

**ANALISIS TINGKAT PENGUNGKAPAN INFORMASI SOSIAL
KEMASYRAKATAN PERUSAHAAN YANG TERDAFTAR
DI BURSA EFEK INDONESIA (BEI)**



SKRIPSI

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**FAKULTAS EKONOMI - AKUNTANSI
UNIVERSITAS I S L A M INDONESIA
Y O G Y A K A R T A**

2014

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PERUSAHAAN YANG TERDAFTAR DI BURSA EFEK INDONESIA (BEI)**

SKRIPSI

Disusun dan diajukan untuk memenuhi sebagai salah satu syarat untuk mencapai derajat Sarjana

Strata-1 Program Studi Akuntansi

pada Fakultas Ekonomi UII

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YOGYAKARTA

2014

PERNYATAAN BEBAS PLAGIARISME

“Dengan ini saya menyatakan bahwa dalam skripsi ini tidak terdapat karya yang pernah diajukan untuk memperoleh gelar suatu kesarjanaan di suatu Perguruan Tinggi, dan sepanjang pengetahuan saya juga tidak terdapat karya atau pendapat yang pernah ditulis atau diterbitkan oleh orang lain, kecuali yang secara tertulis diacu dalam naskah ini dan disebutkan dalam referensi. Apabila dikemudian hari terbukti bahwa pernyataan ini tidak benar maka saya sanggup menerima hukuman atau sanksi apapun sesuai aturan yang berlaku.”

Yogyakarta, 15 April 2014

(Penyusun)



(Abi Hanifa)

**ANALISIS TINGKAT PENGUNGKAPAN INFORMASI SOSIAL KEMASYRAKATAN
PERUSAHAAN YANG TERDAFTAR DI BURSA EFEK INDONESIA (BEI)**

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Skripsi ini disusun dalam rangka memenuhi syarat akademis untuk mencapai gelar kesarjanaan pada jurusan Akuntansi Fakultas Ekonomi Universitas Islam Indonesia Yogyakarta. Dalam menyelesaikan penulisan skripsi ini tidak terlepas dari bantuan dan bimbingan berbagai pihak. Oleh karena itu, penulis ingin menyampaikan rasa terima kasih yang sebesar-besarnya kepada:

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(Abi Hanifa)

MOTTO

“Try not to become a man of success. Rather become a man of value.”

(Albert Einstein)

“Believe you can and you're halfway there.”

(Theodore Roosevelt)

“Sesungguhnya Allah tidak mengubah keadaan sesuatu kaum sehingga mereka mengubah keadaan yang ada pada diri mereka sendiri.”

(QS. Ar- Rad 13:11)

“Ilmu itu lebih baik daripada harta. Ilmu menjaga engkau dan engkau menjaga harta. Ilmu itu penghukum (hakim) dan harta terhukum. Harta itu kurang apabila dibelanjakan tapi ilmu bertambah bila dibelanjakan.”

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ABSTRAKSI

Penelitian ini meneliti tentang tingkat pengungkapan informasi sosial kemasyarakatan pada perusahaan-perusahaan yang terdaftar di Bursa Efek Indonesia. Tujuan dari penelitian ini adalah Untuk mengetahui dan menganalisis berapa tingkat pengungkapan informasi pertanggungjawaban sosial kemasyarakatan dan faktor apa saja yang mempengaruhi pengungkapan informasi pertanggungjawaban sosial kemasyarakatan pada laporan tahunan perusahaan yang terdaftar di BEI.

Permasalahan pada penelitian ini adalah berapa tingkat pengungkapan informasi pertanggungjawaban sosial kemasyarakatan dan faktor apa saja yang mempengaruhi pengungkapan informasi pertanggungjawaban sosial kemasyarakatan pada laporan tahunan perusahaan yang terdaftar di BEI ? metode Metode analisis data menggunakan analisis regresi linier berganda dengan bantuan SPSS 20.

Hasil dari penelitian ini adalah tingkat pengungkapan social kemasyarakatan perusahaan-perusahaan di Indonesia masih relatif rendah, dikarenakan masih berada pada angka kurang dari 50%, yaitu pada angka 40,27%. Selain itu ukuran perusahaan berpengaruh positif signifikan terhadap pengungkapan informasi sosial kemasyarakatan sedangkan tipe industri, operasi internasional, kinerja ekonomi, dan umur perusahaan tidak berpengaruh signifikan terhadap pengungkapan informasi sosial kemasyarakatan

Kata kunci: pengungkapan informasi sosial kemasyarakatan, ukuran perusahaan, tipe industry, operasi internasional, kinerja ekonomi, umur perusahaan.

BAB I

PENDAHULUAN

1.1 Latar Belakang

Informasi mengenai perusahaan merupakan kebutuhan yang mendasar bagi para investor dan calon investor untuk pengambilan keputusan. Adanya informasi yang lengkap, akurat serta tepat waktu memungkinkan investor untuk melakukan pengambilan keputusan secara rasional sehingga hasil yang diperoleh sesuai dengan yang diharapkan (Sembiring, 2005). Perusahaan dituntut untuk tidak hanya berorientasi pada profit saja, namun juga memperhatikan manfaat keberadaan perusahaan itu di tengah lingkungan masyarakat. Untuk menjawab tantangan tersebut perusahaan melakukan pelaporan pertanggungjawaban sosial. Hal tersebut sangat berhubungan dengan akuntansi sosial. Akuntansi sosial secara umum bertujuan untuk mengukur dan mengungkapkan manfaat dan biaya sosial yang ditimbulkan oleh kegiatan sosial perusahaan tersebut di masyarakat. Biaya sosial ini umumnya dikaitkan dengan ketenagakerjaan, konsumen dan produk atau barang/jasa yang dihasilkan, kemasyarakatan, dan lingkungan hidup di sekitar perusahaan (Putri, 2013)

Pada dasarnya tanggung jawab sosial perusahaan atau yang sering disebut CSR (*Corporate Social Responsibility*) adalah sebuah dana hibah dari perusahaan untuk penduduk sekitar dan lingkungan (Wardana, 2013). Tanggung jawab sosial perusahaan itu sendiri dapat digambarkan sebagai ketersediaan informasi keuangan dan non-keuangan berkaitan dengan interaksi organisasi dengan

lingkungan fisik dan lingkungan sosialnya, yang dapat dibuat dalam laporan tahunan perusahaan atau laporan sosial terpisah (Guthrie dan Mathews dalam Sembiring, 2005). Sedangkan definisi menurut *The World Bussiness Council for Sustainable Development* yaitu bahwa CSR adalah suatu komitmen terus-menerus dari pelaku bisnis untuk berlaku etis dan untuk memberikan kontribusi bagi perkembangan ekonomi bersamaan dengan itu pelaku bisnis juga meningkatkan kualitas hidup para pekerja dan keluarganya, juga bagi komunitas lokal dan masyarakat pada umumnya. Konsep CSR tidak sama dengan karikatif (*Charitiy*) atau *Filantrophy* (Kedermawanan) yang lebih spontan pemberiannya dan kurang memiliki efek jangka panjang bagi masyarakat dalam arti pemberdayaan mereka dalam bidang ekonomi, sosial, dan budaya.

Para pelaku bisnis modern mulai berpikir bahwa sebuah usaha yang langgeng adalah usaha yang tidak hanya berorientasi pada profit semata, namun juga memperhatikan keberlangsungan lingkungan dan sosial kemasyarakatan. Perusahaan menyadari bahwa mereka selalu bersinggungan dengan berbagai kontroversi dan masalah sosial sehingga perusahaan mulai memperhartikan hubungan dengan lingkungan sosial (Putri, 2013). Dengan memperhatikan hal tersebut maka akan tercapai keselarasan alam sehingga usaha yang berlangsung bisa memberikan manfaat bukan hanya bagi perusahaan itu sendiri, namun bermanfaat juga bagi lingkungan dan sosial kemasyarakatan.

Tanggung jawab perusahaan dapat disebut sebagai komitmen perusahaan untuk mempertanggungjawabkan dampak kegiatan operasinya dalam dimensi ekonomis, sosial dan lingkungan pada masyarakat dan lingkungan hidupnya,

dengan demikian tetap menjaga agar dampak-dampak tersebut tetap menyumbang manfaat dan bukan merugikan bagi para Stakeholdernya (Wardana, 2013).

Dalam penelitian milik Wardana (2013) dijelaskan bahwa di Indonesia sendiri saat ini baru terdapat 4 (empat) aturan hukum yang mewajibkan perusahaan tertentu melaksanakan aktivitas CSR atau tanggungjawab sosial dan lingkungan, diantaranya adalah: Pertama, bagi Badan Usaha Milik Negara (BUMN) wajib melaksanakan Program Kemitraan dan Bina Lingkungan (PKBL) sesuai dengan Peraturan Menteri Negara BUMN: Per-05/MBU/2007 Pasal 1 ayat (6) dijelaskan bahwa Program Kemitraan BUMN dengan Usaha Kecil, yang selanjutnya disebut Program Kemitraan, adalah program untuk meningkatkan kemampuan usaha kecil agar menjadi tangguh dan mandiri melalui pemanfaatan dana dari bagian laba BUMN. Sedangkan pada pasal 1 ayat (7) dijelaskan bahwa Program Bina Lingkungan, yang selanjutnya disebut Program BL, adalah program pemberdayaan kondisi sosial masyarakat oleh BUMN melalui pemanfaatan dana dari bagian laba BUMN. Program Bina Lingkungan, meliputi: bantuan korban bencana alam; bantuan pendidikan dan/atau pelatihan; bantuan peningkatan kesehatan; bantuan pengembangan prasarana dan/atau sarana umum; bantuan sarana ibadah; dan bantuan pelestarian alam.

Kedua, Peraturan bagi Perseroan Terbatas (PT) yang mengelola Sumber Daya Alam (SDA) diwajibkan melaksanakan tanggungjawab sosial dan lingkungan, karena telah diatur dalam UU Perseroan Terbatas No.40 Tahun 2007. Dimana dalam pasal 74 diatur bahwa : (1) Perseroan yang menjalankan kegiatan usahanya di bidang dan/atau berkaitan dengan sumber daya alam wajib

melaksanakan Tanggung Jawab Sosial dan Lingkungan, (2) Tanggung Jawab Sosial dan Lingkungan sebagaimana dimaksud ayat (1) merupakan kewajiban Perseroan yang dianggarkan dan diperhitungkan sebagai biaya Perseroan yang pelaksanaannya dilakukan dengan memperhatikan kepatutan dan kewajaran, (3) Perseroan yang tidak melaksanakan kewajiban sebagaimana dimaksud pada ayat (1) dikenai sanksi sesuai dengan ketentuan peraturan perundang-undangan, (4) Ketentuan lebih lanjut mengenai Tanggung Jawab Sosial dan Lingkungan diatur dengan Peraturan Pemerintah.

Ketiga, bagi penanaman modal, diatur dalam Undang-Undang Nomor 25 Tahun 2007 tentang Penanaman Modal, dalam Pasal 15 (b) dinyatakan bahwa “Setiap penanam modal berkewajiban melaksanakan tanggung jawab sosial perusahaan”. Sanksi-sanksi terhadap badan usaha atau perseorangan yang melanggar peraturan, diatur dalam Pasal 34, yaitu berupa sanksi administratif dan sanksi lainnya, meliputi: (a). Peringatan tertulis; (b). pembatasan kegiatan usaha; (c). pembekuan kegiatan usaha dan/atau fasilitas penanaman modal; atau (d). pencabutan kegiatan usaha dan/atau fasilitas penanaman modal

Keempat, bagi perusahaan pengelola minyak dan gas bumi, terikat oleh Undang-undang Nomor 22 Tahun 2001, tentang Minyak dan Gas Bumi, Pasal 13 ayat 3 (p), menyebutkan bahwa: “Kontrak Kerja Sama sebagaimana dimaksud dalam ayat (1) wajib memuat paling sedikit ketentuan-ketentuan pokok yaitu : (p). pengembangan masyarakat sekitarnya dan jaminan hak-hak masyarakat adat”. Jadi berdasarkan Undang-undang tersebut, perusahaan yang operasionalnya terkait Minyak dan Gas Bumi baik pengelola eksplorasi maupun distribusi, wajib

melaksanakan kegiatan pengembangan masyarakat dan menjamin hak-hak masyarakat adat yang berada di sekitar perusahaan.

Sedangkan dalam penelitian milik Cahaya (2012) dijelaskan bahwa pemerintah Indonesia mulai mengatur tentang pelaporan tanggung jawab sosial melalui peraturan BAPEPAM tanggal 7 Desember 2006. Dalam peraturan tersebut dijelaskan bahwa semua perusahaan *go public* yang terdaftar di BAPEPAM perlu untuk melaporkan kegiatan pertanggungjawaban sosialnya melalui laporan tahunan perusahaan tersebut.

Dalam Undang-Undang No. 40 Tahun 2007 Pasal 1 ayat 3 dijelaskan bahwa tanggung jawab sosial dan lingkungan adalah komitmen perseroan untuk berperan serta dalam pembangunan ekonomi berkelanjutan guna meningkatkan kualitas kehidupan dan lingkungan yang bermanfaat, baik bagi perseroan sendiri, komunitas setempat, maupun masyarakat pada umumnya (BAPEPAM)¹.

Dalam Peraturan Pemerintah No. 47 Tahun 2012 dijelaskan perseroan terbatas yang kegiatan usahanya di bidang dan/atau berkaitan dengan sumber daya alam diwajibkan untuk melaksanakan tanggung jawab sosial dan lingkungan (www.kompasiana.com).

Dengan adanya pernyataan-pernyataan di atas membuktikan bahwa pemerintah Indonesia telah memperhatikan CSR, namun dalam peraturan-peraturan yang telah ada tidak disebutkan secara jelas bagaimana bentuk pelaporan sosial dan hal hal apa saja yang perlu dilaporkan oleh perusahaan. Hal tersebut memunculkan masalah yaitu berkaitan dengan pengimplementasian pelaporan CSR di Indonesia.

¹BAPEPAM mulai tahun 2011 digantikan peranannya oleh OJK (Otoritas Jasa Keuangan) sesuai dengan Undang-Undang 21 tahun 2011

Dalam penelitian ini peneliti bermaksud untuk mengetahui tingkat pelaporan pertanggungjawaban sosial perusahaan di Indonesia khususnya di bidang kemasyarakatan. Dalam penelitian ini digunakan acuan dari Global Reporting Initiative atau lebih dikenal dengan sebutan GRI sebagai indikator pengungkapan informasi masyarakat. Global Reporting Initiative atau biasa dikenal dengan GRI adalah sebuah organisasi non profit yang berkonsentrasi untuk mempromosikan ekonomi yang berkelanjutan (*economic sustainability*) (Global Reporting Initiative, 2013). Organisasi ini berhasil menghasilkan acuan untuk pelaporan yang berkelanjutan (*sustainability reporting*). Acuan yang dihasilkan oleh organisasi ini merupakan acuan yang paling umum digunakan di dunia dalam pembuatan laporan yang berkelanjutan atau laporan pertanggungjawaban sosial. Acuan yang digunakan dalam penelitian ini adalah acuan yang dikeluarkan oleh Global Reporting Initiative pada tahun 2011 atau yang lebih dikenal dengan sebutan G3.1. Bagian dari acuan yang digunakan adalah *Specific Standart Disclosure kategori Social* dan *Sub Kategori Society*. *Sub Kategori Society* sendiri memiliki tujuh aspek yaitu : *local communities, anti-corruption, public policy, anti-competitive behavior, compliance*, (lihat lampiran 1)

Beberapa penelitian sebelumnya mengenai pengungkapan informasi sosial menitik beratkan pada pengungkapan informasi sosial di satu perseroan terbatas saja seperti pada penelitian milik Putri (2013) dan milik Sulaeman, Musadad, dan Pajria (2013). Beberapa penelitian lain mengambil sampel perusahaan di Indonesia yang terdaftar pada pasar modal namun dengan topik pengungkapan

informasi sosial secara umum seperti pada penelitian milik Sembiring (2005) dan milik Putri (2103). Sementara Penelitian mengenai pengungkapan informasi sosial yang lebih spesifik dengan tema pengungkapan informasi tenaga kerja (buruh) pernah dilakukan oleh Cahaya, Porter, Tower dan Brown (2012). Mengacu pada penelitian penelitian sebelumnya, penelitian ini dilaksanakan dengan sampel perusahaan yang terdaftar pada pasar modal di Indonesia sehingga memberikan pandangan yang lebih luas kepada masyarakat tentang pelaksanaan pengungkapan informasi sosial oleh perusahaan perusahaan di Indonesia. Penelitian ini mengambil tema pengungkapan informasi pertanggungjawaba sosial yang lebih spesifik di bidang kemasyarakatan atau selanjutnya disebut pengungkapan informasi pertanggungjawaban sosial kemasyarakatan, guna melengkapi penelitian yang telah ada.

1.2 Rumusan Masalah

Berdasarkan latar belakang tersebut, dalam penelitian ini diajukan rumusan masalah sebagai berikut:

1. Berapa tingkat pengungkapan informasi pertanggungjawaban sosial kemasyarakatan pada laporan tahunan perusahaan yang terdaftar di bursa efek Indonesia (BEI)²?
2. Faktor apa saja yang mempengaruhi pengungkapan informasi pertanggungjawaban sosial kemasyarakatan pada laporan tahunan perusahaan yang terdaftar di bursa efek Indonesia (BEI) ?

²BEI dahulunya merupakan BEJ (Bursa Efek jakarta)

1.3 Tujuan Penelitian

Tujuan penelitian ini adalah sebagai berikut :

1. Untuk mengetahui tingkat pengungkapan informasi sosial kemasyarakatan pada laporan tahunan perusahaan yang terdaftar di bursa efek Indonesia (BEI).
2. Untuk mengetahui faktor-faktor yang mempengaruhi pengungkapan informasi sosial kemasyarakatan pada laporan tahunan perusahaan yang terdaftar di bursa efek Indonesia (BEI).

1.4 Manfaat Penelitian

Penelitian ini diharapkan dapat memberikan manfaat bagi pihak yang terkait antara lain:

1. Bagi Peneliti Selanjutnya

Hasil penelitian ini diharapkan dapat memberikan kontribusi ilmu akuntansi dalam hal pemahaman tentang faktor-faktor yang mempengaruhi Pengungkapan *Corporate Social Responsibility* (CSR) khususnya mengenai pengungkapan informasi sosial kemasyarakatan.

2. Bagi Mahasiswa

Hasil penelitian ini diharapkan dapat membantu mahasiswa dalam mengembangkan kemampuan dalam memahami Pengungkapan *Corporate Social Responsibility* (CSR) khususnya mengenai pengungkapan informasi sosial kemasyarakatan.

1.5 Sistematika Pembahasan

Bab I : Pendahuluan

Bab ini memuat latar belakang masalah, rumusan masalah, tujuan penelitian, manfaat penelitian, dan sistematika penulisan.

Bab II : Kajian Pustaka

Bab ini menguraikan teori-teori yang melandasi, penelitian terdahulu, hipotesis penelitian dan kerangka pemikiran penelitian.

Bab III : Metode Penelitian

Bab ini akan menguraikan metode penelitian yang berisi tentang variabel-variabel penelitian, populasi dan sampel, pengumpulan data, pengolahan data dan pengujian hipotesis.

Bab IV : Analisis Data dan Pembahasan

Bab ini akan menguraikan data khusus yang berkaitan dengan penyelesaian permasalahan yang telah ditentukan berdasarkan alat dan langkah analisis sehingga akan membawa ke tujuan dan sasaran penelitian.

Bab V : Kesimpulan dan Saran

Bab ini akan memuat secara singkat mengenai kesimpulan penelitian dan saran-saran yang ditujukan pada berbagai pihak.

²BEI dahulunya merupakan BEJ (Bursa Efek Jakarta)

BAB II

KAJIAN PUSTAKA

2.1 Landasan Teori

2.1.1 Teori Stakeholder

Perusahaan tidak hanya sekedar bertanggungjawab terhadap para pemilik (*Shareholder*) sebagaimana terjadi selama ini, namun bergeser menjadi lebih luas yaitu pada ranah sosial kemasyarakatan (*stakeholder*), selanjutnya disebut tanggungjawab sosial (*Social responsibility*). Fenomena seperti ini terjadi, karena adanya tuntutan dari masyarakat akibat *negative externalities* yang timbul serta ketimpangan sosial yang terjadi (Harahap dalam Hadi, 2011). Untuk itu, tanggungjawab perusahaan yang semula hanya diukur sebatas pada indikator ekonomi (*economic focused*) dalam laporan keuangan, kini harus bergeser dengan memperhitungkan faktor-faktor sosial (*social dimentions*) terhadap *stakeholder*, baik internal maupun external. *Stakeholder* adalah semua pihak baik internal maupun external yang memiliki hubungan baik bersifat mempengaruhi maupun dipengaruhi, bersifat langsung maupun tidak langsung oleh perusahaan.

Dengan demikian, *stakeholder* merupakan pihak internal maupun eksternal, seperti : pemerintah, perusahaan pesaing, masyarakat sekitar, lingkungan internasional, lembaga di luar perusahaan (LSM dan sejenisnya), lembaga pemerhati lingkungan, para pekerja lingkungan perusahaan, kaum minoritas dan lain sebagainya yang keberadaannya sangat mempengaruhi dan dipengaruhi perusahaan.

Esensi teori *stakeholder* tersebut di atas jika ditarik interkoneksi dengan teori legitimasi yang mengisyaratkan bahwa perusahaan hendaknya mengurangi *expectation gap* dengan masyarakat (publik) sekitar guna meningkatkan legitimasi (pengakuan) masyarakat, ternyata terdapat benang merah . Untuk itu, perusahaan hendaknya menjaga reputasinya yaitu dengan menggeser pola orientasi (tujuan) yang semula semata-mata di ukur dengan *economic measurement* yang cenderung *shareholder orientation*, kearah memperhitungkan faktor sosial (*social factors*) sebagai wujud kepedulian dan keberpihakan terhadap masalah sosial kemasyarakatan (*stakeholder orientation*).

Kasali dalam Iryanie (2009) membagi *stakeholder* menjadi sebagai berikut:

a. *Stakeholder* Internal dan *stakeholder* eksternal

Stakeholder internal adalah *stakeholder* yang berada di dalam lingkungan organisasi. Misalnya karyawan, manajer dan pemegang saham (*shareholder*). Sedangkan *stakeholder* eksternal adalah *stakeholder* yang berada di luar lingkungan organisasi, seperti penyalur atau pemasok, konsumen atau pelanggan, masyarakat, pemerintah, pers, kelompok sosial, *responsible investor*, *licensing partner* dan lain-lain.

b. *Stakeholder* primer, sekunder dan marjinal

Tidak semua elemen dalam *stakeholder* perlu diperhatikan. Perusahaan perlu menyusun skala prioritas. *Stakeholder* yang paling penting disebut *stakeholder* primer, *stakeholder* yang kurang penting disebut *stakeholder* sekunder dan yang biasa diabaikan disebut *stakeholder* marjinal. Urutan

prioritas ini berbeda bagi setiap perusahaan meskipun produk atau jasanya sama. Urutan ini juga bisa berubah dari waktu ke waktu.

c. *Stakeholder* tradisional dan *stakeholder* masa depan

Karyawan dan konsumen dapat disebut sebagai *stakeholder* tradisional, karena saat ini sudah berhubungan dengan organisasi. Sedangkan *stakeholder* masa depan adalah *stakeholder* pada masa yang akan datang diperkirakan akan memberikan pengaruhnya pada organisasi seperti mahasiswa, peneliti dan konsumen potensial.

d. *Proponents*, *opponents*, dan *uncommitted*

Diantara *stakeholder* ada kelompok yang memihak organisasi (*proponents*), menentang organisasi (*opponents*) dan ada yang tidak peduli atau abai (*uncommitted*). Organisasi perlu mengenal *stakeholder* yang berbeda-beda ini agar dapat melihat permasalahan, menyusun rencana dan strategi untuk melakukan tindakan yang proposional.

e. *Silent majority* dan *vokal minority*

Dilihat dari aktivitas *stakeholder* dalam melakukan komplain atau mendukung perusahaan, tentu ada yang menyatakan pertentangan atau dukungannya secara *vokal* (aktif) namun ada pula yang menyatakan secara *silent* (pasif).

Terdapat beberapa alasan yang mendorong perusahaan perlu memperhatikan kepentingan *stakeholder*, yaitu (Iryanie, 2009):

1. Isu lingkungan melibatkan kepentingan berbagai kelompok dalam masyarakat yang dapat mengganggu kualitas hidup mereka,

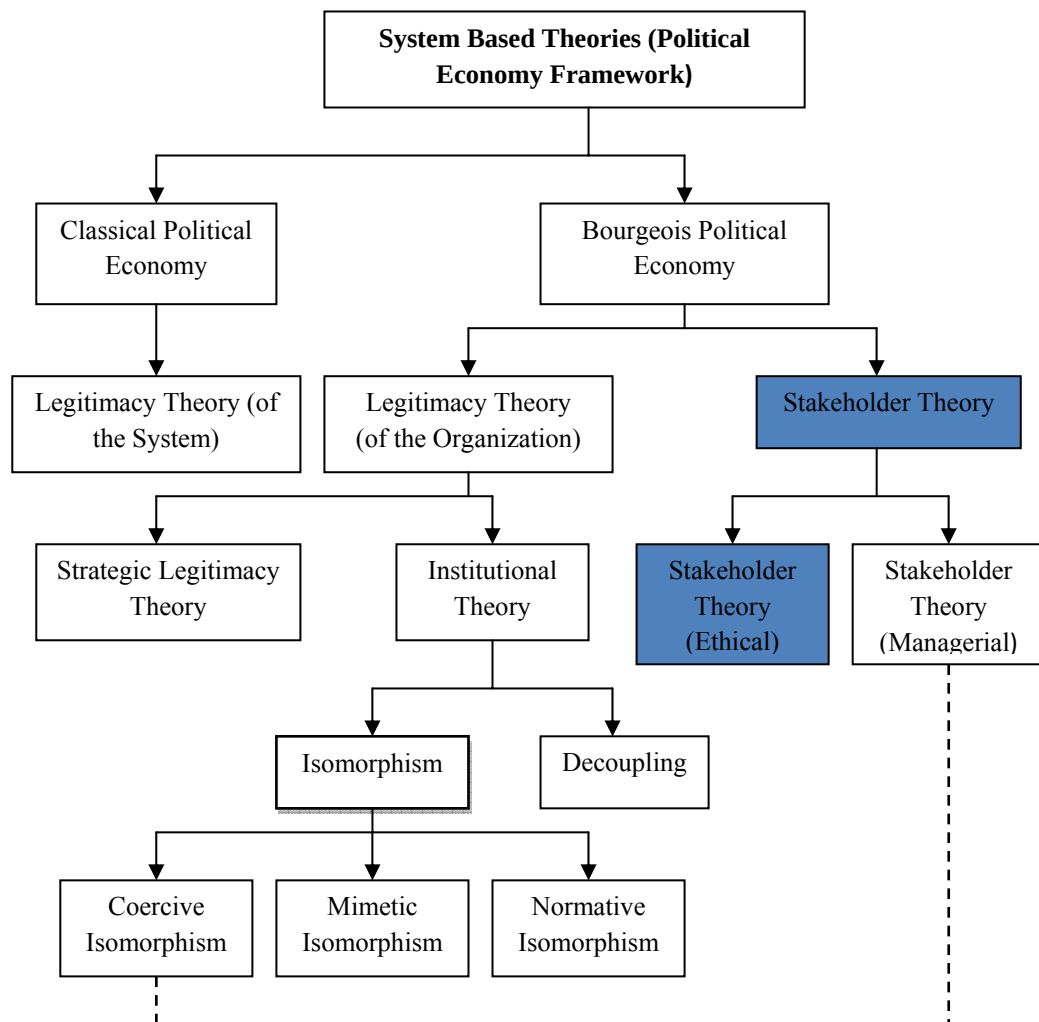
2. Dalam era globalisasi telah mendorong produk-produk yang diperdagangkan harus bersahabat dengan lingkungan,
3. Para investor dalam menanamkan modalnya cenderung untuk memilih perusahaan yang memiliki dan mengembangkan kebijakan dan program lingkungan,
4. LSM dan pencinta lingkungan makin vokal dalam mengkritik perusahaan-perusahaan yang kurang peduli terhadap lingkungan.

Gray *et al* dalam Ghozali dan Chariri (2007) mengatakan bahwa kelangsungan hidup perusahaan bergantung pada dukungan *stakeholder* dan dukungan tersebut harus dicari sehingga aktivitas perusahaan adalah untuk mencari dukungan tersebut. Pengungkapan sosial dianggap sebagai bagian dari dialog antara perusahaan dengan *stakeholders* (Ghozali dan Chariri, 2007).

Teori *Stakeholder* merupakan cabang dari *Bourgeois Political Economy Theory* yang mana merupakan bagian dari *Political Economy Framework*. Teori *Stakeholder* sendiri memiliki dua cabang, yaitu teori *stakeholder* manajerial dan teori *stakeholder ethical*. Untuk mendapatkan pemahaman yang lebih baik dapat dilihat pada gambar berikut.

Gambar 2.1

Posisi Teori Stakeholder pada *Political Economy Framework*



Sumber: Diadaptasi dari DiMaggio dan Powell (1983), Gray et al. (1996), Perera (2007), and Deegan (2009), oleh Cahaya, et al (2011). area yang berwarna merupakan teori yang di gunakan dalam penelitian ini.

Menurut Donaldson dan Preston dalam Riyadi, (2008) Teori *Stakeholder* dengan prespektif manajerial atau dikenal juga dengan prespektif instrumental melihat para pemangku kepentingan sebagai "alat" (*means*) untuk mencapai

tujuan perusahaan yaitu menghasilkan keuntungan dan meningkatkan efisiensi. Para pemangku kepentingan hanya diperhatikan sejauh itu menunjang tujuan-tujuan lebih tinggi dari sebuah perusahaan yaitu maksimisasi keuntungan, keberlangsungan dan pertumbuhan. Sementara itu teori *stakeholder* dengan perspektif *ethical* atau dikenal juga dengan perspektif normatif, melihat bahwa perusahaan bertanggung jawab terhadap semua pemangku kepentingan (*stakeholder*) lain jauh melampaui para pemegang saham. Perusahaan harus secara aktif mempromosikan kepentingan-kepentingan sosial, bahkan ketika masyarakat tidak mengharapkannya atau menuntutnya.

Dalam Penelitian ini digunakan teori *stakeholder* dengan perspektif *ethical*. Dimana perusahaan menempatkan semua *stakeholder* pada posisi yang sama, yaitu memiliki hak untuk memperoleh informasi yang berkaitan dengan perusahaan.

2.1.2 Corporate Social Responsibility

Adapun beberapa definisi yang dikemukakan oleh para ahli antara lain;

Johnson and Johnson, dalam Hadi (2011) mendefinisikan “*Corporate Social Responsibility (CSR) is about how companies manage the business processes to produce on several positive impact on society*”.

Definisi tersebut pada dasarnya berangkat dari filosofi bagaimana cara mengelolah perusahaan baik sebagian maupun secara keseluruhan memiliki dampak positif bagi dirinya dan lingkungan. Untuk itu, perusahaan harus mampu

mengelola bisnis operasinya dengan menghasilkan produk yang berorientasi secara positif terhadap masyarakat dan lingkungan.

Lord holme and Richard Watts dalam Hadi (2011) mendefinisikan:

“Corporate Social Responsibility is the continuing commitment by business to behave ethically and contribute to economic development while improving the quality of life of the workforce and their families as well as of the local community and social at large “

Ghana dalam Hadi (2011) mendefinisikan :

“CSR is about capacity building for sustainable livelihoods. It respect cultural differenses and find the business opportunities in bilding the skills of employees, the community and the government“. Lebih lanjut dinyatakan.....”Corporate Social Responsibility (CSR) is about business giving back to society”.

Batasan yang diberikan Ghana tersebut memberikan penjelasan secara lebih dalam, bahwa sesungguhnya tanggung jawab sosial perusahaan (*corporate social responsibility*) memberikan kapasitas dalam membangun *corporate building* menuju terjaminnya *going concern* perusahaan. Didalamnya, termasuk upaya peka (*respect*) terhadap adopsi sistematis berbagai budaya (kearifan lokal) ke dalam strategi bisnis perusahaan, termasuk keterampilan karyawan, masyarakat dan pemerintah.

2.1.3 *Global Reporting Initiative*

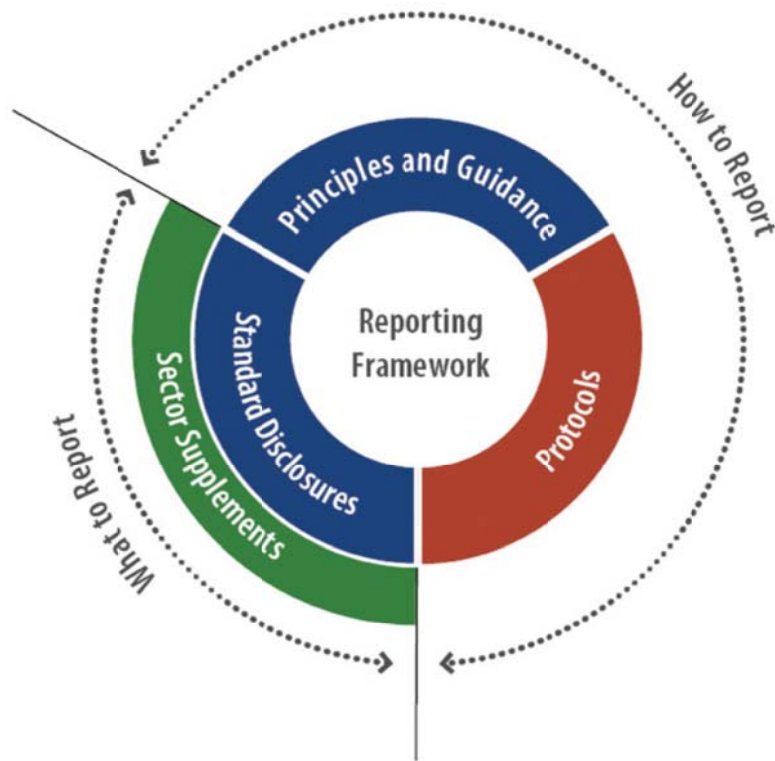
Semua dokumen berdasarkan Kerangka Pelaporan GRI dikembangkan melalui sebuah proses pencapaian konsensus lewat dialog di antara para pemangku kepentingan yang berasal dari perusahaan, komunitas investor, pekerja, masyarakat sipil, akuntan, akademisi, dan pihak lainnya. Semua dokumen berdasarkan Kerangka Laporan menjadi subjek pengujian dan upaya peningkatan secara terus-menerus (Global Reporting Initiative, 2013).

Kerangka Pelaporan GRI ditujukan sebagai sebuah kerangka yang dapat diterima umum dalam melaporkan kinerja ekonomi, lingkungan, dan sosial dari organisasi. Kerangka ini didesain untuk digunakan oleh berbagai organisasi yang berbeda ukuran, sektor, dan lokasinya. Kerangka ini juga memperhatikan pertimbangan praktis yang dihadapi oleh berbagai macam organisasi –dari perusahaan kecil sampai kepada perusahaan yang memiliki operasi ekstensif dan tersebar di berbagai lokasi. Kerangka Pelaporan GRI mengandung kandungan isi umum dan sektor secara spesifik yang telah disetujui oleh berbagai pemangku kepentingan di seluruh dunia dan dapat diaplikasikan secara umum dalam melaporkan kinerja keberlanjutan dari sebuah organisasi.

Panduan Laporan Keberlanjutan (Panduan) berisikan Prinsip-prinsip dalam mendefinisikan isi laporan dan menjamin kualitas dari informasi yang dilaporkan. Panduan juga meliputi Standar Pengungkapan yang terdiri atas Indikator Kinerja dan item pengungkapan lainnya sebagaimana halnya panduan akan topik teknis spesifik dalam pelaporan.

Kerangka pelaporan GRI dapat dilihat pada gambar berikut :

Gambar 2.2
Kerangka Pelaporan GRI



Sumber : Pedoman Pelaporan Keberlanjutan GRI (2000-2006)

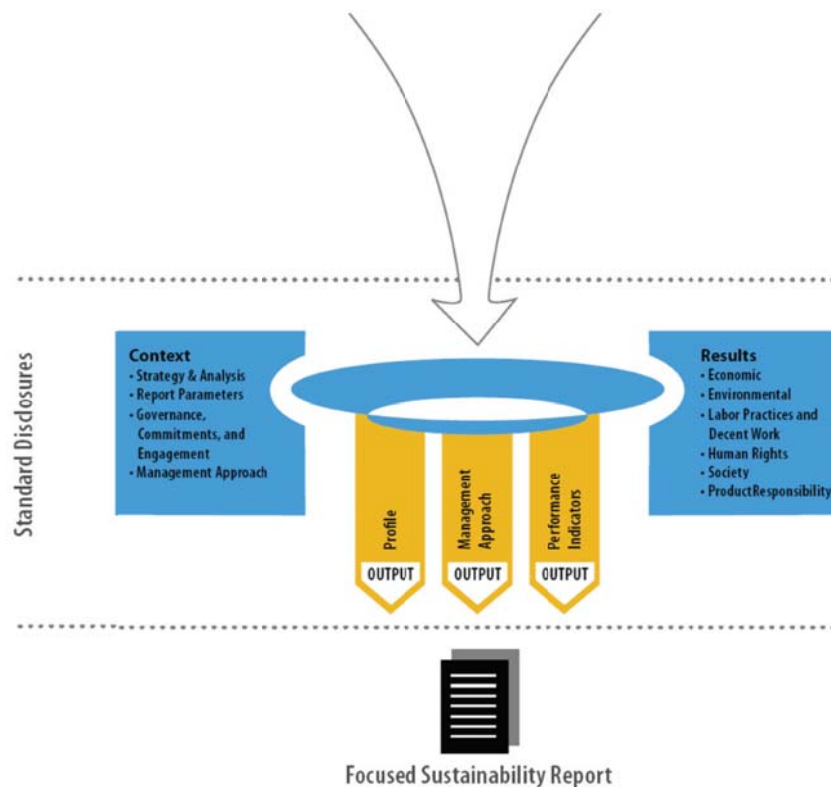
Standar pengungkapan GRI, terdapat tiga jenis pengungkapan yang terkandung dalam bagian ini.

1. Strategi dan Profil: Pengungkapan yang menentukan konteks keseluruhan dalam memahami kinerja organisasi, seperti strategi, profil dan tata kelola.
2. Pendekatan Manajemen: Pengungkapan yang mencakup bagaimana sebuah organisasi mengarahkan seperangkat topik dalam menyediakan konteks untuk memahami kinerja pada wilayah tertentu.

3. Indikator Kinerja: Indikator yang menghasilkan perbandingan informasi mengenai kinerja organisasi dalam hal ekonomi, lingkungan, dan sosial. Organisasi didorong untuk mengikuti struktur ini dalam mengkompilasi laporan mereka, namun demikian format lainnya tetap dapat dipilih.

Gambar 2.3

Standar Pengungkapan GRI



Sumber : Pedoman Pelaporan Keberlanjutan GRI (2000-2006)

2.1.4 Pengungkapan Informasi Sosial Kemasyarakatan

Didalam GRI, Indikator Kinerja Masyarakat memperhatikan dampak organisasi terhadap masyarakat di mana mereka beroperasi, dan menjelaskan

risiko dari interaksi dengan institusi sosial lainnya yang mereka kelola. Pada khususnya, informasi yang dicari berhubungan dengan risiko yang diasosiasikan dengan suap, korupsi, praktek monopoli dan kolusi.

Penjelasan mengenai aspek-aspek yang dilihat pada laporan pertanggungjawaban perusahaan dilihat dari indikator pengungkapan informasi sosial kemasyarakatan adalah sebagai berikut:

1. Komunitas

Aspek komunitas ini meliputi sifat dasar, ruang lingkup, dan keefektifan setiap program dan praktek yang dilakukan untuk menilai dan mengelola dampak operasi terhadap masyarakat, baik pada saat memulai, pada saat beroperasi, dan pada saat mengakhiri.

2. Korupsi

Aspek korupsi meliputi persentase dan jumlah unit usaha yang memiliki risiko terhadap korupsi, persentase pegawai yang dilatih dalam kebijakan dan prosedur antikorupsi dan tindakan yang diambil dalam menanggapi kejadian korupsi.

3. Kebijakan publik

Aspek kebijakan publik meliputi kedudukan kebijakan publik dan partisipasi dalam proses melobi dan pembuatan kebijakan publik dan nilai kontribusi finansial dan natural kepada partai politik, politisi, dan institusi terkait berdasarkan negara di mana perusahaan beroperasi.

4. Kelakuan tidak bersaing

Aspek kelakuan tidak bersaing meliputi jumlah tindakan hukum terhadap pelanggaran ketentuan antipersaingan, *anti-trust*, dan praktek monopoli serta sanksinya.

5. Kepatuhan

Aspek kepatuhan meliputi nilai uang dari denda signifikan dan jumlah sanksi nonmoneter untuk pelanggaran hukum dan peraturan yang dilakukan.

Berikut adalah *item-item* indikator pengungkapan informasi sosial kemasyarakatan menurut GRI :

Tabel 2.1

***Item – Item* Indikator Pengungkapan Informasi Sosial Kemasyarakatan
menurut GRI 3-1**

Kemasyarakatan	Masyarakat sekitar	SO01	Program kemasyarakatan di wilayah operasional
	Anti korupsi	SO02	Unit Usaha dan Resiko Korupsi
		SO03	Pelatihan anti korupsi
		SO04	Insiden korupsi dan tindak lanjutnya
	Kebijakan publik	SO05	Partisipasi dalam pembuatan kebijakan publik
		SO06	Donasi untuk partai politik dan politikus
	Perilaku anti kompetisi	SO07	Pelanggaran terhadap hukum keadilan persaingan usaha
	Kepatuhan	SO08	Denda dan sanksi akibat pelanggaran hukum dan perundangan
	Masyarakat sekitar	SO09	Dampak umum operasional positif dan negatif bagi masyarakat
		SO10	Mekanisme penyelesaian kasus dampak terhadap masyarakat

Sumber: Global Reporting Initiative (lihat lampiran I)

Dalam menentukan tingkat indeks GRI bidang kemasyarakatan ini harus diperhatikan hal-hal berikut ini :

1. Tujuan dan Kinerja

Tujuan umum organisasi terhadap kinerja yang berhubungan dengan aspek di atas. Gunakan indikator yang spesifik dengan organisasi ditambah dengan indikator kinerja GRI untuk menunjukkan hasil kinerja terhadap tujuan.

2. Kebijakan

Secara singkat, kebijakan secara umum organisasi yang menentukan komitmen keseluruhan organisasi mengenai aspek masyarakat atau dijelaskan dalam ruang publik (misalnya *weblink*).

3. Tanggung Jawab Organisasi

Posisi paling senior dengan tanggung jawab operasional terhadap aspek masyarakat atau jelaskan bagaimana tanggung jawab sosial dibagi dalam tingkat senior terhadap aspek tersebut. Ini berbeda dengan penjelasan yang memfokuskan diri kepada struktur tingkat tata kelola.

4. Pelatihan dan Kesadaran.

Prosedur yang berhubungan dengan pelatihan dan peningkatan kesadaran yang berhubungan dengan aspek masyarakat.

5. Pengawasan dan Tindak Lanjut

Prosedur yang berhubungan dengan pengawasan dan aksi pencegahan dan perbaikan. Termasuk yang berhubungan dengan *supply chain* Daftar sertifikasi terhadap kinerja atau sistem sertifikasi , atau cara lain pada audit/verifikasi organisasi pelapor, seperti:

1. Sukses penting dan kekurangannya
2. Risiko dan kesempatan utama organisasi
3. Perubahan utama dalam periode pelaporan terhadap sistem atau struktur untuk memperbaiki kinerja; dan
4. Strategi kunci dan prosedur implementasi kebijakan atau pencapaian tujuan.

