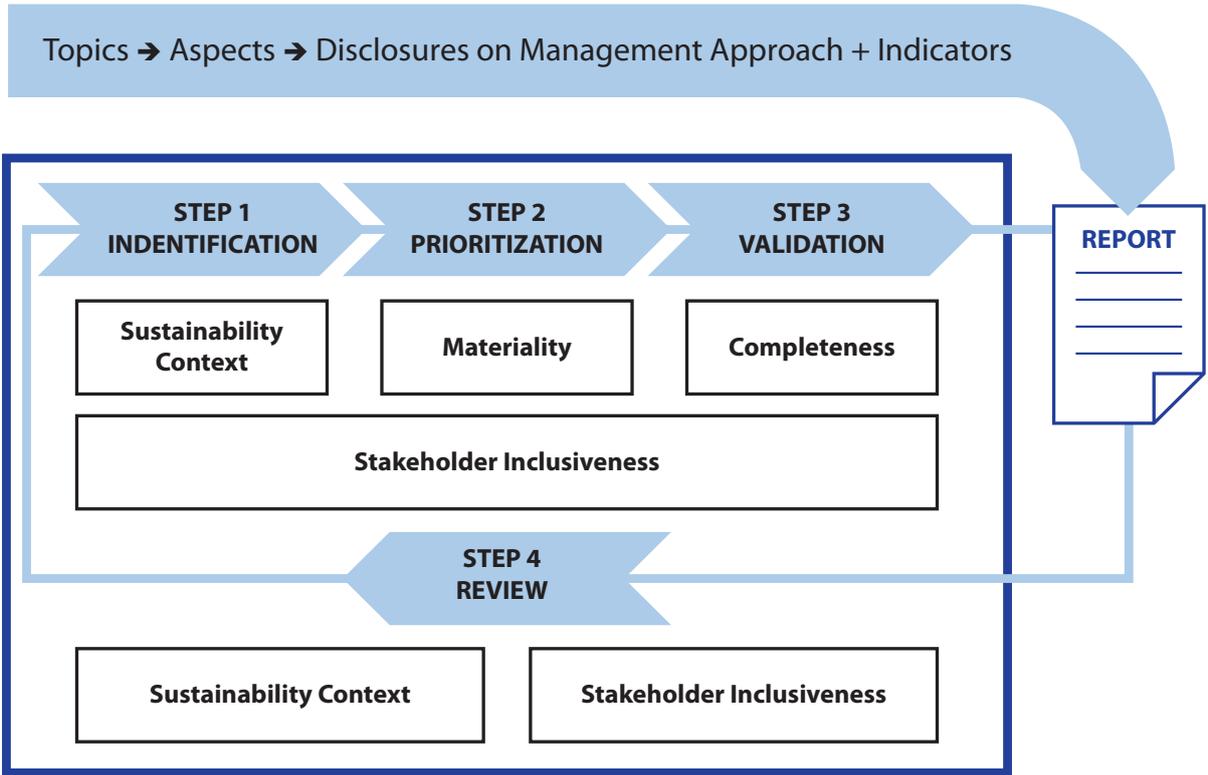
See also the section "How to fulfill the GC Advanced level requirements and report 'in accordance' with G4 at the same time" which summarizes a recommended approach (see page 28).

Create a COP using GRI G4 Standard Disclosures

Prepare: Define the scope of the COP using the GRI G4 Reporting Principles and guidance on identifying material Aspects and boundaries.

An important step in preparing a COP is to define the content to ensure it provides a balanced and reasonable presentation of the organization’s significant economic, environmental and social impacts, and enables stakeholders to assess the organization’s performance. The GRI Principles for defining report content describe the process to be applied to identify what the report should cover by considering the organization’s activities, impacts, and the substantive expectations and interests of its stakeholders.

The following figure illustrates the GRI’s process of defining material Aspects and boundaries. A detailed explanation can be found in the G4 Implementation Manual under disclosure G4-18.



The Principles of Materiality, Stakeholder Inclusiveness, Sustainability Context and Completeness outlined in the GRI Guidelines are pertinent to preparing a COP. Further guidance for using these Principles when applying the G4 Guidelines can be found in the G4 Implementation Manual.

Materiality:

GRI definition: The report should cover Aspects that reflect the organization's significant economic, environmental and social impacts; or substantively influence the assessments and decisions of stakeholders.

When using the concept of materiality, Global Compact signatories should recognize that the ten principles within the four issue areas are material to their organization, reflecting significant economic, social and environmental impacts. By committing to the Global Compact, they recognize that the process and results of integrating the principles will substantially influence the assessments and decisions of stakeholders. While all principles are material, the different contexts of companies will vary the level of materiality.

In determining the content of their report, Global Compact participants should also consider other sustainability topics not directly in the scope of the ten principles (including GRI Aspects and/or broader UN goals) which may reflect the organization's economic, environmental and social impacts or influence the decisions of stakeholders, and, therefore, potentially merit inclusion in the report. Materiality is the threshold at which Aspects become sufficiently important that they should be reported (e.g., Aspects of product responsibility).

Stakeholder Inclusiveness:

GRI definition: The organization should identify its stakeholders, and explain how it has responded to their reasonable expectations and interests.

In the process of defining the COP content and how to present it, Global Compact signatories should engage with their stakeholders and consider their interests and expectations. Aspects considered by stakeholders to be most important should be prioritized and receive sufficient attention in the report.

Sustainability Context:

GRI definition: The report should present the organization's performance in the wider context of sustainability.

Global Compact signatories are required to report their progress on human rights, labour, environment and anti-corruption. However, this and other material performance information should be placed in the broader sustainability context – i.e. the relationship between business success and the sustainability issues in the operational environment.

Completeness:

GRI definition: The report should include coverage of material Aspects and their Boundaries, sufficient to reflect significant economic, environmental and social impacts, and to enable stakeholders to assess the organization's performance in the reporting period.

Aspect Boundaries refer to a description of where the impacts occur for each material Aspect. In setting the Aspect Boundaries, an organization should consider impacts within and outside of the organization. Aspect Boundaries vary based on the Aspects reported.

Global Compact signatories should describe where the impacts occur regarding human rights, labour, environment and anti-corruption and report the progress made by the organization.

STEP 1: Set the context

Once the content and boundaries have been determined, the G4 Guidelines provide Standard Disclosures that can help to present comprehensive and material information on the strategy, process and results of Global Compact integration, starting with general COP requirements (GC Active level) and moving into the more comprehensive content requirements of the GC Advanced level.

The following text offers an introduction to the respective GRI disclosures. Further information on the required data points and Guidance for the disclosures can be found in the G4 documents “Reporting Principles and Standard Disclosures” and “Implementation Manual”.

1. COP Minimum Requirement: High-level Commitment and Strategy

The Global Compact is a leadership initiative, involving a commitment by the Chief Executive and the Board. Continued support at the highest level of the company is expected, and must be reflected every year in the COP through a statement by the Chief Executive expressing continued support for the Global Compact and renewing the company’s ongoing commitment to the initiative and its principles.

At the GC Advanced level (Criterion 19), companies must describe in their COP key aspects of the CEO commitment and leadership, through one or more of the following suggested best practices:

- CEO publicly delivers explicit statements and demonstrates personal leadership on sustainability and commitment to the UN Global Compact
- CEO promotes initiatives to enhance sustainability of the company’s sector and leads development of industry standards
- CEO leads executive management team in development of corporate sustainability strategy, defining goals and overseeing implementation
- Make sustainability criteria and UN Global Compact principles part of goals and incentive schemes for CEO and executive management team

G4 Profile Disclosures G4-1 and G4-2: Strategy and Analysis

In the G4 Guidelines, the Strategy and Analysis section is intended to provide a high-level, strategic view of the organization’s relationship to sustainability in order to provide context for subsequent and more detailed reporting against other sections of the GRI Guidelines. While it may draw on information provided in other parts of the report, this section is intended to produce insight on strategic topics rather than simply summarize the contents of the report. The strategy and analysis should consist of the statement outlined in Disclosure G4-1 (Core option) and additionally a concise narrative outlined in G4-2 (Comprehensive option).

→ G4 Standard Disclosure G4-1 can be used to include a statement by the CEO on his or her continued support for the Global Compact and its principles, and its relevance for the organization and its strategy.

G4-1 Provide a statement from the most senior decision-maker of the organization (such as CEO, chair, or equivalent senior position) about the relevance of sustainability to the organization and the organization’s strategy for addressing sustainability.

→ G4 Standard Disclosure G4-2 can be used to describe the organization’s key impacts, risk and opportunities in the issue areas covered by the Global Compact principles, as well as the impact of Global Compact issues on the long-term prospects and financial performance of the organization.

G4-2 Provide a description of key impacts, risks, and opportunities.

The organization should provide two concise narrative sections on key impacts, risks, and opportunities. Section One should focus on the organization's key impacts on sustainability and effects on stakeholders, including rights as defined by national laws and relevant internationally recognized standards. This should take into account the range of reasonable expectations and interests of the organization's stakeholders.

Section Two should focus on the impact of sustainability trends, risks, and opportunities on the long-term prospects and financial performance of the organization. This should concentrate specifically on information relevant to financial stakeholders or that could become so in the future.

2. Context of Operation and Verification

Context of Operation is not part of the minimum COP requirements (GC Active level). However, the wider context of the ten principles – how they relate to the company's own sustainability strategy and overall business strategy, and the relationship with sustainability in general – provides the setting in which to discuss sustainability performance.

At the GC Advanced level, companies are expected to incorporate high standards of transparency and disclosure by providing information in their COP on their profile and operational context, including:

- Legal structure, including any group structure and ownership
- Countries where the organization operates, with either major operations or operations that are specifically relevant to sustainability
- Markets served (including geographic breakdown, sectors served, and types of customers/beneficiaries)
- Primary brands, products, and/or services
- Direct and indirect economic value generated for various stakeholders (employees, owners, government, lenders, etc.)

In addition, external assessment of the credibility of information in a COP is a very important step in building trust among a company's stakeholders and is required for GC Advanced COPs as of 1 January 2014. Best practices include:

- Information is reviewed by multiple stakeholders (e.g., representatives of groups prioritized in stakeholder analysis)
- Information is reviewed by a panel of peers (e.g., members of the same industry, competitors, benchmarked leaders, others organized via Global Compact Local Network)
- Information is assured by independent assurers (e.g., accounting or consulting firm) using their own proprietary methodology
- Information is assured by independent assurers (e.g., accounting or consulting firm) against recognized assurance standard (e.g., ISAE3000, AA1000AS, other national or industry-specific standard)

G4 General Standard Disclosures G4-3 - G4-13: Organizational Profile

→ G4Disclosures G4-3 - G4-13 can be used to describe the organization's profile and operational context.:

G4-3 Report the name of the organization.

G4-4 Report the primary brands, products, and services.

G4-5 Report the location of the organization's headquarters.

- G4-6** Report the number of countries where the organization operates, and names of countries where either the organization has significant operations or that are specifically relevant to the sustainability topics covered in the report.
- G4-7** Report the nature of ownership and legal form.
- G4-8** Report the markets served (including geographic breakdown, sectors served, and types of customers and beneficiaries).
- G4-9** Report the scale of the organization
- G4-10**
- a. Report the total number of employees by employment contract and gender.
 - b. Report the total number of permanent employees by employment type and gender.
 - c. Report the total workforce by employees and supervised workers and by gender.
 - d. Report the total workforce by region and gender.
 - e. Report whether a substantial portion of the organization's work is performed by workers who are legally recognized as self-employed, or by individuals other than employees or supervised workers, including employees and supervised employees of contractors.
 - f. Report any significant variations in employment numbers (such as seasonal variations in employment in the tourism or agricultural industries).
- G4-11** Report the percentage of total employees covered by collective bargaining agreements.
- G4-12** Describe the organization's supply chain.
- G4-13** Report any significant changes during the reporting period regarding the organization's size, structure, ownership, or its supply chain
- G4 Disclosure G4-28 – G4-32 can be used to describe the COP report profile.
- G4-28** Reporting period (such as fiscal or calendar year) for information provided.
- G4-29** Date of most recent previous report (if any).
- G4-30** Reporting cycle (such as annual, biennial).
- G4-31** Provide the contact point for questions regarding the report or its contents.
- G4-32**
- a. Report the 'in accordance' option the organization has chosen.
 - b. Report the GRI Content Index for the chosen option (see tables in G4).
 - c. Report the reference to the External Assurance Report, if the report has been externally assured. GRI recommends the use of external assurance but it is not a requirement to be 'in accordance' with the Guidelines.
- If the reporter chooses to obtain independent assurance of the COP, G4 Disclosure G4-33 can be used to describe it.

G4 General Standard Disclosure G4-33: Assurance

- a. Report the organization's policy and current practice with regard to seeking external assurance for the report.
- b. If not included in the assurance report accompanying the sustainability report, report the scope and basis of any external assurance provided.
- c. Report the relationship between the organization and the assurance providers.
- d. Report whether the highest governance body or senior executives are involved in seeking assurance for the organization's sustainability report.

3. Governance

Initial CEO commitment to the Global Compact must be supported by the highest-level governance body of the organization (e.g., the Board or equivalent). In addition, Global Compact signatories commit to incorporating the Global Compact and its principles in the decision-making processes of the highest-level governance body.

At the GC Advanced level (Criterion 20), companies must describe in their COP aspects of Board adoption and oversight including:

- Board of Directors (or equivalent) assumes responsibility and oversight for long-term corporate sustainability strategy and performance.
- Board establishes, where permissible, a committee or assigns an individual board member with responsibility for corporate sustainability.
- Board (or committee), where permissible, approves formal reporting on corporate sustainability (COP).