2.1.5 Faktor-Faktor Yang Mempengaruhi Pengungkapan Informasi Masyarakat

Berdasarkan penelitian yang pernah dilakukan Cahaya et.al (2012) maka faktor-faktor yang mempengaruhi pengungkapan informasi sosial kemasyarakatan adalah sebagai berikut :

1. Tipe Industri

Tipe industri dibedakan menjadi dua jenis, yaitu industri yang *high-profile* dan industri yang *low-profile*. Robert dalam Anggraini (2006) menggambarkan industri yang *high-profile* sebagai perusahaan yang mempunyai tingkat sensitivitas yang tinggi terhadap lingkungan (*consumer visibility*), tingkat risiko politik yang tinggi atau tingkat kompetisi yang ketat. Keadaan tersebut membuat perusahaan menjadi lebih mendapatkan sorotan oleh masyarakat luas mengenai aktivitas perusahaannya. Industri *low-profile* adalah kebalikannya. Perusahaan ini memiliki tingkat *consumer visibility*, tingkat risiko politik, dan tingkat kompetisi yang rendah, sehingga tidak terlalu mendapat sorotan

dari masyarakat luas mengenai aktivitas perusahaannya meskipun dalam melakukan aktivitasnya tersebut perusahaan melakukan kesalahan atau kegagalan pada proses maupun hasil produksinya.

Klasifikasi tipe industri yang diuraikan oleh banyak peneliti terdahulu sifatnya sangat subyektif dan berbeda-beda. Dalam Anggaraini (2006) dan Sembiring (2005), mengelompokkan perusahaan otomotif, penerbangan dan minyak sebagai industri yang *high-profile*, sedangkan Diekers dan Perston dalam Hackston dan Milne (1996) mengatakan bahwa industri ekstraktif merupakan industri yang *high-profile*. Hackston dan Milne (1996) mengelompokkan industri pertambangan, kimia, dan kehutanan sebagai industri *high-profile*.

2. Ukuran Perusahaan

Ukuran perusahaan menurut Riyanto (2001), yaitu besar kecilnya perusahaan dilihat dari besarnya nilai *equity*, nilai penjualan atau total aktiva. Menurut Agnes Sawir (2004) ukuran perusahaan dinyatakan sebagai determinan dari struktur keuangan dalam hampir setiap studi untuk alasan yang berbeda: Pertama, ukuran perusahaan dapat menentukan tingkat kemudahan perusahaan memperoleh dana dari pasar modal. Perusahaan kecil umumnya kekurangan akses ke pasar modal yang terorganisir, baik untuk obligasi maupun saham. Meskipun mereka memiliki akses, biaya peluncuran dari penjualan sejumlah kecil sekuritas dapat menjadi penghambat. Jika penerbitan sekuritas dapat dilakukan, sekuritas perusahaan kecil mungkin kurang dapat dipasarkan

sehingga membutuhkan penentuan harga sedemikian rupa agar investor mendapatkan hasil yang memberikan return lebih tinggi secara signifikan. Kedua, ukuran perusahaan menentukan kekuatan tawar-menawar dalam kontrak keuangan. Perusahaan besar biasanya dapat memilih pendanaan dari berbagai bentuk hutang, termasuk penawaran spesial yang lebih menguntungkan dibandingkan yang ditawarkan perusahaan kecil. Semakin besar jumlah uang yang digunakan, semakin besar kemungkinan pembuatan kontrak yang dirancang sesuai dengan preferensi kedua pihak sebagai ganti dari penggunaan kontrak standar hutang. Ketiga, ada kemungkinan pengaruh skala dalam biaya dan return membuat perusahaan yang lebih besar dapat memperoleh lebih banyak laba

3. Operasi Internasional

Operasi Internasional atau biasa dikenal dengan istilah perusahaan multinasional adalah perusahaan manufaktur yang beroperasi tidak hanya pada suatu negara. Perusahaan multinasional yang beroperasi di negara asal disebut perusahaan induk, sedangkan perusahaan manufaktur multinasional yang beroperasi di negara lain disebut sebagai perusahaan anak. Perusahaan multinasional hanya akan masuk ke dalam suatu negara bila situasi dan kondisi negara itu sendiri menunjang untuk pengembangan usaha (Nizamuddin dalam Rini, 2010).

4. Kinerja Ekonomi

Kinerja ekonomi adalah kinerja ekonomi secara makro dari sekumpulan perusahaan dalam suatu industri. Pengukuran kinerja ekonomi dapat dihitung menurut *accounting based measures* maupun *capital market based*. Pada *accounting based measures* dapat menggunakan analisis rasio keuangan sebagai pengukuran secara *financial*. Penggunaan analisis rasio berdasarkan interpretasi dan menganalisis laporan keuangan menggunakan ukuran tertentu.

Pada penelitian terdahulu, Bragdon dan Malin dalam Al Tuwaijri, et al (2003) menggunakan *accounting based measures* (*earnings per share* dan ROE). Sedangkan Spicer dalam Al Tuwaijri, et al (2003) menggunakan keduanya baik *accounting based measures* maupun *capital market based* (*profitability* dan *price earning ratio*). Kelemahan menggunakan berbagai macam pengukuran *economic performance* adalah mereka cenderung untuk fokus pada satu aspek kinerja ekonomi suatu perusahaan. *Net income* mengukur tingkat *profitabilitas* tanpa mempertimbangkan ukuran perusahaan, kelemahan ini dapat dilengkapi dengan menggunakan pengukuran seperti ROA dan skala *profitabilitas* investasi perusahaan berdasarkan aset mereka. Namun hal ini akan menjadi bias apabila sampel tersebut meliputi perusahaan dari berbagai industri (Al Tuwaijri, et al., 2003).

5. Usia Perusahaan

Usia Perusahaan merupakan rentang waktu antara tahun dimana perusahaan berdiri sampai dengan tahun penelitian dilakukan. Artinya

semakin lama umur perusahaan menunjukkan bahwa perusahaan tetap eksis (*survive*) di tengah persaingan bisnis dan situasi persaingan yang mengglobal dan berpengalaman dalam melakukan pengungkapan dari tahun ke tahun (Sjahrir, 2002).

Perusahaan yang telah memiliki pengalaman lebih banyak akan lebih memahami kebutuhan penggunanya dan informasi yang lebih detail mengenai perusahaan yang harus dibuka kepada pihak-pihak di luar manajemen yang berkepentingan terhadap perusahaan.

2.2 Penelitian Terdahulu

Penelitian terdahulu yang menjadi dasar dari penelitian ini adalah sebagai berikut.

Penelitian Cahaya et.al, (2012) yang bertujuan untuk mengetahui tingkat pengungkapan tenaga kerja di perusahaan yang terdaftar di Indonesia. Penelitian ini menggunakan perusahaan yang terdaftar di IDX pada tahun 2007 yang berjumlah 223 perusahaan. Daftar pengungkapan tenaga kerja dalam penelitian ini berdasarkan pedoman dari GRI (*Global Reporting Initiative*). Hasil penelitian ini membuktikan bahwa masih rendahnya tingkat pengungkapan tenaga kerja di perusahaan di Indonesia (17,7%). Tingkat pengungkapan tertinggi adalah keterampilan dan pengembangan karyawan sedangkan tingkat pengungkapan terendah terjadi pada hal Komite keselamatan dan kesehatan kerja karyawan serta rasio gaji karyawan pria dan wanita. Hasil penelitian ini juga membuktikan bahwa

kepemilikan pemerintah dan perusahaan multinasional berpengaruh terhadap tingkat pengungkapan tenaga kerja di perusahaan Indonesia.

Penelitian Cahaya et.al, (2011) yang bertujuan untuk mengetahui tekanan media terhadap luas pengungkapan tenaga kerja perusahaan yang terdaftar di BEI pada tahun 2007. Hasil penelitian ini membuktikan bahwa terdapat 95 artikel yang berhubungan dengan tenaga kerja yang ditemukan di Kompas dari 1 Juli 2006 sampai dengan 30 Juni 2007. Sedangkan tingkat pengungkapan tenaga kerja hanya berkisar dibawah 1% sampai dengan 100%. Hasil analisis korelasi juga membuktikan bahwa terdapat hubungan antara tekanan media dengan luas pengungkapan tenaga kerja perusahaan.

Penelitian Cahaya et.al, (2008) yang bertujuan untuk menguji hubungan antara karakteristik perusahaan dengan pengungkapan social perusahaan dari 100 perusahaan yang terdaftar di BEI pada tahun 2004. Hasil penelitian ini membuktikan bahwa tingkat pengungkapan social perusahaan hanya berkisar 14,15%. Hasil penelitian ini juga membuktikan bahwa ukuran perusahaan dan perusahaan mutinasional berpengaruh positif terhadap pengungkapan social perusahaan.

Penelitian Adam, Hill, dan Robert, (1998) yang bertujuan untuk mengidentifikasi faktor-faktor yang mempengaruhi semua jenis pengungkapan sosial. Penelitian ini menggunakan sampel 150 laporan tahunan dari enam negara Eropa telah diteliti dengan menggunakan *content analysis*. Hasil pada penelitian ini adalah ukuran perusahaan, kategori perusahaan, dan tempat domisili industri mempengaruhi pengungkapan sosial perusahaan. Selain itu ditemukan juga bahwa

perusahaan yang besar akan lebih signifikan dalam melakukan pengungkapan pertanggungjawaban sosial.

Penelitian Iryanie, (2009) yang bertujuan menguji pengaruh komitmen stakeholder perusahaan terhadap kinerja sosial dan kinerja keuangan. Penelitian ini menggunakan sampel laporan tahunan dari 256 perusahaan yang terdaftar di BEI yang dipilih menggunakan *purposive random sampling*. Hasil penelitian ini menemukan Hasil dari penelitian ini menunjukkan bahwa perusahaan berorientasi stakeholder menyajikan kinerja sosial lebih baik daripada perusahaan berorientasi *shareholder*. Perusahaan berorientasi *stakeholder* menyajikan kinerja keuangan lebih baik daripada perusahaan berorientasi *shareholder*.

Untuk lebih memudahkan dalam memahami penelitian terdahulu dapat dilihat pada tabel 2.2 berikut :

Tabel 2.2
Penelitian Terdahulu

No.	Judul dan Pengarang	Negara	Variabel	Sumber Data	Teori	Variabel Signifikan	Kelemahan
1.	Corporate Social Reporting practice in Western Europe: Legitimizing Corporate Behaviour (Carol, A. Adams, Wang-yin Hill, dan Clare B Robert, 1998)	Eropa barat (Prancis, Jerman, Belanda, Swis, Swedia, Inggris)	Tipe industri, Ukuran perusahaan, Negara domisili industri, Pengungkapan tanggungjawab sosial perusahaan	25 perusahaan terbesar dari masing masing negara	tidak disebutkan dengan jelas	Ukuran perusahaan, Negara domisili perusahaan	Penelitian ini tidak meneliti secara khusus kepada studi kasus tertentu untuk mendapatkan pandangan yang lebih khusus
2.	Social	Indonesia	Ukuran	100	Teori	Ukuran	Data yang digunakan

	Disclosure Practice by Jakarta Stock Exchange Listed Entities (Fitra Roman Cahaya, Stacey A. Porter, dan Alistair Brown, 2008)		Perusahaan, Leverage, Economic Performance, Kompleksitas bisnis, Operasi internasional, Tipe industri, Tingkat pelaporan sosial sukarela	perusahaan yang terdaftar di BEI pada tahun 2004	Stakeholder	Perusahaan, Operasi Internasional	hanya satu tahun periode laporan tahunan perusahaan
3.	Komitmen Stakeholder Perusahaan terhadap Kinerja Sosial dan Kinerja Keuangan: Studi Empiris pada Perusahaan yang Terdaftar di Bursa Efek Jakarta (Emy Iryanie, 2009)	Indonesia	Komitmen Perusahaan, Kinerja Keuangan, Kinerja sosial	Laporan tahunan perusahaan sektor non Keuangan yang terdaftar di BEI tahun 2007	Teori Stakeholder dan Teori Legitimasi	Komitmen Perusahaan	Penelitian ini hanya menggunakan sampel data selama satu tahun periode laporan tahunan, Kemungkinan adanya item item dalam pengungkapan sosial perusahaan yang terlewat saat pemeriksaan
4.	Communication of Labour Disclosure in the Media: An Examination of Coercive Pressure in Indonesia (Fitra Roman Cahaya, Stacey A. Porter, Greg Tower dan Alistair Brown, 2011)	Indonesia	Tekanan Media dan Luas pengungkapan sosial ketenagakerjaan	Perusahaan yang terdaftar di BEI	Teori Institusional (coercive isomorphism)	Tekanan media	penelitian ini menggunakan sampel annual report tidak menggunakan laporan khusus mengenai CSR, Tekanan media hanya bersumber dari koran saja
5.	Indonesia's low concern for labor issues (Fitra Roman Cahaya, Stacey A. Porter, Greg Tower dan Alistair Brown, 2012)	Indonesia	Liverege, Kepemilikan pemerintah, Tipe industri, Operasi internasional, Pengungkapan sosial ketenagakerjaan	223 laporan tahunan perusahaan yang terdaftar di BEI	Teori Institusional	Kepemilikan pemerintah, Perusahaan multinasional	hanya perusahaan milik pemerintah langsung yang dijadikan sampel sebagai perusahaan milik pemerintah, kebanyakan perusahaan di indonesia tidak melaporkan secara jelas persentase kepemilikan pemerintah, Hanya dua kelompok stakeholder yang di bahas dalam hipotesis penelitian

(Sumber: Penelitian terdahulu)

2.3 Hipotesis Penelitian

2.3.1 Pengaruh Tipe Industri Terhadap Luas Pengungkapan Informasi Masyarakat

Tipe industri dibedakan menjadi dua jenis, yaitu industri yang *high-profile* dan industri yang *low-profile*. Robert (1992) dalam Anggraini (2006) menggambarkan industri yang *high-profile* sebagai perusahaan yang mempunyai tingkat sensitivitas yang tinggi terhadap lingkungan (*consumer visibility*), tingkat risiko politik yang tinggi atau tingkat kompetisi yang ketat. Sementara itu industri *low-profile* digambarkan sebagai perusahaan yang mempunyai tingkat sensitivitas rendah terhadap lingkungan, tingkat risiko politik yang rendah atau tingkat kompetisi yang kurang ketat. Dengan tingkat sensitivitas tinggi, tingkat risiko politik yang tinggi atau tingkat kompetisi yang tinggi maka perusahaan akan lebih banyak menimbulkan masalah dengan lingkungan sekitar dan menjadi sorotan *stakeholder*. Sejalan dengan hal itu untuk memuaskan para *stakeholder*, industri *high-profile* akan berusaha mengungkapkan informasi sosial secara lebih luas dan mendetail dibandingkan dengan industri *low-profile*. Secara implisit dalam Pengungkapan informasi sosial dan lingkungan perusahaan berasumsi bahwa organisasi dalam industri yang peka terhadap lingkungan terlibat dalam proses legitimasi (Milne dan Patten, 2002), serta strategi pengungkapan dapat membantu meringankan potensi persepsi negatif *stakeholder* terhadap perusahaan karena kinerja lingkungan yang buruk. Dengan demikian, *stakeholder* dan pengguna mungkin cenderung lebih mempercayai pengungkapan tanggung jawab sosial dari perusahaan/organisasi di lingkungan industri sensitif dibandingkan pengungkapan

serupa yang berasal dari organisasi yang beroperasi di lingkungan industri non sensitif.

Industri yang *high-profile* diyakini melakukan pengungkapan sosial yang lebih banyak daripada industri yang *low-profile*. Cowen *et al.*(1987) dalam Hackston dan Milne (1996) mengemukakan perusahaan yang berorientasi pada konsumen diperkirakan akan memberikan informasi mengenai pertanggungjawaban sosial karena hal ini akan meningkatkan *image* perusahaan dan mempengaruhi penjualan. Sementara itu, Preston (1977) dalam Hackston & Milne (1996) mengatakan bahwa perusahaan yang memiliki aktivitas ekonomi yang memodifikasi lingkungan, seperti industri ekstraktif, lebih mungkin mengungkapkan informasi mengenai dampak lingkungan dibandingkan industri yang lain. Cahaya *et.al* (2012) mengungkapkan perusahaan *high-profile* (misalnya pertambangan) dapat mengungkapkan informasi lebih banyak tentang isu-isu keselamatan kerja karena pekerja mereka memiliki risiko cedera lebih besar selama operasi daripada perusahaan dalam industri *low-profile* (misalnya retail). Berdasarkan uraian diatas, penelitian ini mengajukan hipotesis sebagai berikut:

H1 : Tipe Industri berpengaruh positif terhadap luas pengungkapan informasi masyarakat.

2.3.2 Pengaruh Ukuran Perusahaan Terhadap Luas Pengungkapan Informasi Masyarakat

Ukuran Perusahaan menurut Riyanto (2001), yaitu besar kecilnya perusahaan dilihat dari besarnya nilai *equity*, nilai penjualan atau total aktiva. Semakin besar aktiva yang dimiliki perusahaan berarti perusahaan tersebut semakin besar. Perusahaan besar akan memiliki lebih banyak *stakeholder* di banding perusahaan yang lebih kecil. Sejalan dengan banyaknya *stakeholder* yang dimiliki maka perusahaan akan melaporkan pertanggungjawaban sosialnya lebih luas guna memberikan kepuasan. Disamping hal itu perusahaan besar memiliki sumberdaya yang cukup untuk melakukan pelaporan sosial kemasyarakatan di banding dengan perusahaan yang lebih kecil. Seperti halnya manusia, orang yang kaya sudah tidak memikirkan lagi tentang kehidupan dirinya sendiri tetapi berusaha untuk membantu sesamanya di banding dengan orang yang lebih miskin, akan lebih mengutamakan untuk memikirkan tentang kehidupan dirinya sendiri dibanding untuk membantu orang lain.

Cahaya *et.al* (2008) membuktikan bahwa ukuran perusahaan berpengaruh positif terhadap pengungkapan sosial perusahaan. Porwal dan Shalma (1991) dalam Mahadevappa, Rechana dan Shankarappa (2012) membuktikan bahwa pengungkapan sosial di perusahaan besar pada sektor swasta lebih banyak daripada perusahaan yang lebih kecil diukur dari total asset perusahaan. Berdasarkan uraian di atas, maka hipotesis kedua penelitian ini adalah :

H2 : Ukuran perusahaan berpengaruh positif terhadap luas pengungkapan informasi masyarakat.

2.3.3 Pengaruh Operasi Internasional terhadap Luas pengungkapan Informasi Masyarakat

Operasi Internasional atau perusahaan multinasional adalah perusahaan manufaktur yang beroperasi tidak hanya pada suatu negara saja. Perusahaan yang beroperasi tidak pada satu negara saja akan lebih banyak memiliki *stakeholder* dari sisi jumlah (kuantitas). Selain itu perusahaan dengan operasi internasional memiliki *stakeholder* yang lebih beragam dari sisi karakteristiknya dibanding perusahaan yang beroperasi pada satu negara saja (kualitas). Seiring dengan banyaknya *stakeholder* yang dimiliki maka diharapkan tingkat pengungkapan informasi masyarakat juga meningkat, guna memuaskan *stakeholder* dari perusahaan tersebut.

Cahaya *et.al* (2012) membuktikan bahwa perusahaan dengan operasi internasional berpengaruh positif terhadap pengungkapan informasi sosial ketenagakerjaan. Berdasarkan uraian diatas, penelitian ini mengajukan hipotesis ketiga sebagai berikut:

H3 : Operasi Internasional berpengaruh positif terhadap luas pengungkapan informasi masyarakat.

2.3.4 Pengaruh Kinerja Ekonomi terhadap Luas pengungkapan Informasi Masyarakat

Kinerja ekonomi adalah kemampuan perusahaan untuk menghasilkan laba. Dalam penelitian ini Kinerja ekonomi diukur dengan menggunakan ROA. Kemampuan manajemen dengan tanggung jawabnya dalam menghasilkan laba

harus diiringi dengan kemampuan dalam melaksanakan tanggung jawab sosialnya. Melalui *social disclosure*, perusahaan mengkomunikasikan kepada *stakeholder* bahwa tidak hanya mencari laba semata, namun juga peduli kepada lingkungan dan sosialnya. Selain itu dengan Kinerja ekonomi yang baik maka perusahaan akan mendapat dukungan lebih baik secara finansial guna melakukan pengungkapan informasi masyarakat yang lebih luas untuk memuaskan *stakeholder*.

Ullman (1985) menyatakan kinerja keuangan yang memuaskan membantu perusahaan berkontribusi terhadap tanggung jawab sosial kegiatan seperti sumbangan untuk lokal masyarakat dan pembentukan karyawan program pelatihan. Teori *Stakeholder* menyatakan adanya hubungan positif antara kinerja ekonomi dengan praktik pengungkapan informasi sosial (Cahaya *et al*, 2008). Berdasarkan uraian diatas, penelitian ini mengajukan hipotesis keempat sebagai berikut:

H4 : Kinerja Ekonomi berpengaruh positif terhadap luas pengungkapan informasi masyarakat.

2.3.5 Pengaruh Umur Perusahaan terhadap Luas pengungkapan Informasi Masyarakat

Umur Perusahaan adalah berapa lama sebuah perusahaan telah beroperasi dari mulai perusahaan berdiri hingga saat ini. Artinya semakin lama umur perusahaan menunjukkan bahwa perusahaan tetap eksis (*survive*) di tengah persaingan bisnis dan situasi persaingan yang mengglobal dan berpengalaman dalam melakukan pengungkapan dari tahun ke tahun (Sjahrir, 2002). Selain telah berpengalaman perusahaan yang lebih tua secara umum lebih banyak memiliki

stakeholder yang harus dipenuhi kebutuhannya. Seperti halnya manusia pada umumnya semakin tua umurnya maka dia akan memiliki banyak pengalaman dan banyak teman. Oleh karena itu perusahaan yang lebih tua akan melakukan pengungkapan informasi masyarakat lebih luas guna memenuhi kebutuhan *stakeholder* nya dibanding perusahaan yang lebih muda.

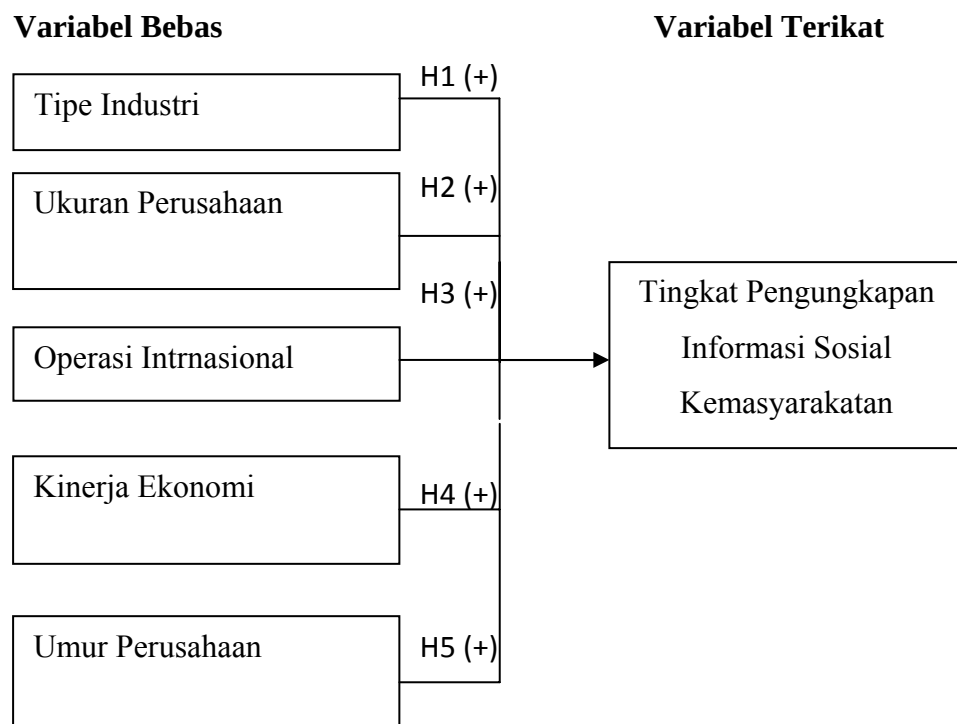
Robert dalam Cahaya (2012) menyatakan bahwa perusahaan yang lebih matang berpotensi melakukan pengungkapan sosial yang lebih sebagai bukti sejarah dan reputasi perusahaan tersebut dalam keterlibatannya dengan pertanggungjawaban sosial. Berdasarkan uraian di atas, maka hipotesis kelima penelitian ini adalah sebagai berikut :

H5 : Umur Perusahaan berpengaruh positif terhadap luas pengungkapan informasi masyarakat.

2.4 Skema Konseptual

Berdasarkan pengembangan hipotesis yang telah dijelaskan di atas, maka disusun skema konseptual yang menggambarkan hubungan antara variabel independen dan variabel dependen yang akan diuji. Kerangka pemikiran disusun untuk mempermudah memahami hipotesis yang dibangun di dalam penelitian.

Gambar 2.4
Skema Konseptual



BAB III

METODE PENELITIAN

3.1 Populasi dan Sampel

Populasi dalam penelitian ini adalah seluruh perusahaan yang terdaftar di Bursa Efek Indonesia (BEI). Pengambilan sampel yang digunakan adalah *simple random sampling*. *Simple random sampling* adalah pengambilan anggota sampel dari populasi dilakukan secara acak tanpa memperhatikan strata yang ada di dalam populasi itu (Sugiyono, 2010). Jumlah sampel dalam penelitian ini adalah berjumlah 75 perusahaan. (lihat lampiran II)

3.2 Variabel Penelitian dan Definisi Operasional

Penelitian ini melibatkan variabel yang terdiri dari lima variabel bebas (independen), satu variabel terikat (dependen). Variabel independen dalam penelitian ini meliputi tipe industri, ukuran perusahaan, operasi internasional, kinerja ekonomi, dan umur perusahaan. Variabel dependen yang dipakai dalam penelitian ini adalah tingkat pengungkapan informasi sosial kemasyarakatan.

1. Pengungkapan Informasi Sosial Kemasyarakatan

Pada penelitian ini pengungkapan informasi sosial kemasyarakatan di ukur dengan metode analisis isi (*content analysis*). Analisis isi adalah metode kodifikasi teks (atau isi) dari sebuah tulisan ke berbagai kelompok (atau kategori) tergantung pada kriteria yang dipilih (Webber dalam Hackston dan Milne, 1996). Setelah melakukan kodifikasi teks sehingga menjadi skala kuantitatif maka dapat dilanjutkan ke tahapan analisa selanjutnya (Hackston dan Milne, 1996). Pada

penelitian ini, item-item pengungkapan informasi sosial kemasyarakatan menggunakan indikator yang dikeluarkan oleh *Global Reporting Initiatives* (GRI) yang biasa dikenal dengan sebutan G 3.1 bidang masyarakat yang berjumlah 10 item yang dapat di lihat pada tabel 2.1. Penelitian ini melakukan kodifikasi dengan *dichotomus procedure* yaitu dengan memberikan nilai 1 untuk setiap item yang diungkapkan dalam laporan keuangan, dan memberikan nilai 0 untuk setiap item yang tidak diungkapkan dalam laporan keuangan. Penelitian ini menggunakan model *unweighted* untuk memberikan nilai pada item pengungkapan. Model ini berasumsi bahwa setiap item pelaporan adalah sama pentingnya. Model penilaian item yg lain adalah model *weighted*. Model *weighted* berasumsi bahwa setiap item pelaporan memiliki kepentingan yang berbeda tergantung pengguna laporan tahunan itu sendiri. Namun dalam penelitian yang berfokus kepada pengguna yang memiliki berbagai kepentingan, penggunaan model *weighted* akan menimbulkan subjektifitas penilaian dan hasil yang bias (Cooke, 1989).

Indeks pengungkapan informasi sosial kemasyarakatan adalah penjumlahan dari seluruh item-item pengungkapan informasi sosial kemasyarakatan berdasarkan GRI yang diungkapkan di dalam laporan tahunan perusahaan dibagi dengan total item keseluruhan. Apabila item informasi tidak ada dalam laporan tahunan maka diberi skor 0, dan jika item informasi yang ditentukan ada dalam laporan tahunan maka diberi skor 1. Selanjutnya, skor dari setiap *item* dijumlahkan untuk memperoleh keseluruhan skor untuk setiap perusahaan.

$$PISK_j = \frac{\sum_{i=1}^{n_j} X_{ij}}{n_j}$$

Keterangan:

PISK_j : Indeks Pengungkapan Informasi Sosial Kemasyarakatan perusahaan

j (pengungkapan informasi sosial kemasyarakatan)

n_j : jumlah *item* yang diekspektasikan untuk perusahaan j, n_j ≤ 10

X_{ij} : 1 = jika *item* i diungkapkan; 0 = jika *item* i tidak diungkapkan.

2. Tipe Industri

Variabel tipe industri dibagi ke dalam industri *high-profile* dan industri *low-profile*. Berdasarkan *IDX fact book 2012* yang termasuk dalam kategori industri *high-profile* di Indonesia adalah industri agrikultural, pertambangan, industri dasar dan kimia, makanan dan minuman, industri pembangunan dan *real estate*, infrastruktur peralatan dan transportasi. Sedangkan yang termasuk kategori industri *low-profile* adalah industri keuangan, industri perdagangan jasa dan investasi. Pengukuran variabel tipe industri perusahaan menggunakan variabel *dummy* dengan memberikan nilai 1 untuk perusahaan *high-profile* dan 0 untuk perusahaan *low-profile*. (Cahaya et.al, 2008)

Penelitian sebelumnya yang mengukur variabel tipe industri dengan variabel *dummy* adalah penelitian milik Cahaya et. al. (2008), Sari (2012), Puranto (2011), Hactson dan Milne (1996). Untuk lebih jelas dapat dilihat pada tabel 3.1 berikut:

Tabel 3.1

Pengukuran Variabel Tipe Industri pada Penelitian Terdahulu

Nama Penulis	Tahun Penelitian	Pengukuran
David Hactson dan Markus J. Milne	1996	Variabel <i>Dummy</i> (1=industri <i>high profile</i> , 0=industri <i>low profile</i>)
Fitra Roman Cahaya, Stacey A. Porter, dan Alistair Brown	2008	Variabel <i>Dummy</i> (1=industri <i>high profile</i> , 0=industri <i>low profile</i>)
Agus Purtanto	2011	Variabel <i>Dummy</i> (1=industri <i>high profile</i> , 0=industri <i>low profile</i>)
Rizkia Anggita Sari	2012	Variabel <i>Dummy</i> (1=industri <i>high profile</i> , 0=industri <i>low profile</i>)

3. Ukuran Perusahaan

Pada penelitian terdahulu pengukuran variabel ukuran perusahaan menggunakan berbagai ukuran seperti jumlah pegawai, total aset, *market value* perusahaan. Pada penelitian ini ukuran perusahaan diukur dengan menggunakan total asset sesuai dengan penelitian milik Cahaya *et.al*, 2008.

Untuk lebih mengetahui pengukuran variabel ukuran perusahaan pada penelitian terdahulu dapat dilihat pada tabel 3.2 berikut:

Tabel 3.2

Pengukuran Variabel Ukuran Perusahaan pada Penelitian Terdahulu

Nama Penulis	Tahun Penelitian	Pengukuran
R.M. Haniffa dan T.E. Cooke	2005	Total Aset
Fitra Roman Cahaya, Stacey A. Porter, dan Alistair Brown	2008	Total Aset
RR. Sri Handayani dan Agustono Dwi Rachadi	2009	Variabel <i>Dummy</i> (1=industri besar dan sedang, 0=industri kecil), pengelompokan industri berdasarkan <i>market value</i> perusahaan.
Reny Dyah Retno dan Denis Priantinah	2012	Log (Nilai Buku Total Aset)
Seyla Sangeroki	2013	Total Penjualan

4. Operasi Internasional

Pengukuran variabel operasi internasional menggunakan variabel *dummy* dengan memberikan nilai 1 untuk perusahaan multinasional dan 0 untuk perusahaan non multinasional. Perusahaan multinasional adalah perusahaan yang memiliki penjualan, anak perusahaan atau cabang di negara lain. Sementara

perusahaan non multinasional adalah perusahaan yang tidak memiliki penjualan, anak perusahaan, atau cabang di luar negeri. Untuk dapat mengkategorikan perusahaan tersebut merupakan perusahaan multinasional atau non multinasional, dapat dilihat pada *IDX fact book 2012* atau pada laporan tahunan perusahaan.

Penelitian sebelumnya yang dilakukan oleh Cahaya et.al. (2008), Craig dan Diga (1998) mengukur variabel operasi internasional dengan menggunakan variabel *dummy*. Untuk lebih jelas dapat dilihat pada Tabel 3.3 berikut:

Tabel 3.3

**Tabel Pengukuran Variabel Operasi Internasional pada Penelitian
Terdahulu**

Nama Penulis	Tahun Penelitian	Pengukuran
Russel Craig dan Joselito Diga	1998	Variabel <i>Dummy</i> (1 = memiliki anak perusahaan di luar negeri ; 0 = tidak memiliki anak perusahaan di luar negeri)
Fitra Roman Cahaya, Stacey A. Porter, dan Alistair Brown	2008	Variabel <i>Dummy</i> (1 = memiliki penjualan di luar negeri, anak perusahaan di luar negeri, atau cabang di luar negeri ; 0 = tidak memiliki penjualan di luar negeri, anak perusahaan di luar negeri, atau cabang di luar negeri)

5. Kinerja Perusahaan

Pengukuran variabel kinerja perusahaan pada penelitian ini adalah dengan melihat tingkat pengembalian aset perusahaan (ROA). Semakin tinggi ROA perusahaan maka semakin tinggi profitabilitasnya (Puranto, 2011). Rumus ROA yang digunakan dalam penelitian ini mengacu pada penelitian milik Cahaya *et. al.* (2008).

$$ROA = \frac{\text{Laba bersih}}{\text{Total Asset}}$$

Penelitian sebelumnya yang mengukur variabel kinerja perusahaan dapat anda lihat pada tabel 3.4 berikut:

Tabel 3.4

Tabel Pengukuran Variabel Kinerja Ekonomi pada Penelitian Terdahulu

Nama Penulis	Tahun Penelitian	Pengukuran
R.M. Haniffa dan T.E. Cooke	2005	ROE
Fitra Roman Cahaya, Stacey A. Porter, dan Alistair Brown	2008	ROA
Agus Purtanto	2011	ROA
Rizkia Anggita Sari	2012	ROA

Reny Dyah Retno dan Denis Priantinah	2012	ROA
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6. Umur Perusahaan

Umur Perusahaan merupakan rentang waktu dari perusahaan berdiri sampai dengan tahun laporan yang digunakan untuk penelitian. Pengukuran variabel ini menggunakan tahun diterbitkannya laporan tahunan perusahaan yang digunakan sebagai sampel penelitian kemudian dikurangi dengan tahun perusahaan berdiri.

Penelitian terdahulu yang mengukur variabel umur perusahaan adalah penelitian milik Cahaya *et.al.* (2012) dan milik Robert dalam Cahaya *et.al.* (2012). Untuk mendapatkan keterangan yang lebih jelas dapat dilihat pada tabel 3.5 berikut

Tabel 3.5

Pengukuran Variabel Umur Perusahaan pada Penelitian Terdahulu

Nama Penulis	Tahun Penelitian	Pengukuran
R.W. Robert	1992	Tahun Laporan yang digunakan sebagai sampel penelitian – Tahun perusahaan berdiri
Fitra Roman Cahaya,	2012	Tahun Laporan yang

Stacey A. Porter, Greg Tower, dan Alistair Brown		digunakan sebagai sampel penelitian – Tahun perusahaan berdiri
--	--	--

Secara keseluruhan pengukuran variable independen pada penelitian ini dapat dilihat pada tabel 3.6 berikut ini :

Tabel 3.6

Pengukuran Variabel Independen

Variabel Independen	Pengukuran	Tipe Data
Tipe Industri	1 = Industri high profile, 0 = Industri Low profile	<i>Categorical</i>
Ukuran Perusahaan	Ln (logaritma natural) dari Total Aset	<i>Continuous</i>
Operasi Internasional	1 = memiliki penjualan di luar negeri, anak perusahaan di luar negeri, atau cabang di luar negeri ; 0 = tidak memiliki penjualan di luar negeri, anak perusahaan di luar negeri, atau cabang di luar negeri	<i>Categorical</i>
Kinerja Ekonomi	Return of Total assets (ROA)	<i>Continuous</i>
Umur Perusahaan	Tahun laporan penelitian - tahun berdiri	<i>Continuous</i>

3.3 Jenis dan Sumber Data

Data yang digunakan adalah data sekunder yang diambil dari laporan tahunan perusahaan yang terdaftar di BEI tahun 2012. Laporan tahunan perusahaan yang

digunakan sebagai sampel diunduh dari website BEI (www.idx.co.id) atau dari website perusahaan. .

3.4 Metode Analisis

3.4.1 Analisis Statistik Deskriptif

Statistik deskriptif digunakan untuk mendeskripsikan karakteristik data setiap variabel dalam laporan keuangan tahun 2012 yang telah di audit. Alat analisis yang digunakan adalah nilai rata-rata, nilai maksimal, nilai minimal, dan standar deviasi untuk mendeskripsikan variabel penelitian. Dengan analisis statistik deskriptif tingkat pengungkapan informasi sosial kemasyarakatan perusahaan – perusahaan yang terdaftar di BEI dapat diketahui.

3.4.2 Analisis Regresi Linier Berganda

Metode analisis data dilakukan dengan menggunakan regresi linier berganda, untuk melihat variabel independen terhadap variabel dependen. Model regresi linear berganda ditunjukkan oleh persamaan berikut ini.

$$Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \beta_5 X_5 + \beta_6 X_6 + \varepsilon$$

Keterangan :

Y = indeks luas pengungkapan informasi kemasyarakatan

α = Konstanta

X1 = tipe industri

X2 = ukuran perusahaan

X3 = operasi internasional

X4 = kinerja ekonomi

X_5 = umur perusahaan

ε = Error

3.4.3 Uji Asumsi Klasik

Uji asumsi klasik dilakukan untuk mengetahui apakah model persamaan regresi yang digunakan dapat digunakan sebagai dasar estimasi yang tidak bias. Terutama untuk data yang banyak, perlu menggunakan uji asumsi klasik untuk lebih meyakinkan kesesuaian antara model persamaan regresi tersebut (Ghozali, 2006). Adapun masalah-masalah yang sering timbul dalam regresi antara lain (Ghozali, 2006):

3.4.3.1 Uji Normalitas

Uji normalitas bertujuan untuk menguji apakah data memiliki distribusi normal atau tidak. Uji normalitas yang digunakan adalah uji statistik non-parametrik One-Sample Kolmogorov-Smirnov Test. Alat uji ini digunakan untuk memberikan angka-angka yang lebih detail untuk menguatkan apakah terjadi normalitas atau tidak dari data-data yang digunakan. Normalitas terjadi apabila hasil dari uji Kolmogorov-Smirnov lebih dari 0,05 (Ghozali, 2007). Nilai signifikansi dari residual yang terdistribusi secara normal jika nilai Asymp. Sig (1-tailed) dalam uji One-Sample Kolmogorov-Smirnov Test lebih besar dari 0,05, hal ini dapat disimpulkan bahwa dalam Manova terdapat variabel residual atau pengganggu yang terdistribusi secara normal.

3.4.3.2 Multikolinearitas

Multikolinieritas adalah situasi di mana ada korelasi antara variabel bebas (independen) satu dengan yang lainnya. Dalam hal ini multikolinieritas terindikasi apabila terdapat hubungan linier antara variabel-variabel independen dalam model regresi. Untuk mendeteksi ada tidaknya multikolinearitas di dalam model regresi dapat dilihat dari nilai *tolerance* dan lawannya, yaitu *Variance Inflation Faktor* (VIF). Nilai *cut off* yang umum dipakai untuk menunjukkan adanya multikolinearitas adalah nilai $\text{tolerance} < 0,10$ atau sama dengan nilai $\text{VIF} > 1$ (Ghozali, 2006).

3.4.3.3 Uji Heteroskedastisitas

Heteroskedastisitas berarti varian gangguan yang tidak konstan. Masalah heteroskedastisitas lebih sering muncul pada data cross section. Salah satu asumsi metode OLS adalah bahwa varian variabel gangguan sama (Homoskedastisitas) (Widarjono, 2010).

Pengujian heteroskedastis dalam penelitian ini menggunakan uji glejser. Pengujian heteroskedastisitas bisa dilakukan dengan melakukan regresi fungsi residual. Jika variabel independen secara statistik signifikan melalui uji t maka ada masalah heteroskedastisitas. Sebaliknya jika variabel independen tidak signifikan secara statistik maka model tidak mengandung masalah heteroskedastisitas (Widarjono, 2010).

BAB IV

ANALISIS DATA DAN PEMBAHASAN

4.1 Analisis Statistik Deskriptif

Analisis statistik deskriptif digunakan untuk memberikan gambaran atau deskripsi suatu data. Pada penelitian ini data yang telah diperoleh kemudian diperiksa oleh pemeriksa yang bersifat independen dan telah dinyatakan kebenaran data pada angka 98,5 % (dapat dilihat pada lampiran III). Dalam penelitian ini analisis statistik deskriptif dilihat menggunakan nilai minimum, nilai maksimum, rata-rata dan standar deviasi. Hasil analisis statistik deskriptif dalam penelitian adalah sebagai berikut :

1. Karakteristik Variabel Independen

a. Karakteristik *Continous* Variable

Tabel 4.1

Hasil Analisis Statistik Deskriptif

Variabel	N	Minimum	Maksimum	Rata-Rata	Standar Deviasi
Ukuran Perusahaan (dalam jutaan rupiah)	75	212.446	551.336.790	34.840.982,83	91.300.659,98
Kinerja Ekonomi (dalam %)	75	-29,52	43,08	8,6433	10,68035
Umur Perusahaan (dalam tahun)	75	7	97	37,23	18,829

Sumber : Data Output SPSS diolah

Dari hasil analisis deskriptif pada tabel diatas, maka kesimpulan yang dapat diambil adalah sebagai berikut :

Tabel 4.1 menunjukkan bahwa ukuran perusahaan, yang diukur dengan total aset, memiliki jangkauan yang sangat luas. Perusahaan sampel terkecil (PT Tempo Inti Media Tbk) memiliki total aset sebesar Rp 212.446.000.000, sedangkan perusahaan sampel terbesar (PT Bank Rakyat Indonesia Tbk) memiliki total aset sebesar Rp 551.336.790.000.000 Nilai rata-rata sebesar Rp 34.840.982.830.000 menunjukkan bahwa rata-rata perusahaan yang terdaftar di BEI memiliki total aset sekitar 34,840 miliar Rupiah

Kisaran antara nilai minimum dan maksimum *Economic performance* juga sangat luas. *Economic performance* minimum adalah sebesar -29,52% yang diperoleh PT Bakrie Telecom Tbk sedangkan nilai maksimum atau nilai yang paling besar economic performance adalah sebesar 43,08% yang diperoleh PT Unilever Indonesia Tbk. Mean *economic performance* 8,6433% menunjukkan bahwa rata-rata, kemampuan perusahaan yang terdaftar di BEI dalam menghasilkan laba dari aset yang mereka miliki adalah 8,6433%. Dengan demikian, ini menunjukkan bahwa perusahaan mempunyai kemampuan yang relatif baik dalam menghasilkan laba.