G4 General Standard Disclosures G4-34 – G4-55: Governance

→ G4 Governance Disclosures G4-34 – G4-55 can be used to describe decision-making processes and systems of governance for implementation of the Global Compact, the company's corporate governance structure (Board of Directors or equivalent), and its role in oversight of Global Compact implementation, as well as the evaluation and reward systems related to Global Compact strategy and implementation.

These Standard Disclosures provide an overview of:

- The governance structure and its composition
- The role of the highest governance body in setting the organization's purpose, values, and strategy
- The competencies and performance evaluation of the highest governance body
- The role of the highest governance body in risk management
- The role of the highest governance body in sustainability reporting
- The role of the highest governance body in evaluating economic, environmental and social performance
- Remuneration and incentives

G4-34 Report the governance structure of the organization, including committees of the highest governance body. Identify any committees responsible for decision-making on economic, environmental and social impacts.

G4-35 Report the process for delegating authority for economic, environmental and social topics from the highest governance body to senior executives and other employees.

G4-36 Report whether the organization has appointed an executive-level position or positions with responsibility for economic, environmental and social topics, and whether post holders report directly to the highest governance body.

G4-37 Report processes for consultation between stakeholders and the highest governance body on economic, environmental and social topics. If consultation is delegated, describe to whom and any feedback processes to the highest governance body.

G4-38 Report the composition of the highest governance body and its committees.

G4-39 Report whether the Chair of the highest governance body is also an executive officer (and, if so, his or her function within the organization's management and the reasons for this arrangement).

G4-40 Report the nomination and selection processes for the highest governance body and its committees, and the criteria used for nominating and selecting highest governance body members.

- G4-41** Report processes for the highest governance body to ensure conflicts of interest are avoided and managed. Report whether conflicts of interest are disclosed to stakeholders.
- G4-42** Report the highest governance body's and senior executives' roles in the development, approval, and updating of the organization's purpose, value or mission statements, strategies, policies, and goals related to economic, environmental and social impacts.
- G4-43** Report the measures taken to develop and enhance the highest governance body's collective knowledge of economic, environmental and social topics.
- G4-44**
- a. Report the processes for evaluation of the highest governance body's performance with respect to governance of economic, environmental and social topics. Report whether such evaluation is independent or not, and its frequency. Report whether such evaluation is a self-assessment.
 - b. Report actions taken in response to evaluation of the highest governance body's performance with respect to governance of economic, environmental and social topics, including, as a minimum, changes in membership and organizational practice.
- G4-45**
- a. Report the highest governance body's role in the identification and management of economic, environmental and social impacts, risks, and opportunities. Include the highest governance body's role in the implementation of due diligence processes.
 - b. Report whether stakeholder consultation is used to support the highest governance body's identification and management of economic, environmental and social impacts, risks, and opportunities.
- G4-46** Report the highest governance body's role in reviewing the effectiveness of the organization's risk management processes for economic, environmental and social topics.
- G4-47** Report the frequency of the highest governance body's review of economic, environmental and social impacts, risks, and opportunities.
- G4-48** Report the highest committee or position that formally reviews and approves the organization's sustainability report and ensures that all material Aspects are covered.
- G4-49** Report the process for communicating critical concerns to the highest governance body.
- G4-50** Report the nature and total number of critical concerns that were communicated to the highest governance body and the mechanism(s) used to address and resolve them.
- G4-51**
- a. Report the remuneration policies for the highest governance body and senior executives.
 - b. Report how performance criteria in the remuneration policy relate to the highest governance body's and senior executives' economic, environmental and social objectives.
- G4-52** Report the process for determining remuneration. Report whether remuneration consultants are involved in determining remuneration and whether they are independent of management. Report any other relationships which the remuneration consultants have with the organization.
- G4-53** Report how stakeholders' views are sought and taken into account regarding remuneration, including the results of votes on remuneration policies and proposals, if applicable.
- G4-54** Report the ratio of the annual total compensation for the organization's highest-paid individual in each country of significant operations to the median annual total compensation for all employees (excluding the highest-paid individual) in the same country.
- G4-55** Report the ratio of percentage increase in annual total compensation for the organization's highest-paid individual in each country of significant operations to the median percentage increase in annual total compensation for all employees (excluding the highest-paid individual) in the same country.

4. Stakeholder Engagement

Stakeholder engagement is at the core of the commitment to the Global Compact. As a private-public initiative, the Global Compact offers companies access to key actors in the corporate sustainability landscape, including governments, civil society, labour, academia and the United Nations system. Companies in the Global Compact recognize the importance of stakeholder consultation in the process of integrating the Global Compact principles into core operations and strategy.

At the GC Advanced level (Criterion 21), companies must describe in their COP their engagement with all important stakeholders, including:

- Publicly recognize responsibility for the company's impacts on internal and external stakeholders.
- Define sustainability strategies, goals and policies in consultation with key stakeholders.
- Consult stakeholders in dealing with implementation dilemmas and challenges and invite them to take active part in reviewing performance.
- Establish channels to engage with employees and other stakeholders to hear their ideas and address their concerns, and protect "whistle-blowers"

G4 General Standard Disclosures G4-24 – G4-27: Stakeholder Engagement

→ GRI **G4 General Standard Disclosures G4-24 – G4-27** can be used to describe the process and results of engaging with stakeholders, and their impacts, on each of the Global Compact's ten principles in the areas of human rights, labour, the environment and anti-corruption. In addition, organizations can explain how they have shared the COP with their stakeholders.

G4-24 Provide a list of stakeholder groups engaged by the organization.

G4-25 Report the basis for identification and selection of stakeholders with whom to engage.

G4-26 Report the organization's approach to stakeholder engagement, including frequency of engagement by type and by stakeholder group, and an indication of whether any of the engagement was undertaken specifically as part of the report preparation process.

G4-27 Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting.

STEP 2: Describe practical actions (COP Minimum Requirement)

Global Compact signatories must describe in their COP the practical actions (i.e., disclosure of any relevant policies, procedures, activities) that the company has taken to implement the Global Compact principles in the areas of human rights, labour, environment and anti-corruption.

This element of the COP is designed to inform readers how companies have modified existing management systems or put in place new ones to implement the Global Compact principles.

Such management processes can be used by companies and their stakeholders to benchmark and compare companies' performance. Management processes allow forward-looking analysis as they reflect systematic processes to manage risk and opportunities associated with sustainability. They also allow for comparative analysis, as processes in place in one company can be used to compare the actions and anticipate performance of other companies in similar circumstances.

At the GC Advanced level, companies must include in their COP in-depth coverage of management approaches to implementing the principles in each of the four issue areas, including:

- Commitments, strategies or policies (Criteria 3, 6, 9, 12)
- Management systems to integrate the principles (Criteria 4, 7, 10, 13)
- Monitoring and evaluation mechanisms (Criteria 5, 8, 11, 14)

Such management approaches are consistent with best practices advocated by the Global Compact. For example, in the area of human rights the GC Advanced criteria feature best practices aligned with the "Guiding Principles on Business and Human Rights: Implementing the United Nations 'Protect, Respect and Remedy' Framework".

At the GC Advanced level (Criterion 15-18) companies must also disclose in their COP actions taken in support of broader UN goals and issues², including:

- Core business contributions to UN goals and issues
- Strategic social investments and philanthropy
- Advocacy and public policy engagement
- Partnerships and collective action

²For a list of further global issues that are relevant to the work of the UN as well as business, please refer to http://business.un.org/en/browse/global_issues

G4 Disclosures on Management Approach (DMA)

The GRI Guidelines require organizations to disclose management approaches for material economic, environmental and social Aspects.

The Disclosures on Management Approach is intended to give the organization an opportunity to explain how the economic, environmental and social impacts related to material Aspects³ are managed. Material Aspects are those that reflect the organization's significant economic, environmental and social impacts; or that substantively influence the assessments and decisions of stakeholders. DMA provides narrative information on how an organization identifies, analyzes and responds to its actual and potential material economic, environmental and social impacts. DMA also provides context for the performance reported by Indicators.

→ Global Compact signatories should use the Global Compact ten principles and the GC Advanced criteria and best practices as their primary reference points when reporting on their management approach.

Generic Disclosures on Management Approach should include several items, based on each GRI Aspect⁴:

- a. Report why the Aspect is material. Report the impacts that make this Aspect material.
- b. Report how the organization manages the material Aspect or its impacts.
- c. Report the evaluation of the management approach, including:
 - The mechanisms for evaluating the effectiveness of the management approach,
 - The results of the evaluation of the management approach and
 - Any related adjustments to the management approach.

When reporting on the management approach for GRI's Economic Category, Global Compact signatories should consider their contribution to society and UN goals and issues.

³ Material Aspects are defined by the organization using the Reporting Principles for Defining Report Content (see the Guidance for G4-18 in Implementation Manual pp. 31-40).

⁴ The G4 Implementation Manual offers Guidance for DMA. The Guidance for DMA is divided in two types: Generic and Aspect-specific Guidance. Generic DMA Guidance is designed to be used with any Aspect. Aspect-specific DMA Guidance is designed to give additional detail on the information to report for the Aspect. When reporting management approach, organizations start by addressing the Generic DMA Guidance. If Aspect-specific Guidance is available, organizations then use it to report their management approach for that Aspect in more detail.

STEP 3: Disclose results and outcomes (COP Minimum Requirement)

The Global Compact requires companies to disclose in their COP a measurement of outcomes (i.e., degree to which targets/performance indicators were met, or other qualitative or quantitative measurements of results).

At the GC Advanced level, companies are expected to include in their COP a description of key outcomes of integration of the principles in each of the four issue areas as part of their monitoring and evaluation mechanisms (Criteria 5, 8, 11, 14).

G4 General Standard Disclosures

G4 General Standard Disclosures are applicable to all organizations preparing sustainability reports.

→ In certain cases, general standard disclosures can provide valuable additional information on outcomes of an organization's sustainability efforts.

G4 Indicators

GRI G4 Indicators give qualitative and/or quantitative information about results or outcomes associated with the organization that is comparable and demonstrates change over time. Organizations should only report on the material GRI Aspects and their related Indicators.

→ G4 Indicators can be used to report on both the actions taken to implement the GC principles as well as outcomes of such actions. Depending on its operational context and other factors, the organization should make a list of material Aspects. In principle, all G4 Aspects and their respective Indicators may potentially be relevant. However, remember that a high-quality report will likely contain material issues/indicators in addition to those included in the G4 and Global Compact. If an organization wishes to fulfill the COP requirements and at the same time to report in accordance with the G4 Guidelines, the following applies regarding Indicators:

To fulfill the COP minimum requirements, reporters should consider as a minimum G4 Indicators that relate to the four Global Compact issue areas.

To report in addition 'in accordance' with the G4 Guidelines, reporters should additionally report Indicators that belong to any Aspects that the organization may identify as material beyond the ones relating to the four Global Compact issue areas. For the Core option, at least one G4 Indicator per material Aspect needs to be reported, for the Comprehensive option all G4 Indicators under a material Aspect need to be reported.

The following table, for example, proposes a set of G4 General Standard Disclosures and Indicators that can be used to describe the outcomes for each Global Compact Principle.

This table includes the titles of the respective GRI disclosures. Further information on the required data points and Guidance for the disclosures can be found in the G4 documents "Reporting Principles and Standard Disclosures" and "Implementation Manual".

Global Compact Principles	GRI Disclosures
<p>Principle 1: Human Rights <i>Businesses should support and respect the protection of internationally proclaimed human rights</i></p>	<p>GRI Disclosures to report actions taken to implement Principle 1 and outcomes from implementing Principle 1</p> <p>Indicators Human Rights:</p> <p>Aspect Investment: G4-HR2: TOTAL HOURS OF EMPLOYEE TRAINING ON HUMAN RIGHTS POLICIES OR PROCEDURES CONCERNING ASPECTS OF HUMAN RIGHTS THAT ARE RELEVANT TO OPERATIONS, INCLUDING THE PERCENTAGE OF EMPLOYEES TRAINED</p> <p>Aspect Security Practices: G4-HR7: PERCENTAGE OF SECURITY PERSONNEL TRAINED IN THE ORGANIZATION'S HUMAN RIGHTS POLICIES OR PROCEDURES THAT ARE RELEVANT TO OPERATIONS</p> <p>Aspect: Indigenous Rights G4-HR8: TOTAL NUMBER OF INCIDENTS OF VIOLATIONS INVOLVING RIGHTS OF INDIGENOUS PEOPLES AND ACTIONS TAKEN</p> <p>Aspect Assessment G4-HR9: TOTAL NUMBER AND PERCENTAGE OF OPERATIONS THAT HAVE BEEN SUBJECT TO HUMAN RIGHTS REVIEWS OR IMPACT ASSESSMENTS</p> <p>Aspect Human Rights Grievance Mechanisms G4-HR12: NUMBER OF GRIEVANCES ABOUT HUMAN RIGHTS IMPACTS FILED, ADDRESSED, AND RESOLVED THROUGH FORMAL GRIEVANCE MECHANISMS</p> <p>Society: Aspect: Local Communities G4-SO1: PERCENTAGE OF OPERATIONS WITH IMPLEMENTED LOCAL COMMUNITY ENGAGEMENT, IMPACT ASSESSMENTS, AND DEVELOPMENT PROGRAMS G4-SO2: OPERATIONS WITH SIGNIFICANT ACTUAL AND POTENTIAL NEGATIVE IMPACTS ON LOCAL COMMUNITIES</p>
<p>Principle 2: Human Rights <i>Business should make sure they are not complicit in human rights abuses.</i></p>	<p>GRI Disclosures to report actions taken to implement Principle 2 and outcomes from implementing Principle 2</p> <p>Indicators Human Rights:</p> <p>Aspect Investment: G4-HR1: TOTAL NUMBER AND PERCENTAGE OF SIGNIFICANT INVESTMENT AGREEMENTS AND CONTRACTS THAT INCLUDE HUMAN RIGHTS CLAUSES OR THAT UNDERWENT HUMAN RIGHTS SCREENING</p> <p>Aspect Supplier Human Rights Assessment G4-HR10: PERCENTAGE OF NEW SUPPLIERS THAT WERE SCREENED USING HUMAN RIGHTS CRITERIA G4-HR11: SIGNIFICANT ACTUAL AND POTENTIAL NEGATIVE HUMAN RIGHTS IMPACTS IN THE SUPPLY CHAIN AND ACTIONS TAKEN</p>
<p>Principle 3: Labour <i>Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.</i></p>	<p>GRI Disclosures to report actions taken to implement Principle 3 and outcomes from implementing Principle 3</p> <p>General Standard Disclosures Organizational Profile G4-11 a. Report the percentage of total employees covered by collective bargaining agreements.</p> <p>Indicators Human Rights: Aspect Freedom of Association and Collective Bargaining G4-HR4: OPERATIONS AND SUPPLIERS IDENTIFIED IN WHICH THE RIGHT TO EXERCISE FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING MAY BE VIOLATED OR AT SIGNIFICANT RISK, AND MEASURES TAKEN TO SUPPORT THESE RIGHTS</p> <p>Labor: Aspect Labor/Management Relations G4-LA4: MINIMUM NOTICE PERIODS REGARDING OPERATIONAL CHANGES, INCLUDING WHETHER THESE ARE SPECIFIED IN COLLECTIVE AGREEMENTS</p>