Nilai umur perusahaan menunjukkan rentang waktu antara tahun perusahaan berdiri sampai dengan tahun laporan yang digunakan sebagai penelitian. Nilai minimum atau nilai umur perusahaan yang paling muda adalah sebesar 7 tahun sedangkan nilai maksimum atau nilai umur perusahaan yang

paling tua adalah sebesar 97 tahun. Nilai rata-rata umur perusahaan yang terdaftar di BEI dan digunakan sebagai sample penelitian ini (tahun 2012) adalah sebesar 37,23 tahun, dengan nilai standar deviasi sebesar 18,829 tahun.

b. Karakteristik *Categorical* Variabel

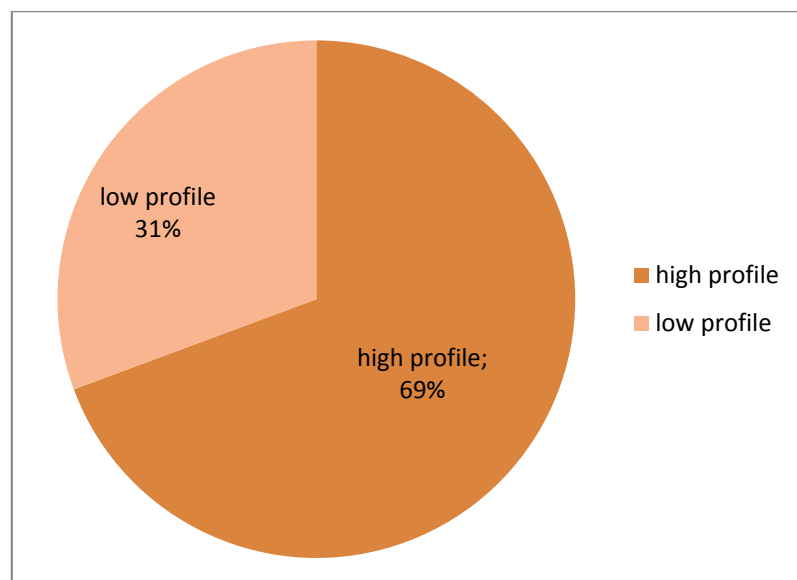
Terdapat dua macam variabel independen *categorical* dalam penelitian ini yaitu variabel tipe industri dan operasi international. Analisis deskriptif untuk kedua variabel ini menggunakan presentase.

1. Tipe Industri

Sesuai dengan BAB III, pengukuran variabel tipe industri menggunakan variabel *dummy* untuk perusahaan *high-profile* (1) dan untuk variabel *low-profile* (0). Hasil analisis deskriptif variabel tipe industri adalah sebagai berikut :

Gambar 4.1

Hasil Analisis Deskriptif Tipe Industri



Dari gambar 4.1 dapat disimpulkan bahwa mayoritas perusahaan yang digunakan dalam penelitian ini termasuk dalam kategori *high-profile* (nilai 1)

sebesar 69% sedangkan perusahaan yang termasuk *low profile* (nilai 0) adalah sebesar 31% dari total 75 perusahaan.

Tabel 4.2 menunjukkan klasifikasi industri perusahaan sampel berdasarkan IDX Fact Book.

Tabel 4.2

Distribusi Perusahaan Berdasarkan Klasifikasi Industri Dari BEI

Idx Code	Klasifikasi Berdasarkan IDX	Jumlah
1	Agriculture	4
2	Mining	11
3	Basic Industry and Chemical	11
4	Miscellaneous Industry	7
5	Consumer Goods Industry	9
6	Property Real Estate and Building Contruction	2
7	Infrastructure, Utilities, and Transportation	9
8	Finance	7
9	Trade, Services, and Investment	75

Sumber : Data Diolah, 2014

Seperti terlihat pada Tabel 4.2, jumlah perusahaan sampel tidak merata karena kesulitan dalam mengakses dan memperoleh laporan tahunan dari website IDX. Mengingat bahwa satu dari sembilan klasifikasi IDX (*Property Real Estate and Building Contruction*) memiliki kurang dari dua kasus, perbandingan rata-rata tingkat pengungkapan sosial antara jenis industri tidak dapat dilakukan. Isu-isu

sosial yang diungkapkan mungkin berbeda antara layanan (industri keuangan) dan industri lainnya (industri padat karya), oleh karena itu klasifikasi industri dibagi menjadi dua yaitu *high-profile* dan *low-profile*. *Agriculture, mining, basic industry and chemicals, Miscellaneous Industry, Consumer Goods Industry, Property Real Estate and Building Construction, dan Infrastructure, Utilities, and Transportation* (kode IDX 1-7) termasuk dalam kategori *high-profile* sedangkan *Finance, dan Trade, Services, and Investment* masuk dalam kategori *low-profile* (Kode IDX 8-9). Klasifikasi tipe industri yang diuraikan oleh banyak peneliti terdahulu sifatnya sangat subyektif dan berbeda-beda. Dalam Anggaraini (2006) dan Sembiring (2005), mengelompokkan perusahaan otomotif, penerbangan dan minyak sebagai industri yang *high-profile*, sedangkan Diekers dan Perston dalam Hackston dan Milne (1996) mengatakan bahwa industri ekstraktif merupakan industri yang *high-profile*. Hackston dan Milne (1996) mengelompokkan industri pertambangan, kimia, dan kehutanan sebagai industri *high-profile*. Atas dasar pengelompokan di atas, maka penelitian ini mengelompokkan industri migas, kehutanan, pertanian, pertambangan, perikanan, kimia, otomotif, transportasi, barang konsumsi, makanan dan minuman sebagai industri yang *high-profile*

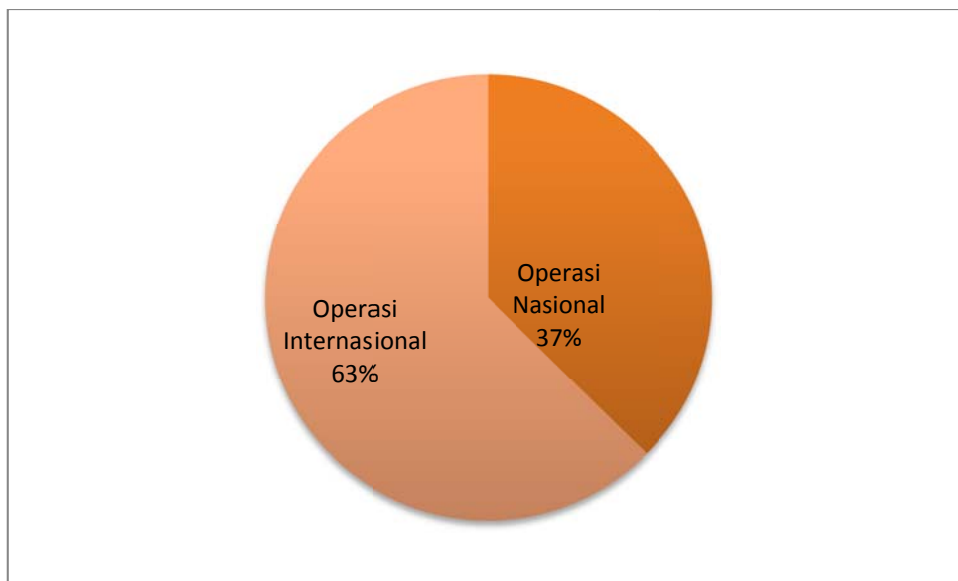
2. Operasi Internasional

Seperti halnya tipe industri, operasi internasional diukur dengan menggunakan variabel *dummy* dengan skor 0 dan skor 1 sesuai dengan BAB III. Operasi internasional ditunjukkan dengan anak perusahaan internasional, cabang perusahaan internasional, dan penjualan internasional (Skor 1) sedangkan skor 0 perusahaan tidak memiliki anak perusahaan internasional, cabang perusahaan

internasional, dan penjualan internasional. Gambar 4.2 menunjukkan presentase operasi internasional perusahaan sampel dalam penelitian ini.

Gambar 4.2

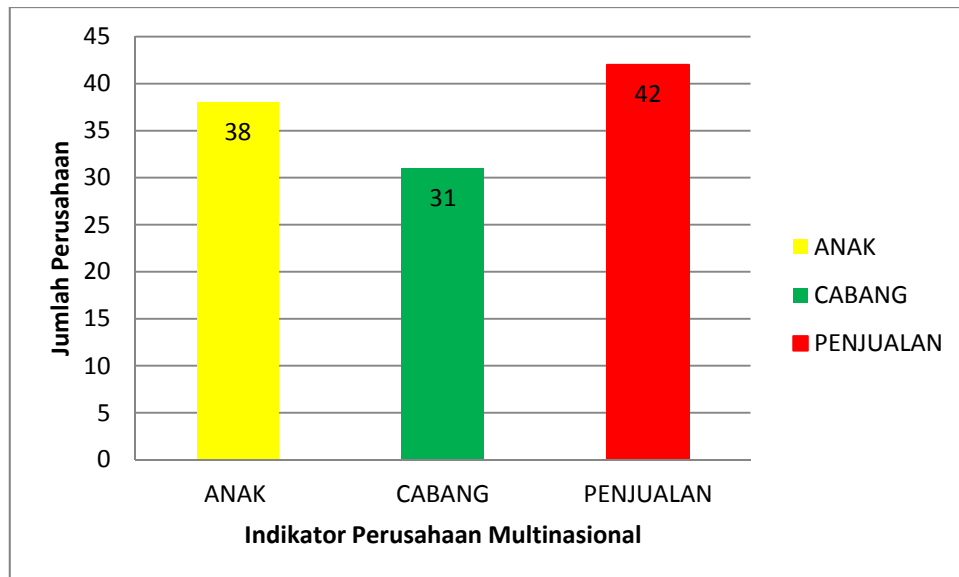
Hasil Analisis Statistik Deskriptif Variabel Operasi Internasional



Dari gambar 4.2 dapat disimpulkan bahwa mayoritas perusahaan yang digunakan dalam penelitian ini termasuk dalam kategori operasi internasional (nilai 1) sebesar 63% sedangkan perusahaan yang termasuk operasi nasional (nilai 0) adalah sebesar 37% dari total 75 perusahaan.

Gambar 4.3

Operiasi Internasional



Hasil indikator masing-masing perusahaan multinasional, mayoritas perusahaan sampel terindikasi sebagai perusahaan multinasional karena penjualan mereka sebesar 42 perusahaan. sedangkan anak perusahaan dan cabang perusahaan yang beroperasi secara international hanya berkisar 38 dan 31 perusahaan.

2. Karakteristik Variabel Dependen : Tingkat Pengungkapan Sosial Kemasyarakatan Perusahaan

Hasil pengungkapan indeks sosial kemasyarakatan perusahaan di Indonesia adalah sebagai berikut :

Tabel 4.3

Hasil Analisis Statistik Deskriptif Variabel Dependen

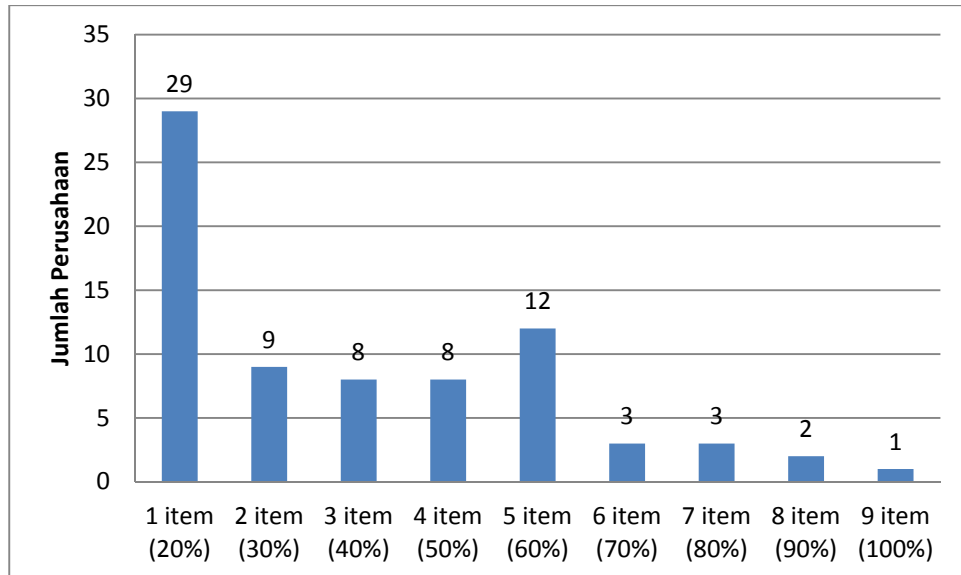
Variabel	N	Minimum	Maksimum	Rata-Rata	Standar Deviasi
Indeks pengungkapan informasi sosial kemasyarakatan	75	0.20	1.00	0.4027	0.21496

Sumber : Data Output SPSS diolah

Nilai rata-rata indeks sosial kemasyarakatan tahun 2012 adalah sebesar 0,4027 atau 40,27% dengan standar deviasi sebesar 0,21496. Nilai rata-rata sebesar 40,27% dapat diartikan bahwa tingkat pengungkapan sosial kemasyarakatan perusahaan di Indonesia berkisar 40,27%. Secara rata-rata tingkat pengungkapan sosial kemasyarakatan secara keseluruhan adalah sebesar 40,27%. Temuan ini mengindikasikan bahwa tingkat pengungkapan sosial kemasyarakatan perusahaan-perusahaan di Indonesia relatif rendah, karena masih dibawah angka 50%. Dari hasil tersebut dapat diartikan bahwa perusahaan-perusaahaan di Indonesia belum secara luas mengungkapkan infomasi sosial kemasyarakatan. Nilai minimum atau pengungkapan paling kecil indeks sosial kemasyarakatan sebesar 0,18 atau 18% sedangkan nilai maksimum atau pengungkapan paling besar indeks sosial kemasyarakatan adalah sebesar 1,00 atau 100%.

Gambar 4.4

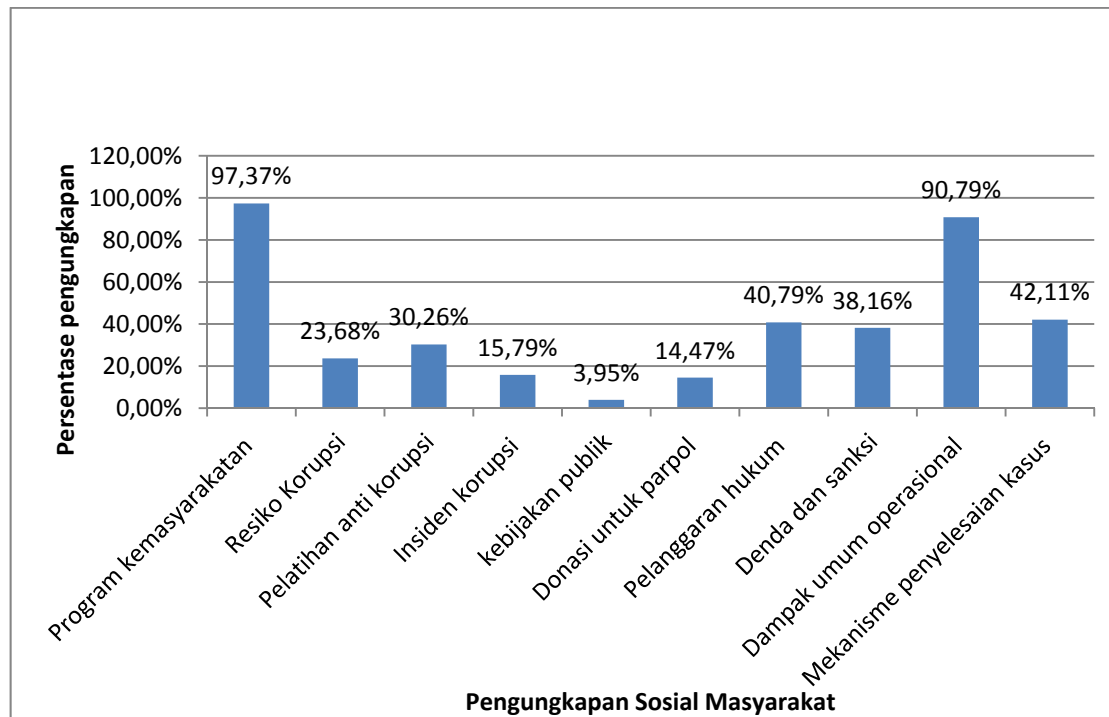
Pengungkapan Sosial Kemasyarakatan Perusahaan Sampel



Gambar 4.4 menunjukkan tingkat pengungkapan *item* sosial kemasyarakatan oleh 75 perusahaan sampel. Dari 10 *item* pengungkapan, pengungkapan terendah pada tingkat 1 *item* (20%) yang diungkapkan oleh 29 perusahaan (PT Alfamart Tbk, PT Adi Perkasa Tbk, dan PT Sepatu Bata Tbk). Sedangkan pengungkapan tertinggi adalah 9 *item* (100%) yang diungkapkan oleh 1 perusahaan yaitu Perusahaan Gas Negara Tbk.

Gambar 4.5

Indeks Pengungkapan Sosial Kemasyarakatan



Sumber : Data Diolah, 2014

Gambar 4.5 menunjukkan tingkat indeks pengungkapan sosial kemasyarakatan perusahaan di Indonesia. Tingkat pengungkapan terbesar adalah pada item “program sosial kemasyarakatan di wilayah operasional” dengan skor indeks pengungkapan sebesar 97,33%. Hasil ini disebabkan karena program sosial kemasyarakatan sangat penting dilakukan oleh perusahaan, selain untuk menjaga hubungan baik perusahaan dengan masyarakat, hal tersebut juga dilakukan untuk meminimalisir adanya tuntutan dari masyarakat akibat *negative externalities* yang timbul serta ketimpangan social yang terjadi.

Tingkat pengungkapan terbesar kedua adalah pada item mengenai “dampak operasional negative dan positif bagi masyarakat sekitar” dengan

presentase sebesar 90,79%. Dampak ini dimulai dari operasi terhadap masyarakat, baik pada saat memulai, pada saat beroperasi, dan pada saat mengakhiri.

Tingkat pengungkapan terbesar ketiga adalah pada item mengenai mekanisme penyelesaian kasus dampak terhadap masyarakat dengan presentase sebesar 42,11%. Kemudian Tingkat pengungkapan terbesar secara berurutan adalah adalah pada item mengenai Pelanggaran terhadap hukum keadilan persaingan usaha dengan presentase sebesar 40,79%, mengenai Denda dan sanksi akibat pelanggaran hukum dan perundangan dengan presentase sebesar 38,16%, mengenai Pelatihan prosedur dan kebijakan anti-korupsi dengan presentase sebesar 23,68%, item mengenai insiden korupsi dan tindak lanjutnya dengan presentase sebesar 15,79%, item mengenai donasi untuk partai dan politikus sebesar 14,67%, dan item kebijakan publik dengan presentase sebesar 3,95%.

4.2 Analisis Regresi Linier Berganda

Analisis regresi linier berganda digunakan untuk menguji pengaruh variabel independen terhadap variabel dependen. Hasil analisis regresi berganda dalam penelitian ini dapat dilihat pada tabel 4.4 di bawah ini :

Tabel 4.4
Hasil Analisis Regresi Linier Berganda

Variabel	Prediksi	Koefisien Regresi	t hitung	Signifikansi	Kesimpulan
Konstanta		0,246			
TIPE	+	0,051	0,968	0,336	Tidak Signifikan
SIZE	+	8,773E-010	3,189	0,002	Signifikan
INTERNATIONAL	+	0,073	1,484	0,142	Tidak Signifikan
ECONOMIC PERFORMANCE	+	-0,001	-0,330	0,742	Tidak Signifikan
AGE	+	0,001	1,054	0,295	Tidak Signifikan
Model Summary :					
Adjusted R Square : 0,178					
Standar Error Estimasi : 0,19495					
Regresion Model : 0,002					

Sumber : Data Output SPSS, 2014 (lihat lampiran IV)

Dari hasil analisis regresi linier berganda di atas, maka model persamaan regresi yang dikembangkan dalam penelitian ini adalah sebagai berikut :

$$\text{PISKj} = 0,246 + 0,051\text{Tipe} + 8,773\text{E-}010\text{Ukuran} + 0,073\text{Operasi} - 0,001\text{Kinerja} + 0,001\text{Umur}$$

Dari hasil model persamaan regresi diatas, maka kesimpulan yang dapat diambil adalah sebagai berikut :

1. Nilai intercept konstanta sebesar 0,246. Hasil ini dapat diartikan bahwa apabila besarnya nilai seluruh variabel independen adalah 0, maka besarnya nilai pengungkapan sosial kemasyarakatan akan sebesar 0,246.
2. Nilai koefisien regresi variabel tipe industri adalah sebesar 0,051. Hasil ini dapat diartikan bahwa apabila variabel perusahaan tersebut merupakan perusahaan *high-profile*, maka pengungkapan sosial kemasyarakatan akan meningkat sebesar 0,051 dengan asumsi semua variabel independen lain konstan.
3. Nilai koefisien regresi variabel ukuran perusahaan adalah sebesar 8,773E-010. Hasil ini dapat diartikan bahwa apabila variabel ukuran perusahaan naik satu satuan, maka pengungkapan sosial kemasyarakatan akan meningkat sebesar 0,0000000008773 dengan asumsi semua variabel independen lain konstan.
4. Nilai koefisien regresi variabel operasi internasional adalah sebesar 0,073. Hasil ini dapat diartikan bahwa apabila variabel perusahaan tersebut merupakan perusahaan multinasional, maka pengungkapan sosial kemasyarakatan akan meningkat sebesar 0,073 dengan asumsi semua variabel independen lain konstan.
5. Nilai koefisien regresi variabel kinerja ekonomi sebesar -0,001. Hasil tersebut dapat diartikan bahwa apabila nilai variabel *economic performance* naik satu satuan maka pengungkapan sosial kemasyarakatan perusahaan akan penurunan

peningkatan sebesar -0,001 dengan asumsi semua variabel independen lain konstan.

6. Nilai koefisien regresi variabel umur perusahaan sebesar 0,001. Hasil tersebut dapat diartikan bahwa apabila umur perusahaan bertambah satu tahun, maka pengungkapan sosial kemasyarakatan perusahaan akan mengalami peningkatan sebesar 0,001 satuan dengan asumsi semua variabel independen lain konstan.

4.3 Uji Asumsi Klasik

4.3.1 Uji Normalitas

Uji normalitas dilakukan dengan tujuan untuk menguji apakah dalam model regresi, variabel pengganggu atau residual memiliki distribusi normal. Dalam penelitian ini pengujian normalitas dilakukan uji statistik kolmogorov-smirnov. Hasil uji normalitas dengan menggunakan uji kolmogorov-smirnov dapat dilihat pada tabel 4.5 di bawah ini :

Tabel 4.5
Hasil Uji Kolmogorov-Smirnov

		Unstandardized Residual
N		75
Normal Parameters ^{a,b}	Mean	0,0000000
	Std. Deviation	0,18824726
Most Extreme Differences	Absolute	0,135
	Positive	0,135

	Negative	-0,082
Kolmogorov-Smirnov Z		1,170
Asymp. Sig. (2-tailed)		0,130

Sumber : Data Output SPSS, 2014 (lihat lampiran IV)

Dari hasil uji kolmogorov-smirnov di atas, dihasilkan nilai Asymp. Sig. (2-tailed) sebesar 0,130. Hasil tersebut dapat disimpulkan bahwa data residual dalam model regresi ini terdistribusi normal karena nilai Asymp. Sig. (2-tailed) di atas 0,05 dan model regresi tersebut layak digunakan untuk analisis selanjutnya.

4.3.2 Uji Multikolinieritas

Uji multikolinieritas dilakukan dengan tujuan untuk menguji model regresi ditemukan adanya korelasi antar variabel independen. Uji multikolinieritas dilakukan dengan cara melihat nilai tolerance dan nilai VIF, jika nilai tolerance > 0,10 dan nilai VIF < 10 maka tidak terjadi gejala multikolinieritas dalam model regresi tersebut. Hasil uji multikolinieritas dapat dilihat pada tabel 4.6 di bawah ini :

Tabel 4.6
Hasil Uji Multikolinieritas

Variabel	Collinearity Statistics		Kesimpulan
	Tolerance	VIF	
Tipe Industri	0,866	1,155	Tidak ada Multikolinieritas
Ukuran Perusahaan	0,814	1,229	Tidak ada Multikolinieritas

Operasi International	0,897	1,115	Tidak ada Multikolinieritas
Kinerja Ekonomi	0,907	1,102	Tidak ada Multikolinieritas
Umur Perusahaan	0,827	1,210	Tidak ada Multikolinieritas

Sumber : Data Output SPSS, 2014 (lihat lampiran IV)

Dari hasil analisis uji multikolinieritas di atas, dihasilkan nilai tolerance > 0,1 dan nilai VIF < 10. Hasil tersebut dapat disimpulkan bahwa tidak terdapat masalah multikolinieritas dalam model regresi ini dan dapat digunakan untuk analisis selanjutnya.

4.3.3 Uji Heteroskedastisitas

Uji heteroskedastisitas dilakukan dengan tujuan untuk menguji apakah dalam model regresi terjadi ketidaksamaan *variance* dari residual dari residual satu pengamatan ke pengamatan yang lain. Pengujian heteroskedastisitas dapat dilakukan dengan menggunakan uji glejser. Hasil uji heteroskedastisitas dapat dilihat pada tabel 4.7 di bawah ini :

Tabel 4.7

Hasil Uji Heteroskedastisitas

Variabel	Koofisien regresi	Signifikansi	Kesimpulan
(Constant)	0,126	0.001	
Tipe Industri	0,018	0,561	Tidak ada heteroskedastisitas
Ukuran Perusahaan	-1,356E-010	0,398	Tidak ada heteroskedastisitas

Operasi International	0,011	0,702	Tidak ada heteroskedastisitas
Kinerja Ekonomi	-0.001	0,333	Tidak ada heteroskedastisitas
Umur Perusahaan	0.001	0,465	Tidak ada heteroskedastisitas

Sumber : Data Output SPSS, 2014 (lihat lampiran IV)

Dari hasil analisis uji heteroskedastisitas dihasilkan nilai signifikansi masing-masing variabel $> 0,05$. Hasil tersebut dapat disimpulkan bahwa tidak terdapat gejala heteroskedastisitas dalam model regresi dan dapat digunakan untuk analisis selanjutnya.

4.4 Uji Hipotesis

4.4.1 Uji Koefisien Determinasi

Pengukuran koefisien determinasi (Adjusted R^2) dilakukan untuk mengetahui persentase pengaruh variabel independen (prediktor) terhadap perubahan variabel dependen. Hasil analisis koefisien determinasi dapat dilihat pada tabel 4.4

Hasil analisis koefisien determinasi, dihasilkan nilai koefisien determinasi (Adjusted R Square) sebesar 0,178. Hasil tersebut dapat disimpulkan bahwa besarnya variasi variabel *independent* dalam mempengaruhi model persamaan regresi adalah sebesar 17,8% dan sisanya sebesar 82,2% dipengaruhi oleh faktor-faktor lain yang tidak dimasukkan dalam model regresi.

4.4.2 Uji Statistik T

Pengujian hipotesis dalam penelitian ini menggunakan uji statistic t. Hasil uji statistic t dapat dilihat pada tabel 4.4 (hasil regresi linier berganda)

Adapun hasil pengujian hipotesis dalam penelitian ini adalah sebagai berikut :

1. Pengujian hipotesis pertama

Pengujian terhadap hipotesis ini dilakukan melalui pengujian signifikansi koefisien regresi dari variabel tipe industri. Hipotesis pertama penelitian ini menyatakan bahwa tipe industri berpengaruh positif terhadap pengungkapan sosial kemasyarakatan. Besarnya koefisien regresi tipe industri yaitu 0,051 dan nilai signifikansi sebesar 0,336. Pada tingkat signifikansi $\alpha = 5\%$; maka koefisien regresi tersebut tidak signifikan karena signifikansi $0,336 > 0,05$ sehingga dapat disimpulkan bahwa tipe industry tidak berpengaruh signifikan terhadap pengungkapan sosial kemasyarakatan sehingga hipotesis pertama dalam penelitian ini ditolak.

2. Pengujian Hipotesis Kedua

Pengujian terhadap hipotesis ini dilakukan melalui pengujian signifikansi koefisien regresi dari variabel ukuran perusahaan. Hipotesis kedua penelitian ini menyatakan bahwa ukuran perusahaan berpengaruh positif terhadap pengungkapan sosial kemasyarakatan. Besarnya koefisien regresi ukuran perusahaan yaitu $8,773E-010$ dan nilai signifikansi sebesar 0,002. Pada tingkat signifikansi $\alpha = 5\%$; maka koefisien regresi tersebut signifikan karena signifikansi $0,002 < 0,05$ sehingga dapat disimpulkan bahwa ukuran perusahaan berpengaruh positif signifikan terhadap pengungkapan sosial kemasyarakatan sehingga hipotesis kedua penelitian ini diterima.

3. Pengujian Hipotesis Ketiga

Pengujian terhadap hipotesis ini dilakukan melalui pengujian signifikansi koefisien regresi dari variabel operasi internasional. Hipotesis ketiga penelitian ini menyatakan bahwa perusahaan yang beroperasi secara internasional berpengaruh positif terhadap pengungkapan sosial kemasyarakatan perusahaan. Besarnya koefisien regresi perusahaan multinasional yaitu 0,073 dan nilai signifikansi 0,142. Pada tingkat signifikansi $\alpha = 5\%$; maka koefisien regresi tersebut tidak signifikan karena nilai signifikansi $0,142 > 0,05$ sehingga dapat disimpulkan bahwa perusahaan yang beroperasi internasional tidak berpengaruh signifikan terhadap pengungkapan sosial kemasyarakatan perusahaan sehingga hipotesis ketiga dalam penelitian ditolak.

4. Pengujian Hipotesis Keempat

Pengujian terhadap hipotesis ini dilakukan melalui pengujian signifikansi koefisien regresi dari variabel kinerja ekonomi. Hipotesis keempat penelitian ini menyatakan bahwa kinerja ekonomi perusahaan berpengaruh positif terhadap pengungkapan informasi sosial kemasyarakatan. Besarnya koefisien regresi kinerja perusahaan yaitu -0,001 dan nilai signifikansi sebesar 0,742. Pada tingkat signifikansi $\alpha = 5\%$; maka koefisien regresi tersebut tidak signifikan karena nilai signifikansi $0,742 > 0,05$ sehingga dapat disimpulkan bahwa, kinerja ekonomi perusahaan tidak berpengaruh signifikan terhadap pengungkapan informasi sosial kemasyarakatan sehingga hipotesis keempat penelitian ini ditolak.

5. Pengujian Hipotesis Kelima

Pengujian terhadap hipotesis ini dilakukan melalui pengujian signifikansi koefisien regresi dari variabel umur perusahaan. Hipotesis kelima penelitian ini menyatakan bahwa umur perusahaan berpengaruh positif terhadap pengungkapan informasi sosial kemasyarakatan. Besarnya koefisien regresi umur perusahaan yaitu 0,001 dan nilai signifikansi sebesar 0,295. Pada tingkat signifikansi $\alpha = 5\%$; maka koefisien regresi tersebut tidak signifikan karena signifikansi $0,295 > 0,05$ sehingga dapat disimpulkan bahwa umur perusahaan tidak berpengaruh signifikan terhadap pengungkapan informasi sosial perusahaan sehingga hipotesis kelima penelitian ini ditolak.

4.5 Pembahasan

4.5.1 Pengaruh Tipe Industri Terhadap Pengungkapan Informasi Sosial Kemasyarakatan

Dari hasil analisis data, dapat disimpulkan tipe industri tidak berpengaruh signifikan terhadap pengungkapan sosial kemasyarakatan. Hasil ini mengindikasikan bahwa baik perusahaan *high-profile* maupun *low-profile* tidak akan mempengaruhi pengungkapan sosial kemasyarakatan.

Hasil ini mengindikasikan bahwa baik perusahaan *high-profile* dan *low-profile* mengungkapkan sosial kemasyarakatan yang hampir sama. Hal tersebut disebabkan karena pengungkapan sosial kemasyarakatan perusahaan sangat penting bagi perusahaan *high-profile* maupun *low-profile* untuk menjaga citra baik mereka di mata *stakeholder*. Jumlah sampel (perusahaan) yang tidak berimbang antara perusahaan *high-profile* dan *low-profile* mungkin menjadi alasan temuan di atas. Jumlah perusahaan *low-profile* hanya sedikit sehingga akan

mengurangi optimalisasi hasil penelitian. Artinya sampel tersebut kurang dapat mendukung penelitian ini. Perbedaan tersebut juga mungkin dikarenakan perbedaan pengukuran dalam menentukan tipe atau klasifikasi industri. Klasifikasi tipe industri oleh banyak peneliti sifatnya sangat subyektif dan berbeda-beda.

Hasil ini sesuai dengan penelitian Cahaya *et.al* (2012) yang menemukan hasil bahwa tipe industri tidak berpengaruh signifikan terhadap pengungkapan tenaga kerja di Indonesia. Hasil ini berbeda dengan penelitian yang dilakukan oleh Nurhayati *et.al* (2008) yang menemukan hasil tipe industri berpengaruh positif signifikan terhadap pengungkapan sosial di Indonesia.

4.5.2 Pengaruh Ukuran Perusahaan Terhadap Pengungkapan Informasi Sosial Kemasyarakatan

Dari hasil analisis data diatas, dapat disimpulkan bahwa ukuran perusahaan berpengaruh positif signifikan terhadap pengungkapan sosial kemasyarakatan. Hasil ini dapat diartikan bahwa semakin besar ukuran perusahaan akan meningkatkan pengungkapan sosial kemasyarakatan.

Perusahaan besar merupakan entitas yang banyak disorot oleh pasar maupun publik secara umum sehingga mengungkapkan informasi merupakan bagian dari upaya perusahaan untuk mewujudkan akuntabilitas publik. Perusahaan dengan ukuran lebih besar cenderung memiliki hubungan yang lebih kompleks dengan para pemangku kepentingan. Hubungan yang lebih kompleks ini dapat dilihat dari jumlah, jenis, dan tuntutan pemangku kepentingan. Dengan meningkatnya kompleksitas tersebut, maka perusahaan berusaha menyediakan

informasi-informasi yang relevan. Sesuai dengan teori *stakeholder* yang menyatakan bahwa setiap keputusan, kepentingan, dan aktivitas bisnis perusahaan dipengaruhi sekaligus mempengaruhi pemangku kepentingan, maka perusahaan yang memiliki hubungan lebih kompleks akan mempunyai tuntutan yang lebih besar. Untuk mengakomodasi tuntutan-tuntutan tersebut, maka perusahaan akan mengungkapkan informasi dengan kualitas yang tinggi.

Hasil penelitian ini konsisten dengan penelitian yang dilakukan oleh Cahaya *et.al* (2008), Nurhayati *et.al* (2008), Adam, Hill, dan Robert, (1998), yang menunjukkan bahwa ukuran perusahaan berpengaruh positif secara signifikan terhadap pengungkapan tanggung jawab sosial. Akan tetapi penelitian ini berbeda dengan penelitian Cahaya *et.al* (2012) yang justru menemukan hasil ukuran perusahaan tidak berpengaruh signifikan terhadap pengungkapan informasi tenaga kerja.

4.5.3 Pengaruh Operasi Internasional Terhadap Pengungkapan Informasi Sosial Kemasyarakatan

Hasil penelitian ini membuktikan bahwa perusahaan yang beroperasi secara internasional tidak berpengaruh signifikan terhadap pengungkapan informasi sosial kemasyarakatan. Hasil ini membuktikan bahwa baik perusahaan multinasional maupun perusahaan non multinasional tidak akan mempengaruhi pengungkapan sosial kemasyarakatan. Hasil ini disebabkan karena baik perusahaan multinasional maupun perusahaan non multinasional mempunyai kepentingan yang sama untuk mengungkapkan sosial kemasyarakatan untuk tujuan perusahaan. Kepentingan tersebut adalah kelangsungan hidup perusahaan

bergantung pada dukungan *stakeholder* dan dukungan tersebut harus dicari sehingga aktivitas perusahaan adalah untuk mencari dukungan tersebut. Makin *powerful stakeholder*, makin besar usaha perusahaan untuk beradaptasi. Pengungkapan sosial dianggap sebagai bagian dari dialog antara perusahaan dengan *stakeholders*nya

Hasil ini sesuai dengan penelitian penelitian Cahaya *et.al*, (2012) yang menemukan hasil bahwa perusahaan multinasional tidak berpengaruh signifikan terhadap pengungkapan tenaga kerja di Indonesia. Hasil ini berbeda dengan penelitian Penelitian Craig dan Diga (1998) yang membuktikan bahwa ukuran perusahaan dan perusahaan multinasional tidak berpengaruh signifikan terhadap pengungkapan sosial perusahaan.

4.5.4 Pengaruh Kinerja Ekonomi Perusahaan Terhadap Pengungkapan Informasi Sosial Kemasyarakatan

Dari hasil analisis data diatas, dapat disimpulkan bahwa kinerja ekonomi tidak berpengaruh signifikan terhadap pengungkapan sosial kemasyarakatan Hasil penelitian ini membuktikan bahwa besar kecilnya kinerja ekonomi terhadap pengungkapan sosial kemasyarakatan.

Hal ini menandakan bahwa semakin tinggi tingkat profitabilitas maka tidak akan memperluas kebijakan pengungkapan tanggung jawab sosial dan lingkungan, karena ketika perusahaan memiliki tingkat laba yang tinggi perusahaan menganggap tidak perlu melaporkan hal – hal yang dapat mengganggu informasi tentang sukses keuangan tersebut.

Hasil penelitian ini disebabkan karena pengungkapan diduga dapat mengurangi *cost of capital* melalui pengurangan biaya pengumpulan informasi yang dilakukan oleh investor. Pengurangan biaya dapat meningkatkan keinginan investor untuk berinvestasi di perusahaan.

Hasil penelitian ini sesuai dengan penelitian penelitian Cahaya *et. al*, (2012) yang menemukan hasil bahwa kinerja ekonomi tidak berpengaruh signifikan terhadap pengungkapan tenaga kerja di Indonesia dan Nurhayati *et.al* (2008) yang menemukan hasil kinerja ekonomi tidak berpengaruh signifikan terhadap pengungkapan tanggung jawab sosial di Indonesia.

4.5.5 Pengaruh Umur Perusahaan Terhadap Pengungkapan Informasi Sosial Kemasyarakatan

Hasil penelitian ini membuktikan bahwa umur perusahaan tidak berpengaruh terhadap pengungkapan informasi sosial kemasyarakatan. Hasil penelitian ini disebabkan karena keputusan mengenai luas pengungkapan maupun *item-item* pengungkapan apa saja yang akan diungkapkan perusahaan lebih didasarkan pada pertimbangan strategis manajemen, bukan karena umur yang dimiliki oleh perusahaan tersebut. Pengalaman Perusahaan tidak dapat dijadikan sebagai patokan dalam hal pengungkapan informasi sosial kemasyarakatan.

Hasil ini sesuai dengan penelitian sesuai dengan penelitian penelitian Cahaya *et. al* (2012) yang menemukan hasil bahwa umur perusahaan tidak berpengaruh signifikan terhadap pengungkapan informasi sosial ketenagakerjaan di Indonesia. Hasil ini berbeda dengan penelitian Robert dalam Cahaya (2012) menyatakan bahwa perusahaan yang lebih matang berpotensi

melakukan pengungkapan sosial yang lebih sebagai bukti sejarah dan reputasi perusahaan tersebut dalam keterlibatnya dengan pertanggungjawaban sosial.

BAB V

KESIMPULAN DAN SARAN

5.1 Overview Penelitian

Penelitian ini merupakan penelitian empiris yang memberikan gambaran yang berguna dari praktek pengungkapan sosial kemasyarakatan oleh perusahaan yang terdaftar di Indonesia. Fokus penelitian ini adalah :

1. Pemeriksaan tingkat praktek pengungkapan sosial kemasyarakatan dari perusahaan yang terdaftar di BEI
2. Pemeriksaan prediktor praktek pengungkapan sosial kemasyarakatan dari perusahaan yang terdaftar di BEI.

Dengan menggunakan teori *stakeholder* dan menyelidiki karakteristik perusahaan tertentu, penelitian ini bertujuan untuk menjelaskan variasi dalam praktek pengungkapan sosial kemasyarakatan perusahaan yang terdaftar di BEI. Karakteristik perusahaan yang diteliti adalah tipe industri, ukuran perusahaan, operasi internasional, kinerja ekonomi, dan umur perusahaan.

Tujuh puluh lima laporan tahunan untuk tahun buku 2012 dipilih dari website IDX. Pengungkapan kemudian dianalisis dengan menggunakan indeks pengungkapan sosial kemasyarakatan dari GRI sebagai *checklist* . Penelitian ini menggunakan analisis deskriptif untuk memeriksa sejauh mana pengungkapan sosial dan regresi berganda untuk menguji hipotesis yang diajukan.

5.2 Kesimpulan

Menggunakan teori *stakeholder*, penelitian ini menganalisis 75 laporan tahunan perusahaan yang terdaftar di BEI untuk tahun 2012. Penelitian ini menunjukkan tingkat pengungkapan sosial kemasyarakatan yang masih rendah dari perusahaan-perusahaan di Indonesia. Penelitian ini juga menunjukkan bahwa ukuran perusahaan berpengaruh positif signifikan terhadap pengungkapan sosial kemasyarakatan perusahaan di Indonesia. Tabel 5.1 menunjukkan kesimpulan jawaban rumusan masalah dalam penelitian ini.

Tabel 5.1

Hasil Kesimpulan Jawaban Rumusan Masalah

Rumusan Masalah	Jawaban
Berapa tingkat pengungkapan informasi masyarakat pada laporan tahunan perusahaan yang terdaftar di bursa efek Indonesia (BEI) ?	Nilai rata-rata index social kemasyarakatan tahun 2012 adalah sebesar 0,4027 atau 40,27% dengan standar deviasi sebesar 0,21496. Temuan ini mengindikasikan bahwa tingkat pengungkapan social kemasyarakatan perusahaan-perusahaan di Indonesia masih relatif rendah, dikarenakan masih berada pada angka kurang dari 50%.
Faktor apa saja yang mempengaruhi pengungkapan informasi masyarakat pada laporan tahunan perusahaan yang terdaftar di bursa efek Indonesia (BEI) ?	ukuran perusahaan berpengaruh positif signifikan terhadap pengungkapan informasi sosial kemasyarakatan sedangkan tipe industri, operasi international, kinerja ekonomi, dan umur perusahaan tidak berpengaruh signifikan terhadap pengungkapan informasi sosial kemasyarakatan.

Analisis statistik deskriptif menyimpulkan bahwa pengungkapan informasi sosial kemasyarakatan perusahaan di BEI adalah 40,27%. Hasil ini konsisten dengan penelitian Cahaya *et.al* (2012). Pengungkapan yang rendah ini menunjukkan bahwa perusahaan di BEI tidak menganggap pengungkapan sosial kemasyarakatan sebagai faktor keberhasilan jangka panjang dan kunci untuk kepentingan *stakeholder* mereka.

Hasil regresi berganda menunjukkan bahwa ukuran perusahaan berpengaruh positif terhadap pengungkapan sosial kemasyarakatan. Sesuai dengan teori *stakeholder* yang menyatakan bahwa setiap keputusan, kepentingan, dan aktivitas bisnis perusahaan dipengaruhi sekaligus mempengaruhi pemangku kepentingan atau biasa dikenal dengan *stakeholder*, maka perusahaan yang memiliki hubungan lebih kompleks akan mempunyai tuntutan yang lebih besar. Untuk mengakomodasi tuntutan-tuntutan tersebut, maka perusahaan akan mengungkapkan informasi dengan kualitas yang tinggi.

Hasil regresi berganda juga menunjukkan bahwa tipe industri, operasi international, kinerja ekonomi, dan umur perusahaan tidak berpengaruh signifikan terhadap pengungkapan informasi sosial kemasyarakatan.

5.3 Implikasi Penelitian

Pada penelitian ini ditemukan bahawa satu dari lima variabel independen yang diperiksa berpengaruh signifikan terhadap variable dependen yaitu tingkat pengungkapan informasi sosial kemasyarakatan. Variabel yang signifikan berpengaruh terhadap tingkat pengungkapan informasi sosial kemasyarakatan

adalah variabel ukuran perusahaan. Penelitian ini membuktikan bahwa teori *stakeholder* yang dipakai dalam penelitian ini hanya dapat menjelaskan sebagian dari fenomena praktek pengungkapan informasi sosial kemasyarakatan di Indonesia. Misalnya ukuran perusahaan, perusahaan yang lebih besar akan lebih banyak memiliki *stakeholder* atau pemangku kepentingan sehingga akan lebih banyak mengungkapkan informasi sosial-nya guna memenuhi kebutuhan para *stakeholder*. Memberikan informasi sosial kepada seluruh *stakeholder*, baik *stakeholder* tersebut dianggap penting atau tidak, adalah sejalan dengan teori *stakeholder ethical*.