Global Compact Principles	GRI Disclosures
<p>Principle 4: Labour <i>Businesses should uphold the elimination of all forms of forced and compulsory labour.</i></p>	<p><u>GRI Disclosures to report actions taken to implement Principle 4 and outcomes from implementing Principle 4</u></p> <p>Indicators Human Rights:</p> <p>Aspect: Forced or Compulsory Labor G4-HR6: OPERATIONS AND SUPPLIERS IDENTIFIED AS HAVING SIGNIFICANT RISK FOR INCIDENTS OF FORCED OR COMPULSORY LABOR, AND MEASURES TO CONTRIBUTE TO THE ELIMINATION OF ALL FORMS OF FORCED OR COMPULSORY LABOR</p>
<p>Principle 5: Labour <i>Businesses should uphold the effective abolition of child labour.</i></p>	<p><u>GRI Disclosures to report actions taken to implement Principle 5 and outcomes from implementing Principle 5</u></p> <p>Indicators Human Rights:</p> <p>Aspect Child Labor G4-HR5: OPERATIONS AND SUPPLIERS IDENTIFIED AS HAVING SIGNIFICANT RISK FOR INCIDENTS OF CHILD LABOR, AND MEASURES TAKEN TO CONTRIBUTE TO THE EFFECTIVE ABOLITION OF CHILD LABOR</p>
<p>Principle 6: Labour <i>Businesses should uphold the elimination of discrimination in respect of employment and occupation.</i></p>	<p><u>GRI Disclosures to report actions taken to implement Principle 6 and outcomes from implementing Principle 6</u></p> <p>General Standard Disclosures Organizational Profile G4-10 a. Report the total number of employees by employment contract and gender. b. Report the total number of permanent employees by employment type and gender. c. Report the total workforce by employees and supervised workers and by gender. d. Report the total workforce by region and gender. e. Report whether a substantial portion of the organization’s work is performed by workers who are legally recognized as self-employed, or by individuals other than employees or supervised workers, including employees and supervised employees of contractors. f. Report any significant variations in employment numbers (such as seasonal variations in employment in the tourism or agricultural industries).</p> <p>Indicators Economic: Aspect: Market Presence G4-EC5: RATIOS OF STANDARD ENTRY LEVEL WAGE BY GENDER COMPARED TO LOCAL MINIMUM WAGE AT SIGNIFICANT LOCATIONS OF OPERATION G4-EC6: PROPORTION OF SENIOR MANAGEMENT HIRED FROM THE LOCAL COMMUNITY AT SIGNIFICANT LOCATIONS OF OPERATION</p> <p>Labor Practices and Decent Work: Aspect: Employment G4-LA1: TOTAL NUMBER AND RATES OF NEW EMPLOYEE HIRES AND EMPLOYEE TURNOVER BY AGE GROUP, GENDER AND REGION G4-LA3: RETURN TO WORK AND RETENTION RATES AFTER PARENTAL LEAVE, BY GENDER</p> <p>Aspect: Training and Education G4-LA9: AVERAGE HOURS OF TRAINING PER YEAR PER EMPLOYEE BY GENDER, AND BY EMPLOYEE CATEGORY G4-LA11: PERCENTAGE OF EMPLOYEES RECEIVING REGULAR PERFORMANCE AND CAREER DEVELOPMENT REVIEWS, BY GENDER AND BY EMPLOYEE CATEGORY</p> <p>Aspect: Diversity and Equal Opportunity G4-LA12: COMPOSITION OF GOVERNANCE BODIES AND BREAKDOWN OF EMPLOYEES PER EMPLOYEE CATEGORY ACCORDING TO GENDER, AGE GROUP, MINORITY GROUP MEMBERSHIP, AND OTHER INDICATORS OF DIVERSITY</p> <p>Aspect: Equal Remuneration for Women and Men G4-LA13: RATIO OF BASIC SALARY AND REMUNERATION OF WOMEN TO MEN BY EMPLOYEE CATEGORY, BY SIGNIFICANT LOCATIONS OF OPERATION</p> <p>Human Rights: Aspect: Non-discrimination G4-HR3: TOTAL NUMBER OF INCIDENTS OF DISCRIMINATION AND CORRECTIVE ACTIONS TAKEN</p>

Global Compact Principles	GRI Disclosures
<p>Principle 7: Environment: <i>Businesses should support a precautionary approach to environmental challenges.</i></p>	<p>GRI Disclosures to report actions taken to implement Principle 7 and outcomes from implementing Principle 7</p> <p>Indicators Economic: Aspect: Economic Performance G4-E2: FINANCIAL IMPLICATIONS AND OTHER RISKS AND OPPORTUNITIES FOR THE ORGANIZATION'S ACTIVITIES DUE TO CLIMATE CHANGE</p> <p>Environmental: Aspect: Materials G4-EN1: MATERIALS USED BY WEIGHT OR VOLUME</p> <p>Aspect: Energy G4-EN3: ENERGY CONSUMPTION WITHIN THE ORGANIZATION</p> <p>Aspect Water G4-EN8: TOTAL WATER WITHDRAWAL BY SOURCE</p> <p>Aspect: Emissions G4-EN15: DIRECT GREENHOUSE GAS (GHG) EMISSIONS (SCOPE 1) G4-EN16: ENERGY INDIRECT GREENHOUSE GAS (GHG) EMISSIONS (SCOPE 2) G4-EN17: OTHER INDIRECT GREENHOUSE GAS (GHG) EMISSIONS (SCOPE 3) G4-EN20: EMISSIONS OF OZONE-DEPLETING SUBSTANCES (ODS) G4-EN21: NOX, SOX, AND OTHER SIGNIFICANT AIR EMISSIONS</p> <p>Aspect: Products and Services G4-EN27: EXTENT OF IMPACT MITIGATION OF ENVIRONMENTAL IMPACTS OF PRODUCTS AND SERVICES</p> <p>Aspect: Overall G4-EN31: TOTAL ENVIRONMENTAL PROTECTION EXPENDITURES AND INVESTMENTS BY TYPE</p>

Global Compact Principles	GRI Disclosures
<p>Principle 8: Environment <i>Businesses should undertake initiatives to promote greater environmental responsibility.</i></p>	<p>GRI Disclosures to report actions taken to implement Principle 8 and outcomes from implementing Principle 8</p> <p>Indicators Environmental:</p> <p>Aspect: Materials G4-EN1: MATERIALS USED BY WEIGHT OR VOLUME G4-EN2: PERCENTAGE OF MATERIALS USED THAT ARE RECYCLED INPUT MATERIALS</p> <p>Aspect: Energy G4-EN3: ENERGY CONSUMPTION WITHIN THE ORGANIZATION G4-EN4: ENERGY CONSUMPTION OUTSIDE OF THE ORGANIZATION G4-EN5: ENERGY INTENSITY G4-EN6: REDUCTION OF ENERGY CONSUMPTION G4-EN7: REDUCTIONS IN ENERGY REQUIREMENTS OF PRODUCTS AND SERVICES</p> <p>Aspect: Water G4-EN8: TOTAL WATER WITHDRAWAL BY SOURCE G4-EN9: WATER SOURCES SIGNIFICANTLY AFFECTED BY WITHDRAWAL OF WATER G4-EN10: PERCENTAGE AND TOTAL VOLUME OF WATER RECYCLED AND REUSED</p> <p>Aspect: Biodiversity G4-EN11: OPERATIONAL SITES OWNED, LEASED, MANAGED IN, OR ADJACENT TO, PROTECTED AREAS AND AREAS OF HIGH BIODIVERSITY VALUE OUTSIDE PROTECTED AREAS G4-EN12: DESCRIPTION OF SIGNIFICANT IMPACTS OF ACTIVITIES, PRODUCTS, AND SERVICES ON BIODIVERSITY IN PROTECTED AREAS AND AREAS OF HIGH BIODIVERSITY VALUE OUTSIDE PROTECTED AREAS G4-EN13: HABITATS PROTECTED OR RESTORED G4-EN14: TOTAL NUMBER OF IUCN RED LIST SPECIES AND NATIONAL CONSERVATION LIST SPECIES WITH HABITATS IN AREAS AFFECTED BY OPERATIONS, BY LEVEL OF EXTINCTION RISK</p> <p>Aspect: Emissions G4-EN15: DIRECT GREENHOUSE GAS (GHG) EMISSIONS (SCOPE 1) G4-EN16: ENERGY INDIRECT GREENHOUSE GAS (GHG) EMISSIONS (SCOPE 2) G4-EN17: OTHER INDIRECT GREENHOUSE GAS (GHG) EMISSIONS (SCOPE 3) G4-EN18: GREENHOUSE GAS (GHG) EMISSIONS INTENSITY G4-EN19: REDUCTION OF GREENHOUSE GAS (GHG) EMISSIONS G4-EN20: EMISSIONS OF OZONE-DEPLETING SUBSTANCES (ODS) G4-EN21: NOX, SOX, AND OTHER SIGNIFICANT AIR EMISSIONS</p> <p>Aspect: Effluents and Waste G4-EN22: TOTAL WATER DISCHARGE BY QUALITY AND DESTINATION G4-EN23: TOTAL WEIGHT OF WASTE BY TYPE AND DISPOSAL METHOD G4-EN24: TOTAL NUMBER AND VOLUME OF SIGNIFICANT SPILLS G4-EN25: WEIGHT OF TRANSPORTED, IMPORTED, EXPORTED, OR TREATED WASTE DEEMED HAZARDOUS UNDER THE TERMS OF THE BASEL CONVENTION² ANNEX I, II, III, AND VIII, AND PERCENTAGE OF TRANSPORTED WASTE SHIPPED INTERNATIONALLY G4-EN26: IDENTITY, SIZE, PROTECTED STATUS, AND BIODIVERSITY VALUE OF WATER BODIES AND RELATED HABITATS SIGNIFICANTLY AFFECTED BY THE ORGANIZATION'S DISCHARGES OF WATER AND RUNOFF</p> <p>Aspect: Products and Services G4-EN27: EXTENT OF IMPACT MITIGATION OF ENVIRONMENTAL IMPACTS OF PRODUCTS AND SERVICES G4-EN28: PERCENTAGE OF PRODUCTS SOLD AND THEIR PACKAGING MATERIALS THAT ARE RECLAIMED BY CATEGORY</p>

Global Compact Principles	GRI Disclosures
<p>Principle 8: Environment <i>Businesses should undertake initiatives to promote greater environmental responsibility.</i></p>	<p>Aspect: Compliance G4-EN29: MONETARY VALUE OF SIGNIFICANT FINES AND TOTAL NUMBER OF NON-MONETARY SANCTIONS FOR NON-COMPLIANCE WITH ENVIRONMENTAL LAWS AND REGULATIONS</p> <p>Aspect: Transport G4-EN30: SIGNIFICANT ENVIRONMENTAL IMPACTS OF TRANSPORTING PRODUCTS AND OTHER GOODS AND MATERIALS FOR THE ORGANIZATION'S OPERATIONS, AND TRANSPORTING MEMBERS OF THE WORKFORCE</p> <p>Aspect: Overall G4-EN31: TOTAL ENVIRONMENTAL PROTECTION EXPENDITURES AND INVESTMENTS BY TYPE</p> <p>Aspect: Supplier Environmental Assessment G4-EN32: PERCENTAGE OF NEW SUPPLIERS THAT WERE SCREENED USING ENVIRONMENTAL CRITERIA G4-EN33: SIGNIFICANT ACTUAL AND POTENTIAL NEGATIVE ENVIRONMENTAL IMPACTS IN THE SUPPLY CHAIN AND ACTIONS TAKEN</p> <p>Aspect: Environmental Grievance Mechanisms G4-EN34: NUMBER OF GRIEVANCES ABOUT ENVIRONMENTAL IMPACTS FILED, ADDRESSED, AND RESOLVED THROUGH FORMAL GRIEVANCE MECHANISMS</p>
<p>Principle 9: Environment <i>Businesses should encourage the development and diffusion of environmentally friendly technologies.</i></p>	<p>GRI Disclosures to report actions taken to implement Principle 9 and outcomes from implementing Principle 9</p> <p>Indicators Environmental:</p> <p>Aspect Energy G4-EN6: REDUCTION OF ENERGY CONSUMPTION G4-EN7: REDUCTIONS IN ENERGY REQUIREMENTS OF PRODUCTS AND SERVICES</p> <p>Aspect: Emissions G4-EN19: REDUCTION OF GREENHOUSE GAS (GHG) EMISSIONS</p> <p>Aspect: Products and Services G4-EN27: EXTENT OF IMPACT MITIGATION OF ENVIRONMENTAL IMPACTS OF PRODUCTS AND SERVICES</p> <p>Aspect: Overall G4-EN31: TOTAL ENVIRONMENTAL PROTECTION EXPENDITURES AND INVESTMENTS BY TYPE</p>