Dalam penelitian ini ditemukan hubungan positif signifikan antara variabel ukuran perusahaan dengan tingkat pengungkapan informasi sosial kemasyarakatan. Hal tersebut menunjukkan bahwa ukuran perusahaan akan mempengaruhi tingkat pengungkapan informasi sosial kemasyarakatan pada suatu perusahaan secara searah. Perusahaan yang memiliki ukuran lebih besar memiliki tingkat pengungkapan pertanggungjawaban sosial kemasyarakatan yang lebih besar juga, artinya perusahaan perusahaan besar yang terdaftar di BEI memiliki komitmen kuat untuk mengungkapkan kegiatan pertanggungjawaban sosial kemasyarakatan mereka dibanding perusahaan yang berukuran lebih kecil. Sesuai dengan kerangka teori *stakeholder*, komitmen perusahaan ada karena jumlah yang lebih besar dari *stakeholder* perusahaan, dimana perusahaan memiliki tanggung jawab untuk memuaskan *stakeholder* dari perusahaan tersebut. Sejalan dengan tanggung jawab tersebut maka perusahaan yang lebih besar memiliki tingkat

pengungkapan pertanggungjawaban sosial kemasyarakatan yang tinggi dibanding perusahaan yang lebih kecil.

Dalam penelitian ini tidak ditemukan adanya hubungan yang signifikan antara variabel tipe industri dan tingkat pengungkapan informasi sosial kemasyarakatan. Hal ini menunjukkan bahwa tipe industri tidak berpengaruh terhadap pengungkapan informasi sosial kemasyarakatan. Menurut Cahaya, (2008) perusahaan-perusahaan Indonesia mengungkapkan isu yang relevan dengan industri tertentu yang sesuai dengan industri mereka masing masing. Sedangkan untuk isu isu yang tidak berkaitan dengan tipe industri dari perusahaan, mereka cenderung enggan untuk mengungkapkan informasi. Karena perusahaan tidak ingin memberikan informasi dimana mereka tidak menunjukkan catatan kinerja yang baik.

Ditemukan juga tidak adanya hubungan yang signifikan antara variabel operasi internasional dan variabel tingkat pengungkapan informasi sosial. hal ini menunjukkan bahwa baik perusahaan yang beroperasi secara internasional maupun nasional tidak mempengaruhi tingkat pengungkapan informasi sosial kemasyarakatan. Menurut Craig dan Diga (1998) relatif kecilnya kontribusi dari anak perusahaan yang ada diluar negeri pada keseluruhan hasil finansial perusahaan induk dan kebanyakan perusahaan induk negara-negara di ASEAN yang memiliki anak perusahaan di luar negeri, tidak mendaftarkan perusahaan induknya dilokasi anak perusahaan beroperasi. Maka dapat ditarik kesimpulan meskipun perusahaan yang beroperasi secara internasional atau dengan kata lain memiliki cabang, anak perusahaan dan penjualan di luar negeri mereka kebanyakan

mengikuti kultur atau budaya yang sudah ada pada suatu wilayah dimana perusahaan induk berada. Kebanyakan perusahaan di Indonesia tidak mau secara sukarela memberikan informasi dimana perusahaan tersebut tidak memiliki kinerja yang baik. Sehingga baik itu perusahaan internasional maupun nasional yang berkedudukan di Indonesia memiliki anggapan bahwa cukup informasi yang baik saja yang diberikan kepada para *stakeholder*.

Variabel kinerja ekonomi dalam penelitian ini ditemukan tidak memiliki pengaruh yang signifikan terhadap variabel pengungkapan informasi sosial kemasyarakatan. William dalam Cahaya, (2008) menyatakan kinerja ekonomi memiliki dampak dalam praktik pengungkapan informasi sosial namun pengaruhnya lemah. Dengan demikian tidak signifikan nya variabel kinerja ekonomi menunjukan bahwa tingkat profitabilitas yang tinggi bukan merupakan dukungan utama untuk melakukan kegiatan sosial dan mengungkapkan informasi sehubungan dengan kegiatan tersebut dalam laporan tahunan perusahaan. Artinya ketika sebuah perusahaan yang terdaftar di BEI memiliki tingkat kinerja ekonomi yang tinggi tidak selalu berarti bahwa tingkat pengungkapan sosial kemasyarakatan perusahaan tersebut tinggi. Perusahaan perusahaan di Indonesia tidak memanfaatkan keuntungan mereka sebagai dukungan keuangan untuk secara sukarela memuaskan para *stakeholder* dengan kegiatan sosial dan pengungkapan informasi dari kegiatan tersebut.

Dalam penelitian ini ditemukan juga bahwa variabel umur perusahaan tidak berpengaruh signifikan terhadap variabel tingkat pengungkapan informasi sosial kemasyarakatan. Hal ini menunjukan bahwa perusahaan yang lebih tua

tidak selalu berarti memiliki tingkat pengungkapan informasi sosial yang tinggi. Keputusan mengenai luas pengungkapan maupun *item-item* pengungkapan apa saja yang akan diungkapkan perusahaan lebih didasarkan pada pertimbangan strategis manajemen, bukan karena umur yang dimiliki oleh perusahaan tersebut. Pengalaman Perusahaan tidak dapat dijadikan sebagai patokan dalam hal pengungkapan informasi sosial kemasyarakatan.

5.4 Keterbatasan Penelitian

Dalam penelitian ini terdapat beberapa keterbatasan yang kemungkinan dapat mempengaruhi hasil penelitian, antara lain:

1. Penggunaan sampel laporan keuangan yang hanya satu periode saja, mungkin dapat menimbulkan subjektifitas dalam penelitian. Namun dengan keterbatasan waktu dalam pelaksanaan penelitian S-1 ini maka data satu periode laporan tahunan perusahaan dianggap cukup.
2. Pada penelitian ini data yang diperoleh hanya dari satu sumber yaitu laporan tahunan perusahaan saja. Tetapi laporan tahunan perusahaan merupakan dokumen resmi yang dikeluarkan oleh perusahaan dan telah diaudit oleh pihak yang independen sehingga laporan tahunan ini dirasa cukup untuk dijadikan data penelitian.

5.5 Saran

Dengan memperhatikan beberapa keterbatasan penelitian yang telah disampaikan, maka dapat diberikan saran-saran untuk penelitian selanjutnya, yaitu sebagai berikut:

1. Peneliti selanjutnya disarankan menambah periode penelitian sehingga diharapkan dapat menggeneralisasikan hasil penelitian.
2. Penelitian selanjutnya diharapkan melengkapi sumber data dengan sumber yang lain. Misalnya melalui website perusahaan dan media cetak

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LAMPIRAN I : GLOBAL REPORTING INITIATIVE 3.1.



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Sustainability Reporting Guidelines



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Preface

Sustainable Development and the Transparency Imperative

The goal of sustainable development is to “meet the needs of the present without compromising the ability of future generations to meet their own needs.”¹ As key forces in society, organizations of all kinds have an important role to play in achieving this goal.

Yet in this era of unprecedented economic growth, achieving this goal can seem more of an aspiration than a reality. As economies globalize, new opportunities to generate prosperity and quality of life are arising through trade, knowledge-sharing, and access to technology. However, these opportunities are not always available for an ever-increasing human population, and are accompanied by new risks to the stability of the environment. Statistics demonstrating positive improvements in the lives of many people around the world are counter-balanced by alarming information about the state of the environment and the continuing burden of poverty and hunger on millions of people. This contrast creates one of the most pressing dilemmas for the 21st century.

One of the key challenges of sustainable development is that it demands new and innovative choices and ways of thinking. While developments in knowledge and technology are contributing to economic development, they also have the potential to help resolve the risks and threats to the sustainability of our social relations, environment, and economies. New knowledge and innovations in technology, management, and public policy are challenging organizations to make new choices in the way their operations, products, services, and activities impact the earth, people, and economies.

The urgency and magnitude of the risks and threats to our collective sustainability, alongside increasing choice and opportunities, will make transparency about economic, environmental, and social impacts a fundamental component in effective stakeholder relations, investment decisions, and other market relations. To support this expectation, and to communicate clearly and openly about sustainability, a globally shared framework of concepts, consistent language, and metrics is required. It is the Global Reporting Initiative’s (GRI) mission to fulfil this need by providing a trusted and credible framework for sustainability reporting that can be used by organizations of any size, sector, or location.

Transparency about the sustainability of organizational activities is of interest to a diverse range of stakeholders, including business, labor, non-governmental organizations, investors, accountancy, and others. This is why GRI has relied on the collaboration of a large network of experts from all of these stakeholder groups in consensus-seeking consultations. These consultations, together with practical experience, have continuously improved the Reporting Framework since GRI’s founding in 1997. This multi-stakeholder approach to learning has given the Reporting Framework the widespread credibility it enjoys with a range of stakeholder groups.

¹ World Commission on Environment and Development. Our Common Future. Oxford: Oxford University Press, 1987, p.43.



Overview of Sustainability Reporting

The Purpose of a Sustainability Report

Sustainability reporting is the practice of measuring, disclosing, and being accountable to internal and external stakeholders for organizational performance towards the goal of sustainable development. 'Sustainability reporting' is a broad term considered synonymous with others used to describe reporting on economic, environmental, and social impacts (e.g., triple bottom line, corporate responsibility reporting, etc.).

A sustainability report should provide a balanced and reasonable representation of the sustainability performance of a reporting organization – including both positive and negative contributions.

Sustainability reports based on the GRI Reporting Framework disclose outcomes and results that occurred within the reporting period in the context of the organization's commitments, strategy, and management approach. Reports can be used for the following purposes, among others:

- **Benchmarking** and assessing sustainability performance with respect to laws, norms, codes, performance standards, and voluntary initiatives;
- **Demonstrating** how the organization influences and is influenced by expectations about sustainable development; and
- **Comparing** performance within an organization and between different organizations over time.

Orientation to the GRI Reporting Framework

All GRI Reporting Framework documents are developed using a process that seeks consensus through dialogue between stakeholders from business, the investor community, labor, civil society, accounting, academia, and others. All Reporting Framework documents are subject to testing and continuous improvement.

The GRI Reporting Framework is intended to serve as a generally accepted framework for reporting on an organization's economic, environmental, and social performance. It is designed for use by organizations of any size, sector, or location. It takes into account the practical considerations faced by a diverse range of organizations – from small enterprises to those with extensive and geographically dispersed operations. The GRI Reporting Framework contains general and sector-specific content that has been agreed by a wide range of stakeholders around the world to be generally applicable for reporting an organization's sustainability performance.

The Sustainability Reporting Guidelines (the Guidelines) consist of Principles for defining report content and ensuring the quality of reported information. It also includes Standard Disclosures made up of Performance Indicators and other disclosure items, as well as guidance on specific technical topics in reporting.

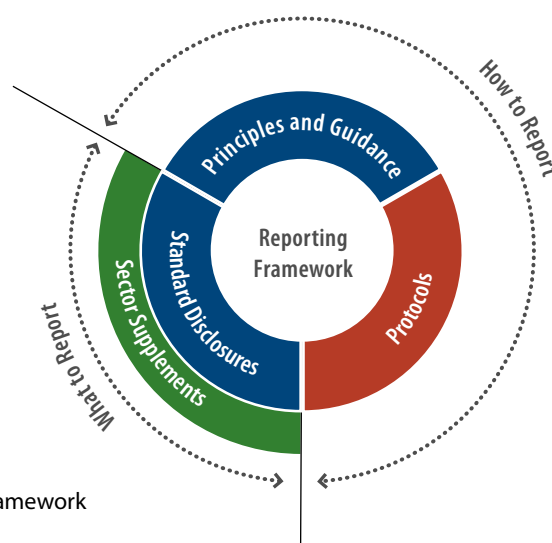


Figure 1: The GRI Reporting Framework



Indicator Protocols exist for each of the Performance Indicators contained in the Guidelines. These Protocols provide definitions, compilation guidance, and other information to assist report preparers and to ensure consistency in the interpretation of the Performance Indicators. Users of the Guidelines should also use the Indicator Protocols.

Sector Supplements complement the Guidelines with interpretations and guidance on how to apply the Guidelines in a given sector, and include sector-specific Performance Indicators. Applicable Sector Supplements should be used in addition to the Guidelines rather than in place of the Guidelines.

Technical Protocols are created to provide guidance on issues in reporting, such as setting the report boundary. They are designed to be used in conjunction with the Guidelines and Sector Supplements and cover issues that face most organizations during the reporting process.

Orientation to the GRI Guidelines

The Sustainability Reporting Guidelines consist of Reporting Principles, Reporting Guidance, and Standard Disclosures (including Performance Indicators). These elements are considered to be of equal in weight and importance.

Part 1 – Reporting Principles and Guidance

Three main elements of the reporting process are described in Part 1. To help determine what to report on, this section covers the Reporting Principles of materiality, stakeholder inclusiveness, sustainability context, and completeness, along with a brief set of tests for each Principle. Application of these Principles with the Standard Disclosures determines the topics and Indicators to be reported. This is followed by Principles of balance, comparability, accuracy, timeliness, reliability, and clarity, along with tests that can be used to help achieve the appropriate quality of the reported information. This section concludes with guidance for reporting organizations on how to define the range of entities represented by the report (also called the 'Report Boundary').

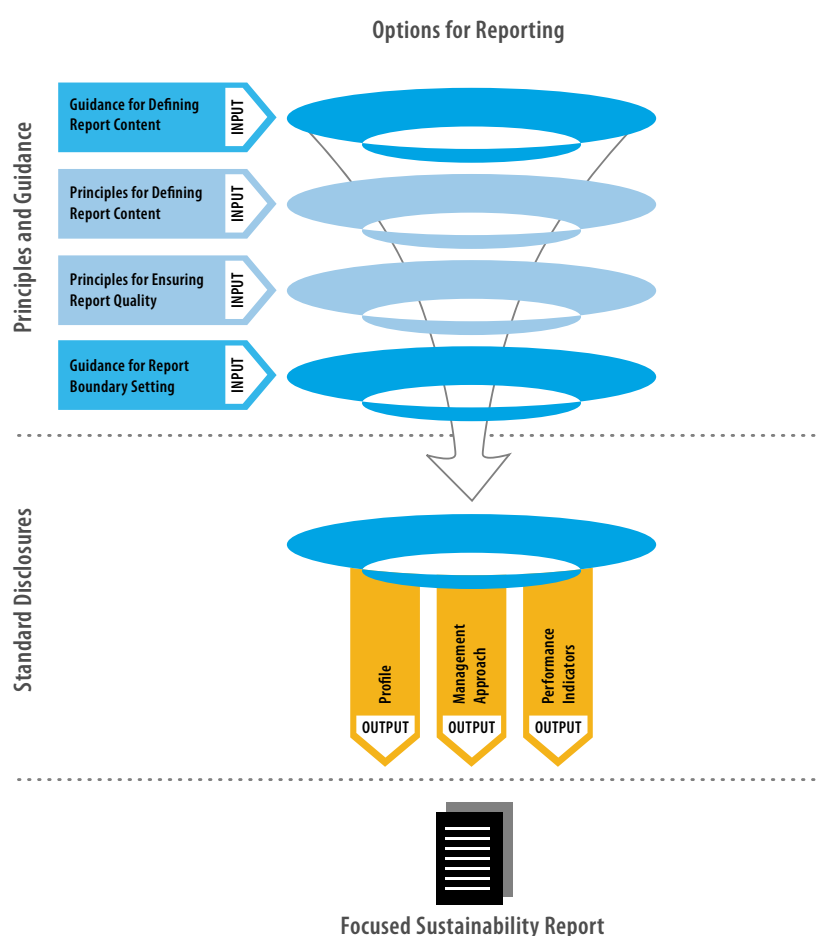


Figure 2: Overview of the GRI Guidelines

Part 2 – Standard Disclosures

Part 2 contains the Standard Disclosures that should be included in sustainability reports. The Guidelines identify information that is relevant and material to most organizations and of interest to most stakeholders for reporting the three types of Standard Disclosures:

- **Strategy and Profile:** Disclosures that set the overall context for understanding organizational performance such as its strategy, profile, and governance.
- **Management Approach:** Disclosures that cover how an organization addresses a given set of topics in order to provide context for understanding performance in a specific area.
- **Performance Indicators:** Indicators that elicit comparable information on the economic, environmental, and social performance of the organization.

Applying the Guidelines

Getting Started

All organizations (private, public, or non-profit) are encouraged to report against the Guidelines whether they are beginners or experienced reporters, and regardless of their size, sector, or location. Reporting can take various forms, including web or print, stand alone or combined with annual or financial reports.

The first step is to determine report content. Guidance for this is provided in Part 1. Some organizations may choose to introduce reporting against the full GRI Reporting Framework from the outset, while others may want to start with the most feasible and practical topics first and phase in reporting on other topics over time. All reporting organizations should describe the scope of their reporting and are encouraged to indicate their plans for expanding their reporting over time.

GRI Application Levels

Upon finalization of their report, preparers should declare the level to which they have applied the GRI Reporting Framework via the “GRI Application Levels” system. This system aims to provide:

- **Report readers** with clarity about the extent to which the GRI Guidelines and other Reporting Framework elements have been applied in the preparation of a report.
- **Report preparers** with a vision or path for incrementally expanding application of the GRI Reporting Framework over time.

Declaring an Application Level results in a clear communication about which elements of the GRI Reporting Framework have been applied in the preparation of a report. To meet the needs of new beginners, advanced reporters, and those somewhere in between, there are three levels in the system. They are titled C, B, and A. The reporting criteria found in each level reflects an increasing application or coverage of the GRI Reporting Framework. An organization can self-declare a “plus” (+) at each level (ex., C+, B+, A+) if they have utilized external assurance.²

An organization self-declares a reporting level based on its own assessment of its report content against the criteria in the GRI Application Levels.

² See the assurance section under General Reporting Notes for more information on options for assurance.



In addition to the self declaration, reporting organizations can choose one or both of the following options:

- Have an assurance provider offer an opinion on the self-declaration.
- Request that the GRI check the self-declaration.

For more information on Application Levels, and the complete criteria, see the GRI Applications Level information pack available as an insert to this document, or found online at www.globalreporting.org.

Request for notification of use

Organizations that have used the Guidelines and/or other elements of the GRI Reporting Framework as the basis for their report are requested to notify the Global Reporting Initiative upon its release. While notifying GRI, organizations can choose any or all of the following options:

- Simply notify the GRI of the report and provide hard and/or soft copy
- Register their report in GRI's online database of reports
- Request GRI check their self-declared Application Level.

Maximizing Report Value

Sustainability reporting is a living process and tool, and does not begin or end with a printed or online publication. Reporting should fit into a broader process for setting organizational strategy, implementing action plans, and assessing outcomes. Reporting enables a robust assessment of the organization's performance, and can support continuous improvement in performance over time. It also serves as a tool for engaging with stakeholders and securing useful input to organizational processes.

Part 1: Defining Report Content, Quality, and Boundary

This section provides Reporting Principles and Reporting Guidance regarding defining report content, ensuring the quality of reported information, and setting the Report Boundary.

Reporting Guidance describes actions that can be taken, or options that the reporting organization can consider when making decisions on what to report on, and generally helps interpret or govern the use of the GRI Reporting Framework. Guidance is provided for defining report content and setting report Boundary.

Reporting Principles describe the outcomes a report should achieve and guide decisions throughout the reporting process, such as selecting which topics and Indicators to report on and how to report on them. Each of the Principles consists of a definition, an explanation, and a set of tests for the reporting organization to assess its use of the Principles. The tests are intended to serve as tools for self-diagnosis, but not as specific disclosures to report against. Tests can, however, serve as a reference for explaining decisions about the application of the Principles

Together, the Principles are intended to help achieve transparency – a value and a goal that underlies all aspects of sustainability reporting. Transparency can be defined as the complete disclosure of information on the topics and Indicators required to reflect impacts and enable stakeholders to make decisions, and the processes, procedures, and assumptions used to prepare those disclosures. The Principles themselves are organized into two groups:

- Principles for determining the topics and Indicators on which the organization should report; and
- Principles for ensuring the quality and appropriate presentation of reported information.

The Principles have been grouped in this way to help clarify their role and function, but this does not impose a rigid restriction on their use. Each Principle can support a range of decisions, and may prove useful in considering questions beyond just defining report content or ensuring the quality of reported information.



1.1 Defining Report Content

In order to ensure a balanced and reasonable presentation of the organization's performance, a determination must be made about what content the report should cover. This determination should be made by considering both the organization's purpose and experience, and the reasonable expectations and interests of the organization's stakeholders. Both are important reference points when deciding what to include in the report.

Reporting Guidance for Defining Content

The following approach governs the use of the GRI Reporting Framework in preparing sustainability reports. More detailed guidance on defining content can be found in the Technical Protocol – Applying the Report Content Principles.

- Identify the topics and related Indicators that are relevant, and therefore might be appropriate to report, by undergoing an iterative process using the Principles of materiality, stakeholder inclusiveness, sustainability context, and guidance on setting the Report Boundary.
- When identifying topics, consider the relevance of all Indicator Aspects identified in the GRI Guidelines and applicable Sector Supplements. Also consider other topics, if any, that are relevant to report.
- From the set of relevant topics and Indicators identified, use the tests listed for each Principle to assess which topics and Indicators are material, and therefore should be reported³.
- Use the Principles to prioritize selected topics and decide which will be emphasized.

- The specific methods or processes used for assessing materiality should:
 - Differ for, and can be defined by, each organization;
 - Always take into account the guidance and tests found in the GRI Reporting Principles; and
 - Be disclosed.

In applying this approach:

- Differentiate between Core and Additional Indicators. All Indicators have been developed through GRI's multi-stakeholder processes, and those designated as Core are generally applicable Indicators and are assumed to be material for most organizations. An organization should report on these unless they are deemed not material on the basis of the Reporting Principles. Additional Indicators may also be determined to be material.
- The Indicators in final versions of Sector Supplements are considered to be Core Indicators, and should be applied using the same approach as the Core Indicators found in the Guidelines.
- All other information (e.g., company specific Indicators) included in the report should be subject to the same Reporting Principles and have the same technical rigor as GRI Standard Disclosures.
- Confirm that the information to be reported and the Report Boundary are appropriate by applying the Principle of completeness.

Options for Reporting

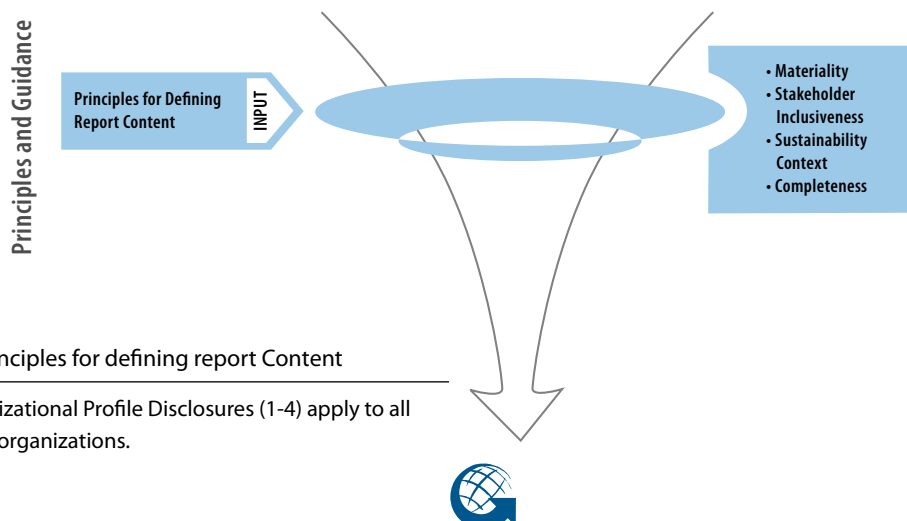


Figure 3: Principles for defining report Content

³ GRI Organizational Profile Disclosures (1-4) apply to all reporting organizations.

Reporting Principles for Defining Content

Each of the Reporting Principles consists of a definition, an explanation, and a set of tests to guide the use of the Principles. The tests are intended to serve as tools for self-diagnosis, but not as specific Disclosure items to report against. The Principles should be used together with the guidance on defining content.

MATERIALITY

Definition: The information in a report should cover topics and Indicators that:

- reflect the organization's significant economic, environmental, and social impacts or that
- would substantively influence the assessments and decisions of stakeholders.

Explanation: Organizations are faced with a wide range of topics on which it could report. Relevant topics and Indicators are those that may reasonably be considered important for reflecting the organization's economic, environmental, and social impacts, or influencing the decisions of stakeholders, and, therefore, potentially merit inclusion in the report. Materiality is the threshold at which topics or Indicators become sufficiently important that they should be reported. Beyond this threshold, not all material topics will be of equal importance and the emphasis within a report should reflect the relative priority of these material topics and Indicators.

In financial reporting, materiality is commonly thought of as a threshold for influencing the economic decisions of those using an organization's financial statements, investors in particular. The concept of a threshold is also important in sustainability reporting, but it is concerned with a wider range of impacts and stakeholders. Materiality for sustainability reporting is not limited only to those sustainability topics that have a significant financial impact on the organization. Determining materiality for a sustainability report also includes considering economic, environmental, and social impacts that cross a threshold in affecting the ability to meet the needs of the present without compromising the needs of future generations.⁴ These material topics will often have a significant financial impact in the near-term or long-term on an organization. They will therefore also be relevant for stakeholders who focus strictly on the financial condition of an organization.

A combination of internal and external factors should be used to determine whether information is material, including factors such as the organization's overall mission and competitive strategy, concerns expressed directly by stakeholders, broader social expectations, and the organization's influence on upstream (e.g., supply chain) and downstream (e.g., customers) entities. Assessments of materiality should also take into account the basic expectations expressed in the international standards and agreements with which the organization is expected to comply.

These internal and external factors should be considered when evaluating the importance of information for reflecting significant economic, environmental, and social impacts, or stakeholder decision making.⁵ A range of established methodologies can be used to assess the significance of impacts. In general, 'significant impacts' refer to those that are a subject of established concern for expert communities, or that have been identified using established tools such as impact assessment methodologies or life cycle assessments. Impacts that are considered important enough to require active management or engagement by the organization can likely be considered to be significant.

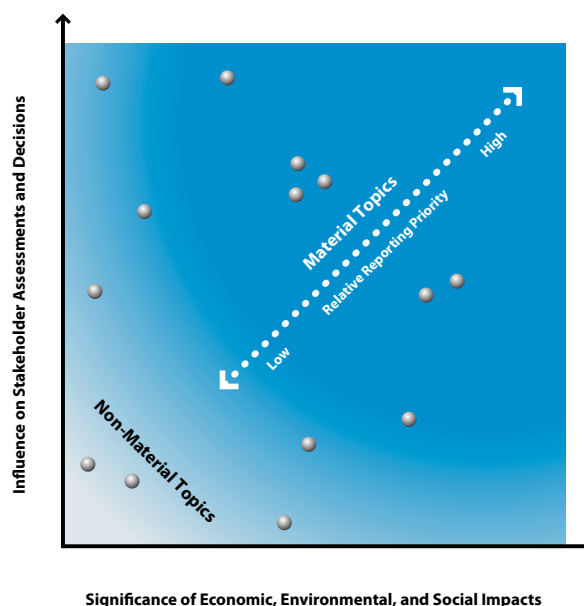


Figure 4: Defining Materiality

⁴ World Commission on Environment and Development. Our Common Future. Oxford: Oxford University Press, 1987, p. 43.

⁵ See the principle of stakeholder inclusion for a discussion of stakeholders.

The report should emphasize information on performance regarding the most material topics. Other relevant topics can be included, but should be given less prominence in the report. The process by which the relative priority of topics was determined should be explained.

In addition to guiding the selection of topics to report, the Materiality Principle also applies to the use of Performance Indicators. When disclosing performance data, there are varying degrees of comprehensiveness and detail that could be provided in a report. In some cases, GRI guidance exists on the level of detail generally considered appropriate for a specific Indicator. Overall, decisions on how to report data should be guided by the importance of the information for assessing the performance of the organization, and facilitating appropriate comparisons.

Reporting on material topics may involve disclosing information used by external stakeholders that differs from the information used internally for day-to-day management purposes. However, such information does indeed belong in a report, where it can inform assessments or decision-making by stakeholders, or support engagement with stakeholders that can result in actions that would significantly influence performance or address key topics of stakeholder concern.

Tests

In defining material topics, take into account the following:

- ☒ Reasonably estimable sustainability impacts, risks, or opportunities (e.g., global warming, HIV-AIDS, poverty) identified through sound investigation by people with recognized expertise, or by expert bodies with recognized credentials in the field.

Significance to Stakeholders, including:

- ☒ Main sustainability interests/topics and Indicators raised by stakeholders (e.g., vulnerable groups within local communities, civil society).

- ☒ The main topics and future challenges for the sector reported by peers and competitors.
- ☒ Relevant laws, regulations, international agreements, or voluntary agreements with strategic significance to the organization and its stakeholders.

Significance to the Organization, including:

- ☒ Key organizational values, policies, strategies, operational management systems, goals, and targets.
- ☒ The interests/expectations of stakeholders specifically invested in the success of the organization (e.g., employees, shareholders, and suppliers).
- ☒ Significant risks to the organization.
- ☒ Critical factors for enabling organizational success.
- ☒ The core competencies of the organization and the manner in which they can or could contribute to sustainable development.

Prioritizing

- ☒ The report prioritizes material topics and Indicators.



STAKEHOLDER INCLUSIVENESS

Definition: The reporting organization should identify its stakeholders and explain in the report how it has responded to their reasonable expectations and interests.

Explanation: Stakeholders are defined as entities or individuals that can reasonably be expected to be significantly affected by the organization's activities, products, and/or services; and whose actions can reasonably be expected to affect the ability of the organization to successfully implement its strategies and achieve its objectives. This includes entities or individuals whose rights under law or international conventions provide them with legitimate claims vis-à-vis the organization.

Stakeholders can include those who are invested in the organization (e.g., employees, shareholders, suppliers) as well as those who have other relationships to the organization (e.g., vulnerable groups within local communities, civil society).

The reasonable expectations and interests of stakeholders are a key reference point for many decisions in the preparation of a report, such as the scope, boundary, application of Indicators, and assurance approach. However, not all of an organization's stakeholders will use the report. This presents challenges in balancing the specific interests/expectations of stakeholders who can reasonably be expected to use the report with broader expectations of accountability to all stakeholders.

For some decisions, such as the report scope or boundary of a report, the reasonable expectations and interests of a wide range of stakeholder will need to be considered. There may be, for example, stakeholders who are unable to articulate their views on a report and whose concerns are presented by proxies. There may also be stakeholders who choose not to express views on reports because they rely on different means of communication and engagement. The reasonable expectations and interests of these stakeholders should still be acknowledged in decisions about the content of the report. However, other decisions, such as the level of detail required to be useful to stakeholders, or expectations of different stakeholders about what is required to achieve clarity, may require greater emphasis on those who can reasonably be expected to use the report. It is important to document the processes and approach taken in making these decisions.

Stakeholder engagement processes can serve as tools for understanding the reasonable expectations and interests of stakeholders. Organizations typically initiate different types of stakeholder engagement as part of their regular activities, which can provide useful inputs for decisions on reporting. These may include, for example, stakeholder engagement for the purpose of compliance with internationally-agreed standards, or informing ongoing organizational/ business processes. In addition, stakeholder engagement may also be implemented specifically to inform the report preparation process. Organizations can also use other means such as the media, the scientific community, or collaborative activities with peers and stakeholders. These means can help the organization better understand stakeholders' reasonable expectations and interests.

For a report to be assurable, the process of stakeholder engagement should be documented. When stakeholder engagement processes are used for reporting purposes, they should be based on systematic or generally-accepted approaches, methodologies, or principles. The overall approach should be sufficiently effective to ensure that stakeholders' information needs are properly understood. The reporting organization should document its approach for defining which stakeholders it engaged with, how and when it engaged with them, and how engagement has influenced the report content and the organization's sustainability activities. These processes should be capable of identifying direct input from stakeholders as well as legitimately established societal expectations. An organization may encounter conflicting views or differing expectations among its stakeholders, and will need to be able to explain how it balanced these in reaching its reporting decisions.

Failure to identify and engage with stakeholders is likely to result in reports that are not suitable, and therefore not fully credible, to all stakeholders. In contrast, systematic stakeholder engagement enhances stakeholder receptivity and the usefulness of the report. Executed properly, it is likely to result in ongoing learning within the organization and by external parties, as well as increase accountability to a range of stakeholders. Accountability strengthens trust between the reporting organization and its stakeholders. Trust, in turn, fortifies report credibility.



Tests:

- ☑ The organization can describe the stakeholders to whom it considers itself accountable.
- ☑ The report content draws upon the outcomes of stakeholder engagement processes used by the organization in its ongoing activities, and as required by the legal and institutional framework in which it operates.
- ☑ The report content draws upon the outcomes of any stakeholder engagement processes undertaken specifically for the report.
- ☑ The stakeholder engagement processes that inform decisions about the report are consistent with the scope and boundary of the report.

SUSTAINABILITY CONTEXT

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

Explanation: Information on performance should be placed in context. The underlying question of sustainability reporting is how an organization contributes, or aims to contribute in the future, to the improvement or deterioration of economic, environmental, and social conditions, developments, and trends at the local, regional, or global level. Reporting only on trends in individual performance (or the efficiency of the organization) will fail to respond to this underlying question. Reports should therefore seek to present performance in relation to broader concepts of sustainability. This will involve discussing the performance of the organization in the context of the limits and demands placed on environmental or social resources at the sectoral, local, regional, or global level. For example, this could mean that in addition to reporting on trends in eco-efficiency, an organization might also present its absolute pollution loading in relation to the capacity of the regional ecosystem to absorb the pollutant.

This concept is often most clearly articulated in the environmental arena in terms of global limits on resource use and pollution levels. However, it can also be relevant with respect to social and economic objectives such as national or international socio-economic and sustainable development goals. For example, an organization could report on employee wages and social benefit levels in relation to nation-wide minimum and median income levels, and the capacity of social safety nets to absorb those in poverty or those living close to the poverty line. Organizations operating in a diverse range of locations, sizes, and sectors will need to consider how to best frame their overall organizational performance in the broader context of sustainability. This may require distinguishing between topics or factors that drive global impacts (such as climate change) and those that have more regional or local impacts (such as community development). When reporting on topics that have positive or negative local impacts, it is important to provide insight into how the organization affects communities in different locations. Similarly, distinctions might need to be made between trends or patterns of impacts across the range of operations versus contextualizing performance location by location.

The organization's own sustainability and business strategy provides the context in which to discuss



performance. The relationship between sustainability and organizational strategy should be made clear, as should the context within which performance is reported.

Tests:

- ☑ The organization presents its understanding of sustainable development and draws on objective and available information as well as measures of sustainable development for the topics covered in the report.
- ☑ The organization presents its performance with reference to broader sustainable development conditions and goals, as reflected in recognized sectoral, local, regional, and/or global publications.
- ☑ The organization presents its performance in a manner that attempts to communicate the magnitude of its impact and contribution in appropriate geographical contexts.
- ☑ The report describes how sustainability topics relate to long-term organizational strategy, risks, and opportunities, including supply-chain topics.

COMPLETENESS

Definition: Coverage of the material topics and Indicators and definition of the report boundary should be sufficient to reflect significant economic, environmental, and social impacts and enable stakeholders to assess the reporting organization's performance in the reporting period.

Explanation: Completeness primarily encompasses the dimensions of scope, boundary, and time. The concept of completeness can also be used to refer to practices in information collection (for example, ensuring that compiled data includes results from all sites within the Report Boundary) and whether the presentation of information is reasonable and appropriate. These topics are related to report quality, and are addressed in greater detail under the Principles of accuracy and balance later in Part 1.

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

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

'Time' refers to the need for the selected information to be complete for the time period specified by the report. As far as practicable, activities, events, and impacts should be presented for the reporting period in which they occur. This includes reporting on activities that produce minimal short-term impact, but which have



a significant and reasonably foreseeable cumulative effect that may become unavoidable or irreversible in the longer term (e.g., bio-accumulative or persistent pollutants). In making estimates of future impacts (both positive and negative), the reported information should be based on well-reasoned estimates that reflect the likely size, nature, and scope of impacts. Although such estimates are by nature subject to uncertainty, they can provide useful information for decision-making as long as the basis for estimates is clearly disclosed and the limitations of the estimates are clearly acknowledged. Disclosing the nature and likelihood of such impacts, even if they may only materialize in the future, is consistent with the goal of providing a balanced and reasonable representation of the organization's economic, environmental, and social performance.

Tests:

- ☑ The report was developed taking into account the entire chain of entities upstream and downstream, and covers and prioritizes all information that should reasonably be considered material on the basis of the principles of materiality, sustainability context, and stakeholder inclusiveness.
- ☑ The report includes all entities that meet the criteria of being subject to control or significant influence of the reporting organization unless otherwise declared.
- ☑ The information in the report includes all significant actions or events in the reporting period, and reasonable estimates of significant future impacts of past events when those impacts are reasonably foreseeable and may become unavoidable or irreversible.
- ☑ The report does not omit relevant information that would influence or inform stakeholder assessments or decisions, or that would reflect significant economic, environmental, and social impacts.

1.2 Reporting Principles for Defining Quality

This section contains Principles that guide choices on ensuring the quality of reported information, including its proper presentation. Decisions related to the process of preparing information in a report should be consistent with these Principles. All of these Principles are fundamental for effective transparency. The quality of information enables stakeholders to make sound and reasonable assessments of performance, and take appropriate action.

Reporting Principles for Defining Quality

BALANCE

Definition: The report should reflect positive and negative aspects of the organization's performance to enable a reasoned assessment of overall performance.

Explanation: The overall presentation of the report's content should provide an unbiased picture of the reporting organization's performance. The report should avoid selections, omissions, or presentation formats that are reasonably likely to unduly or inappropriately influence a decision or judgment by the report reader. The report should include both favorable and unfavorable results, as well as topics that can influence the decisions of stakeholders in proportion to their materiality. Reports should clearly distinguish between factual presentation and the reporting organization's interpretation of information.

Tests:

- ☑ The report discloses both favorable and unfavorable results and topics.
- ☑ The information in the report is presented in a format that allows users to see positive and negative trends in performance on a year-to-year basis.
- ☑ The emphasis on the various topics in the report is proportionate to their relative materiality.



COMPARABILITY

Definition: Issues and information should be selected, compiled, and reported consistently. Reported information should be presented in a manner that enables stakeholders to analyze changes in the organization's performance over time, and could support analysis relative to other organizations.

Explanation: Comparability is necessary for evaluating performance. Stakeholders using the report should be able to compare information reported on economic, environmental, and social performance against the organization's past performance, its objectives, and, to the degree possible, against the performance of other organizations. Consistency in reporting allows internal and external parties to benchmark performance and assess progress as part of rating activities, investment decisions, advocacy programs, and other activities. Comparisons between organizations require sensitivity to factors such as differences in organizational size, geographic influences, and other considerations that may affect the relative performance of an organization. Where necessary, report preparers should consider providing context that will help report users understand the factors that may contribute to differences in performance between organizations.

Maintaining consistency with the methods used to calculate data, with the layout of the report, and with explaining the methods and assumptions used to prepare information, all facilitates comparability over time. As the relative importance of topics to a given organization and its stakeholders change over time, the

content of reports will also evolve. However, within the confines of the Principle of Materiality, organizations should aim for consistency in their reports over time. An organization should include total numbers (i.e., absolute data such as tons of waste) as well as ratios (i.e., normalized data such as waste per unit of production) to enable analytical comparisons.

When changes occur with the boundary, scope, length of the reporting period, or content (including the design, definitions, and use of any Indicators in the report), reporting organizations should, whenever practicable, restate current disclosures alongside historical data (or vice versa). This ensures that information and comparisons are both reliable and meaningful over time. Where such restatements are not provided, the report should explain the reasons and implications for interpreting current disclosures.

Tests:

- ☑ The report and the information contained within it can be compared on a year-to-year basis.
- ☑ The organization's performance can be compared with appropriate benchmarks.
- ☑ Any significant variation between reporting periods in the boundary, scope, length of reporting period, or information covered in the report can be identified and explained.

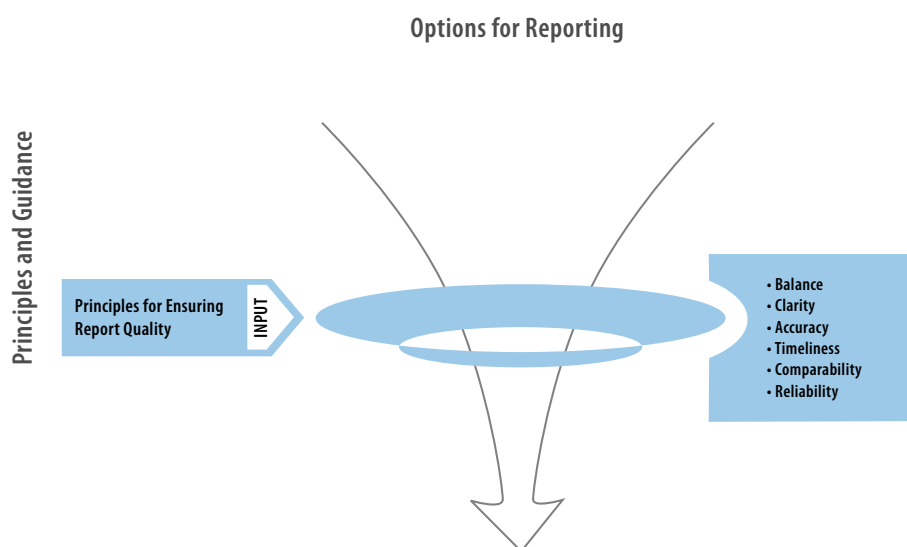


Figure 5: Principles for Ensuring Report Quality

- ☑ Where they are available, the report utilizes generally accepted protocols for compiling, measuring, and presenting information, including the GRI Technical Protocols for Indicators contained in the Guidelines.
- ☑ The report uses GRI Sector Supplements, where available.

ACCURACY

Definition: The reported information should be sufficiently accurate and detailed for stakeholders to assess the reporting organization's performance.

Explanation: Responses to economic, environmental, and social topics and Indicators can be expressed in many different ways, ranging from qualitative responses to detailed quantitative measurements. The characteristics that determine accuracy vary according to the nature of the information and the user of the information. For example, the accuracy of qualitative information is largely determined by the degree of clarity, detail, and balance in presentation within the appropriate Report Boundary. The accuracy of quantitative information, on the other hand, may depend on the specific methods used to gather, compile, and analyze data. The specific threshold of accuracy that is necessary will depend partly on the intended use of the information. Certain decisions will require higher levels of accuracy in reported information than others.

Tests:

- ☑ The report indicates the data that has been measured.
- ☑ The data measurement techniques and bases for calculations are adequately described, and can be replicated with similar results.
- ☑ The margin of error for quantitative data is not sufficient to substantially influence the ability of stakeholders to reach appropriate and informed conclusions on performance.
- ☑ The report indicates which data has been estimated and the underlying assumptions and techniques used to produce the estimates, or where that information can be found.
- ☑ The qualitative statements in the report are valid on the basis of other reported information and other available evidence.



TIMELINESS

Definition: Reporting occurs on a regular schedule and information is available in time for stakeholders to make informed decisions.

Explanation: The usefulness of information is closely tied to whether the timing of its disclosure to stakeholders enables them to effectively integrate it into their decision-making. The timing of release refers both to the regularity of reporting as well as its proximity to the actual events described in the report.