Global Compact Principles	GRI Disclosures
<p>Principle 10: Anti-corruption <i>Businesses should work against corruption in all its forms, including extortion and bribery.</i></p>	<p>GRI Disclosures to report actions taken to implement Principle 10 and outcomes from Implementing Principle 10</p> <p>General Standard Disclosures Ethics and Integrity G4-56 a. Describe the organization's values, principles, standards and norms of behavior such as codes of conduct and codes of ethics. G4-57 a. Report the internal and external mechanisms for seeking advice on ethical and lawful behavior, and matters related to organizational integrity, such as helplines or advice lines. G4-58 a. Report the internal and external mechanisms for reporting concerns about unethical or unlawful behavior, and matters related to organizational integrity, such as escalation through line management, whistleblowing mechanisms or hotlines.</p> <p>Indicators Society Aspect Anti-Corruption G4-SO3: TOTAL NUMBER AND PERCENTAGE OF OPERATIONS ASSESSED FOR RISKS RELATED TO CORRUPTION AND THE SIGNIFICANT RISKS IDENTIFIED G4-SO4: COMMUNICATION AND TRAINING ON ANTI-CORRUPTION POLICIES AND PROCEDURES G4-SO5: CONFIRMED INCIDENTS OF CORRUPTION AND ACTIONS TAKEN</p> <p>Aspect Public Policy G4-SO6: TOTAL VALUE OF POLITICAL CONTRIBUTIONS BY COUNTRY AND RECIPIENT/BENEFICIARY</p>

Overview of G4 Disclosures for Steps 1-3 at the GC Advanced Level

The following two tables show the correspondence between G4 elements and GC Advanced criteria.

G4 Guidelines – GC Advanced level

G4	GC Advanced Criteria	
General Standard Disclosures:	Number	Description
G4-1 and G4-2	19	CEO Commitment and Leadership
G4-3 - G4-13		High Standards of Transparency and Disclosure*
G4-33		External COP Assessment*
G4-34 – G4-55	1	Mainstreaming into Corporate Functions and Business Units
	20	Board Adoption and Oversight
G4-24 – G4-27	21	Stakeholder Engagement
Specific Standard Disclosures:		
Economic (Disclosures on Management Approach (DMA) and Indicators for Aspects under Environment)	9-11	Environment (including in high-risk or conflict-affected areas, if applicable**)
Labor Practices and Decent Work (Disclosures on Management Approach (DMA) and Indicators for Aspects under Labor Practices and Decent Work)	6-8	Labour (including in high-risk or conflict-affected areas, if applicable**)
Human Rights (Disclosures on Management Approach (DMA) and Indicators for Aspects under Human Rights)	3-5	Human rights (including in high-risk or conflict-affected areas, if applicable**)
Society (Disclosures on Management Approach (DMA) and Indicators for Aspects under Society)	12-14	Anti-Corruption(including in high-risk or conflict-affected areas, if applicable**)

*This is required of GC Advanced COPs in addition to the GC Advanced Criteria

**Applicable only to companies that operate in high risk or conflict-affected areas

GC Advanced level - G4 Guidelines

GC Advanced Criteria		G4
Number	Description	
19	CEO Commitment and Leadership	General Standard Disclosures G4-1 and G4-2
20	Board Adoption and Oversight	General Standard Disclosures G4-34 – G4-55
1	Mainstreaming into Corporate Functions and Business Units	
21	Stakeholder Engagement	General Standard Disclosures G4-24 – G4-27
15-18	UN Goals	Specific Standard Disclosures: Disclosures on Management Approach for Aspects under Economic, Environmental, and Social (Labor Practices and Decent Work, Human Rights, Society, Product Responsibility)
15-18	Human rights - Commitments, strategies, policies - Management systems - Monitoring and evaluation mechanisms	Specific Standard Disclosures: Disclosures on Management Approach and Indicators for the Aspects under Human Rights <ul style="list-style-type: none"> • Investment • Non-discrimination • Freedom of Association and Collective Bargaining • Child Labor • Forced or Compulsory Labor • Security Practices • Indigenous Rights • Assessment • Supplier Human Rights Assessment • Human Rights Grievance Mechanisms
6	Labour - Commitments, strategies, policies - Management systems - Monitoring and evaluation mechanisms	Specific Standard Disclosures: Disclosures on Management Approach and Indicators for the Aspects under Labor Practices and Decent Work <ul style="list-style-type: none"> • Employment • Labor/Management Relations • Occupational Health and Safety • Training and Education • Diversity and Equal Opportunity • Equal Remuneration for Women and Men • Supplier Assessment for Labor Practices • Labor Practices Grievance Mechanisms

GC Advanced Criteria		G4
Number	Description	
15-18	<p>Environment</p> <ul style="list-style-type: none"> - Commitments, strategies, policies - Management systems - Monitoring and evaluation mechanisms 	<p>Specific Standard Disclosures: Disclosures on Management Approach and Indicators for the Aspects under Environment:</p> <ul style="list-style-type: none"> • Materials • Energy • Water • Biodiversity • Emissions • Effluents and Waste • Products and Services • Compliance • Transport • Overall • Supplier Environmental Assessment • Environmental Grievance Mechanisms
12-14	<p>Anti-corruption</p> <ul style="list-style-type: none"> - Commitments, strategies, policies - Management systems - Monitoring and evaluation mechanisms 	<p>General Standard Disclosures G4-56 - G4-58</p> <p>Specific Standard Disclosures: Disclosures on Management Approach and Indicators for the Aspects under Society:</p> <ul style="list-style-type: none"> • Anti-Corruption • Public Policy
2	<p>Value chain</p>	<p>General Standard Disclosures G4-12, G4-13, G4-41</p> <p>Specific Standard Disclosures:</p> <ul style="list-style-type: none"> • Indicator G4-EC9, • Aspect-specific DMA Guidance on Supplier Environmental Assessment, • Indicators G4-EN4, G4-EN17, G4-EN32, G4-EN33 • Aspect-specific DMA Guidance on Supplier Assessment for Labor Practices, • Indicators G4-LA6, G4-LA14, G4-LA15 • Indicators G4-HR4 – G4-HR6, G4-HR10 • Aspect-specific DMA Guidance on Supplier Human Rights Assessment • Aspect-specific DMA Guidance on Supplier Assessment for Impacts on Society • Indicators G4-SO9 - G4-SO10

GC Advanced Criteria		G4
Number	Description	
	High standards of transparency and disclosure*	General use of the GRI Framework to produce COP General Standard Disclosures G4-3 - G4-13
	External COP Assessment*	General Standard Disclosure G4-33
	Business & Peace**	Any and all Disclosures on Management Approach related to the company's core business operations, government relations, stakeholder engagement, and strategic social investment in high risk or conflict-affected areas

*This is required of GC Advanced COPs in addition to the GC Advanced Criteria

**Applicable only to companies that operate in high risk or conflict-affected areas

How to fulfill the GC Advanced level requirements and report 'in accordance' with G4 at the same time

The section summarizes a recommended approach to fulfilling the GC Advanced requirements and reporting 'in accordance' with G4 at the same time.