Although a constant flow of information is desirable for meeting certain purposes, reporting organizations should commit to regularly providing a consolidated disclosure of their economic, environmental, and social performance at a single point in time. Consistency in the frequency of reporting and the length of reporting periods is also necessary to ensure comparability of information over time and accessibility of the report to stakeholders. It can be of value for stakeholders if the schedules for sustainability reporting and financial reporting are aligned. The organization should balance the need to provide information in a timely manner with the importance of ensuring that the information is reliable.

Tests:

- ☑ Information in the report has been disclosed while it is recent relative to the reporting period.
- ☑ The collection and publication of key performance information is aligned with the sustainability reporting schedule.
- ☑ The information in the report (including web-based reports) clearly indicates the time period to which it relates, when it will be updated, and when the last updates were made.

CLARITY

Definition: Information should be made available in a manner that is understandable and accessible to stakeholders using the report.

Explanation: The report should present information in a way that is understandable, accessible, and usable by the organization's range of stakeholders (whether in print form or through other channels). A stakeholder should be able to find desired information without unreasonable effort. Information should be presented in a manner that is comprehensible to stakeholders who have a reasonable understanding of the organization and its activities. Graphics and consolidated data tables can help make the information in the report accessible and understandable. The level of aggregation of information can also affect the clarity of a report if it is either significantly more or less detailed than stakeholders expect.

Tests:

- ☑ The report contains the level of information required by stakeholders, but avoids excessive and unnecessary detail.
- ☑ Stakeholders can find the specific information they want without unreasonable effort through tables of contents, maps, links, or other aids.
- ☑ The report avoids technical terms, acronyms, jargon, or other content likely to be unfamiliar to stakeholders, and should include explanations (where necessary) in the relevant section or in a glossary.
- ☑ The data and information in the report is available to stakeholders, including those with particular accessibility needs (e.g., differing abilities, language, or technology).



RELIABILITY

Definition: Information and processes used in the preparation of a report should be gathered, recorded, compiled, analyzed, and disclosed in a way that could be subject to examination and that establishes the quality and materiality of the information.

Explanation: Stakeholders should have confidence that a report could be checked to establish the veracity of its contents and the extent to which it has appropriately applied Reporting Principles. The information and data included in a report should be supported by internal controls or documentation that could be reviewed by individuals other than those who prepared the report. Disclosures about performance that are not substantiated by evidence should not appear in a sustainability report unless they represent material information, and the report provides unambiguous explanations of any uncertainties associated with the information. The decision-making processes underlying a report should be documented in a manner that allows the basis of key decisions (such as processes for determining the report content and boundary or stakeholder engagement) to be examined. In designing information systems, reporting organizations should anticipate that the systems could be examined as part of an external assurance process.

Tests:

- ☑ The scope and extent of external assurance is identified.
- ☑ The original source of the information in the report can be identified by the organization.
- ☑ Reliable evidence to support assumptions or complex calculations can be identified by the organization.
- ☑ Representation is available from the original data or information owners, attesting to its accuracy within acceptable margins of error.

1.3 Reporting Guidance for Boundary Setting⁶

In parallel with defining the content of a report, an organization must determine which entities' (e.g., subsidiaries and joint ventures) performance will be represented by the report. The Sustainability Report Boundary should include the entities over which the reporting organization exercises control or significant influence both in and through its relationships with various entities upstream (e.g., supply chain) and downstream (e.g., distribution and customers).

For the purpose of setting boundaries, the following definitions should apply⁷:

- **Control:** the power to govern the financial and operating policies of an enterprise so as to obtain benefits from its activities.
- **Significant influence:** the power to participate in the financial and operating policy decisions of the entity but not the power to control those policies.

The guidance below on setting the Report Boundary pertains to the report as a whole as well as setting the boundary for individual Performance Indicators.

Not all entities within the Report Boundary must be reported on in the same manner. The approach to reporting on an entity will depend on a combination of the reporting organization's control or influence over the entity, and whether the disclosure relates to operational performance, management performance, or narrative/descriptive information.

The Report Boundary guidance is based on the recognition that different relationships involve differing degrees of access to information and the ability to affect outcomes. For example, operational information such as emissions data can be reliably compiled from entities under the control of an organization, but may not be available for a joint venture or a supplier. The Report Boundary guidance below sets minimum expectations for the inclusion of entities upstream and downstream when reporting on Indicators and management disclosures. However, an organization may determine that it is necessary to extend the boundary for an Indicator(s) to include entities upstream or downstream.

⁶ The guidance on Report Boundary has been derived from the Boundary Protocol. Future updates to the Guidelines will incorporate any further lessons or guidance developed from experience with the Reporting Boundary Protocol.

⁷ Further discussion of these terms can be found in the Boundary Protocol.



Determining the significance of an entity when collecting information or considering the extension of a boundary depends on the scale of its sustainability impacts. Entities with significant impacts typically generate the greatest risk or opportunity for an organization and its stakeholders, and therefore are the entities for which the organization is most likely to be perceived as being accountable or responsible.

Reporting Guidance for Boundary Setting

- A sustainability report should include in its boundary all entities that generate significant sustainability impacts (actual and potential) and/ or all entities over which the reporting organization exercises control or significant influence with regard to financial and operating policies and practices.
- These entities can be included using either Indicators of operational performance, Indicators of management performance, or narrative descriptions.
- At a minimum, the reporting organization should include the following entities in its report using these approaches:
 - Entities over which the organization exercises control should be covered by Indicators of Operational Performance; and
 - Entities over which the organization exercises significant influence should be covered by Disclosures on Management Approach.

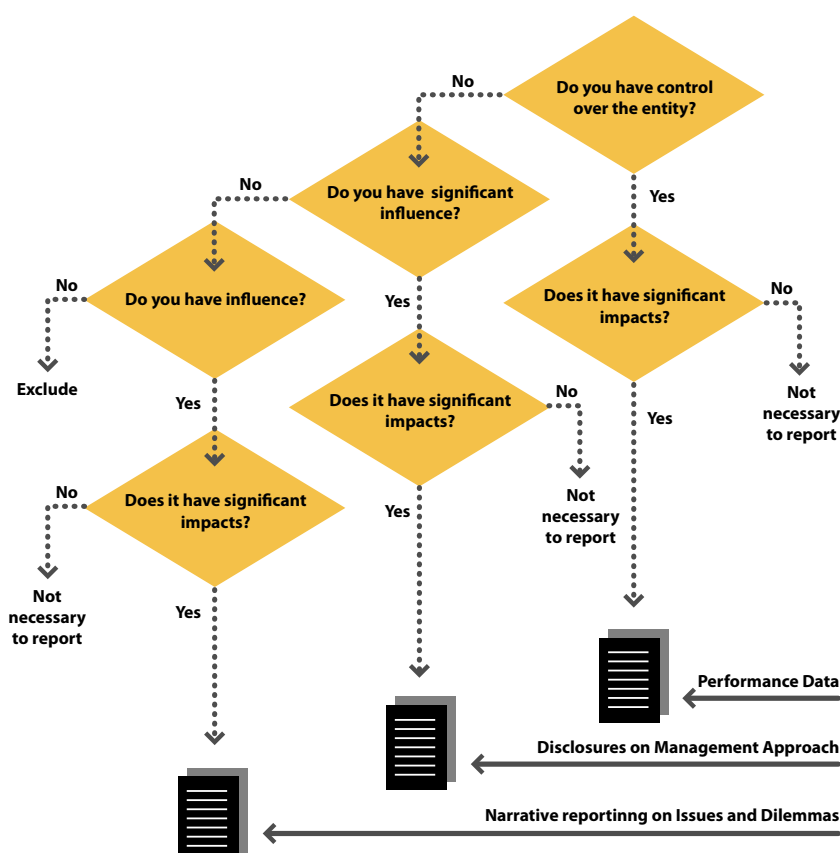


Figure 6: Decision Tree for Boundary Setting



- The boundaries for narrative disclosures should include entities over which the organization does not exercise control/significant influence, but which are associated with key challenges for the organization because their impacts are significant
- The report should cover all entities within its Report Boundary. In the process of preparing its report, an organization may choose not to gather data on a particular entity or group of entities within the defined boundary on the basis of efficiency as long as such a decision does not substantively change the final result of a Disclosure or Indicator.

Part 2: Standard Disclosures

This section specifies the base content that should appear in a sustainability report, subject to the guidance on determining content in Part 1 of the Guidelines.

There are three different types of disclosures contained in this section.

- **Strategy and Profile:** Disclosures that set the overall context for understanding organizational performance such as its strategy, profile, and governance.
- **Management Approach:** Disclosures that cover how an organization addresses a given set of topics in order to provide context for understanding performance in a specific area.
- **Performance Indicators:** Indicators that elicit comparable information on the economic, environmental, and social performance of the organization.

Reporting organizations are encouraged to follow this structure in compiling their reports, however, other formats may be chosen.

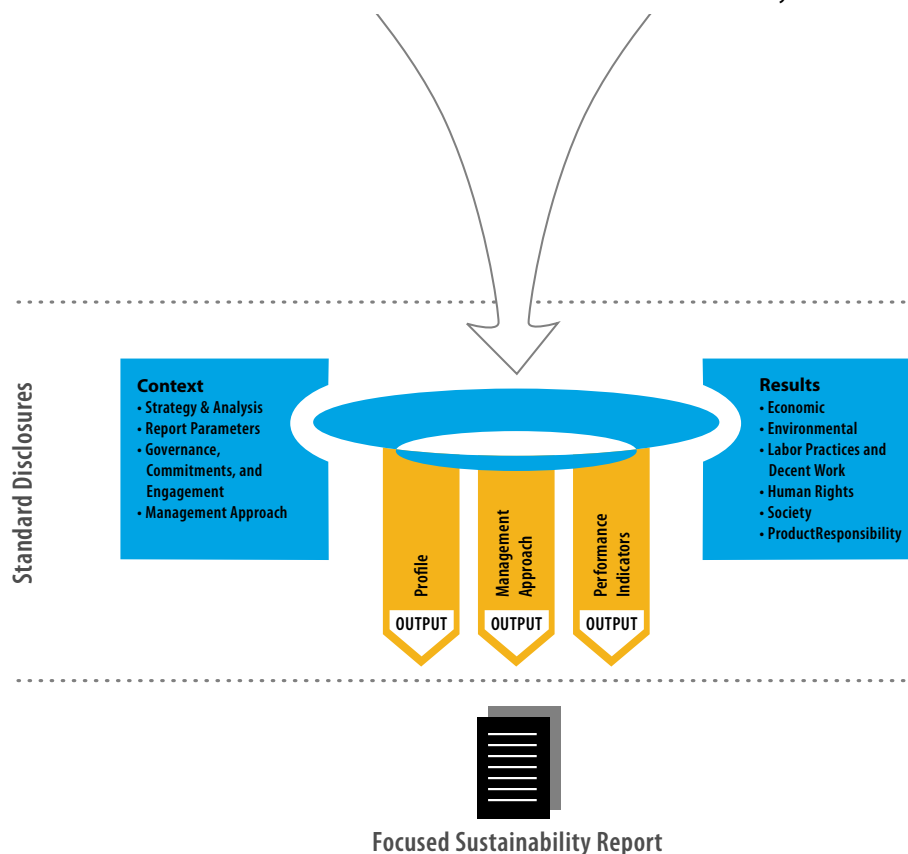


Figure 7: Overview of GRI Standard Disclosures



Profile

1. Strategy and Analysis

This 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 Guidelines. It may draw on information provided in other parts of the report, but 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 1.1 and a concise narrative outlined in 1.2.

- 1.1** Statement from the most senior decision-maker of the organization (e.g., CEO, chair, or equivalent senior position) about the relevance of sustainability to the organization and its strategy.

The statement should present the overall vision and strategy for the short-term, medium-term (e.g., 3-5 years), and long-term, particularly with regard to managing the key challenges associated with economic, environmental, and social performance. The statement should include:

- Strategic priorities and key topics for the short/medium-term with regard to sustainability, including respect for internationally agreed standards and how they relate to long-term organizational strategy and success;
- Broader trends (e.g., macroeconomic or political) affecting the organization and influencing sustainability priorities;
- Key events, achievements, and failures during the reporting period;
- Views on performance with respect to targets;
- Outlook on the organization's main challenges and targets for the next year and goals for the coming 3-5 years; and
- Other items pertaining to the organization's strategic approach.

1.2 Description of key impacts, risks, and opportunities.

The reporting 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 agreed standards. This should take into account the range of reasonable expectations and interests of the organization's stakeholders. This section should include:

- A description of the significant impacts the organization has on sustainability and associated challenges and opportunities. This includes the effect on stakeholders' rights as defined by national laws and the expectations in internationally-agreed standards and norms;
- An explanation of the approach to prioritizing these challenges and opportunities;
- Key conclusions about progress in addressing these topics and related performance in the reporting period. This includes an assessment of reasons for underperformance or over-performance; and
- A description of the main processes in place to address performance and/or relevant changes.

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. Section Two should include the following:

- A description of the most important risks and opportunities for the organization arising from sustainability trends;
- Prioritization of key sustainability topics as risks and opportunities according to their relevance for long-term organizational strategy, competitive position, qualitative, and (if possible) quantitative financial value drivers;



- Table(s) summarizing:
 - Targets, performance against targets, and lessons-learned for the current reporting period; and
 - Targets for the next reporting period and mid-term objectives and goals (i.e., 3-5 years) related to key risks and opportunities.
- Concise description of governance mechanisms in place to specifically manage these risks and opportunities, and identification of other related risks and opportunities.

2. Organizational Profile

2.1 Name of the organization.

2.2 Primary brands, products, and/or services.

The reporting organization should indicate the nature of its role in providing these products and services, and the degree to which it utilizes outsourcing.

- ### 2.3 Operational structure of the organization, including main divisions, operating companies, subsidiaries, and joint ventures.
- ### 2.4 Location of organization's headquarters.
- ### 2.5 Number of countries where the organization operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report.
- ### 2.6 Nature of ownership and legal form.
- ### 2.7 Markets served (including geographic breakdown, sectors served, and types of customers/beneficiaries).
- ### 2.8 Scale of the reporting organization, including:
- Number of employees;
 - Number of operations;
 - Net sales (for private sector organizations) or net revenues (for public sector organizations);
 - Total capitalization broken down in terms of debt and equity (for private sector organizations); and

- Quantity of products or services provided.

In addition to the above, reporting organizations are encouraged to provide additional information, as appropriate, such as:

- *Total assets;*
- *Beneficial ownership (including identity and percentage of ownership of largest shareholders); and*
- *Breakdowns by country/region of the following:*
 - *Sales/revenues by countries/regions that make up 5 percent or more of total revenues;*
 - *Costs by countries/regions that make up 5 percent or more of total revenues; and*
 - *Employees.*

2.9 Significant changes during the reporting period regarding size, structure, or ownership including:

- The location of, or changes in operations, including facility openings, closings, and expansions; and
- Changes in the share capital structure and other capital formation, maintenance, and alteration operations (for private sector organizations).

2.10 Awards received in the reporting period.

3. Report Parameters

REPORT PROFILE

- ### 3.1 Reporting period (e.g., fiscal/calendar year) for information provided.
- ### 3.2 Date of most recent previous report (if any).
- ### 3.3 Reporting cycle (annual, biennial, etc.)
- ### 3.4 Contact point for questions regarding the report or its contents.

REPORT SCOPE AND BOUNDARY

- ### 3.5 Process for defining report content, including:
- Determining materiality;



- Prioritizing topics within the report; and
- Identifying stakeholders the organization expects to use the report.

Include an explanation of how the organization has applied the 'Guidance on Defining Report Content', the associated Principles and the Technical Protocol – Applying the Report Content Principles.

- 3.6** Boundary of the report (e.g., countries, divisions, subsidiaries, leased facilities, joint ventures, suppliers). See GRI Boundary Protocol for further guidance.

- 3.7** State any specific limitations on the scope or boundary of the report⁸.

If boundary and scope do not address the full range of material economic, environmental, and social impacts of the organization, state the strategy and projected timeline for providing complete coverage.

- 3.8** Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities that can significantly affect comparability from period to period and/or between organizations.

- 3.9** Data measurement techniques and the bases of calculations, including assumptions and techniques underlying estimations applied to the compilation of the Indicators and other information in the report.

Explain any decisions not to apply, or to substantially diverge from, the GRI Indicator Protocols.

- 3.10** Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement (e.g., mergers/acquisitions, change of base years/periods, nature of business, measurement methods).

- 3.11** Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report.

GRI CONTENT INDEX

- 3.12** Table identifying the location of the Standard Disclosures in the report.

Identify the page numbers or web links where the following can be found:

- Strategy and Analysis 1.1 – 1.2;
- Organizational Profile 2.1 – 2.10;
- Report Parameters 3.1 – 3.13;
- Governance, Commitments, and Engagement 4.1 – 4.17;
- Disclosure of Management Approach, per category;
- Core Performance Indicators;
- Any GRI Additional Indicators that were included; and
- Any GRI Sector Supplement Indicators included in the report.

ASSURANCE

- 3.13** Policy and current practice with regard to seeking external assurance for the report. If not included in the assurance report accompanying the sustainability report, explain the scope and basis of any external assurance provided. Also explain the relationship between the reporting organization and the assurance provider(s).

4. Governance, Commitments, and Engagement

GOVERNANCE

- 4.1** Governance structure of the organization, including committees under the highest governance body responsible for specific tasks, such as setting strategy or organizational oversight.

Describe the mandate and composition (including number of independent members and/or non-executive members) of the highest governance body and its committees, and indicate each individual's position and any direct responsibility for economic, social, and environmental performance.

Report the percentage of individuals by gender within the organization's highest governance body and its committees, broken down by age group and minority group membership and other indicators of diversity.

Refer to definitions of age and minority group in the Indicator Protocol for LA13 and note that the information reported under 4.1 can be cross referenced against that reported for LA13.

⁸ See completeness Principle for explanation of scope.



4.2 Indicate whether the Chair of the highest governance body is also an executive officer (and, if so, their function within the organization's management and the reasons for this arrangement).

4.3 For organizations that have a unitary board structure, state the number and gender of members of the highest governance body that are independent and/or non-executive members.

State how the organization defines 'independent' and 'non-executive'. This element applies only for organizations that have unitary board structures. See the glossary for a definition of 'independent'.

4.4 Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body.

Include reference to processes regarding:

- The use of shareholder resolutions or other mechanisms for enabling minority shareholders to express opinions to the highest governance body; and
- Informing and consulting employees about the working relationships with formal representation bodies such as organization level 'work councils', and representation of employees in the highest governance body.

Identify topics related to economic, environmental, and social performance raised through these mechanisms during the reporting period.

4.5 Linkage between compensation for members of the highest governance body, senior managers, and executives (including departure arrangements), and the organization's performance (including social and environmental performance).

4.6 Processes in place for the highest governance body to ensure conflicts of interest are avoided.

4.7 Process for determining the composition, qualifications, and expertise of the members of the highest governance body and its committees, including any consideration of gender and other indicators of diversity.

4.8 Internally developed statements of mission or values, codes of conduct, and principles relevant to

economic, environmental, and social performance and the status of their implementation.

Explain the degree to which these:

- Are applied across the organization in different regions and department/units; and
- Relate to internationally agreed standards.

4.9 Procedures of the highest governance body for overseeing the organization's identification and management of economic, environmental, and social performance, including relevant risks and opportunities, and adherence or compliance with internationally agreed standards, codes of conduct, and principles.

Include frequency with which the highest governance body assesses sustainability performance.

4.10 Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental, and social performance.

COMMITMENTS TO EXTERNAL INITIATIVES

4.11 Explanation of whether and how the precautionary approach or principle is addressed by the organization.

Article 15 of the Rio Principles introduced the precautionary approach. A response to 4.11 could address the organization's approach to risk management in operational planning or the development and introduction of new products.

4.12 Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or endorses.

Include date of adoption, countries/operations where applied, and the range of stakeholders involved in the development and governance of these initiatives (e.g., multi-stakeholder, etc.). Differentiate between non-binding, voluntary initiatives and those with which the organization has an obligation to comply.

4.13 Memberships in associations (such as industry associations) and/or national/international advocacy organizations in which the organization:



- Has positions in governance bodies;
- Participates in projects or committees;
- Provides substantive funding beyond routine membership dues; or
- Views membership as strategic.

This refers primarily to memberships maintained at the organizational level.

STAKEHOLDER ENGAGEMENT

The following Disclosure Items refer to general stakeholder engagement conducted by the organization over the course of the reporting period. These Disclosures are not limited to stakeholder engagement implemented for the purposes of preparing a sustainability report.

- 4.14** List of stakeholder groups engaged by the organization.

Examples of stakeholder groups are:

- Civil society;
- Customers;
- Employees, other workers, and their trade unions;
- Local communities;
- Shareholders and providers of capital; and
- Suppliers.

- 4.15** Basis for identification and selection of stakeholders with whom to engage.

This includes the organization's process for defining its stakeholder groups, and for determining the groups with which to engage and not to engage.

- 4.16** Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group.

This could include surveys, focus groups, community panels, corporate advisory panels, written communication, management/union structures, and other vehicles. The organization should indicate

whether any of the engagement was undertaken specifically as part of the report preparation process.

- 4.17** 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.

5. Management Approach and Performance Indicators

The section on sustainability Performance Indicators is organized by economic, environmental, and social categories. Social Indicators are further categorized by Labor, Human Rights, Society, and Product Responsibility. Each category includes a Disclosure on Management Approach ('Management Approach') and a corresponding set of Core and Additional Performance Indicators.

Core Indicators have been developed through GRI's multi-stakeholder processes, which are intended to identify generally applicable Indicators and are assumed to be material for most organizations. An organization should report on Core Indicators unless they are deemed not material on the basis of the GRI Reporting Principles. Additional Indicators represent emerging practice or address topics that may be material for some organizations, but are not material for others. Where final versions of Sector Supplements exist, the Indicators should be treated as Core Indicators. See Guidance on Defining Report Content for further details.

The Disclosure(s) on Management Approach should provide a brief overview of the organization's management approach to the Aspects defined under each Indicator Category in order to set the context for performance information. The organization can structure its Disclosure(s) on Management Approach to cover the full range of Aspects under a given Category or group its responses on the Aspects differently. However, the Disclosure should address all of the Aspects associated with each category regardless of the format or grouping.

Within the overall structure of the Standard Disclosures, Strategy and Profile items 1.1 and 1.2 in 'Strategy and Analysis' are intended to provide a concise overview of the risks and opportunities facing the organization as a whole. The Disclosure(s) on Management Approach is intended to address the next level of detail of the organization's approach to managing the sustainability topics associated with risks and opportunities.



In reporting on the Performance Indicators, the following guidance on data compilation applies:

- **Reporting on Trends:** Information should be presented for the current reporting period (e.g., one year) and at least two previous periods, as well as future targets, where they have been established, for the short- and medium-term.
- **Use of Protocols:** Organizations should use the Protocols that accompany the Indicators when reporting on the Indicators. These give basic guidance on interpreting and compiling information.
- **Presentation of Data:** In some cases, ratios or normalized data are useful and appropriate formats for data presentation. If ratios or normalized data are used, absolute data should also be provided.
- **Data aggregation:** Reporting organizations should determine the appropriate level of aggregation of information. See additional guidance in the General Reporting Notes section of the Guidelines.
- **Metrics:** Reported data should be presented using generally accepted international metrics (e.g., kilograms, tonnes, litres) and calculated using standard conversion factors. Where specific international conventions exist (e.g., GHG equivalents), these are typically specified in the Indicator Protocols.

Economic

The economic dimension of sustainability concerns the organization's impacts on the economic conditions of its stakeholders and on economic systems at local, national, and global levels. The Economic Indicators illustrate:

- Flow of capital among different stakeholders; and
- Main economic impacts of the organization throughout society.

Financial performance is fundamental to understanding an organization and its own sustainability. However, this information is normally already reported in financial accounts. What is often reported less, and is frequently desired by users of sustainability reports, is the organization's contribution to the sustainability of a larger economic system.

Disclosure on Management Approach

Provide a concise disclosure on the Management Approach items outlined below with reference to the following Economic Aspects:

- Economic Performance;
- Market Presence; and
- Indirect Economic Impacts.

GOALS AND PERFORMANCE

Organization-wide goals regarding performance relevant to the Economic Aspects.

Use organization-specific Indicators (as needed) in addition to the GRI Performance Indicators to demonstrate the results of performance against goals.

POLICY

Brief, organization-wide policy (or policies) that defines the organization's overall commitment relating to the Economic Aspects listed above, or state where this can be found in the public domain (e.g., web link).

ADDITIONAL CONTEXTUAL INFORMATION

Additional relevant information required to understand organizational performance, such as:

- Key successes and shortcomings;
- Major organizational risks and opportunities;



- Major changes in the reporting period to systems or structures to improve performance; and
- Key strategies for implementing policies or achieving performance.

Economic Performance Indicators

ASPECT: ECONOMIC PERFORMANCE

CORE	EC1	Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments.
CORE	EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change.
CORE	EC3	Coverage of the organization's defined benefit plan obligations.
CORE	EC4	Significant financial assistance received from government.

ASPECT: MARKET PRESENCE

ADD	EC5	Range of ratios of standard entry level wage by gender compared to local minimum wage at significant locations of operation.
CORE	EC6	Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation.
CORE	EC7	Procedures for local hiring and proportion of senior management hired from the local community at locations of significant operation.

ASPECT: INDIRECT ECONOMIC IMPACTS

CORE	EC8	Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro bono engagement.
ADD	EC9	Understanding and describing significant indirect economic impacts, including the extent of impacts.



Environmental

The environmental dimension of sustainability concerns an organization's impacts on living and non-living natural systems, including ecosystems, land, air, and water. Environmental Indicators cover performance related to inputs (e.g., material, energy, water) and outputs (e.g., emissions, effluents, waste). In addition, they cover performance related to biodiversity, environmental compliance, and other relevant information such as environmental expenditure and the impacts of products and services.

Disclosure on Management Approach

Provide a concise disclosure on the Management Approach items outlined below with reference to the following Environmental Aspects:

- Materials;
- Energy;
- Water;
- Biodiversity;
- Emissions, Effluents, and Waste;
- Products and Services;
- Compliance;
- Transport; and
- Overall

GOALS AND PERFORMANCE

Organization-wide goals regarding performance relevant to the Environment Aspects.

Use organization-specific Indicators (as needed) in addition to the GRI Performance Indicators to demonstrate the results of performance against goals.

POLICY

Brief, organization-wide policy (or policies) that defines the organization's overall commitment related to the Environmental Aspects listed above or state where this can be found in the public domain (e.g., web link).

ORGANIZATIONAL RESPONSIBILITY

The most senior position with operational responsibility for Environmental Aspects or explain how operational responsibility is divided at the senior level for these Aspects. This differs from Disclosure 4.1, which focuses on structures at the governance level.

TRAINING AND AWARENESS

Procedures related to training and raising awareness in relation to the Environmental Aspects.

MONITORING AND FOLLOW-UP

Procedures related to monitoring and corrective and preventive actions, including those related to the supply chain.

List of certifications for environment-related performance or certification systems, or other approaches to auditing/verification for the reporting organization or its supply chain.

ADDITIONAL CONTEXTUAL INFORMATION

Additional relevant information required to understand organizational performance, such as:

- Key successes and shortcomings;
- Major organizational environmental risks and opportunities related to issues;
- Major changes in the reporting period to systems or structures to improve performance; and
- Key strategies and procedures for implementing policies or achieving goals.



Environmental Performance Indicators

ASPECT: MATERIALS

- | | |
|------|--|
| CORE | EN1 Materials used by weight or volume. |
| CORE | EN2 Percentage of materials used that are recycled input materials. |

ASPECT: ENERGY

- | | |
|------|---|
| CORE | EN3 Direct energy consumption by primary energy source. |
| CORE | EN4 Indirect energy consumption by primary source. |
| ADD | EN5 Energy saved due to conservation and efficiency improvements. |
| ADD | EN6 Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives. |
| ADD | EN7 Initiatives to reduce indirect energy consumption and reductions achieved. |

ASPECT: WATER

- | | |
|------|---|
| CORE | EN8 Total water withdrawal by source. |
| ADD | EN9 Water sources significantly affected by withdrawal of water. |
| ADD | EN10 Percentage and total volume of water recycled and reused. |

ASPECT: BIODIVERSITY

- | | |
|------|---|
| CORE | EN11 Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas. |
| CORE | EN12 Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas. |
| ADD | EN13 Habitats protected or restored. |

- | | |
|-----|--|
| ADD | EN14 Strategies, current actions, and future plans for managing impacts on biodiversity. |
| ADD | EN15 Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk. |

ASPECT: EMISSIONS, EFFLUENTS, AND WASTE

- | | |
|------|---|
| CORE | EN16 Total direct and indirect greenhouse gas emissions by weight. |
| CORE | EN17 Other relevant indirect greenhouse gas emissions by weight. |
| ADD | EN18 Initiatives to reduce greenhouse gas emissions and reductions achieved. |
| CORE | EN19 Emissions of ozone-depleting substances by weight. |
| CORE | EN20 NO, SO, and other significant air emissions by type and weight. |
| CORE | EN21 Total water discharge by quality and destination. |
| CORE | EN22 Total weight of waste by type and disposal method. |
| CORE | EN23 Total number and volume of significant spills. |
| ADD | EN24 Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III, and VIII, and percentage of transported waste shipped internationally. |
| ADD | EN25 Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the reporting organization's discharges of water and runoff. |



ASPECT: PRODUCTS AND SERVICES

- CORE

EN26 Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation.
- CORE

EN27 Percentage of products sold and their packaging materials that are reclaimed by category.

ASPECT: COMPLIANCE

- CORE

EN28 Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations.

ASPECT: TRANSPORT

- ADD

EN29 Significant environmental impacts of transporting products and other goods and materials used for the organization's operations, and transporting members of the workforce.

ASPECT: OVERALL

- ADD

EN30 Total environmental protection expenditures and investments by type.

Social Performance Indicators

The social dimension of sustainability concerns the impacts an organization has on the social systems within which it operates.

The GRI Social Performance Indicators identify key Performance Aspects surrounding labor practices, human rights, society, and product responsibility.



Labor Practices and Decent Work

The specific Aspects under the category of Labor Practices are based on internationally recognized universal standards, including:

- United Nations Universal Declaration of Human Rights;
- United Nations Convention: International Covenant on Civil and Political Rights;
- United Nations Convention: International Covenant on Economic, Social, and Cultural Rights;
- Convention on the Elimination of all Forms of Discrimination against Women (CEDAW);
- ILO Declaration on Fundamental Principles and Rights at Work (in particular the eight core Conventions of the ILO consisting of Conventions 100, 111, 87, 98, 138, 182, 29, 105); and
- The Vienna Declaration and Programme of Action.

The Labor Practices Indicators also draw upon the two instruments directly addressing the social responsibilities of business enterprises: the ILO Tripartite Declaration Concerning Multinational Enterprises and Social Policy, and the Organisation for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises.

Disclosure on Management Approach

Provide a concise disclosure on the following Management Approach items with reference to the Labor Aspects listed below. The ILO Tripartite Declaration Concerning Multinational Enterprises and Social Policy (in particular the eight core Conventions of the ILO) and the Organisation for Economic Co-operation and Development Guidelines for Multinational Enterprises, should be the primary reference points.

- Employment;
- Labor/Management Relations;
- Occupational Health and Safety;
- Training and Education;
- Diversity and Equal Opportunity; and
- Equal remuneration for women and men.

GOALS AND PERFORMANCE

Organization-wide goals regarding performance relevant to the Labor Aspects, indicating their linkage to the internationally recognized universal standards.

Use organization-specific Indicators (as needed) in addition to the GRI Performance Indicators to demonstrate the results of performance against goals.

POLICY

Brief, organization-wide policy (or policies) that defines the organization's overall commitment related to the Labor Aspects, or state where this can be found in the public domain (e.g., web link). Also reference their linkage to the international standards indicated above.

ORGANIZATIONAL RESPONSIBILITY

The most senior position with operational responsibility for Labor Aspects or explain how operational responsibility is divided at the senior level for these Aspects. This differs from Disclosure 4.1, which focuses on structures at the governance level.

TRAINING AND AWARENESS

Procedures related to training and raising awareness in relation to the Labor Aspects. Include information on who participates in diversity, equal opportunities and gender sensitization training (e.g., highest governance bodies, senior management), and the topics addressed by training and any informal awareness raising.

MONITORING AND FOLLOW-UP

Procedures related to monitoring and corrective and preventive actions, including those related to the supply chain.

List of certifications for labor-related performance or certification systems, or other approaches to auditing/verifying the reporting organization or its supply chain.

Include procedures for equal remuneration reviews/audits and for action to redress any gender remuneration gaps.



ADDITIONAL CONTEXTUAL INFORMATION

Additional relevant information required to understand organizational performance, such as:

- Key successes and shortcomings;
- Major organizational risks and opportunities;
- Major changes in the reporting period to systems or structures to improve performance; and
- Key strategies and procedures for implementing policies or achieving goals.
- A description of the legal and socio-economic environment that provides opportunities for, and barriers to, gender equity in the workforce, including but not limited to women's workforce participation rates, their participation at highest governance level, and equal remuneration.

**Labor Practices and Decent Work
Performance Indicators**
ASPECT: EMPLOYMENT

CORE	LA1	Total workforce by employment type, employment contract, and region, broken down by gender.
CORE	LA2	Total number and rate of new employee hires and employee turnover by age group, gender, and region.
ADD	LA3	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by significant locations of operation.
CORE	LA15	Return to work and retention rates after parental leave, by gender.

ASPECT: LABOR/MANAGEMENT RELATIONS

CORE	LA4	Percentage of employees covered by collective bargaining agreements.
CORE	LA5	Minimum notice period(s) regarding operational changes, including whether it is specified in collective agreements.

ASPECT: OCCUPATIONAL HEALTH AND SAFETY

ADD	LA6	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs.
CORE	LA7	Rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities, by region and by gender.
CORE	LA8	Education, training, counseling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases.
ADD	LA9	Health and safety topics covered in formal agreements with trade unions.

ASPECT: TRAINING AND EDUCATION

CORE	LA10	Average hours of training per year per employee by gender, and by employee category.
------	-------------	--



ADD

LA11 Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.

ADD

LA12 Percentage of employees receiving regular performance and career development reviews, by gender.

ASPECT: DIVERSITY AND EQUAL OPPORTUNITY

CORE

LA13 Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity.

ASPECT: EQUAL REMUNERATION FOR WOMEN AND MEN

CORE

LA14 Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation.

Human Rights

There is growing global consensus that organizations have the responsibility to respect human rights. Human rights Performance Indicators require organizations to report on the extent to which processes have been implemented, on incidents of human rights violations and on changes in the stakeholders' ability to enjoy and exercise their human rights, occurring during the reporting period. Among the human rights issues included are non-discrimination, gender equality, freedom of association, collective bargaining, child labor, forced and compulsory labor, and indigenous rights.

The international legal framework for human rights is comprised of a body of law made up of treaties, conventions, declarations and other instruments. The corner stone of human rights is the International Bill of Rights which is formed by three instruments:

- i) the Universal Declaration of Human Rights (1948);
- ii) the International Covenant on Civil and Political Rights (1966); and
- iii) the International Covenant on Economic, Social and Cultural Rights (1966).

These are the first reference points for any organization reporting on human rights. In addition to these three key instruments, the international legal framework for human rights is underpinned by over 80 other instruments: ranging from soft declarations and guiding principles to binding treaties and conventions, and ranging from universal instruments to regional.

Organizations can affect a wide range of human rights. In assessing which human rights are relevant for reporting, an organization should consider all human rights. Some additional instruments which may be useful for a reporting organization to reflect upon are:

- ILO Declaration on Fundamental Principles and Rights at Work (1998) (which builds upon the eight core Conventions of the ILO consisting of Conventions 100, 111, 87, 98, 138, 182, 29, 105)⁹;
- The regional conventions, adhering to the principle of universality in the International Bill of Rights, for areas where the organization operates, including: the African Charter on Human and Peoples Rights (1981), the Arab Charter on Human Rights (1994),

⁹Conventions 100 and 111 pertain to non-discrimination; Conventions 87 and 98 pertain to freedom of association and collective bargaining; Conventions 138 and 182 pertain to the elimination of child labor; and Conventions 29 and 105 pertain to the prevention of forced and compulsory labor.



the American Convention on Human Rights (1969), the European Convention on Human Rights (ECHR) (1950); and

- Conventions protecting the rights of individuals who may be impacted by the organization's work, including but not limited to the Convention on the Elimination of Discrimination Against Women (CEDAW) (1979), the Convention on the Rights of the Child (1989), the International Convention on the Elimination of All Forms of Racial Discrimination (1966), ILO Convention 107 Indigenous and Tribal Populations Convention (1957), ILO Convention 169 Concerning Indigenous and Tribal Peoples in Independent Countries (1991), UN Declaration on the Rights of Indigenous Peoples (2007) and Convention on the Rights of Persons with Disabilities (2007).

It is important to note that many Aspects that provide insight into human rights performance can be found in other Indicator Categories in the Guidelines, and are not limited to the Human Rights Indicators Category.

Disclosure on Management Approach

Provide concise disclosure on the implementation of due diligence processes on the following Management Approach items, with reference to the human rights Aspects listed below.

The primary reference points should be the ILO Tripartite Declaration Concerning Multinational Enterprises and Social Policy and the Organisation for Economic Cooperation and Development Guidelines for Multinational Enterprises.

- Investment and Procurement Practices;
- Non-discrimination;
- Freedom of Association and Collective Bargaining;
- Child Labor;
- Prevention of Forced and Compulsory Labor;
- Security Practices;
- Indigenous Rights;
- Assessment; and
- Remediation.

GOALS AND PERFORMANCE

Organization-wide goals regarding performance relevant to the human rights Aspects, indicating their linkage to the international declarations and standards listed in the introduction.

Use organization-specific Indicators (as needed) in addition to the GRI Performance Indicators to demonstrate the results of performance against goals.

POLICY

Brief, organization-wide policy or policies that define the organization's overall commitment to the human rights Aspects including:

- Rights identified as priorities;
- Application of the policy or policies in terms of country of operations and business partners; and
- Policy or policies which may reasonably be considered likely to affect employees' decisions to join a trade union, or bargain collectively.

Alternatively, state where a policy or policies can be found in the public domain (e.g., web link). Also, reference the linkage between organizational policy or policies and international human rights Conventions and Declarations.

The relevant policies for this disclosure may be stand-alone human rights policy, or may require disclosing criteria that are integrated into a combination of policies.

Strategies for extending and embedding human rights policies, goals and processes across the organization, and strategies for extending applicable policies and procedures to external parties such as joint ventures, subsidiaries and suppliers. Specifically, the organization should explain its approach for using human rights criteria or clauses in contracts, including the types of clauses and the types of contracts and agreements in which they are commonly applied (e.g., investments, purchasing contracts, joint ventures).

ORGANIZATIONAL RISK ASSESSMENT

Describe risk assessment procedures that include human rights, including the use of industry guidance and practices.

Identify other processes for analyzing and understanding human rights issues that are relevant to



the organization and its stakeholders, and the frequency with which they are undertaken.

Identify any specific organizational or sectoral opportunities and risks that relate to human rights, considering internal drivers or practices that could promote or undermine efforts to uphold human rights (e.g., purchasing practices).

IMPACT ASSESSMENT

Processes and procedures for assessing, reviewing or tracking human rights impacts at the level of individual operations, or for assessing specific business decisions, including the review of projects, operations, or other activities with specific business lines (e.g., sourcing strategies). This is distinct from organizational risk assessment, which assesses the organization as a whole.

- Degree to which internal and external stakeholder engagement is included in the process;
- Degree to which minorities and vulnerable groups are considered in the process;
- Whether and how the organization assesses its relationships with other parties such as workers and their trade unions, suppliers, business partners, governments, security providers in order to evaluate the potential of its being associated with, or considered complicit in, human rights abuse;
- Which parameters are used to implement the assessment (e.g., country of operation, relevant human rights law, organizational human rights policies and commitments); and
- How and when the results of impact assessment inform processes that investigate alternatives and/or assist in the development of mitigation and remediation strategies.

ORGANIZATIONAL RESPONSIBILITY

The most senior position with operational responsibility for human rights Aspects, or an explanation of how operational responsibility is divided at senior level for these Aspects, including:

- The distribution of responsibilities for the implementation of human rights policies and practices, including any involvement of the highest governance body;

- Listing of human rights issues that have been raised at board or senior executive level during the reporting period;
- The inclusion of human rights criteria in employee performance assessments, annual bonus schemes and other incentive mechanisms; and
- Any agreements/partnerships with external parties that are designed to help the organization identify and meet its human rights responsibilities (for example, international framework agreements with trade unions/global union federations, external grievance procedures established with local/international NGOs or national human rights commissions).

The above points differ from Disclosure 4.1, which focuses on structures at the governance level.

TRAINING AND AWARENESS

Procedures related to training and raising awareness in relation to the human rights Aspects, including descriptions of the strategy for embedding awareness of human rights, of major operations that are the focus of internal training, of the methods and resources used for human rights training, and of training on the availability and accessibility of grievance mechanisms and remediation processes.

MONITORING, FOLLOW-UP AND REMEDIATION

Procedures related to monitoring and corrective and preventive actions, including those related to the supply chain.

List of certifications for human rights-related performance, or certification systems, or other approaches to auditing/verifying the reporting organization or its supply chain.

Procedures describing how the results of monitoring are applied, and procedures to determine remedies for negative human rights impacts, including remediation processes associated with grievance procedures, and responses to complaints from local community/workers' representatives, and other stakeholders.

Describe processes for monitoring internal and external parties (e.g., use of internal audit, third-party monitoring, prioritizing risk locations). In addition, the organization should describe the availability and accessibility of grievance mechanisms and remediation processes, and the involvement of local community/workers' representatives' engagement in monitoring performance.



ADDITIONAL CONTEXTUAL INFORMATION

Additional relevant information required to understand organizational performance, such as:

- Key successes and shortcomings;
- Major organizational risks and opportunities;
- Major changes in the reporting period to systems or structures to improve performance; and
- Key strategies and procedures for implementing policies or achieving goals.

Human Rights Performance Indicators**ASPECT: INVESTMENT AND PROCUREMENT PRACTICES**

- | | | |
|------|------------|---|
| CORE | HR1 | Percentage and total number of significant investment agreements and contracts that include clauses incorporating human rights concerns, or that have undergone human rights screening. |
| | HR2 | Percentage of significant suppliers, contractors, and other business partners that have undergone human rights screening, and actions taken. |
| | HR3 | Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained. |

ASPECT: NON-DISCRIMINATION

- | | | |
|------|------------|---|
| CORE | HR4 | Total number of incidents of discrimination and corrective actions taken. |
|------|------------|---|

ASPECT: FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING

- | | | |
|------|------------|--|
| CORE | HR5 | Operations and significant suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk, and actions taken to support these rights. |
|------|------------|--|

ASPECT: CHILD LABOR

- | | | |
|------|------------|--|
| CORE | HR6 | Operations and significant suppliers identified as having significant risk for incidents of child labor, and measures taken to contribute to the effective abolition of child labor. |
|------|------------|--|

ASPECT: FORCED AND COMPULSORY LABOR

- | | | |
|------|------------|---|
| CORE | HR7 | Operations and significant 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. |
|------|------------|---|

ASPECT: SECURITY PRACTICES

- | | | |
|-----|------------|---|
| ADD | HR8 | Percentage of security personnel trained in the organization's policies or procedures concerning aspects of human rights that are relevant to operations. |
|-----|------------|---|



ASPECT: INDIGENOUS RIGHTS

ADD **HR9** Total number of incidents of violations involving rights of indigenous people and actions taken.

ASPECT: ASSESSMENT

CORE **HR10** Percentage and total number of operations that have been subject to human rights reviews and/or impact assessments.

ASPECT: REMEDIATION

CORE **HR11** Number of grievances related to human rights filed, addressed and resolved through formal grievance mechanisms.

Society

Society Performance Indicators focus attention on the impacts organizations have on the local communities in which they operate, and disclosing how the risks that may arise from interactions with other social institutions are managed and mediated. In particular, information is sought on the risks associated with bribery and corruption, undue influence in public policy-making, and monopoly practices.

Community members have individual rights based on:

- Universal Declaration of Human Rights;
- International Covenant on Civil and Political Rights;
- International Covenant on Economic, Social and Cultural Rights; and
- Declaration on the Right to Development.

While there is ongoing debate about collective community rights, indigenous and tribal peoples have collective rights recognized by ILO Conventions 107 and 169 and the UN Declaration on Indigenous Rights. In terms of identity, these peoples' rights are based on both the collective and the individual. Their right to free, prior and informed consultation in order to seek consent is a fundamental right expressly recognized in the reference points above.

Disclosure on Management Approach

Provide a concise disclosure on the following Management Approach items with reference to the Society Aspects:

- Local Communities;
- Corruption;
- Public Policy;
- Anti-Competitive Behavior; and
- Compliance.

GOALS AND PERFORMANCE

Organization-wide goals regarding performance relevant to the Aspects indicated above.



Use organization-specific Indicators as needed in addition to the GRI Performance Indicators to demonstrate the results of performance against goals.

Address the extent to which organization-wide goals contribute to or interfere with the collective rights of local communities.

POLICY

Brief, organization-wide policy (or policies) that define the organization's overall commitment relating to the Society Aspects or state where this can be found in the public domain (e.g., web link).

Organization-wide policy or policies, or standards, related to assessing the risks to local communities, and managing impacts on local communities. Address the areas listed below covering the whole life cycle of the organization's operations (including entering, operating, and exiting):

- References/statements regarding the collective rights of local communities;
- Risk assessment for impacts on local communities, through the whole life cycle;
- Mitigation of impacts on local communities;
- Engagement with both women and men in local communities; and
- Application of the policy within different levels of the organization.

ORGANIZATIONAL RESPONSIBILITY

The most senior position with operational responsibility for Society Aspects or explain how operational responsibility is divided at the senior level for these Aspects. This differs from Disclosure 4.1, which focuses on structures at the governance level.

Explain the division of responsibility for impacts on local communities in the highest governance body. For organizations that do not have a single policy or standard, explain the roles of different departments in the overall process of managing the impacts. Indicate the extent to which the impacts are addressed in the organizational structures identified in the Governance

section (Disclosure 4.1), and in the mechanisms for employees and shareholders to provide direction to the highest governance body (Disclosure 4.4). Inform if and how works councils, occupational health and safety committees and/or other independent employee representation bodies are empowered to deal with and have dealt with impacts on local communities.

TRAINING AND AWARENESS

Procedures related to training and raising awareness in relation to the Society Aspects.

Refer specifically to formal and informal training that addresses impacts on local communities including, but not limited to, parties that are trained or with whom the organization communicates its policy or policies, including those external to the organization.

Procedures directed at the training and awareness of employees and contractors (including security personnel) for managing impacts on local communities.

MONITORING AND FOLLOW-UP

Procedures related to monitoring and corrective and preventive actions, including those related to the supply chain.

List of certifications for performance or certification systems, or other approaches to auditing/verifying the reporting organization or its supply chain.

Procedures related to assessing the risks and managing impacts on local communities, including entering, operating, and exiting. This should include information on how data was collected and the process for selecting the local community members (individual or group) from whom information was gathered.

ADDITIONAL CONTEXTUAL INFORMATION

Additional relevant information required to understand organizational performance, such as:

- Key successes and shortcomings;
- Major organizational risks and opportunities;
- Major changes in the reporting period to systems or structures to improve performance; and
- Key strategies and procedures for implementing policies or achieving goals.



Society Performance Indicators

ASPECT: LOCAL COMMUNITIES

CORE	S01	Percentage of operations with implemented local community engagement, impact assessments, and development programs.
CORE	S09	Operations with significant potential or actual negative impacts on local communities.
CORE	S010	Prevention and mitigation measures implemented in operations with significant potential or actual negative impacts on local communities.

ASPECT: CORRUPTION

CORE	S02	Percentage and total number of business units analyzed for risks related to corruption.
CORE	S03	Percentage of employees trained in organization's anti-corruption policies and procedures.
CORE	S04	Actions taken in response to incidents of corruption.

ASPECT: PUBLIC POLICY

CORE	S05	Public policy positions and participation in public policy development and lobbying.
ADD	S06	Total value of financial and in-kind contributions to political parties, politicians, and related institutions by country.

ASPECT: ANTI-COMPETITIVE BEHAVIOR

ADD	S07	Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes.
-----	------------	---

ASPECT: COMPLIANCE

CORE	S08	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations.
------	------------	--

Product Responsibility

Product Responsibility Performance Indicators address the aspects of a reporting organization's products and services that directly affect customers, namely, health and safety, information and labeling, marketing, and privacy.

These aspects are chiefly covered through disclosure on internal procedures and the extent to which these procedures are not complied with.

Disclosure on Management Approach

Provide a concise disclosure on the following Management Approach items with reference to the Product Responsibility Aspects:

- Customer Health and Safety;
- Product and Service Labeling;
- Marketing Communications;
- Customer Privacy; and
- Compliance.

GOALS AND PERFORMANCE

Organization-wide goals regarding performance relevant to the Product Responsibility Aspects.

Use organization-specific Indicators (as needed) in addition to the GRI Performance Indicators to demonstrate the results of performance against goals.

POLICY

Brief, organization-wide policy (or policies) that defines the organization's overall commitment to the Product Responsibility Aspects, or state where this can be found in the public domain (e.g., web link).

ORGANIZATIONAL RESPONSIBILITY

The most senior position with operational responsibility for Product Responsibility Aspects, or explain how operational responsibility is divided at the senior level for Product Responsibility Aspects. This differs from Disclosure 4.1, which focuses on structures at the governance level.

TRAINING AND AWARENESS

Procedures related to training and raising awareness in relation to the Product Responsibility Aspects.



MONITORING AND FOLLOW-UP

Procedures related to monitoring and corrective and preventive actions, including those related to the supply chain.

List of certifications for product responsibility-related performance or certification systems, or other approaches to auditing/verifying the reporting organization or its supply chain.

ADDITIONAL CONTEXTUAL INFORMATION

Additional relevant information required to understand organizational performance, such as:

- Key successes and shortcomings;
- Major organizational risks and opportunities;
- Major changes in the reporting period to systems or structures to improve performance; and
- Key strategies and procedures for implementing policies or achieving goals.

Product Responsibility Performance Indicators**ASPECT: CUSTOMER HEALTH AND SAFETY**

- | | |
|------|---|
| CORE | PR1 Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures. |
| ADD | PR2 Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services during their life cycle, by type of outcomes. |

ASPECT: PRODUCT AND SERVICE LABELING

- | | |
|------|---|
| CORE | PR3 Type of product and service information required by procedures, and percentage of significant products and services subject to such information requirements. |
| ADD | PR4 Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes. |
| ADD | PR5 Practices related to customer satisfaction, including results of surveys measuring customer satisfaction. |

ASPECT: MARKETING COMMUNICATIONS

- | | |
|------|---|
| CORE | PR6 Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship. |
| ADD | PR7 Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship by type of outcomes. |

ASPECT: CUSTOMER PRIVACY

- | | |
|-----|---|
| ADD | PR8 Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data. |
|-----|---|

ASPECT: COMPLIANCE

- | | |
|------|--|
| CORE | PR9 Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services. |
|------|--|



General Reporting Notes

Data Gathering

FEASIBILITY ASSESSMENT

The process of defining report content will result in a set of topics and Indicators on which the organization should report. However, practical challenges such as the availability of data, the cost of gathering it, the confidentiality of information, privacy or other legal concerns, the reliability of available information, and other factors, may result in a legitimate decision not to disclose certain information. Where material information is omitted, the report should clearly indicate this and the reasons why.

DATA AGGREGATION AND DISAGGREGATION

Reporting organizations will need to determine the level of aggregation at which to present information. This requires balancing the effort required against the added meaningfulness of information reported on a disaggregated basis (e.g., country or site). Aggregation of information can result in the loss of a significant amount of meaning, and can also fail to highlight particularly strong or poor performance in specific areas. On the other hand, unnecessary disaggregation of data can affect the ease of understanding the information. Reporting organizations should disaggregate information to an appropriate level using the principles and the guidance in the reporting Indicators. Disaggregation may vary by Indicator, but will generally provide more insight than a single, aggregated figure.

Report Form and Frequency

DEFINITION OF A SUSTAINABILITY REPORT

A sustainability report refers to a single, consolidated disclosure that provides a reasonable and balanced presentation of performance over a fixed time period. Stakeholders should be able to directly access all of the report information from a single location, such as a GRI content index. Other publications should not be referenced as the information source for a GRI Standard Disclosure Item (ex., a Performance Indicator) unless the means for a stakeholder to directly access the information is provided (e.g., a link to a specific web page or the page number of the corresponding publication). There is no minimum length for a report using the GRI Framework as long as the organization has properly applied the Guidelines and Framework documents it has chosen to use.

MEDIUM OF REPORTING

Electronic (e.g., CD-ROM) or web-based reporting and paper reports are appropriate media for reporting. Organizations may choose to use a combination of web and paper-based reports or use only one medium. For example, an organization may choose to provide a detailed report on their website and provide an executive summary including their strategy and analysis and performance information in paper form. The choice will likely depend on the organization's decisions on its reporting period, its plans for updating content, the likely users of the report, and other practical factors such as its distribution strategy. At least one medium (web or paper) should provide users with access to the complete set of information for the reporting period.

FREQUENCY OF REPORTING

Organizations should define a consistent and periodic cycle for issuing a report. For many organizations, this will be an annual cycle, although some organizations choose to report biannually. An organization may choose to update information on a regular basis between the issuing of consolidated accounts of performance. This has advantages in terms of providing stakeholders with more immediate access to information, but has disadvantages in terms of comparability of information. However, organizations should still maintain a predictable cycle in which all of the information that is reported covers a specific time period.

Reporting on economic, environmental, and social performance could coincide or be integrated with other organizational reporting, such as annual financial statements. Coordinated timing will reinforce the linkages between financial performance and economic, environmental, and social performance.

UPDATING REPORT CONTENT

When preparing a new report, an organization may identify areas of information that have not changed since the prior report (e.g., a policy that has not been amended). The organization may choose to only update the topics and Indicators that have changed and to re-publish the Disclosures that have not changed. For example, an organization may choose to reproduce the information on policies that have not changed and only update its Performance Indicators. The flexibility to take such an approach will depend in large part on the organization's choice of reporting medium. Topics such as strategy and analysis and Performance Indicators are likely to show changes each reporting period, while other topics such as organizational profile or governance



may change at a slower pace. Regardless of the strategy used, the full set of applicable information for the reporting period should be accessible in a single location (either a paper or web-based document).

Assurance

CHOICES ON ASSURANCE

Organizations use a variety of approaches to enhance the credibility of their reports. Organizations may have systems of internal controls in place, including internal audit functions, as part of their processes for managing and reporting information. These internal systems are important to the overall integrity and credibility of a report. However, GRI recommends the use of external assurance for sustainability reports in addition to any internal resources.

A variety of approaches are currently used by report preparers to implement external assurance, including the use of professional assurance providers, stakeholder panels, and other external groups or individuals. However, regardless of the specific approach, it should be conducted by competent groups or individuals external to the organization. These engagements may employ groups or individuals that follow professional standards for assurance, or they may involve approaches that follow systematic, documented, and evidence-based processes but are not governed by a specific standard.

GRI uses the term 'external assurance' to refer to activities designed to result in published conclusions on the quality of the report and the information contained within it. This includes, but is not limited to, consideration of underlying processes for preparing this information. This is different from activities designed to assess or validate the quality or level of performance of an organization, such as issuing performance certifications or compliance assessments.

Overall, the key qualities for external assurance of reports using the GRI Reporting Framework are that it:

- Is conducted by groups or individuals external to the organization who are demonstrably competent in both the subject matter and assurance practices;
- Is implemented in a manner that is systematic, documented, evidence-based, and characterized by defined procedures;
- Assesses whether the report provides a reasonable and balanced presentation of performance, taking into consideration the veracity of data in a report as well as the overall selection of content;

- Utilizes groups or individuals to conduct the assurance who are not unduly limited by their relationship with the organization or its stakeholders to reach and publish an independent and impartial conclusion on the report;
- Assesses the extent to which the report preparer has applied the GRI Reporting Framework (including the Reporting Principles) in the course of reaching its conclusions; and
- Results in an opinion or set of conclusions that is publicly available in written form, and a statement from the assurance provider on their relationship to the report preparer.

As indicated in Profile Disclosure 3.13, organizations should disclose information on their approach to external assurance.



Glossary of Terms

Additional Indicators

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

Boundary

The boundary for a sustainability report refers to the range of entities whose performance is covered in the organization's sustainability report.

Content Index

A GRI content index is a table or matrix that lists all of the Standard Disclosures, and where responses to the Disclosures can be found (page number or URL). Reporting organizations can also add reference to organization-specific (non-GRI Guidelines) Indicators. The Content Index provides users with a quick overview of what has been reported and increases ease of report use. A Content Index is especially important if some of the Disclosures appear in other reports, such as a financial report or previous sustainability reports.

Core Indicator

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

Downstream

The term 'downstream entities' is based on the concept of a production chain that extends from the extraction of raw materials to the use of a good or service by an end-user. 'Downstream' refers to those organizations that play a role in the distribution or use of goods and services provided by the reporting organization, or, more generally, play a role in a later step in the production chain than the organization itself.

Global Reporting Initiative

GRI's vision is of a sustainable global economy where organizations manage their economic, environmental, social and governance performance and impacts responsibly and report transparently. GRI accomplishes this vision by providing guidance and support that enables organizations to report transparently and with accountability, as drivers of the change to a sustainable global economy. All GRI Reporting Framework components are developed using a multi-stakeholder consensus-seeking approach.

GRI Reporting Framework

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

Independent Board Member

Definitions for 'independent' can vary between legal jurisdictions. Independent usually implies that the member has no financial interest in the organization or other potential benefits that could create a conflict of interest. Organizations using the Guidelines should state the definition used for 'independent'.

Indicator Categories

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

Indicator Aspects

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

Performance Indicator

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

Profile Disclosures

The numbered information requirements in Part 2 of the Guidelines that set the overall context for reporting and understanding organizational performance (e.g., 2.1, 3.13).

Reporting Principle

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

Sector Supplement

Sector Supplements are versions of the GRI Guidelines tailored for particular sectors. Some sectors face unique issues. Sector Supplements capture these issues, which may not be covered in the original Guidelines. Sector Supplements feature integrated commentary and new



Performance Indicators, ensuring that sustainability reports cover key sectoral concerns.

Stakeholder

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

Standard Disclosures

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

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

Sustainability Report

Sustainability reporting is the practice of measuring, disclosing, and being accountable for organizational performance while working towards the goal of sustainable development. A sustainability report provides a balanced and reasonable representation of the sustainability performance of the reporting organization, including both positive and negative contributions.

Indicator Protocol

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

Unitary Board

Refers to a board structure that has only one governing body responsible for the organization.

Upstream

The term 'upstream entities' is based on the concept of a production chain that extends from the extraction of raw materials to the use of a good or service by an end-user. 'Upstream' refers to those organizations that play a role in the supply chain of the reporting organization or, more generally, play a role in an earlier step in the production chain than the organization itself.

For definitions of words or concepts contained directly in the wording of the Indicators, see the Indicator Protocols.



G3 Guidelines Acknowledgements: A Global Effort

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G3 Consortium:



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G3 Guidelines and Protocols Content Development

Volunteers from business, non-governmental organizations, labor, accountancy, investment, academia, and others came together and create all aspects of the G3 Guidelines and Protocols. The following multi-stakeholder technical working groups were convened between January and November 2005, and each delivered a different part of the content of the G3 Guidelines.

Indicators Working Group (IWG) Members

The Indicators Working Group was responsible for reviewing the indicators set as a whole; ensuring quality and consistency of the indicators' design; and designing overall fit with the TAC guidance.

- Mr. Neil Anderson, Union Network International, UNI
- Mr. David Bent, Forum for the Future
- Mr. William R. Blackburn, William Blackburn Consulting
- Ms. Julie-Anne Braithwaite, Rio Tinto/ICMM
- Ms. Sarah Forrest, Goldman Sachs International
- Ms. Somporn Kamolsiripichaiporn, Chulalongkorn University
- Mr. Robert Langford, The Federation des Experts Comptables Europeens (FEE)
- Ms. Stephanie Maier, Ethical Investment Research Service (EIRIS)
- Ms. Asako Nagai, Sony Corporation
- Mr. Ron Nielsen, Alcan Inc.
- Mr. Michael Rae, World Wide Fund Australia
- Ms. Ulla Rehell, Kesko Corporation
- Mr. George Nagle, Bristol-Myers Squibb
- Ms. Filippa Bergin, Amnesty International
- Ms. Giuliana Ortega Bruno, Ethos Institute

The IWG worked with six issue-specific Advisory Groups that were responsible for reviewing indicators and creating technical protocols for indicators in their area of expertise.

Society Advisory Group Members

- Ms. Anne Gambling, Holcim
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- Mr. Craig Metrick, Investor Responsibility Research Center (IRRC)
- Mr. Keith Miller, 3M
- Ms. Ruth Rosenbaum, Center for Reflection, Education and Action (CREA)
- Ms. Glauca Terreo, Instituto Ethos
- Mr. Peter Wilkinson, Transparency International



Human Rights Advisory Group Members

- Ms. Marina d'Engelbronner, Humanist Committee on Human Rights (HOM)
- Ms. Bethany Heath, Chiquita Brands
- Mr. Jorge Daniel Taillant, The Center for Human Rights and Environment (CEDHA)
- Rev. Mr. David M. Schilling, Interfaith Center on Corporate Responsibility
- Ms. Susan Todd, Solstice Sustainability Works Inc.
- Mr. Hirose Chuichiro, Canon
- Mr. Steve Ouma, Kenyan Human Rights Commission
- Mr. Björn Edlund, ABB Ltd.
- Ms. Marleen van Ruijven, Amnesty International

Environment (Biodiversity and Water) Advisory Group

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- Mr. Ian Dutton, The Nature Conservancy
- Ms. Annelisa Grigg, Fauna & Flora International
- Ms. Nancy Kamp-Roelands, Ernst & Young Netherlands/ Royal NIVRA
- Ms. Erin Musk, City West Water
- Mr. Mike Rose, SASOL
- Mr. Fernando Toledo, Codelco

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- Mr. Yutaka Okayama, Toyota Motor Corporation
- Ms. Maria Fatima Reyes, Philippine Institute of Certified Public Accountants (PICPA)
- Mr. Yogendra Kumar Saxena, Gujarat Ambuja Cements
- Mr. David Stangis, Intel Corporation
- Ms. Sonia Valdivia, The Catholic University of Peru
- Mr. Eric Shostal, Institutional Shareholder Services
- Ms. Lucian Turk, Dell, Inc.

Labor Advisory Group Members

- Ms. Michiko Arikawa, Matsushita Electric Industrial (Panasonic)
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- Ms. Kyoko Sakuma, Sustainability Analysis & Consulting
- Mr. Sean Ansett, Gap Inc.
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- Mr. Pierre Mazeau, Electricité de France (EDF)
- Mr. Dan Viederman, Verité

Economic Advisory Group Members

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- Ms. Helen Campbell, former AccountAbility
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- Ms. Martina Japy, BMJ CoreRatings
- Ms. Michelle Smith, Rohm and Haas
- Ms. Lisa Acree, Business for Social Responsibility
- Mr. Johan Verburg, NOVIB/Oxfam Netherlands

Reporting as a Process Working Group (RPWG) Members

The Reporting as a Process Working Group was tasked with updating and further developing the reporting principles, and other guidance on the process of applying the G3 Guidelines.

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- Mr. Pankaj Bhatia, World Resources Institute (WRI)
- Mr. Bill Boyle, BP
- Dr. Uwe Brekau, Bayer AG
- Ms. Debra Hall, Coalition for Environmentally Responsible Economies (CERES)
- Mr. Dunstan Hope, Business for Social Responsibility
- Dr. Aqueel Khan, Association for Stimulating Know How (ASK)



- Ms. Judy Kuszewski, SustainAbility Ltd.
- Mr Brian Kohler, Communications, Energy & Paperworkers Union of Canada
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Public comments

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- Just Solutions (Lead consultant – Vic Thorpe)
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- Mr. Manohar Paralkar, Tata Motors
- Mr. Claude Perras, Rio Tinto
- Mr. Johan Verburg, Oxfam/Novib

Human Rights Working Group

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- Ms. Margaret Jungk, The Danish Institute for Human Rights
- Mr. Stephen Ouma Akoth, Former Human Rights Commission, Kenya
- Ms. Jeehye Park, SK Telecom
- Mr. Dante Pesce, Vincular: Centre for CSR – Chile
- Ms. Anna Pot, APG All Pensions Group
- Mr. Ed Potter, Coca-Cola Company
- Ms. Soraya Ramoul, NovoNordisk
- Ms. Jo Render, Newmont Mining Corporation / ERM
- Mr. Martin Summers, British American Tobacco
- Ms. Jet Urmeneta, Verité Southeast Asia
- Mr. Bob Walker, Northwest & Ethical Investments
- Mr. John Wilson, TIAA-CREF



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- Mr. Stefan Chojnicki, Standard Chartered Bank
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- Ms. Janet Geddes, KPMG India
- Ms. Jane Gronow, Rio Tinto
- Ms. Kate Grosser, Nottingham University Business School
- Ms. Cecily Joseph, Symantec
- Ms. Tahereh Kharestani, CSR Iran
- Mr. Tur-Od Lkhagvajav, XacBank
- Ms. Jyoti Macwan, SEWA
- Ms. Laraine Mills, UNIFEM
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- Ms. Carmen Niethammer, International Finance Corporation (IFC)
- Ms. Pratibha Pandya, SEWA
- Ms. Liz Potter, LendLease
- Ms. Srimathi Shivashankar, Infosys Technologies India
- Ms. Ines Smyth, Oxfam GB
- Ms. Anne Stenhammer, UNIFEM
- Ms. Annie Tennant, LendLease
- Ms. Noortje Verhart, KIT Royal Tropical Institute
- Mr. Vusa Vundla, AMSCO
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- Mr. David Kingma, Holcim
- Mr. Carlos Eduardo Lessa Brandão - Brazilian Institute of Corporate Governance
- Mr. Jason Morrison, Pacific Institute
- Mr. Graham Terry, The South African Institute of Chartered Accountants (SAICA)
- Mr. Luis Perera, PriceWaterHouseCoopers
- Mr. Cornis van der Lugt - United Nations Environment Programme (UNEP)
- Ms. Janet Williamson, TUC

Public comments

The development of the Technical Protocol – Applying the Report Content Principles followed established due process, including a call for public comment. 40 responses were received during the Public Comment Period. Recommendations and concerns were considered and addressed by the Working Group and GRI's governance bodies, significantly shaping the Technical Protocol's design.

GRI Governance Bodies

Technical Advisory Committee

This group of a maximum of 15 experts assists in maintaining the overall quality and coherence of the GRI Reporting Framework by providing high level technical advice and expertise. Their key function in the Guidelines' development is to recommend the direction of guidance, resolve key issues that emerge around content, ensure the development follows sound due process, and submit a concur/non-concur recommendation to the Board on whether to approve the Guidelines for release.

Stakeholder Council

This group of a maximum of 50 constitutes the formal stakeholder policy forum within the GRI governance structure. The Council advises the Board on policy and strategy issues. Some individual SC members participate in Guidelines Working Groups.

Board of Directors:

This group of a maximum of 16 has the ultimate fiduciary, financial and legal responsibility for GRI, and is the final decision making authority on Guidelines revisions, organizational strategy and work plans.

GRI Secretariat:

The Secretariat works to drive GRI's Mission to make sustainability reporting standard practice. The Secretariat implements the Guidelines and technical work plan approved by the Board of Directors. It also manages communications, outreach, stakeholder relations, learning and research services and financial administration. The Secretariat supports the operations of the Board of Directors, Stakeholder Council and Technical Advisory Committee.



Legal Liability

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

Request for Notification of Use

Organizations that have used the Guidelines and/or other elements of the Reporting Framework as the basis for their report are requested to notify GRI upon its release. When notifying GRI, organizations can choose the following options:

- Register their report in GRI's online database of reports
- Request that GRI publicize their report with the Featured Report Service
- Request a GRI Application Level Check to confirm their self-declared Application Level.

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AL

GRI Application Levels



GRI Application Levels

Brief overview

To indicate that a report is GRI-based, report makers should declare the level to which they have applied the GRI Reporting Framework via the “Application Levels” system.

To meet the needs of beginners, advanced reporters, and those somewhere in between, there are three levels in the system. They are titled C, B, and A. The reporting criteria at each level reflect a measure of the extent of application or coverage of the GRI Reporting Framework. A “plus” (+) is available at each level (ex., C+, B+, A+) if external assurance was utilized for the report.

How the system works

A report maker self-declares a Level based on its own assessment of its report content against the criteria in the GRI Application Levels (see overleaf).

In addition to the self-declaration, reporting organizations can choose one or both of the following options:

- Have a third party offer an opinion on the self-declaration
- Request that the GRI check the self-declaration.

Value of the Levels

The Levels aim to provide:

- Report readers with a measure of the extent to which the GRI Guidelines and other Reporting Framework elements have been applied in the preparation of a report.
- Report makers with a vision or path for incrementally expanding application of the GRI Reporting Framework over time.

Declaring an Application Level clearly communicates which elements of the GRI Reporting Framework have been applied in the preparation of a report.

- Incentives for beginners: The Levels provide a starting point for first-time report makers, and also reinforce the importance and value of an incremental approach to reporting which expands over time.
- Recognizing advanced reporters: A growing number of organizations have developed sophisticated reporting systems based on the GRI Framework, that include assurance, and are looking to communicate this to readers in a quick and easy-to-understand way.



Application Level Criteria

Reports intended to qualify for level C, C+, B, B+, A or A+ must contain each of the criteria that are presented in the column for the relevant Level.

GRI recommends reporting organizations include the Application Level table in their report as it illustrates the value and requirements of the system to report readers.

Report Application Level		C	C+	B	B+	A	A+
Standard Disclosures	Profile Disclosures	Report on: 1.1 2.1 - 2.10 3.1 - 3.8, 3.10 - 3.12 4.1 - 4.4, 4.14 - 4.15	Report Externally Assured	Report on all criteria listed for Level C plus: 1.2 3.9, 3.13 4.5 - 4.13, 4.16 - 4.17	Report Externally Assured	Same as requirement for Level B	Report Externally Assured
	Disclosures on Management Approach	Not Required		Management Approach Disclosures for each Indicator Category		Management Approach disclosed for each Indicator Category	
	Performance Indicators & Sector Supplement Performance Indicators	Report fully on a minimum of any 10 Performance Indicators, including at least one from each of: social, economic, and environment.**		Report fully on a minimum of any 20 Performance Indicators, at least one from each of: economic, environment, human rights, labor, society, product responsibility.***		Respond on each core and Sector Supplement* indicator with due regard to the materiality Principle by either: a) reporting on the indicator or b) explaining the reason for its omission.	
		* Sector supplement in final version ** Performance Indicators may be selected from any finalized Sector Supplement, but 7 of the 10 must be from the original GRI Guidelines *** Performance Indicators may be selected from any finalized Sector Supplement, but 14 of the 20 must be from the original GRI Guidelines					

Declaring an Application Level

A GRI Application Level declaration should be included in the report. It needs to be indicated who has made this assessment.

Reporting organizations may exercise their option to seek opinions from a third party or request a GRI Application Level Check to confirm their self-declaration.

Both self-declarations and third party statements should be indicated in the report by including appropriate text. More information on 'Options for Declaration' can be found at www.globalreporting.org.

Having successfully completed a GRI Application Level Check, reporting organizations should include the customized GRI Application Level Check Statement in their report, which incorporates the special GRI-Checked icon.

The *GRI Application Level Check Statement* serves as the formal confirmation of the Application Level Check. GRI recommends reporting organizations publish this Statement near the GRI Content Index.

GRI will only recognize reports on its website as GRI-based if they contain, at minimum, a GRI Content Index.

The GRI Content Index lists every Guidelines disclosure addressed in a report. The Index complements, and should correspond to, an Application Level declaration. It communicates which GRI disclosures have been reported, and the reason why certain disclosures have not been reported. The Index is also the gateway for finding all reported sustainability information. It should be able to easily have clear and direct referencing, and if used online, can be an interactive navigation tool. By using the Index, report users should be able to easily find specific data.



Application Level check methodology

The most important aspect of the GRI Application Level Check revolves around the GRI Content Index. This Index is the basis for determining whether or not an organization has reported on the required set and number of *standard disclosures* (Profile Disclosures, Disclosures on Management Approach, Performance Indicators) for a particular Application Level.

When GRI finds that the Index does not meet the requirements for the Application Level declared by the organization, a set of action points will be provided to the reporting organization in order to correct this.

A GRI Content Index template (Excel file) can be downloaded from GRI's website, which a reporting organization is required to complete for the GRI Application Level Check and can also be included in its report.

As a secondary step, GRI takes a sample of the standard disclosures and determines whether the reporting claims made in the Index can be substantiated. For this purpose, GRI checks the text to see if:

- A quantitative standard disclosure has been answered with a quantitative response in-line with the disclosure.
- A qualitative standard disclosure has been answered with a qualitative response in-line with the disclosure.

Application Levels and assurance

GRI recommends the use of external assurance.

For each of the Application Levels, a "+" can be added to the Level when a reporting organization has had its reporting externally assured. GRI has identified six key qualities for external assurance of reports. The external assurance:

- should be conducted by groups or individuals external to the organization who are demonstrably competent in both the subject matter and assurance practices;
- is implemented in a manner that is systematic, documented, evidence-based, and is characterized by defined procedures;
- assesses whether the report provides a reasonable and balanced presentation of performance, taking into consideration the veracity of the data in a report as well as the overall selection of content;
- utilizes groups or individuals to conduct the assurance who are not unduly limited by their relationship with the organization or its stakeholders to reach and publish an independent and impartial conclusion on the report;
- assesses the extent to which the report preparer has applied the GRI Reporting Framework (including the Reporting Principles) in the course of reaching its conclusions; and
- results in an opinion or set of conclusions that is publicly available in written form, and a statement from the assurance provider on their relationship to the report preparer.

If GRI is requested to check a "plus" (+) level report it will check for the presence of a statement from the assurance provider but will not conduct reviews to determine whether external assurance has met the above-listed criteria.

The Application Levels are intended to demonstrate a pathway for incrementally expanding approaches to reporting using the GRI Reporting Framework. They are in no way intended as substitutes for or equivalents to external assurance.





IP

Indicator Protocols Set
Economic (EC)



Economic

Performance Indicators

Aspect: Economic Performance

CORE	EC1 Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments.
CORE	EC2 Financial implications and other risks and opportunities for the organization's activities due to climate change.
CORE	EC3 Coverage of the organization's defined benefit plan obligations.
CORE	EC4 Significant financial assistance received from government.

Aspect: Market Presence

ADD	EC5 Range of ratios of standard entry level wage by gender compared to local minimum wage at significant locations of operation.
CORE	EC6 Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation.
CORE	EC7 Procedures for local hiring and proportion of senior management hired from the local community at significant locations of operation.

Aspect: Indirect Economic Impacts

CORE	EC8 Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro bono engagement.
ADD	EC9 Understanding and describing significant indirect economic impacts, including the extent of impacts.



Relevance

Performance data generated in response to the Indicators in this section are expected to illustrate:

- The flow of capital amongst different stakeholders; and
- The major economic impacts of the organization throughout society.

An organization's economic performance is fundamental to understanding the organization and its basis for sustainability. However, this information is already well reported in many countries in annual financial accounts and reports. Financial statements provide information about the financial position, performance, and changes in the financial position of an entity. They also indicate the results achieved in managing the financial capital provided to the organization.

What is reported less frequently, but often desired by readers of sustainability reports, is the organization's contribution to the sustainability of the economic systems in which the organization operates. An organization may be financially viable, but this may have been achieved by creating significant externalities that impact other stakeholders. Economic Performance Indicators are intended to measure the economic outcomes of an organization's activities and the effect of these outcomes on a broad range of stakeholders.

The Indicators in this section are divided into three categories:

1. **Economic Performance.** This category of Indicators addresses the direct economic impacts of the organization's activities and the economic value added by these activities.
2. **Market Presence.** These Indicators provide information about interactions in specific markets.
3. **Indirect Economic Impacts.** These Indicators measure the economic impacts created as a result of the organization's economic activities and transactions.

There are several linkages between different Economic Indicators. Elements of the value-added table in EC1 are related to other Economic Indicators, and there are also connections between wages and benefits (EC1-2.1c and EC5), transactions with governments (EC1-2.1e and EC4), and community investments (EC1-2.1f and EC8).

The Economic Indicators are also closely related to Indicators in other Protocols, including:

- EC1-2.1c, EC5, and LA14 regarding wages;
- EC1-2.1c, EC3, and LA3 regarding employee benefits;
- EC1-2.1f, EC6, EC8, and SO1 regarding interactions with local communities;
- EC2 (climate change risk) and EN3 (direct energy consumption); and
- EC10 (indirect economic impacts) and SO1 (socio-economic impacts on communities).

Definitions

Significant locations of operation

Locations where single-market revenues, costs, stakeholder payments, production, or employee numbers represent a significant share of the organization's global total, and are sufficient to be particularly important to decision-making by the organization or its stakeholders. Combined, these locations would likely represent the majority of the above figures. Reporting organizations should identify and explain the specific criteria used to determine what is significant. Reporting organizations should use International Accounting Standards 14 (IAS14) as a reference in defining significant locations of operation.

General References

- The International Accounting Standards Board (IASB) website (www.iasb.org) provides information about relevant International Financial Reporting Standards (IFRS).
- In preparing responses to the Economic Indicators, data should be compiled from figures in the organization's audited financial accounts or its internally audited management accounts, wherever possible. In all cases, the data should be compiled using either:
- The relevant International Financial Reporting Standards (IFRS) and Interpretations of Standards, published by the International Accounting Standards Board (IASB) (some Indicator Protocols reference specific International Accounting Standards, which should be consulted); or



- National or regional standards recognized inter-nationally for the purpose of financial reporting.

The reporting organization should clearly indicate which standards were applied and provide clear references to the relevant sources.

Segmental reporting

Reporting organizations should use International Accounting Standards 14 (IAS14) as a reference in defining 'local', as required by Indicators EC1, EC5, EC6, and EC7.



EC1 Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments.

1. Relevance

Data on the creation and distribution of economic value provide a basic indication of how the organization has created wealth for stakeholders. Several components of the Economic Value Generated and Distributed (EVG&D) table also provide an economic profile of the reporting organization, which may be useful for normalizing other performance figures. If presented in country-level detail, EVG&D can provide a useful picture of the direct monetary value added to local economies.

2. Compilation

2.1 Presentation:

- The EVG&D data should be compiled, where possible, from data in the organization's audited financial or profit and loss (P&L) statement, or its internally audited management accounts. It is also recommended that the economic value data be presented on an accruals basis in a table that includes the basic components for the

organization's global operations as included in the table below. Data can also be presented on a cash basis where this can be justified and disclosed in a table that includes the basic components as listed below.

To better assess local economic impacts, EVG&D should be presented separately at country, regional, or market levels, where significant. Reporting organizations should identify and explain their criteria for defining significance.

2.2 Guidance on EVG&D Table Line Entries

a) Revenues:

- Net sales equal gross sales from products and services minus returns, discounts, and allowances.
- Revenue from financial investments includes cash received as interest on financial loans, as dividends from shareholdings, as royalties, and as direct income generated from assets (e.g., property rental).
- Revenues from sale of assets include physical assets (property, infrastructure, equipment) and intangibles (e.g., intellectual property rights, designs, and brand names).

Component	Comment
Direct economic value generated	
a) Revenues	Net sales plus revenues from financial investments and sales of assets
Economic value distributed	
b) Operating costs	Payments to suppliers, non-strategic investments, royalties, and facilitation payments
c) Employee wages and benefits	Total monetary outflows for employees (current payments, not future commitments)
d) Payments to providers of capital	All financial payments made to the providers of the organization's capital.
e) Payments to government (by country – see note below)	Gross taxes
f) Community investments	Voluntary contributions and investment of funds in the broader community (includes donations)
Economic value retained (calculated as Economic value generated less Economic value distributed)	Investments, equity release, etc.



b) Operating costs:

- Cash payments made outside the reporting organization for materials, product components, facilities, and services purchased. This includes property rental, license fees, facilitation payments (since these have a clear commercial objective), royalties, payments for contract workers, employee training costs (where outside trainers are used), employee protective clothing, etc.

c) Employee wages and benefits:

- Total payroll means employee salaries, including amounts paid to government institutions (employee taxes, levies, and unemployment funds) on behalf of employees. Non-employees working in an operational role should normally not be included here, but rather under Operating Costs as a service purchased.
- Total benefits include regular contributions (e.g., to pensions, insurance, company vehicles, and private health), as well as other employee support such as housing, interest-free loans, public transport assistance, educational grants, and redundancy payments. They do not include training, costs of protective equipment, or other cost items directly related to the employee's job function.

d) Payments to providers of funds:

- Dividends to all shareholders;
- Interest payments made to providers of loans.
- This includes interest on all forms of debt and borrowings (not only long-term debt) and also arrears of dividends due to preferred shareholders.

e) Payments to government:

- All company taxes (corporate, income, property, etc.) and related penalties paid at the international, national, and local levels. This figure should not include deferred taxes because they may not be paid. For organizations operating in more than one country, report taxes paid by country. The organization should report which definition of segmentation has been used.

f) Community investments:

- Voluntary donations and investment of funds in the broader community where the target beneficiaries are external to the company. These include contributions to charities, NGOs and research institutes (unrelated to the company's commercial R&D), funds to support community infrastructure (e.g., recreational facilities) and direct costs of social programs (including arts and educational events). The amount included should account for actual expenditures in the reporting period, not commitments.
- For infrastructure investments, the calculation of the total investment should include costs of goods and labor in addition to capital costs. For support of ongoing facilities or programs (e.g., an organization funds the daily operations of a public facility), the reported investment should include operating costs.
- This excludes legal and commercial activities or where the purpose of the investment is exclusively commercial. Donations to political parties are included but are also addressed separately in more detail in SO6.
- Any infrastructure investment that is driven primarily by core business needs (e.g., building a road to a mine or factory) or to facilitate the business operations of the organization should not be included. The calculation of investment may include infrastructure built outside the main business activities of the reporting organization, such as a school or hospital for employees and their families.

3. Definitions

None

4. Documentation

Finance, treasury, or accounting departments should have the information required by this Indicator.

5. References

- International Accounting Standard (IAS) 12 on Income Taxes, IAS 14 on segment Reporting, IAS 18 on Revenues, and IAS 19 on Employee Benefits should be consulted.



EC2 Financial implications and other risks and opportunities for the organization's activities due to climate change.

1. Relevance

Climate change presents risks and opportunities to organizations, their investors, and their stakeholders. Organizations may face physical risks due to changes in the climate system and weather patterns. These risks may include the impact of increased storms; changes in sea level, ambient temperature, and water availability; impacts on the workforce such as health effects (e.g., heat-related illness or disease); or the need to relocate operations.

As governments move to regulate activities that contribute to climate change, organizations that are directly or indirectly responsible for emissions face regulatory risk through increased costs or other factors impacting competitiveness. Limits on greenhouse gas emissions can also create opportunities for organizations as new technologies and markets are created. This is especially the case for organizations that can use or produce energy and energy products more efficiently.

EN16 allows for disclosure on total amount of greenhouse gas emissions, while EN18 discloses total reductions achieved and initiatives for reducing the amount of emissions the reporting organization produces.

2. Compilation

- 2.1** Report whether the organization's senior governance body considered climate change and the risks and opportunities it presents to the organization.
- 2.2** Report risks and/or opportunities posed by climate change that have potential financial implications for the organization, including:
- Risks due to physical changes associated with climate change (e.g., impacts of modified weather patterns and heat-related illness);
 - Regulatory risks (e.g., the cost of activities and systems to comply with new regulations);
 - Opportunities to provide new technologies, products, or services to address challenges related to climate change; and

- Potential competitive advantages created for the organization by regulatory or other technology changes linked to climate change.

- 2.3** Report whether management has quantitatively estimated the financial implications (e.g., cost of insurance and carbon credits) of climate change for the organization. Where possible, quantification would be beneficial. If quantified, disclose financial implications and the tools used to quantify.

3. Definitions

None.

4. Documentation

Records or minutes of the organization's governance bodies, including environmental committees may have the information required by this Indicator.

5. References

None.



EC3 Coverage of the organization's defined benefit plan obligations.

1. Relevance

When an organization provides a retirement plan for its workforce, these benefits could become commitments that members of the schemes plan on for their long-term economic well-being. Defined benefits plans have potential implications for employers in terms of the obligations that need to be met. Other types of plans, like defined contributions, do not guarantee access to a retirement plan or the quality of benefits. The type of plan chosen has implications for both employees and employers. Conversely, a properly funded pension plan can help to attract and maintain a stable workforce and support long-term financial and strategic planning on the part of the employer.

2. Compilation

- 2.1** Identify whether the structure of retirement plans offered to employees are based on:
 - Defined benefit plans; or
 - Other types of benefits.
- 2.2** For defined benefit plans, identify whether the employer's obligations to pay pensions under the plan are to be met directly by the organization's general resources or through a fund held and maintained separately from the resources of the organization.
- 2.3** Where the plan's liabilities are met by the organization's general resources, report the estimated value of those liabilities.
- 2.4** Where a separate fund exists to pay the plan's pension liabilities, report:
 - The extent to which the scheme's liabilities are estimated to be covered by the assets that have been set aside to meet them;
 - The basis on which that estimate has been arrived at; and
 - When that estimate was made.

- 2.5** Where a fund set up to pay the plan's pension liabilities is not fully covered, explain the strategy, if any, adopted by the employer to work towards full coverage, and the timescale, if any, by which the employer hopes to achieve full coverage.
- 2.6** Report the percentage of salary contributed by employee or employer.
- 2.7** Report the level of participation in retirement plans (e.g., participation in mandatory or voluntary schemes, regional or country-based schemes, or those with financial impact).
- 2.8** Different jurisdictions (e.g., countries) have varying interpretations and guidance regarding calculations used to determine plan coverage. Calculate in accordance with the regulations and methods for relevant jurisdictions, and report aggregated totals. Consolidation techniques should be the same as those applied in preparing the financial accounts of the organization. Note that benefit pension plans are part of the International Accounting Standard (IAS) 19, however, IAS 19 covers more issues.

3. Definitions

Full coverage

Plan assets that meet or exceed plan obligations.

4. Documentation

Finance or accounting departments should have the information required by this Indicator.

5. References

- International Accounting Standard (IAS) 19 on Employee Benefits .



EC4 Significant financial assistance received from government.

1. Relevance

This Indicator provides a measure of host governments' contributions to the reporting organization. The significant financial assistance received from a government, in comparison with taxes paid, can be useful for developing a balanced picture of the transactions between the reporting organization and government.

2. Compilation

2.1 Report significant estimated aggregate financial value on an accruals basis for the following:

- Tax relief/credits;
- Subsidies;
- Investment grants, research and development grants, and other relevant types of grants;
- Awards;
- Royalty holidays;
- Financial assistance from Export Credit Agencies (ECAs);
- Financial incentives; and
- Other financial benefits received or receivable from any government for any operation.

2.2 Report whether the government is present in the shareholding structure.

3. Definitions

Significant financial assistance

Significant direct or indirect financial benefits that do not represent a transaction of goods and services, but which are an incentive or compensation for actions taken, the cost of an asset, or expenses incurred. The provider of financial assistance does not expect a direct financial return from the assistance offered.

4. Documentation

Financial accountants include items of IAS 20 individually but these are not consolidated, as this Indicator requires.

5. References

- International Accounting Standard (IAS) 20 on Accounting for Government Grants and Disclosure of Government Assistance.



EC5 Range of ratios of standard entry level wage by gender compared to local minimum wage at significant locations of operation.