If an organization wishes to fulfill the COP requirements at the GC Advanced level and at the same time to report 'in accordance' – Core with the G4 Guidelines, the following approach is recommended:

1. Report the G4 General Standard Disclosures for the 'in accordance' – Core option
2. Report on the G4 Disclosures on Management Approach and at least one Indicator for the material Aspects relating to the four GC Issue areas
3. Report the G4 Disclosures on Management Approach and at least one Indicator for any other Aspect that the organization identifies as material

If an organization wishes to fulfill the COP requirements at the GC Advanced level and at the same time to report 'in accordance' – Comprehensive with the G4 Guidelines, the following approach is recommended:

1. Report the G4 General Standard Disclosures for the 'in accordance' – Comprehensive option
2. Report on the G4 Disclosures on Management Approach and all Indicators for the material Aspects relating to the four GC Issue areas
3. Report the G4 Disclosures on Management Approach and all Indicators for any other Aspect that the organization identifies as material

Notes for both Core and Comprehensive options: Consider the GRI G4 Reporting Principles throughout the reporting process. Use the Global Compact issue areas and the GC Advanced criteria and best practices as primary reference points when reporting on management approach, as they must be described in a GC Advanced COP. When reporting on the management approach for GRI's Economic Category, consider the organization's contribution to society and UN Goals and Issues.

Annex

G4 'in accordance' options

The GRI G4 Guidelines offer two options to an organization in order to prepare its sustainability report 'in accordance' with the Guidelines: the Core option and the Comprehensive option. Each option can be applied by all organizations, regardless of their size, sector or location. The focus of both options is on the process of identifying material Aspects. Material Aspects are those that reflect the organization's significant economic, environmental and social impacts; or substantively influence the assessments and decisions of stakeholders.

The Core option contains the essential elements of a sustainability report. The Core option provides the background against which an organization communicates the impacts of its economic, environmental and social and governance performance.

The Comprehensive option builds on the Core option by requiring additional Standard Disclosures of the organization's strategy and analysis, governance, and ethics and integrity. In addition, the organization is required to communicate its performance more extensively by reporting all Indicators related to identified material Aspects.

What does 'in accordance' mean?

By reporting 'in accordance' – Core or Comprehensive, an organization communicates the extent to which it has followed the intention of the G4 Guidelines, including fulfilling certain minimum expectations regarding the transparency (not quality) with which it discloses its sustainability impacts and performance. An organization, whether it is a new or experienced reporter, has to choose the 'in accordance' option that best meets its reporting needs and, ultimately, enables it to meet its stakeholders' information needs.

TABLE 3: REQUIRED GENERAL STANDARD DISCLOSURES

General Standard Disclosures	'In accordance' – Core (This information should be disclosed in all cases)	'In accordance' – Comprehensive (This information should be disclosed in all cases)
Strategy and Analysis	G4-1	G4-1, G4-2
Organizational Profile	G4-3 to G4-16	G4-3 to G4-16
Identified Material Aspects and Boundaries	G4-17 to G4-23	G4-17 to G4-23
Stakeholder Engagement	G4-24 to G4-27	G4-24 to G4-27
Report Profile	G4-24 to G4-27	G4-24 to G4-33
Governance	G4-24 to G4-27	G4-34 to G4-35 to G4-55 (*)
Ethics and Integrity	G4-56	G4-56 to G4-57 to G4-58 (*)
General Standard Disclosures for Sectors	<i>Required, if available for the organization's sector(*)</i>	<i>Required, if available for the organization's sector(*)</i>

TABLE 4: REQUIRED SPECIFIC STANDARD DISCLOSURES (DMA AND INDICATORS)

General Standard Disclosures	'In accordance' – Core	'In accordance' – Comprehensive
Generic Disclosures on Management Approach	For material Aspects only(*)	For material Aspects only(*)
Indicators	At least one indicator related to each identified material Aspect(*)	All indicators related to each identified material Aspect(*)
Specific Standard Disclosures for Sectors	<i>Required, if available for the organization's sector and if material(*)</i>	<i>Required, if available for the organization's sector and if material(*)</i>

GC Advanced Criteria

Implementing the Ten Principles into Strategies & Operations

Criterion 1: The COP describes mainstreaming into corporate functions and business units

Criterion 2: The COP describes value chain implementation

Robust Human Rights Management Policies & Procedures

Criterion 3: The COP describes robust commitments, strategies or policies in the area of human rights

Criterion 4: The COP describes effective management systems to integrate the human rights principles

Criterion 5: The COP describes effective monitoring and evaluation mechanisms of human rights integration

Robust Labour Management Policies & Procedures

Criterion 6: The COP describes robust commitments, strategies or policies in the area of labour

Criterion 7: The COP describes effective management systems to integrate the labour principles

Criterion 8: The COP describes effective monitoring and evaluation mechanisms of labour principles integration

Robust Environmental Management Policies & Procedures

Criterion 9: The COP describes robust commitments, strategies or policies in the area of environmental stewardship

Criterion 10: The COP describes effective management systems to integrate the environmental principles

Criterion 11: The COP describes effective monitoring and evaluation mechanisms for environmental stewardship

Robust Anti-Corruption Management Policies & Procedures

Criterion 12: The COP describes robust commitments, strategies or policies in the area of anti-corruption

Criterion 13: The COP describes effective management systems to integrate the anti-corruption principle

Criterion 14: The COP describes effective monitoring and evaluation mechanisms for the integration of anti corruption

Taking Action in Support of Broader UN Goals and Issues

Criterion 15: The COP describes core business contributions to UN goals and issues

Criterion 16: The COP describes strategic social investments and philanthropy

Criterion 17: The COP describes advocacy and public policy engagement

Criterion 18: The COP describes partnerships and collective action

Corporate Sustainability Governance and Leadership

Criterion 19: The COP describes CEO commitment and leadership

Criterion 20: The COP describes Board adoption and oversight

Criterion 21: The COP describes stakeholder engagement