1. Relevance

Economic well-being is one of the ways in which an organization invests in its employees. This Indicator helps demonstrate how an organization contributes to the economic well-being of employees in significant locations of operation. The Indicator also provides an indication of the competitiveness of the organization's wages, and information relevant for assessing the effect of wages on the local labor market. Offering wages above the minimum can be one factor in building strong community relations, employee loyalty, and strengthening an organization's social license to operate. This Indicator is most relevant for organizations in which a substantial portion of their workforce is compensated in a manner or scale that is closely linked to laws or regulations on minimum wage.

2. Compilation

- 2.1** Identify whether a significant proportion of the workforce is compensated based on wages subject to minimum wage rules.
- 2.2** In percentage terms, compare local minimum wage to the reporting organization's entry level wage by gender at significant locations of operation.
- 2.3** Identify the variation in the ratios across significant locations of operation.
- 2.4** Report the distribution of the ratio of the entry level wage by gender to the minimum wage.
- 2.5** Report the definition used for 'significant locations'.
- 2.6** For organizations that only offer salaried employment, the salary should be converted into an hourly estimate.
- 2.7** Indicate whether a local minimum wage is absent or variable in significant locations of operation, by gender. In circumstances in which different minimums could be used as a reference, explain which minimum wage is being used.

3. Definitions

Local minimum wage

Minimum wage refers to compensation per hour or other unit of time for employment allowed under law. Since some countries have numerous minimum wages (e.g., by state/province or by employment category), identify which minimum wage is being used.

Entry level wage

Entry level wage should be defined by the full-time wage offered to an employee in the lowest employment category. Intern or apprentice wages should not be considered.

4. Documentation

Potential sources of information include the payroll department of the organization or finance, treasury, or accounting departments. Pertinent legislation in each country/region of operation may also provide information for this Indicator.

5. References

- Convention on the Elimination of all Forms of Discrimination Against Women (CEDAW), 1979.



EC6 Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation.

1. Relevance

The influence an organization can have on a local economy goes beyond direct jobs and payment of wages and taxes. By supporting local business in the supply chain, an organization can indirectly attract additional investment to the local economy.

Reporting organizations can gain or retain their 'social license to operate' in part by demonstrating positive local economic impacts. Local sourcing can be a strategy to help ensure supply, support a stable local economy, and can prove to be more efficient for remote settings. The proportion of local spending can also be an important factor in contributing to the local economy and maintaining community relations. However, the overall impact of local sourcing will also depend on the sustainability of the supplier over the long term.

2. Compilation

- 2.1** Report the organization's geographic definition of 'local'.
- 2.2** For the following calculations, note that percentages should be based on invoices or commitments made during the reporting period (i.e., accruals accounting).
- 2.3** Report whether the organization has a policy or common practices for preferring locally based suppliers either organization-wide or for specific locations.
- 2.4** If so, state the percentage of the procurement budget used for significant locations of operation that is spent on suppliers local to that operation (e.g., % of goods and supplies purchased locally). Local purchases can be made either from a budget managed at the location of operation or at the organization's headquarters.
- 2.5** Indicate the factors that influence supplier selection (e.g., costs, environmental and social performance) in addition to their geographic location.

3. Definitions

Locally-based suppliers

Providers of materials, products, and services that are based in the same geographic market as the reporting organization (i.e., no trans-national payments to the supplier are made). The geographic definition of 'local' may vary because, in some circumstances, cities, regions within a country, and even small countries could be reasonably viewed as 'local'.

4. Documentation

None.

5. References

None.



EC7 Procedures for local hiring and proportion of senior management hired from the local community at significant locations of operation.

1. Relevance

Selection of staff and senior management is based on a range of considerations. Ensuring that senior management is populated with local residents can benefit the local community and the organization's ability to understand local needs. Diversity within a management team and the inclusion of members from the local area can enhance human capital, the economic benefit to the local community, and the organization's ability to understand local needs.

2. Compilation

- 2.1** Report whether the organization has a global policy or common practices for granting preference to local residents when hiring in significant locations of operation.
- 2.2** If so, report the proportion of senior management in significant locations of operation from the local community. Use data on full-time employees to calculate this percentage.
- 2.3** Report the definition of 'senior management' used.

3. Definitions

Local

Local refers to individuals either born in or who have the legal right to reside indefinitely (e.g., naturalized citizens or permanent visa holders) in the same geographic market as the operation. Reporting organizations can choose their own definition of 'local' because, in some cases, cities, regions, and even small countries could be reasonably viewed as local. However, the definition should be clearly disclosed.

4. Documentation

Personnel or human resources departments should have the information required by this Indicator.

5. References

None.



EC8 Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro bono engagement.

1. Relevance

As well as generating and distributing economic value, an organization can affect an economy through its investments in infrastructure. The impacts of infrastructure investment can extend beyond the scope of the organization's own business operations and over a longer timescale. This might include transport links, utilities, community social facilities, sports centers, health and welfare centers, etc. Along with investment in its own operations, this is one measure of an organization's capital contribution to the economy.

2. Compilation

- 2.1** Explain the extent of development (e.g., size, cost, duration) of significant investments and support, and the current or expected impacts (positive or negative) on communities and local economies. Indicate whether these investments and services are commercial, in-kind, or pro bono engagement.
- 2.2** Report whether the organization conducted a community needs assessment to determine infrastructure and other services needed. If so, briefly explain the results of the assessment.

3. Definitions

Infrastructure

Facilities (e.g., water supply facility, road, school, or hospital) built primarily to provide a public service or good rather than a commercial purpose, and from which the organization does not seek to gain direct economic benefit.

Services supported

Providing a public benefit either through direct payment of operating costs or through staffing the facility/service with the reporting organization's own employees. Public benefit can also include public services.

4. Documentation

Finance, treasury, or accounting departments should have the information required by this Indicator.

5. References

None.



EC9 Understanding and describing significant indirect economic impacts, including the extent of impacts.

1. Relevance

Indirect economic impacts are an important part of an organization's economic influence in the context of sustainable development. Whereas direct economic impacts and market influence tend to focus on the immediate consequences of monetary flows to stakeholders, indirect economic impacts include the additional impacts generated as money circulates through the economy.

Direct economic impacts are often measured as the value of transactions between the reporting organization and its stakeholders, while indirect economic impacts are the results - sometimes non-monetary - of the transaction. Indirect impacts are an important aspect of an organization's role as a participant or agent in socio-economic change, particularly in developing economies. Indirect impacts are particularly important to assess and report in relation to local communities and regional economies.

For management purposes, indirect economic impacts are an important indication of where risks to reputation may develop, or where opportunities may emerge to expand market access or a social license to operate.

2. Compilation

2.1 Explain work undertaken to understand the indirect economic impacts the organization has at the national, regional, or local level.

2.2 Report examples of indirect economic impacts, both positive and negative, such as:

- Changing the productivity of organizations, sectors, or the whole economy (e.g., through greater adoption or distribution of information technology);
- Economic development in areas of high poverty (e.g., number of dependents supported through income from one job);
- Economic impact of improving or deteriorating social or environmental conditions (e.g., changing job market in an area converted from small family farms to large plantations or the economic impacts of pollution);
- Availability of products and services for those on low incomes (e.g., preferential pricing of

pharmaceuticals contributes to a healthier population that can participate more fully in the economy; pricing structures that exceed the economic capacity of those on low incomes);

- Enhancing skills and knowledge amongst a professional community or in a geographical region (e.g., need for a supplier base creates a magnet for companies with skilled workers, which in turn engenders new learning institutes);
- Jobs supported in the supply chain or distribution chain (e.g., assessing the impacts of growth or contraction of the organization on its suppliers)
- Stimulating, enabling, or limiting foreign direct investment (e.g., expansion or closure of an infrastructure service in a developing country can lead to increased or reduced foreign direct investment);
- Economic impact of change in location of operations or activities (e.g., outsourcing of jobs to an overseas location); and
- Economic impact of the use of products and services (e.g., linkage between economic growth patterns and use of particular products and services).

2.3 Report the significance of the impacts in the context of external benchmarks and stakeholder priorities, such as national and international standards, protocols, and policy agendas

3. Definitions

Indirect economic impact

An additional consequence of the direct impact of financial transactions and the flow of money between an organization and its stakeholders.

Economic impact

A change in the productive potential of the economy that can have an influence on a community's or stakeholder's well-being and longer-term prospects for development.

4. Documentation

None.

5. References

None.





IP

Indicator Protocols Set
Environment (EN)



Environment

Performance Indicators

Aspect: Materials

CORE	EN1	Materials used by weight or volume.
CORE	EN2	Percentage of materials used that are recycled input materials.

Aspect: Energy

CORE	EN3	Direct energy consumption by primary energy source.
CORE	EN4	Indirect energy consumption by primary source.
ADD	EN5	Energy saved due to conservation and efficiency improvements.
ADD	EN6	Initiatives to provide energy-efficient or renewable energy-based products and services, and reductions in energy requirements as a result of these initiatives.
ADD	EN7	Initiatives to reduce indirect energy consumption and reductions achieved.

Aspect: Water

CORE	EN8	Total water withdrawal by source.
ADD	EN9	Water sources significantly affected by withdrawal of water.
ADD	EN10	Percentage and total volume of water recycled and reused.

Aspect: Biodiversity

CORE	EN11	Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas.
CORE	EN12	Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas.
ADD	EN13	Habitats protected or restored.
ADD	EN14	Strategies, current actions, and future plans for managing impacts on biodiversity.
ADD	EN15	Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk.

Aspect: Emissions, Effluents, and Waste

CORE	EN16	Total direct and indirect greenhouse gas emissions by weight.
CORE	EN17	Other relevant indirect greenhouse gas emissions by weight.
ADD	EN18	Initiatives to reduce greenhouse gas emissions and reductions achieved.
CORE	EN19	Emissions of ozone-depleting substances by weight.
CORE	EN20	NO _x , SO _x , and other significant air emissions by type and weight.
CORE	EN21	Total water discharge by quality and destination.



CORE **EN22** Total weight of waste by type and disposal method.

CORE **EN23** Total number and volume of significant spills.

ADD **EN24** Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III, and VIII, and percentage of transported waste shipped internationally.

ADD **EN25** Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the reporting organization's discharges of water and runoff.

Aspect: Products and Services

CORE **EN26** Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation.

CORE **EN27** Percentage of products sold and their packaging materials that are reclaimed by category.

Aspect: Compliance

CORE **EN28** Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations.

Aspect: Transport

ADD **EN29** Significant environmental impacts of transporting products and other goods and materials used for the organization's operations, and transporting members of the workforce.

Aspect: Overall

ADD **EN30** Total environmental protection expenditures and investments by type.



Relevance

The Aspects in the Environment Indicator set are structured to reflect the inputs, outputs, and modes of impact an organization has on the environment. Energy, water, and materials represent three standard types of inputs used by most organizations. These inputs result in outputs of environmental significance, which are captured under the Aspects of Emissions, Effluents, and Waste. Biodiversity is also related to the concepts of inputs to the extent that it can be viewed as a natural resource. However, biodiversity is also directly impacted by outputs such as pollutants.

The Aspects of Transport and Products and Services represent areas in which an organization can further impact the environment, but often through other parties such as customers or suppliers of logistics services.

Compliance and Overall Aspects are specific measures the organization takes to manage environmental performance.

The Aspects of Energy, Water, Emissions, and Biodiversity each contain several Indicators whose relationships are explained in more detail below:

Energy Aspect

The Energy Indicators cover the five most important areas of organizational energy use, which include both direct and indirect energy. Direct energy use is energy consumed by the organization and its products and services. Indirect energy use, on the other hand, is energy that is consumed by others who are serving the organization. The five different areas of energy use are to be reported as follows:

- In EN3, the direct energy consumption of the reporting organization is reported, including energy produced on-site (e.g., through the burning of gas).
- EN4 provides information on energy consumption required to produce energy purchased externally, such as electricity.
- EN5 asks for energy saved due to conservation and efficiency improvements.
- EN6 addresses the development of energy-efficient products and services.
- Finally, EN7 covers the indirect energy consumption of the reporting organization's activities.

Measurement of energy consumption is relevant to greenhouse gas emissions and climate change. The burning of fossil fuels to generate energy creates emissions of carbon dioxide (a greenhouse gas). To meet the aims formulated in the Kyoto Protocol and to reduce the risk of severe climate change, energy demand needs to be lowered. This can be achieved through more efficient energy use (measured under EN5 and EN6) and replacing fossil fuel energy sources with renewable ones (measured under EN3 and EN4). In addition to lowering the direct consumption of energy, designing energy-efficient product and services (EN6) and reducing indirect energy consumption (EN7) (e.g., the selection of low energy-intensive raw materials or the use of services such as travel) are important strategies.

Emissions Aspect

The 'emissions, effluents, and waste' aspect includes Indicators that measure standard releases to the environment considered to be pollutants. These Indicators include different types of pollutants (e.g., air emissions, effluents, solid waste) that are typically recognized in regulatory frameworks (EN20-EN23, EN24). In addition, there are Indicators for two types of emissions that are the subject of international conventions- greenhouse gases (EN16 and EN17) and ozone depleting substances (EN19). EN16 can be calculated using the data reported under EN3 and EN4. EN18 addresses the emissions reductions achieved and initiatives to reduce emissions.

Definitions

Direct energy

Forms of energy that enter the reporting organization's operational boundaries. It can be consumed either by the organization within its boundaries, or it can be exported to another user. Direct energy can appear in either primary (e.g., natural gas for heating) or intermediate (e.g., electricity for lighting) forms. It can be purchased, extracted (e.g., coal, natural gas, oil), harvested (e.g., biomass energy), collected (e.g., solar, wind), or brought into the reporting organization's boundaries by other means.

Greenhouse gas emissions (GHG)

The six main greenhouse gas emissions are:

- Carbon dioxide (CO₂);
- Methane (CH₄);



- Nitrous oxide (N₂O);
- Hydrofluorocarbons (HFCs- a group of several compounds);
- Perfluorocarbons (PFCs- a group of several compounds); and
- Sulphur hexafluoride (SF₆).

Indirect energy

Energy produced outside the reporting organization's organizational boundary that is consumed to supply energy for the organization's intermediate energy needs (e.g., electricity or heating and cooling). The most common example is fuel consumed outside the reporting organization's boundary in order to generate electricity to be used inside the organization's boundary.

Intermediate energy

Forms of energy that are produced by converting primary energy into other forms. For most organizations, electricity will be the only significant form of intermediate energy. For a small percentage of organizations, other intermediate energy products might also be important, such as steam or water provided from a district heating plant or chilled water plant, or refined fuels such as synthetic fuels, biofuels, etc.

Primary source

The initial form of energy consumed to satisfy the reporting organization's energy demand. This energy is used either to provide final energy services (e.g., space heating, transport) or to produce intermediate forms of energy, such as electricity and heat. Examples of primary energy include non-renewable sources such as coal, natural gas, oil, and nuclear energy. It also includes renewable sources such as biomass, solar, wind, geothermal, and hydro energy. Primary energy might be consumed on-site (e.g., natural gas to heat the reporting organization's buildings) or off-site (e.g., natural gas consumed by the power plants that provide electricity to the reporting organization's facilities).

Renewable energy

Renewable energy is derived from natural processes that are replenished constantly. This includes electricity and heat generated from solar, wind, ocean, hydropower, biomass, geothermal resources, biofuels, and hydrogen derived from renewable resources.



EN1 Materials used by weight or volume.

1. Relevance

This Indicator describes the reporting organization's contribution to the conservation of the global resource base and efforts to reduce the material intensity and increase the efficiency of the economy. These are expressed goals of the OECD Council and various national sustainability strategies. For internal managers and others interested in the financial state of the organization, material consumption relates directly to overall costs of operation. Tracking this consumption internally, either by product or product category, facilitates the monitoring of material efficiency and cost of material flows.

2. Compilation

2.1 Identify total materials used, including materials purchased from external suppliers and those obtained from internal sources (captive production and extraction activities). This can include:

- Raw materials (i.e., natural resources used for conversion to products or services such as ores, minerals, wood, etc.);
- Associated process materials (i.e., materials that are needed for the manufacturing process but are not part of the final product, such as lubricants for manufacturing machinery);
- Semi-manufactured goods or parts, including all forms of materials and components other than raw materials that are part of the final product; and
- Materials for packaging purposes.

2.2 Identify non-renewable and direct materials used. Convert any measurements into estimated weight or volume, calculated 'as is' rather than by 'dry substance/weight'.

2.3 Report the total weight or volume of :

- Non-renewable materials used; and
- Direct materials used.

3. Definitions

Direct materials

Materials that are present in a final product.

Non-renewable materials

Resources that do not renew in short time periods, such as minerals, metals, oil, gas, coal, etc.

4. Documentation

Potential information sources include billing and accounting systems, and the procurement or supply management department.

5. References

- OECD, Recommendation of the Council on Material Flows and Resource Productivity, 2004.



EN2 Percentage of materials used that are recycled input materials.

1. Relevance

This Indicator seeks to identify the reporting organization's ability to use recycled input materials. Using these materials helps to reduce the demand for virgin material and contribute to the conservation of the global resource base. For internal managers and others interested in the financial condition of the reporting organization, substituting recycled materials can contribute to lowering overall costs of operation.

2. Compilation

- 2.1** Identify the total weight or volume of materials used as reported under EN1.
- 2.2** Identify the total weight or volume of recycled input materials. If estimation is required, state the estimation methods.
- 2.3** Report the percentage of recycled input materials used by applying the following formula:

$$EN2 = \frac{\text{Total recycled input materials used}}{\text{Input materials used}} \times 100$$

3. Definitions

Recycled input materials

Materials that replace virgin materials that are purchased or obtained from internal or external sources, and that are not by-products and non-product outputs (NPO) produced by the reporting organization.

4. Documentation

Potential information sources include billing and accounting systems, the procurement or supply management department, and internal production and waste disposal records.

5. References

- OECD Working Group on Waste Prevention and Recycling.



EN3 Direct energy consumption by primary energy source.

1. Relevance

The ability of the reporting organization to use energy efficiently can be revealed by calculating the amount of energy it consumes. Energy consumption has a direct effect on operational costs and exposure to fluctuations in energy supply and prices. The environmental footprint of the organization is shaped in part by its choice of energy sources. Changes in the balance of these sources can indicate the organization's efforts to minimize its environmental impacts.

Information on the consumption of primary energy sources supports an assessment of how the organization might be affected by emerging environmental regulations such as the Kyoto Protocol. The consumption of fossil fuels is a major source of greenhouse gas emissions, and energy consumption is directly linked to the organization's greenhouse gas emissions.

Replacing fossil fuel energy sources with renewable ones is essential for combating climate change and other environmental impacts created by the extraction and processing of energy. Supporting renewable and efficient energy technology also reduces the reporting organization's current and future dependency on non-renewable energy sources, and its exposure to potential volatility in prices and supply.

This Indicator measures the reporting organization's consumption of direct primary energy sources. The Indicator covers scope 1 of the WRI/WBCSD GHG Protocol. Indicator EN4 measures the consumption of primary energy sources to supply the reporting organization with intermediate energy such as electricity, heating and cooling, etc.

2. Compilation

2.1 Direct energy sources purchased

Identify primary energy sources purchased by the reporting organization for its own consumption. This includes:

- Direct non-renewable energy sources including:
 - Coal;
 - Natural gas; and

- Fuel distilled from crude oil, including gasoline, diesel, liquefied petroleum gas (LPG), compressed natural gas (CNG), liquefied natural gas (LNG), butane, propane, ethane, etc.
- Direct renewable energy sources including:
 - Biofuels;
 - Ethanol; and
 - Hydrogen.

Note: Biomass is excluded from direct renewable energy sources for the purpose of reporting to the WRI/WBCSD GHG Protocol. For alignment with the WRI/WBCSD GHG Protocol, direct CO₂ emissions from the combustion of biomass should be reported separately.

2.2 Direct energy sources produced

Identify the amount of primary energy the reporting organization acquires by producing, extracting, harvesting, collecting, or converting it from other forms of energy into joules or multiples. This can include the same energy sources listed under 2.1.

2.3 Direct energy sources sold

Identify the amount of primary energy exported outside the reporting boundary in joules or multiples.

2.4 Calculate total energy consumption in joules or multiples such as gigajoules (one billion joules or 10⁹ joules) using the following equation:

Total direct energy consumption = direct primary energy purchased + direct primary energy produced - direct primary energy sold

Refer to the following table to convert volumes of primary sources to gigajoules:



Coal	GJ	Crude Oil	GJ	Gasoline	GJ	Natural Gas	GJ	Electricity	GJ
tonne (metric)	26,00	barrel	6,22	US gallon	0,125	therm	0,1055	kilowatt-hour	0,0036
ton (short)	23,59	tonne (metric)	44,80	tonne (metric)	44,80	1000 cubic feet	1,1046	megawatt-hour	3,6000
ton (long)	26,42	ton (short)	40,64	Diesel		1000 cubic meters	39,01	gigawatt-hour	3600,0
		ton (long)	45,52	US gallon	0,138	MMBtu	1,055		
				tonne (metric)	43,33				
				Fuel Oil					
				US gallon	0,144				
				tonne (metric)	40,19				

2.5 Report total direct energy consumption in joules or multiples by renewable primary source.

2.6 Report total direct energy consumption in joules or multiples by non-renewable primary source.

3. Definitions

Renewable resources

Resources capable of being replenished within a short time through ecological cycles (as opposed to resources such as minerals, metals, oil, gas, coal that do not renew in short time periods).

4. Documentation

Information can be obtained from invoices, measured (or calculated) heat/fuel accounting, estimations, defaults, etc. Amounts of joules can be taken directly or converted from invoices or delivery notes. Information about the combination of primary sources used to generate intermediate energy can be obtained from suppliers.

5. References

- The Greenhouse Gas Protocol (GHG) Initiative - A corporate accounting and reporting standard (Revised Edition, 2004) of the World Resources Institute (WRI) and the World Business Council for Sustainable Development (WBCSD).



EN4 Indirect energy consumption by primary source.

1. Relevance

The amount and primary source of energy the reporting organization uses indirectly through the purchase of electricity, heat, or steam, can indicate efforts by the organization to manage environmental impacts and reduce its contribution to climate change. The particular effect indirect energy usage has on climate change depends on the type of primary energy used to generate intermediate energy.

Intermediate energy refers to forms of energy that are produced by converting primary energy into other forms. For most organizations, electricity will be the only significant form of intermediate energy. For a small percentage of organizations, other intermediate energy products might also be important, such as steam or water provided from a district heating plant or chilled water plant, or refined fuels such as synthetic fuels, biofuels, etc.

This Indicator measures the energy required to produce and deliver purchased electricity and any other intermediate energy products (such as district heat) that involve significant energy consumption upstream from the organization's reporting boundary. This information also enables calculations of indirect greenhouse gas emissions. It covers Scope 2 of the WRI/WBCSD GHG Protocol.

2. Compilation

- 2.1** Identify the amount of intermediate energy purchased and consumed from sources external to the reporting organization in joules or multiples, such as gigajoules (one billion joules, or 10^9 joules). This includes:

Intermediate energy purchased and consumed from non-renewable energy sources as listed under EN3, including:

- Electricity;
- Heating and Cooling;
- Steam;
- Nuclear energy; and
- Other forms of imported energy.

Intermediate energy purchased and consumed from renewable energy sources including:

- Solar;
- Wind;
- Geothermal;
- Hydro energy;
- Biomass based intermediate energy; and
- Hydrogen based intermediate energy.

- 2.2** Identify the amount of primary fuels consumed to produce intermediate energy based on the total amount of energy purchased from external suppliers (EN3- Energy Purchased). To estimate the fuels consumed to produce purchased energy, use either:

- Fuel consumption data acquired from the electricity provider if these data are available;
- Default data for electricity and heat; or
- Estimations where default figures are not available.

- 2.3** Using data from 2.1, report:

- The total amount of indirect energy used by indirect non-renewable sources and indirect renewable sources in terms of intermediate energy; and
- The corresponding primary energy consumed in its production.

Note: The sum of primary energy sources (expressed in joules) used to generate intermediate energy will, depending on the primary source used, significantly exceed the amount of intermediate energy purchased (in joules) due to grid and efficiency losses when converting and transporting energy.

3. Definitions

None.



4. Documentation

Suppliers of energy and related services are the most important informational source for this Indicator. Other information can be obtained from invoices, measured (or calculated) heat/fuel accounting, estimations, defaults, etc. Besides default data drawn from the International Energy Agency (IEA), information can be obtained from the annual reports submitted by governments to the United Nations Framework Convention on Climate Change (UNFCCC). These reports will detail country energy use and associated emissions for country specific defaults, etc.

5. References

- International Energy Agency's (IAE) annual publication of Energy Balances for OECD and non-OECD countries.
- The Greenhouse Gas Protocol (GHG) Initiative - A corporate accounting and reporting standard (Revised Edition, 2004) of the World Resources Institute (WRI) and the World Business Council for Sustainable Development (WBCSD).
- Kyoto Protocol, 1997.



EN5 Energy saved due to conservation and efficiency improvements.

1. Relevance

This Indicator demonstrates the results of proactive efforts to improve energy-efficiency through technological improvements of processes and other energy conservation initiatives. Improved energy efficiency can result in cost savings and can lead to competitive advantages and market differentiation. Supporting efficient energy technology has a direct impact on operational costs, and reduces the reporting organization's future dependency on non-renewable energy sources. Efficient energy use is one key strategy in combating climate change and other environmental impacts created by the extraction and processing of energy.

2. Compilation

- 2.1** Identify total energy saved by efforts to reduce energy use and increase energy efficiency. Reduced energy consumption from reduced production capacity or outsourcing should not be included in this Indicator.
- 2.2** Report the total amount of energy saved in joules or multiples, such as gigajoules (one billion joules or 10^9 joules). Take into consideration energy saved due to:
 - Process redesign;
 - Conversion and retrofitting of equipment; and
 - Changes in personnel behavior.

3. Definitions

Energy saved

The reduced amount of energy needed to carry out the same processes or tasks. The term does not include overall reduction in energy consumption from reduced organizational activities (e.g., partial outsourcing of production).

Conservation and efficiency improvements

Organizational or technological innovations that allow a defined process or task to be carried out at a reduced level of energy consumption. This includes process redesign, the conversion and retrofitting of equipment (e.g., energy-efficient lighting), or the elimination of unnecessary energy use due to changes in behavior.

4. Documentation

Information can be obtained from internal energy measurements and supplier information (e.g., energy related specification of new machinery, light bulbs, etc.).

5. References

None.



EN6 Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives.

1. Relevance

Energy consumption is a major contributor to climate change since the burning of fossil fuel energy sources ultimately generates carbon dioxide (a greenhouse gas). Using energy more efficiently is essential to combating climate change, which is the aim of the Kyoto Protocol. Providing energy efficient products and services is an important part of product stewardship initiatives. These products and services can be a source of competitive advantage by enhancing product differentiation and reputation. Energy-efficient technologies can also reduce the cost of consumer goods. When initiatives of different organizations in the same sector are compared, it can give an indication of likely trends in the market for a product or service.

2. Compilation

- 2.1** Report existing initiatives to reduce the energy requirements of major products/product groups or services.
- 2.2** Report quantified reductions in the energy requirements of products and services achieved during the reporting period.
- 2.3** If use-oriented figures are employed (e.g., energy requirements of a computer), clearly report any assumptions about underlying consumption patterns or normalization factors (e.g., 10% less energy use per average working day, assuming operation for 8 hours with changing processor load). Refer to available industry standards (e.g., fuel consumption of cars for 100 km at 90 km/h).

3. Definitions

None.

4. Documentation

Information can be obtained from internal product testing/measurements, research concerning usage patterns, industry standards, etc.

5. References

- Energy efficiency standards and relevant testing procedures are available from the International Organization for Standardization (ISO).
- Energy efficiency standards and relevant testing procedures are available from the International Electrotechnical Commission (IEC).



EN7 Initiatives to reduce indirect energy consumption and reductions achieved.

1. Relevance

Indirect energy use occurs through purchasing materials and components or services such as travel, commuting, and subcontracted production. When monitored comprehensively, indirect energy use can be reduced effectively (e.g., by carefully selecting energy-efficient materials, services, or production capacities, or substituting phone or video conferences for travel).

Quantifying indirect energy use provides a basis for calculating 'other relevant indirect greenhouse gas emissions' as requested in EN17. Tracking and reducing indirect energy use can improve the overall life-cycle performance of products and services, and serve as part of a comprehensive design-for-environment program.

Finally, this Indicator covers energy savings achieved in the indirect energy consumption of the reporting organization's activities.

2. Compilation

- 2.1** For this Indicator, exclude indirect energy use associated with the purchase of intermediate energy sources as reported in EN4.
- 2.2** Identify relevant upstream/downstream indirect energy use in the following four areas:
 - Use of energy-intensive materials;
 - Subcontracted production;
 - Business-related travel; and
 - Employee commuting.
- 2.3** Report initiatives to reduce indirect energy use.
- 2.4** Report quantitatively the extent to which indirect energy use has been reduced during the reporting period for the four areas listed in 2.2.
- 2.5** Indicate underlying assumptions and methodologies used to calculate other indirect energy use and indicate the source of information.

3. Definitions

None.

4. Documentation

Relevant data can be drawn from supplier information, life-cycle calculations/estimations (carried out internally or by research organizations), etc.

5. References

- International Energy Agency's (IAE) annual publication of Energy Balances for OECD and non-OECD countries.



EN8 Total water withdrawal by source.

1. Relevance

Reporting the total volume of water withdrawn by source contributes to an understanding of the overall scale of potential impacts and risks associated with the reporting organization's water use. The total volume withdrawn provides an indication of the organization's relative size and importance as a user of water, and provides a baseline figure for other calculations relating to efficiency and use.

The systematic effort to monitor and improve the efficient use of water in the reporting organization is directly linked to water consumption costs. Total water use can also indicate the level of risk posed by disruptions to water supplies or increases in the cost of water. Clean freshwater is becoming increasingly scarce, and can impact production processes that rely on large volumes of water. In regions where water sources are highly restricted, the organization's water consumption patterns can also influence relations with other stakeholders.

2. Compilation

- 2.1** Identify the total volume of water withdrawn from any water source that was either withdrawn directly by the reporting organization or through intermediaries such as water utilities. This includes the abstraction of cooling water.
- 2.2** Report the total volume of water withdrawn in cubic meters per year (m³/year) by the following sources:
 - Surface water, including water from wetlands, rivers, lakes, and oceans;
 - Ground water;
 - Rainwater collected directly and stored by the reporting organization;
 - Waste water from another organization; and
 - Municipal water supplies or other water utilities.

3. Definitions

Total water withdrawal

The sum of all water drawn into the boundaries of the reporting organization from all sources (including surface water, ground water, rainwater, and municipal water supply) for any use over the course of the reporting period.

4. Documentation

Information on organizational water withdrawal can be drawn from water meters, water bills, calculations derived from other available water data or (if neither water meters nor bills or reference data exist) the organization's own estimates.

5. References

None.



EN9 Water sources significantly affected by withdrawal of water.

1. Relevance

Withdrawals from a water system can affect the environment by lowering the water table, reducing volume of water available for use, or otherwise altering the ability of an ecosystem to perform its functions. Such changes have wider impacts on the quality of life in the area, including economic and social consequences.

This Indicator measures the scale of impacts associated with the organization's water use. In terms of relations with other users of the same water sources, this Indicator also enables an assessment of specific areas of risk or improvement, as well as the stability of the organization's own water sources.

2. Compilation

2.1 Identify water sources significantly affected by water withdrawal by the reporting organization. Significant withdrawals meet one or more of the following criteria:

- Withdrawals that account for an average of 5 percent or more of the annual average volume of a given water body;
- Withdrawals from water bodies that are recognized by professionals to be particularly sensitive due to their relative size, function, or status as a rare, threatened, or endangered system (or to their support of a particular endangered species of plant or animal); or
- Any withdrawal from a Ramsar-listed wetland or any other nationally or internationally proclaimed conservation area regardless of the rate of withdrawal.

Note: If the water is provided by a public or private water supplier, the original water body/source should be identified and reported.

2.2 Report the total number of significantly affected water sources by type according to the criteria above, indicating the following:

- Size of water source in cubic meters (m³);
- Whether or not the source is designated as a protected area (nationally and/or internationally); and
- Biodiversity value (e.g., species diversity and endemism, number of protected species).
- Value/importance of water source to local communities.

3. Definitions

None.

4. Documentation

Information on the characteristics of a water source or protected area can be obtained from local or national water-related ministries or government departments, or research such as environmental impact assessments.

5. References

- IUCN Red List of Threatened Species.
- Ramsar Convention on Wetlands, 1971.



EN10 Percentage and total volume of water recycled and reused.

1. Relevance

The rate of water reuse and recycling can be a measure of efficiency and can demonstrate the success of the organization in reducing total water withdrawals and discharges. Increased reuse and recycling can result in a reduction of water consumption, treatment, and disposal costs. The reduction of water consumption through reuse and recycling can also contribute to local, national, or regional goals for managing water supplies.

2. Compilation

- 2.1** This Indicator measures both water that was treated prior to reuse and water that was not treated prior to reuse. Grey water (i.e., collected rainwater and wastewater generated by household processes such as washing dishes, laundry, and bathing) is included.
- 2.2** Calculate the volume of recycled/reused water based on the volume of water demand satisfied by recycled/reused water rather than further withdrawals. For example, if the organization has a production cycle that requires 20 cubic meters of water per cycle, the organization withdraws 20 cubic meters of water for one production process cycle and then reuses it for an additional three cycles. The total volume of water recycled/reused for that process is 60 cubic meters.
- 2.3** Report the total volume of water recycled/reused by the organization in cubic meters per year (m³/year) and also as a percentage of the total water withdrawal reported under Indicator EN8.

3. Definitions

Recycling/Reuse

The act of processing used water/wastewater through another cycle before discharge to final treatment and/or discharge to the environment. In general, there are three types of water recycling/re-use:

- Wastewater recycled back in the same process or higher use of recycled water in the process cycle;
- Wastewater recycled/re-used in a different process, but within the same facility; and
- Wastewater re-used at another of the reporting organization's facilities.

4. Documentation

Information can be obtained from water meters, water bills, or (if neither water meters nor bills exist) calculations based on a water audit or inventory, or from water retailer.

5. References

None.



EN11 Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas.

1. Relevance

By reporting on the potential impact on land that lies within, contains, or is adjacent to legally protected areas, as well as areas of high biodiversity value outside protected areas, an organization can identify and understand certain risks associated with biodiversity. Monitoring which activities are taking place in both protected areas and areas of high biodiversity value outside protected areas makes it possible for the reporting organization to reduce the risks of impacts. It also makes it possible for the organization to manage impacts on biodiversity or avoid mismanagement. Failure to adequately manage such impacts may result in reputational damage, delays in obtaining planning permission, and the loss of a social license to operate.

2. Compilation

- 2.1** Identify operational sites owned, leased, managed in, located in, adjacent to, or that contain protected areas and areas of high biodiversity value outside protected areas. Include sites for which future operations have been formally announced.
- 2.2** Report the following information for each operational site identified above:
 - Geographic location;
 - Subsurface and/or underground land that may be owned, leased, or managed by the organization;
 - Position in relation to protected area (in the area, adjacent to, or containing portions of the protected area) and high biodiversity value area outside protected area;
 - Type of operation (office, manufacturing/production, or extractive);
 - Size of operational site in km²;
 - Biodiversity value characterized by:
 - The attribute of the protected area and high biodiversity value area outside protected area (terrestrial, freshwater, or maritime ecosystem); and
 - Listing of protected status (e.g., IUCN Protected Area Management Category, Ramsar Convention, national legislation, Natura 2000 site, etc.).

3. Definitions

Protected area

A geographically defined area that is designated, regulated, or managed to achieve specific conservation objectives.

Areas of high biodiversity value

Areas not subject to legal protection but recognized for important biodiversity features by a number of governmental and non-governmental organizations. These include habitats that are a priority for conservation (often defined in National Biodiversity Strategies and Action Plans prepared under the Convention on Biological Diversity). In addition, several international conservation organizations have identified particular areas of high biodiversity value.

4. Documentation

Sources of information for the required data could include purchase contracts, lease contracts, or the national/regional land registry.

On the national level, public agencies responsible for environmental protection and conservation might keep information on internationally and nationally protected areas and areas of high biodiversity value. In addition, National Biodiversity Strategies and Action Plans often include information and registers of protected areas and areas of high biodiversity value.

5. References

- Ramsar Convention on Wetlands, 1971.
- UNESCO World Heritage Sites.
- United Nations Biosphere Reserves.
- National Biodiversity Strategies and Action Plans prepared under the Convention on Biological Diversity.
- Conservation International's Biodiversity Hotspots and Wilderness Areas.
- WWF's Global 200 Ecoregion.
- Bird Life International's Important Bird Areas.
- IUCN's Centres of Plant Diversity.



EN12 Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas.

1. Relevance

This Indicator provides information on the significant direct and indirect impacts of the reporting organization on biodiversity in protected areas and areas of high biodiversity value outside protected areas. It also provides the background for understanding (and developing) an organizational strategy to mitigate these impacts. By asking for structured, qualitative information, the Indicator enables comparison across organizations and over time of the relative size, scale, and nature of impacts.

2. Compilation

- 2.1** Identify significant impacts on biodiversity associated with activities, products, and services of the reporting organization, including both direct impacts as well as indirect impacts (e.g., in the supply chain).
- 2.2** Report the nature of significant direct and indirect impacts on biodiversity with reference to one or more of the following:
 - Construction or use of manufacturing plants, mines, and transport infrastructure;
 - Pollution (introduction of substances that do not naturally occur in the habitat from point and non-point sources);
 - Introduction of invasive species, pests, and pathogens;
 - Reduction of species;
 - Habitat conversion; and
 - Changes in ecological processes outside the natural range of variation (e.g., salinity or changes in groundwater level).

- 2.3** Report significant direct and indirect positive and negative impacts with reference to the following:

- Species affected;
- Extent of areas impacted (this may not be limited to areas that are formally protected and should include consideration of impacts on buffer zones as well as formally designated areas of special importance or sensitivity);
- Duration of impacts; and
- Reversibility or irreversibility of the impacts.

3. Definitions

Significant impact

Impacts that may adversely affect the integrity of a geographical area/region, either directly or indirectly. This occurs by substantially changing its ecological features, structures, and functions across its whole area and over the long term. This means that the habitat, its population level, and/or the particular species that make that habitat important cannot be sustained.

On a species level, a significant impact causes a population decline and/or change in distribution so that natural recruitment (reproduction or immigration from unaffected areas) cannot return to former levels within a limited number of generations. A significant impact can also affect subsistence or commercial resource use to the degree that the well-being of users is affected over the long term.

4. Documentation

Information for this Indicator can be found in the reporting organization's environmental management system or other internal documentation. If available, information can also be obtained from environmental and social impact assessments and/or lifecycle assessments, and from other organizations upstream/downstream in the supply chain.

5. References

- **GRI Cross-Reference:** GRI Biodiversity Resource Document.



EN13 Habitats protected or restored.

1. Relevance

A biodiversity strategy contains a combination of elements related to the prevention, management, and remediation of damage to natural habitats resulting from the organization's activities. This Indicator measures the implementation of a specific strategy for preventing or redressing negative impacts associated with activities. Ensuring the integrity of natural habitats can enhance the reputation of the organization, the stability of its surrounding natural environment and resources, and its acceptance by surrounding communities.

2. Compilation

- 2.1** This Indicator refers to areas in which remediation has been completed or the area is actively protected (see Definitions). Areas in which operations are still active can be counted if they conform to the definitions of 'restored' or 'protected'.
- 2.2** Assess the status of the area based on its condition at the close of the reporting period.
- 2.3** Report the size and location of all habitat protected areas and/or restored areas (in hectares), and whether the success of the restoration measure was/is approved by independent external professionals. If the area is larger than one km², report in km².
- 2.4** Report whether partnerships exist with third parties to protect or restore habitat areas distinct from where the organization has overseen and implemented restoration or protection measures.

3. Definitions

Area restored

Areas that were used during or affected by operational activities, and where remediation measures have either restored the environment to its original state or to a state where it is a healthy and functioning ecosystem.

Area protected

Areas that are protected from any harm during operational activities, and the environment remains in its original state with a healthy functioning ecosystem.

4. Documentation

Information on protected areas can be found in the documentation of the organization's environmental management system, site plans, environmental and social impact assessments, or organizational policies.

Information on land restoration (i.e., requirements for land restoration) can be found in lease, rent, or purchase contracts of the land, or in environmental and social impact assessments or risk registers.

5. References

None.



EN14 Strategies, current actions, and future plans for managing impacts on biodiversity.

1. Relevance

Performance against biodiversity policies, objectives, and commitments depends on having structured programs in place for managing impacts. The presence and structure of programs is particularly important when national regulations do not provide clear reference points for an organization planning its biodiversity management.

Members of local communities often have unique knowledge of biodiverse areas and their value to local communities that is important for managing impacts on biodiversity.

This Indicator enables both internal and external stakeholders to analyze how well the reporting organization's strategies, current actions, and future plans address potential impacts on biodiversity. The quality of the organization's approach to managing impacts on biodiversity (as identified in EN11 and EN12) will affect its exposure to risks such as reputational damage, fines, or rejection of planning or operating permissions. Actions to protect or restore habitats and species are of particular relevance.

2. Compilation

- 2.1** If national regulations have influenced the specific strategies, actions, or plans reported under this Indicator, this should be noted.
- 2.2** Report the organization's strategy for achieving its policy on biodiversity management including:
 - Integration of biodiversity considerations in analytical tools such as environmental site impact assessments;
 - Engagement with relevant stakeholders;
 - Methodology for establishing risk exposure to biodiversity;
 - Setting specific targets and objectives;
 - Monitoring processes; and
 - Public reporting.

- 2.3** Report actions underway to manage biodiversity risks identified in EN11 and EN12, or plans to undertake such activities in the future.

3. Definitions

None.

4. Documentation

Information on programs and targets can be found in management guidelines or obtained from the organization's Environmental Management System, Environmental and Social Impact Assessments, Corporate Social Responsibility policies, or Risk Registers.

5. References

None.



EN15 Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk.

1. Relevance

This Indicator helps the reporting organization to identify where its activities can pose a threat to endangered plant and animal species. By identifying these threats, the organization can initiate appropriate steps to avoid harm and to prevent the extinction of species. The IUCN Red List and national conservation list species can serve as authorities on the sensitivity of habitat in areas affected by operations, and on the relative importance of these habitats from a management perspective.

2. Compilation

- 2.1** Identify the location of habitats affected by the operations of the reporting organization that include species on the IUCN Red List and on national conservation lists.
- 2.2** Report the number of species in habitats identified as affected by the reporting organization, indicating one of the following levels of extinction risk:
 - Critically endangered;
 - Endangered;
 - Vulnerable;
 - Near threatened; and
 - Least concern.

3. Definitions

IUCN Red List species

An inventory of the global conservation status of plant and animal species developed by the International Union for the Conservation of Nature and Natural Resources (IUCN).

4. Documentation

Information on the presence of species on the IUCN Red List and national conservation lists can be obtained from national/regional conservation agencies, local authorities, or environmental NGOs. For organizations operating in or adjacent to protected areas or areas of high-biodiversity value, planning studies or other permit materials may also contain information about the biodiversity within the protected areas.

5. References

- IUCN Red List of Threatened Species.



EN16 Total direct and indirect greenhouse gas emissions by weight.

1. Relevance

Greenhouse gas emissions are the main cause of climate change and are governed by the United Nations Framework Convention on Climate Change (UNFCCC) and the subsequent Kyoto Protocol. As a result, different national and international regulations and incentive systems (such as trading climate certificates) aim to control the volume and reward the reduction of greenhouse gas emissions.

This Indicator can be used in combination with EN17 to explain targets for regulations or trading systems at international or national levels. The combination of direct and indirect emissions also provides insights into the potential cost implications of taxation or trading systems for reporting organizations.

2. Compilation

2.1 Different conversion methodologies are available to calculate the amount of greenhouse gas emissions per source. Indicate the standard used, and indicate the methodology associated with the data with reference to the following categories:

- Direct measurement (e.g., continuous online analyzers, etc.);
- Calculation based on site specific data (e.g., for fuel composition analysis, etc.);
- Calculation based on default data; and
- Estimations. If estimations are used due to a lack of default figures, indicate which basis figures were obtained.

Further details on the compilation of this Indicator are available in the WRI /WBCSD GHG Protocol and in the IPCC document as listed under references.

2.2 Identify direct emissions of greenhouse gases from all sources owned or controlled by the reporting organization, including:

- Generation of electricity, heat, or steam (as reported in EN3);
- Other combustion processes such as flaring;
- Physical or chemical processing;

- Transportation of materials, products, and waste;
- Venting; and
- Fugitive emissions.

Emissions from combustion processes and sources will correspond to the direct primary energy from non-renewable and renewable sources as reported in EN3. Note that the direct CO₂ emissions from the combustion of biomass shall not be included but reported separately under GHG Protocol Corporate Standard (revised edition).

2.3 Identify indirect emissions of greenhouse gases resulting from the generation of purchased electricity, heat, or steam (this corresponds with energy consumption reported under EN4).

Other indirect emissions (e.g., from organizational travel) are not included since they are accounted for in EN17.

2.4 Report total greenhouse gas emissions as the sum of direct and indirect emissions (as identified in 2.2 and 2.3) in tonnes of CO₂ equivalent.

3. Definitions

Direct emissions

Emissions from sources that are owned or controlled by the reporting organization. For example, direct emissions related to combustion would arise from burning fuel for energy within the reporting organization's operational boundaries.

Indirect emissions

Emissions that result from the activities of the reporting organization but are generated at sources owned or controlled by another organization. In the context of this Indicator, indirect emissions refer to greenhouse gas emissions from the generation of electricity, heat, or steam that is imported and consumed by the reporting organization.

Carbon dioxide equivalent

CO₂ (Carbon Dioxide) equivalent is the measure used to compare the emissions from various greenhouse gases based on their global warming potential (GWP). The CO₂ equivalent for a gas is derived by multiplying the tonnes of the gas by the associated GWP.



4. Documentation

Emissions resulting from direct and indirect energy use can be calculated from the data reported in EN3 and EN4.

5. References

- The Greenhouse Gas Protocol (GHG) Initiative - A corporate accounting and reporting standard (Revised Edition, 2004) of the World Resources Institute (WRI) and the World Business Council for Sustainable Development (WBCSD).
- Kyoto Protocol, 1997.
- Intergovernmental Panel on Climate Change (IPCC), Climate Change 2001, Working Group I: The Scientific Basis.



EN17 Other relevant indirect greenhouse gas emissions by weight.

1. Relevance

Greenhouse gas emissions are the main cause of climate change and are governed by the United Nations Framework Convention on Climate Change (UNFCCC) and the subsequent Kyoto Protocol. For some organizations, indirect greenhouse gas emissions are significantly greater than their direct emissions. They are also sufficiently under the influence of the organization that changes in its practices can lead to significant reductions. Measuring and demonstrating efforts to reduce indirect emissions can demonstrate leadership in combating climate change and can enhance the organization's reputation.

2. Compilation

- 2.1 Identify the greenhouse gas emissions resulting from indirect energy use. Exclude indirect emissions from imported electricity, heat, or steam, as these are covered by EN16.
- 2.2 Additionally, identify which of the reporting organization's activities cause indirect emissions and assess their amounts (e.g., employee commuting, business travel, etc).

When deciding on the relevance of these activities, consider whether emissions of the activity:

- Are large compared to other activities generating direct emissions or energy related indirect emissions (as reported in EN16);
- Are judged to be critical by stakeholders;
- Could be substantially reduced through actions taken by the reporting organization.

- 2.3 Report the sum of indirect GHG emissions identified in tonnes of CO₂ equivalent.

3. Definitions

Indirect emissions

Emissions that are consequences of the activities of the reporting organization but are generated at sources owned or controlled by another organization. In the context of this Indicator, indirect emissions do not include those generated from imported electricity, heat, or steam consumed by the reporting organization (e.g., transport, packaging).

Carbon dioxide equivalent

CO₂ (Carbon Dioxide) equivalent is the measure used to compare emissions from various greenhouse gases based on their global warming potential (GWP). The CO₂ equivalent for a gas is derived by multiplying the tonnes of the gas by the associated GWP.

4. Documentation

Information can be obtained from external suppliers of products and services. For certain types of indirect emissions such as business travel, the organization may need to combine its own records with data from external sources to arrive at an estimate.

5. References

- The Greenhouse Gas Protocol (GHG) Initiative - A corporate accounting and reporting standard (Revised Edition, 2004) of the World Resources Institute (WRI) and the World Business Council for Sustainable Development (WBCSD).
- Intergovernmental Panel on Climate Change (IPCC), Climate Change 2001, Working Group I: The Scientific Basis.
- Kyoto Protocol, 1997.



EN18 Initiatives to reduce greenhouse gas emissions and reductions achieved.

1. Relevance

Greenhouse gas emissions are the main cause of climate change and are governed by the United Nations agreed on the Framework Convention on Climate Change (UNFCCC) and the subsequent Kyoto Protocol. As a result, different national and international regulations and incentive systems (such as trading climate certificates) aim to control the volume and reward the reduction of greenhouse gas emissions. When monitored comprehensively, emissions can be reduced effectively (e.g., by carefully selecting energy-efficient materials, services, or production capacities).

This Indicator can be used in combination with EN16 and EN17 to set and monitor reduction targets with reference to regulations or trading systems at international or national levels.

Tracking and reducing greenhouse gas emissions can improve the overall life cycle performance of products and services, and serve as part of a comprehensive design-for-environment program.

2. Compilation

- 2.1** Identify emissions reductions from all sources owned or controlled by the reporting organization as reported under EN16 and resulting from indirect energy use and activities of the reporting organization as reported under EN17. Distinguish between mandatory and voluntary emissions reductions.
- 2.2** Report initiatives to reduce greenhouse gas emissions, include the areas where the initiatives were implemented.
- 2.3** Report quantitatively the extent greenhouse gas emissions reductions achieved during the reporting period as a direct result of the initiative(s) in tonnes of CO₂ equivalent.

3. Definitions

None.

4. Documentation

Information can be drawn from data reported under EN16 and EN17, from emissions measurements, calculated from accounting data and defaults, or from estimates. Information on initiatives can likely be found in records maintained by departments responsible for environmental management.

5. References

- The Greenhouse Gas Protocol (GHG) Initiative- A corporate accounting and reporting standard (Revised Edition, 2004) of the World Resources Institute (WRI) and the World Business Council for Sustainable Development (WBCSD).
- Kyoto Protocol, 1997.
- Intergovernmental Panel on Climate Change (IPCC), Climate Change 2001, Working Group I: The Scientific Basis.



EN19 Emissions of ozone-depleting substances by weight.

1. Relevance

The ozone layer (O₃) filters out most of the sun's biologically harmful ultraviolet (UV-B) radiation. The Montreal Protocol regulates the phase-out of ozone-depleting substances (ODS) internationally. Measuring ODS emissions enables an assessment of how well the reporting organization complies with current and future legislation, and its likely risks in this area. This is particularly relevant for organizations whose processes, products, and services have used ODS and must transition to new technologies in order to comply with phase-out commitments. The reporting organization's results on ODS phase-out can help indicate its level of technology leadership and competitive position in markets for products and services affected by ODS rules.

2. Compilation

- 2.1 Ozone-depleting substances contained or emitted from products during their usage and disposal are not covered by this Indicator.
- 2.2 Emissions of substances covered in Annexes A, B, C, and E of the Montreal Protocol on Substances that Deplete the Ozone Layer are included.
- 2.3 Identify emissions of ozone-depleting substances using the following formulas:

Emissions = Production + Imports- Exports of Substances

Production = Substances Produced- Substances Destroyed by Technology- Substances used entirely as feedstock in the manufacture of other chemicals

Note: ODS that is recycled and reused is not considered production.

- 2.4 Report the emissions of specific ozone-depleting substances in tonnes and tonnes of CFC-11 equivalent.

3. Definitions

Ozone-depleting substance (ODS)

Any substance with an ozone depletion potential (ODP) greater than 0 that can deplete the stratospheric ozone layer. Most ozone-depleting substances are controlled under the Montreal Protocol and its amendments, and include CFCs, HCFCs, halons, and methyl bromide.

CFC-11 equivalent

CFC-11 is a measure used to compare various substances based on their relative ozone depletion potential. The reference level of 1 is the potential of CFC-11 and CFC-12 to cause ozone depletion.

4. Documentation

Information can be derived from internal measurements and accounting.

5. References

- The Montreal Protocol on substances that deplete the ozone layer.
- United Nations Environment Programme (UNEP) Halon Handbook.



EN20 NO_x, SO_x, and other significant air emissions by type and weight.

1. Relevance

This Indicator measures the scale of the organization's air emissions and can demonstrate the relative size and importance of these emissions compared to other organizations.

Air pollutants have adverse effects on habitats and human and animal health. Deterioration of air quality, acidification, forest degradation, as well as public health concerns has led to local and international regulations to control air emissions. Reductions in regulated pollutants lead to improved health conditions for workers and neighboring communities. Reductions or demonstrated performance beyond compliance can enhance relations with affected communities and workers, and the ability to maintain or expand operations. In regions with emission caps, the volume of emissions also has direct cost implications for the organization.

2. Compilation

- 2.1** Identify significant air emissions and calculate their weight.
- 2.2** Since calculating certain air emissions such as NO_x requires complex quantification efforts, indicate the methodology used for calculations, selecting one of the following approaches:
 - Direct measurement of emissions (e.g., online analyzers, etc.);
 - Calculation based on site specific data;
 - Calculation based on default data; or
 - Estimation (if estimations are used due to a lack of default figures, indicate on what basis figures were obtained).
- 2.3** Report the weight of significant air emissions (in kilograms or multiples such as tonnes) for each of the following categories:
 - NO_x;
 - SO_x;
 - Persistent organic pollutants (POP);

- Volatile organic compounds (VOC);
- Hazardous air pollutants (HAP);
- Stack and fugitive emissions;
- Particulate matter (PM); or
- Other standard categories of air emissions identified in regulations.

3. Definitions

Significant air emissions

Air emissions that are regulated under international conventions and/or national laws or regulations, including those listed on environmental permits for the reporting organization's operations.

4. Documentation

Information can be drawn from emissions measurements, calculated from accounting data and defaults, or estimated.

5. References

- Geneva Protocol to the Convention on Long-Range Transboundary Air Pollution, 1979.
- Helsinki Protocol to the Convention on Long-Range Transboundary Air Pollution, 1985.
- Rotterdam Convention on the Prior Informed Consent (PIC) Procedure, 1998.
- Stockholm Convention on Persistent Organic Pollutants (POPs) (Annex A, B, and C), 2001.
- Sofia Protocol to the Convention on Long-Range Transboundary Air Pollution, 1988.
- Gothenburg Protocol to the 1979 Convention on Long-Range Transboundary Air Pollution to abate acidification, eutrophication, and ground-level ozone.



EN21 Total water discharge by quality and destination.

1. Relevance

The amount and quality of the water discharged by the reporting organization is directly linked to ecological impact and operational costs. By progressively improving the quality of discharged water and/or reducing volumes, the reporting organization has the potential to reduce its impact on the surrounding environment. Unmanaged discharge of effluents with a high chemical or nutrient load (principally nitrogen, phosphorous, or potassium) can have a significant impact on receiving waters. This, in turn, can affect the quality of the water supply available to the organization and its relationship with communities and other water users.

Discharging effluents or process water to a facility for treatment not only reduces pollution levels, but can also lower the organization's financial costs and the risk of regulatory action for non-compliance with environmental regulation. All of this enhances the reporting organization's social license to operate.

2. Compilation

- 2.1** Identify planned and unplanned water discharges (excluding collected rainwater and domestic sewage) by destination and indicate how it is treated. If the reporting organization does not have a meter to measure water discharges, this figure needs to be estimated by subtracting the approximate volume consumed on-site from the volume withdrawn as reported in EN8.
- 2.2** Report the total volume of planned and unplanned water discharges in cubic meters per year (m³/year) by:
 - Destination;
 - Treatment method; and
 - Whether it was reused by another organization.
- 2.3** Reporting organizations that discharge effluents or process water should report water quality in terms of total volumes of effluent using standard effluent parameters such as Biological Oxygen Demand (BOD), Total Suspended Solids (TSS), etc. The specific choice of quality parameters will vary depending on the organization's products/

services/operations. The selection of parameters should be consistent with those used in the organization's sector.

Clean water refers to water that meets national regulations for freshwater quality when leaving the boundaries of the reporting organization. This can be either freshwater whose quality has not been affected by the organization's use, or wastewater that is treated to meet freshwater standards prior to discharge.

3. Definitions

Total water discharge

The sum of water effluents discharged over the course of the reporting period to subsurface waters, surface waters, sewers that lead to rivers, oceans, lakes, wetlands, treatment facilities, and ground water either through:

- A defined discharge point (point source discharge);
- Over land in a dispersed or undefined manner (non-point source discharge); or
- Wastewater removed from the reporting organization via truck. Discharge of collected rainwater and domestic sewage is not regarded as water discharge.

4. Documentation

Information sources about the volume of water discharged by the reporting organization include flow meters (point-source discharges or when discharges are released through a pipe) and regulatory permits.

5. References

- MARPOL Convention (International Convention for the Prevention of Pollution of Ships), 1973.
- Stockholm Convention on Persistent Organic Pollutants (POPs), 2001.



EN22 Total weight of waste by type and disposal method.

1. Relevance

Data on waste generation figures over several years can indicate the level of progress the organization has made toward waste reduction efforts. It can also indicate potential improvements in process efficiency and productivity. From a financial perspective, the reduction of waste contributes directly to lower costs for materials, processing, and disposal.

Information about the disposal destination reveals the extent to which a reporting organization has managed the balance between disposal options and uneven environmental impacts. For example, land filling and recycling create very different types of environmental impacts and residual effects. Most waste minimization strategies emphasize prioritizing options for reuse, recycling, and then recovery over other disposal options.

2. Compilation

- 2.1** Identify the amount of waste created by the organization's operations, by:
 - Hazardous waste (as defined by national legislation at the point of generation); and
 - Non-hazardous waste (all other forms of solid or liquid waste excluding wastewater).
- 2.2** If no weight data are available, estimate the weight using available information on waste density and volume collected, mass balances, or similar information.
- 2.3** Report the total amount of waste in tonnes by type as identified in 2.1 for each of the following methods:
 - Reuse;
 - Recycling;
 - Composting;
 - Recovery, including Energy Recovery;
 - Incineration (mass burn);
 - Deep well injection;

- Landfill;
- On-site storage; and
- Other (to be specified by the reporting organization).

- 2.4** Report how the method of disposal has been determined:

- Disposed directly by the reporting organization or otherwise directly confirmed;
- Information provided by the waste disposal contractor; or
- Organizational defaults of the waste disposal contractor.

3. Definitions

Disposal method

The method by which waste is treated or disposed, including composting, reuse, recycling, recovery, incineration, landfill, deep well injection, and on-site storage.

4. Documentation

Potential information sources include external waste audits by providers of disposal services or waste balance sheets from these providers, as well as internal billing and accounting systems, and the procurement or supply management department.

5. References

- Ban Amendment to the Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and their Disposal, 1989.
- London Dumping Convention, 1972.
- MARPOL Convention (International Convention for the Prevention of Pollution of Ships), 1973.



EN23 Total number and volume of significant spills.

1. Relevance

Spills of chemicals, oils, and fuels can have significant negative impacts on the surrounding environment, potentially affecting soil, water, air, biodiversity, and human health. The systematic effort to avoid spills of hazardous materials is directly linked to the organization's compliance with regulations, its financial risk from the loss of raw materials, remediation costs, the risk of regulatory action, as well as damage to reputation. This Indicator also serves as an indirect measure for evaluating the monitoring skills of the organization.

2. Compilation

- 2.1 Identify all recorded significant spills and the volume of these spills.
- 2.2 Report the total number and total volume of recorded significant spills.
- 2.3 For spills that were reported in the organization's financial statement, report the additional following information for each such spill:
 - Location of spill;
 - Volume of spill; and
 - Material of spill, categorized by:
 - Oil spills (soil or water surfaces);
 - Fuel spills (soil or water surfaces);
 - Spills of wastes (soil or water surfaces);
 - Spills of chemicals (mostly soil or water surfaces); and
 - Other.
- 2.4 Report the impacts of significant spills.

3. Definitions

Spill

Accidental release of a hazardous substance that can affect human health, land, vegetation, water bodies, and ground water.

Significant spill

All spills that are included in the reporting organization's financial statement (e.g., due to resulting liabilities) or recorded as a spill by the reporting organization.

4. Documentation

Potential information sources regarding spills of fuel, oils, and chemicals can be internal records within an existing environmental management system as well as official statements made to/by the relevant environmental regulatory agency.

5. References

None.



EN24 Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III, and VIII, and percentage of transported waste shipped internationally.

1. Relevance

Hazardous waste management is a key area of concern for many stakeholders. Improper transport of dangerous wastes, particularly to countries that lack the infrastructure and national regulations to handle such waste, can pose harm to both human health and the environment. In addition, poor management of hazardous waste creates liabilities associated with non-compliance with national and international regulations, as well as potential damage to reputation.

2. Compilation

- 2.1 Identify hazardous wastes transported by or on behalf of the reporting organization within the reporting period by destination.
- 2.2 Identify the total weight of transported hazardous waste using the following equation:

Total weight of hazardous waste transported by destination

=

Weight of hazardous waste transported to the reporting organization by destination from external sources/suppliers not owned by the reporting organization

+

Weight of hazardous waste transported from the reporting organization by destination to external sources/suppliers not owned by the reporting organization

+

Weight of hazardous waste transported nationally and/or internationally by destination between locations owned, leased, or managed by the reporting organization

- 2.3 Identify the total weight of hazardous waste transported across international borders and which enters the boundaries of the reporting

organization, by destination. Waste transported between different locations of the organization is not counted as imported.

- 2.4 Identify the proportion of the total amount of transported hazardous waste by destination that is transported from the reporting organization to locations abroad. Include all wastes that leave the boundaries of the reporting organization to cross international borders, excluding transportation between different locations of the reporting organization.
- 2.5 Identify the portion of the total amount of transported and exported waste by destination that the organization has treated.
- 2.6 Identify the portion of the total amount of waste by destination that is treated by external sources/suppliers, that has been transported, exported, or imported by the organization.
- 2.7 Convert volumes to an estimate of weight with a brief explanation of the methodology used.
- 2.8 Report the following information in kilograms or tonnes:
 - Total weight of hazardous waste transported;
 - Total weight of imported hazardous waste;
 - Total weight of exported hazardous waste; and
 - Total weight of treated hazardous waste.

3. Definitions

None.

4. Documentation

Potential information sources include billing data from logistic or disposal contractors, accounting systems, as well as the procurement or supply management department. Some countries require documentation to accompany hazardous waste shipments that would supply all relevant data for this Indicator.

5. References

- Ban Amendment to the Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and their Disposal, 1989.



EN25 Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the reporting organization's discharges of water and runoff.

1. Relevance

This Indicator is a qualitative counterpart to quantitative Indicators of water discharge that helps to describe the impact of these discharges. Discharges and runoff affecting aquatic habitats can have a significant impact on the availability of water resources. Identifying water bodies affected by discharges provides an opportunity to identify activities in regions of significant concern, or areas where the reporting organization may face specific risks due to community concerns, limited water resources, etc.

2. Compilation

2.1 Identify water bodies significantly affected by the reporting organization's water discharges that meet one of more of the following criteria:

- Discharges account for an average of 5% or more of the annual average volume of the water body;
- Discharges that, on the advice of appropriate professionals (e.g., municipal authorities), are known to have or are highly likely to have significant impacts on the water body and associated habitats;
- Discharges to water bodies that are recognized by professionals to be particularly sensitive due to their relative size, function, or status as a rare, threatened, or endangered system (or support a particular endangered species of plant or animal); or
- Any discharge to a Ramsar-listed wetland or any other nationally or internationally proclaimed conservation area regardless of the rate of discharge.

2.2 Report water bodies significantly affected by water discharges based on the criteria above, adding information on:

- Size of water body in cubic meters (m³);
- Whether the source is designated as a protected area (nationally and/or internationally); and
- Biodiversity value (e.g., number of protected species).

3. Definitions

None.

4. Documentation

Information on the status of a water source or protected area can be obtained from local or national water-related ministries or government departments, or through research initiated by the organization or other institutions, such as environmental impact studies.

5. References

- IUCN Red List of Threatened Species.
- Ramsar Convention on Wetlands.



EN26 Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation.

1. Relevance

For some sectors, the impacts of products and services during their use phase (e.g., water consumption of a washing machine) and at the end of their useful life can be equal to or greater in significance than the production phase. The significance of such impacts is determined by both customer behavior and general product/service design. Organizations are expected to take more proactive approaches to assessing and improving the environmental impacts of their products and services.

This measure assesses the actions the reporting organization has taken to reduce the negative environmental impacts and enhance the positive impacts of its product and service design and delivery. Design for environment can help identify new business opportunities, differentiate products and services, and stimulate innovation in technology. Integrating environmental considerations into product and service design can also decrease the risk of incompatibility with future environmental legislation, as well as enhance reputation.

2. Compilation

2.1 In this Indicator, the following impacts are excluded since they are covered in other Environmental Indicators:

- reclaiming of products and product packaging (EN27); and
- Impacts on biodiversity (EN12).

2.2 Report initiatives in the reporting period to mitigate the most significant environmental impacts of products/service groups in relation to:

- Materials use (e.g., use of non-renewable, energy-intensive, toxic materials);
- Water use (e.g., volumes used during production and/or use);
- Emissions (e.g., GHG, toxic, ozone-depleting emissions);

- Effluents (e.g., quality of water used during production and/or use);
- Noise; and
- Waste (e.g., non-reclaimable, toxic materials/compounds).

2.3 Report quantitatively the extent to which environmental impacts of products and services have been mitigated during the reporting period. If use-oriented figures are employed (e.g., water use of washing machine), clearly indicate the underlying assumptions regarding consumption patterns or normalization factors (e.g., 10% less water use per 5 kg of laundry).

3. Definitions

None.

4. Documentation

Information can be drawn from product Lifecycle Assessments (LCA) or documents related to product design, development, and testing.

5. References

None.



EN27 Percentage of products sold and their packaging materials that are reclaimed by category.

1. Relevance

The disposal of products and packaging materials at the end of a use phase is a steadily growing environmental challenge. Establishing effective recycling and reuse systems to close product cycles can contribute significantly to increased material and resource efficiency. It also mitigates problems and costs related to disposal.

This Indicator provides insight into the extent to which the reporting organization's products, components, or materials are collected and successfully converted into useful materials for new production processes. It also provides insight into the degree to which the organization has designed products and packages capable of being recycled or reused. This measure can be a particular source of competitive differentiation in sectors facing formal requirements to recycle products and their packaging materials.

2. Compilation

- 2.1 Identify the amount of products and their packaging materials reclaimed (i.e., recycled or reused) at the end of their useful life within the reporting period. Rejects and recalls of products should not be counted. Recycling or reuse of packaging should also be reported separately.
- 2.2 Report the percentage of reclaimed products and their packaging materials for each category of products (i.e., a group of related products sharing a common, managed set of features that satisfy the specific needs of a selected market) using the following formula:

$$\% \text{ of reclaimed products} = \frac{\text{products and their packaging materials reclaimed within the reporting period}}{\text{products sold within the reporting period}} \times 100$$

- 2.3 Given potential variations in data sources, report how the data for this Indicator has been collected (e.g., data is gathered from an internal collection system or data is provided by external collection systems reclaiming products on behalf of the organization).

3. Definitions

Reclaimed

Refers to collecting, reusing, or recycling products and their packaging materials at the end of their useful life. Collection and treatment can be carried out by the manufacturer of the product or by a contractor. This refers to products and their packaging materials that are:

- Collected by or on behalf of the reporting organization;
- Separated into raw materials (e.g., steel, glass, paper, some kinds of plastic, etc.) or components; and
- Used by the reporting organization or other users.

4. Documentation

None.

5. References

None.



EN28 Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations.

1. Relevance

The level of non-compliance within the organization helps indicate the ability of management to ensure that operations conform to certain performance parameters. From an economic perspective, ensuring compliance helps to reduce financial risks that occur either directly through fines or indirectly through impacts on reputation. In some circumstances, non-compliance can lead to clean-up obligations or other costly environmental liabilities. The strength of the organization's compliance record can also affect its ability to expand operations or gain permits.

2. Compilation

- 2.1** Identify administrative or judicial sanctions for failure to comply with environmental laws and regulations, including:
- International declarations/conventions/treaties, and national, sub-national, regional, and local regulations. Include non-compliances related to spills as disclosed under EN23 that meet the criteria for EN28;
 - Voluntary environmental agreements with regulating authorities that are considered binding and developed as a substitute for implementing new regulations. In certain jurisdictions, such agreements are referred to as 'covenants'; and
 - Cases brought against the organization through the use of international dispute mechanisms or national dispute mechanisms supervised by government authorities.
- 2.2** Report significant fines and non-monetary sanctions in terms of:
- Total monetary value of significant fines;
 - Number of non-monetary sanctions; and
 - Cases brought through dispute resolution mechanisms.

- 2.3** Where reporting organizations have not identified any non-compliance with laws or regulations, a brief statement to this fact is sufficient.

3. Definitions

Environmental laws and regulations

Refers to regulations related to all types of environmental issues (i.e., emissions, effluents, and waste, as well as material use, energy, water, and biodiversity) applicable to the reporting organization. This includes binding voluntary agreements that are made with regulatory authorities and developed as a substitute for implementing a new regulation. Voluntary agreements can be applicable if the reporting organization directly joins the agreement or if public agencies make the agreement applicable to organizations in their territory through legislation or regulation.

4. Documentation

Data sources include audit results or regulatory tracking systems operated by the legal department. Information regarding monetary fines can be found in accounting departments.

5. References

None.



EN29 Significant environmental impacts of transporting products and other goods and materials used for the organization's operations, and transporting members of the workforce.

1. Relevance

The environmental impacts of transportation systems have a wide reach, from global warming to local smog and noise. For some companies, particularly those with extensive supply and distribution networks, environmental impacts associated with logistics can represent a major part of their environmental footprint. Assessing the impacts of transporting products, goods, and materials for logistical purposes, and transporting members of the organization's workforce, is part of a comprehensive approach to planning environmental management strategies.

2. Compilation

- 2.1** Identify the significant environmental impacts of the modes of transportation used by the organization, including:
- Energy use (e.g., oil, kerosene, fuel, electricity);
 - Emissions (e.g., greenhouse gas emissions, ozone-depleting substances, NO_x, SO_x, and other air emissions);
 - Effluents (e.g., different kinds of chemicals);
 - Waste (e.g., different types of packaging material);
 - Noise; and
 - Spills (e.g., spills of chemicals, oils, and fuels).
- 2.2** Report the significant environmental impacts of transportation used for logistical purposes and for transportation of members of the organization's workforce. Where quantitative data is not stated in the report, disclose the reason.
- 2.3** Indicate the criteria and methodology used to determine which environmental impacts are significant.

- 2.4** Report how the environmental impacts of transporting products, members of the organization's workforce, and other goods and materials are mitigated.

3. Definitions

Transportation

The act of transferring resources and goods from one location to another (between suppliers, production plants, warehouses, and the customer) using different modes of transport, including passenger transportation (e.g., employee commuting and business traveling).

Logistical purposes

The forward or reverse flow and storage of goods and services between the point of origin and the point of consumption.

Transportation of the members of the organization's workforce

Transportation used for commuting to work by members of the workforce or travel for business purposes including air, train, bus, and other forms of motorized and non-motorized travel.

4. Documentation

Potential sources of data include invoices from logistical service providers and suppliers, reports from the logistics department, records of vehicle usage and maintenance, and monitoring/measurement conducted by, for example, the environment department.

5. References

- United Nations Recommendations on the Transport of Dangerous Goods.



EN30 Total environmental protection expenditures and investments by type.

1. Relevance

Measuring environmental mitigation and protection expenditures allows organizations to assess the efficiency of their environmental initiatives. It also provides valuable input for internal cost-benefit analyses. Data on environmental performance measured against environmental mitigation and protection expenditures offers insights into how effectively the organization uses resources to improve performance. When tracked and analyzed in a comprehensive fashion over time, this expenditures data allows the reporting organization to judge the value of complex organizational or technological investments for improving environmental performance.

It is possible to establish a full environmental management accounting system within an organization that tracks multiple categories of information. This Indicator focuses on waste disposal, emissions treatment, remediation costs, as well as prevention and environmental management costs.

2. Compilation

2.1 The compilation of the expenditures in this Indicator should exclude the following categories as defined in the IFAC 'International Guidance Document on Environmental Management Accounting' document:

- Costs of non-product output; and
- Fines for non-compliance with environmental regulation.

2.2 Identify waste disposal, emissions treatment, and remediation costs based on expenditures related to the following items:

- Treatment and disposal of waste;
- Treatment of emissions (e.g., expenditures for filters, agents);
- Expenditures for the purchase and use of emissions certificates;
- Depreciation of related equipment, maintenance, and operating material and services, and related personnel costs;

- Insurance for environmental liability; and
- Clean-up costs, including costs for remediation of spills as reported in EN23.

2.3 Identify prevention and environmental management costs based on expenditures related to the following items:

- Personnel employed for education and training;
- External services for environmental management;
- External certification of management systems;
- Personnel for general environmental management activities;
- Research and development;
- Extra expenditures to install cleaner technologies (e.g., additional cost beyond standard technologies);
- Extra expenditures on green purchases; and
- Other environmental management costs.

2.4 Report total environmental protection expenditures broken down by:

- Waste disposal, emissions treatment, and remediation costs; and
- Prevention and environmental management costs.

3. Definitions

Environmental protection expenditures

All expenditures on environmental protection by the reporting organization, or on its behalf, to prevent, reduce, control, and document environmental aspects, impacts, and hazards. It also includes disposal, treatment, sanitation, and clean-up expenditure.

4. Documentation

Potential information sources include billing and accounting systems (e.g., Environmental Management Accounting) as well as procurement, human resource, and legal departments.



5. References

- IFAC- The International Federation of Accountants (2005) 'International Guidance Document on Environmental Management Accounting'.
- UNDSO- United Nations Division for Sustainable Development (2003): Environmental Management Accounting Procedures and Principles (EMARIC Environmental Management Accounting Research and Information Center, 2003).





IP

Indicator Protocols Set
Labor Practices and Decent Work (LA)



Labor Practices & Decent Work

Performance Indicators

Aspect: Employment

- CORE** **LA1** Total workforce by employment type, employment contract, and region, broken down by gender.
- CORE** **LA2** Total number and rate of new employee hires and employee turnover by age group, gender, and region.
- ADD** **LA3** Benefits provided to full-time employees that are not provided to temporary or part-time employees, by significant locations of operation.
- CORE** **LA15** Return to work and retention rates after parental leave, by gender.

Aspect: Labor/ Management Relations

- CORE** **LA4** Percentage of employees covered by collective bargaining agreements.
- CORE** **LA5** Minimum notice period(s) regarding significant operational changes, including whether it is specified in collective agreements.

Aspect: Occupational Health and Safety

- ADD** **LA6** Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs.
- CORE** **LA7** Rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities, by region and by gender.
- CORE** **LA8** Education, training, counseling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases.

- ADD** **LA9** Health and safety topics covered in formal agreements with trade unions. Health and safety topics covered in formal agreements with trade unions.

Aspect: Training and Education

- CORE** **LA10** Average hours of training per year per employee, by gender, and by employee category.
- ADD** **LA11** Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.
- ADD** **LA12** Percentage of employees receiving regular performance and career development reviews, by gender.

Aspect: Diversity and Equal Opportunity

- CORE** **LA13** Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity.

Aspect: Equal Remuneration for Women and Men

- CORE** **LA14** Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation.



Relevance

The ILO Decent Work Agenda is framed within the context of fair globalization, which aims to achieve both economic growth and equity through a combination of social and economic goals. The Agenda has four elements:

- Employment;
- Dialogue;
- Rights; and
- Protection.

The structure of the Labor Indicators is broadly based on the concept of decent work. The set begins with disclosures on the scope and diversity of the reporting organization's workforce, emphasizing aspects of gender and age distribution.

The approach to dialogue between the organization and its employees, and the degree to which employees are organized in representative bodies are covered by Indicators LA4 (which complements Indicator HR5 on Freedom of Association and Collective Bargaining) and LA5.

The physical protection and well-being of people at work is covered by Occupational Health and Safety Indicators (LA6, LA7, LA8, LA9), which address both the scope of programs as well as statistical performance on health and safety.

The scope of employee benefits and contributions toward a broad social goal of diversity and equal treatment is addressed by LA14 (Pay Equity), LA13 (Diversity) and LA3 (Benefits). Indicators in the Economics category also provide relevant information. The support organizations provide to employees to enhance personal skills and potential (which also improves the organization's human capital) is represented in Indicators LA10, LA11, and LA12.

Definitions

Total workforce

The total number of persons working for the reporting organization at the end of the reporting period (i.e., the sum of all employees and supervised workers as defined above).

Worker

Generic term for any person performing work, regardless of the contractual relationship.

Employee

An individual who is, according to national law or practices, recognized as an employee of the reporting organization.

Supervised worker

An individual who performs regular work on-site for, or on behalf of, the reporting organization but is not recognized as an employee under national law or practice.

Independent contractor

An individual legally recognized as being self-employed.

Collective bargaining agreements

There are two types of collective bargaining agreements, aimed either at employers or workers. Those aimed at employers are agreements in writing regarding working conditions and terms of employment concluded between an employer, a group of employers, or one or more employers' organizations. Those aimed at workers are agreements between one or more representative workers' organizations, or, in the absence of such organizations, the representatives of the workers duly elected and authorized by them in accordance with national laws and regulations.

Employee categories

Breakdown of employees, by level (e.g., highest governance bodies, senior management, middle management, etc) and function (e.g., technical, administrative, production, etc). Derived from an organization's own human resources system.

General References

- Convention on the Elimination of all Forms of Discrimination Against Women (CEDAW), 1979.
- ILO Convention 135, 'Workers' Representatives Convention', 1971.
- ILO Convention 87, 'Freedom of Association and Protection of the Right to Organise', 1948.
- ILO Convention 98, 'Right to Organise and Collective Bargaining', 1949.
- ILO Declaration on Fundamental Principles and Rights at Work, 1998.
- ILO Decent Work Agenda, 1999.



- ILO Tripartite Declaration Concerning Multi-nationals and Social Policy, 1977, amended 2000.
- OECD Principles of Corporate Governance, 2004.
- OECD Guidelines for Multinational Enterprises, Revision 2000.
- UNIFEM & UNGC Women's Empowerment Principles, 2010.
- United Nations Millennium Declaration, 2000.



LA1 Total workforce by employment type, employment contract, and region, broken down by gender.

1. Relevance

The size of a workforce provides insight into the scale of impacts created by labor issues. Breaking down the workforce by employment type, employment contract, and region (region refers to 'country' or 'geographical area') demonstrates how the organization structures its human resources to implement its overall strategy. It also provides insight into the organization's business model, and offers an indication of job stability and the level of benefits the organization offers. Breaking down this data by gender enables an understanding of gender representation across an organization, and of the optimal use of available labor and talent. As a basis for calculations in several other Indicators, the size of the workforce is a standard normalizing factor for many integrated Indicators. A rise or fall in net employment, evidenced by data reported over the course of three or more years, is an important element of the organization's contribution to the overall economic development and sustainability of the workforce.¹

2. Compilation

- 2.1** Identify the total workforce (employees and supervised workers) broken down by gender working for the reporting organization at the end of the reporting period. Supply chain workers are not included in this Indicator.
- 2.2** Identify the contract type and full-time and part-time status of employees based on the definitions under the national laws of the country where they are based.
- 2.3** Combine country statistics to calculate global statistics and disregard differences in legal definitions. Although the definitions of what constitutes types of contract and a full-time or part-time employment relationship may vary between countries, the global figure will still reflect the relationships under law.
- 2.4** Report the total workforce broken down by employees and supervised workers, and by gender.

- 2.5** If 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, this should be reported.
- 2.6** Report the total number of employees broken down by employment contract and gender.
- 2.7** Report the total number of permanent employees broken down by employment type and gender.
- 2.8** Report the total workforce broken down by region and gender, based on the scale of the organization's operations.
- 2.9** If applicable, explain any significant seasonal variations in employment numbers (e.g., in the tourism or agricultural industries).

3. Definitions

Employment types

Full time: A 'full-time employee' is defined according to national legislation and practice regarding working time (e.g., national legislation defines that 'full-time' means a minimum of nine months per year and a minimum of 30 hours per week).

Part-time: A 'part-time employee' is an employee whose working hours per week, month, or year are less than 'full time' as defined above.

Employment Contract

An employment contract as recognized under national law or practice that may be written, verbal, or implicit (i.e., when all the characteristics of employment are present but without a written or witnessed verbal contract).

Indefinite or Permanent Contract:

A permanent contract of employment is a contract with an employee for full-time or part-time work for an indeterminate period.

Fixed Term or Temporary Contract:

A fixed term contract is a contract of employment as defined above that ends when a specific time period expires, or when a specific task that has a time estimate attached is completed.

¹ See GRI Guidelines on expectations regarding reporting of multiple years' data.



A temporary contract of employment is of limited duration and terminated by a specific event, including the end of a project or work phase, return of replaced personnel, etc.

4. Documentation

Payroll information available at the national or site level should provide data for this Indicator.

5. References

- ILO: International Classification of Status in Employment.
- ILO: Key Indicators of the Labour Market.
- ILO: LABORSTA Internet Indicators.
- United Nations: World Macro Regions and Components.



LA2 Total number and rate of new employee hires and employee turnover by age group, gender, and region.

1. Relevance

A high turnover rate can indicate levels of uncertainty and dissatisfaction among employees, or may signal a fundamental change in the structure of the organization's core operations. An uneven pattern of turnover by age or gender can indicate incompatibility or potential inequity in the workplace. Turnover results in changes to the human and intellectual capital of the organization and can impact productivity. Turnover has direct cost implications either in terms of reduced payroll or greater expenses for recruitment of workers.

The number, age, gender, and region of new employee hires of the reporting organization can indicate the organization's strategy and ability to attract diverse qualified employees. This information can signify the organization's efforts to implement inclusive recruitment practices based on age and gender, and the optimal use of available labor and talent in different regions.

Employment net creation can be estimated using the data reported under Indicator LA1.

2. Compilation

- 2.1** Identify the total number of new employee hires during the reporting period, broken down by age group, gender and region.
- 2.2** Identify the total number of new employee hires leaving employment during the reporting period, broken down by age group, gender and region.
- 2.3** Report the total number and rate of new employee hires entering and employees leaving employment during the reporting period, broken down by age group (e.g., <30;30-50;>50), gender and region.

Rates should be calculated using the total employee numbers at the end of the reporting period.

3. Definitions

Employee Turnover

Number of employees who leave the organization voluntarily or due to dismissal, retirement, or death in service.

New employee hires

New employees joining the organization for the first time.

4. Documentation

Potential sources of information include payroll information available at the national or site level. Operational plans and restatements of the organization's key strategic targets may provide explanations for large variations in this figure.

5. References

None.



LA3 Benefits provided to full-time employees that are not provided to temporary or part-time employees, by significant locations of operation.

1. Relevance

Data reported under this Indicator provides a measure of the organization's investment in human resources and the minimum benefits it offers its full time employees. The quality of benefits for full-time staff is a key factor in retaining employees. The Indicator also measures relative investment in different parts of the workforce.

2. Compilation

- 2.1** Identify benefits offered to all employees.
- 2.2** Report which of the following benefits are standard for full-time employees of the organization but are not provided to temporary or part-time employees, broken down by significant locations of operation:
 - Life insurance;
 - Health care;
 - Disability/invalidity coverage;
 - Parental leave;
 - Retirement provision;
 - Stock ownership; and
 - Others.
- 2.3** Standard benefits refer to those typically offered to at least the majority of full-time employees. This should not be interpreted as being offered to every single full-time employee of the organization. The intention of the Indicator is to disclose what full-time employees can reasonably expect.

3. Definitions

Benefits

This refers to either direct benefit provided in the form of financial contributions, care paid for by the reporting organization, or the reimbursement of expenses borne by the employee. Redundancy payments over and above legal minimums, lay-off pay, extra employment injury benefit, survivors' benefits, and extra paid holiday entitlements could also be included under this Indicator. In-kind benefits such as provision of sports or child day care facilities, free meals during working time, and similar general employee welfare programs are excluded from this Indicator.

4. Documentation

Potential sources of information include local or central collective agreements, which may provide examples of benefits paid beyond legal minimums. Other reference tools may include benefits summaries, employee orientation/commencement materials, and employee contracts.

5. References

- ILO Convention 102, 'Social Security (Minimum Standards) Convention', 1952.
- ILO Convention 121, 'Employment Injury Benefits Convention', 1964.
- ILO Convention 128, 'Invalidity, Old-Age and Survivors' Benefits Convention', 1967.
- ILO Convention 130, 'Medical Care and Sickness Benefits Convention', 1969.
- ILO Convention 132, 'Holidays with Pay Convention (Revised)' 1970.
- ILO Convention 140, 'Paid Educational Leave Convention', 1974.
- ILO Convention 156, 'Workers with Family Responsibilities Convention', 1981.
- ILO Convention 157, 'Maintenance of Social Security Rights', 1982.
- ILO Convention 168, 'Employment Promotion and Protection against Unemployment Convention', 1988.
- ILO Convention 183, 'Maternity Protection Convention', 2000.
- OECD Guidelines for Multinational Enterprises, Revision 2000.



LA15 Return to work and retention rates after parental leave, by gender.

1. Relevance

Many countries have introduced legislation to provide a specific length of parental leave. However, the application of legislation will vary according to interpretation by government, employers and employees.

The aim of the legislation is to allow employees to take leave and return to work to the same or a comparable position. However, many women are discouraged from taking leave and returning to work by employer practices that affect their employment security, remuneration and career path. Many men are not encouraged to take the leave to which they are entitled.

Equitable gender choice for maternity and paternity leave, and other leave entitlements, can lead to the greater recruitment and retention of qualified staff, and boost employee morale and productivity. Men's uptake of paternity leave options can indicate the degree to which an organization encourages fathers to take such leave. More men taking advantage of leave entitlements has a positive effect for women in taking such leave without prejudicing their career path.

2. Compilation

- 2.1** Report the number of employees by gender that were entitled to parental leave.
- 2.2** Report the number of employees by gender that took parental leave.
- 2.3** Report the number of employees who returned to work after parental leave ended, by gender.
- 2.4** Report the number of employees who returned to work after parental leave ended who were still employed twelve months after their return to work, by gender.
- 2.5** Report the return to work and retention rates of employees who returned to work after leave ended, by gender.

3. Definitions

Parental Leave

Leave granted to men and women workers on the grounds of the birth of a child.

4. Documentation

Potential sources of information include the human resources departments.

5. References

- ILO Convention 156, 'Workers with Family Responsibilities Convention', 1981
- ILO Convention 183, 'Maternity Protection Convention', 2000.



LA4 Percentage of employees covered by collective bargaining agreements.

1. Relevance

Freedom of association is a human right as defined by international declarations and conventions, particularly ILO Core Conventions 87 & 98. Collective bargaining is an important form of stakeholder engagement and particularly relevant for reporting guidelines. It is a form of stakeholder engagement that helps build institutional frameworks and is seen by many as contributing to a stable society. Together with corporate governance, collective bargaining is part of an overall framework that contributes to responsible management. It is an instrument used by parties to facilitate collaborative efforts to enhance the positive social impacts of an organization. The percentage of employees covered by collective bargaining agreements is the most direct way to demonstrate an organization's practices in relation to freedom of association.

2. Compilation

- 2.1 Use data from LA1 as the basis for calculating percentages for this Indicator.
- 2.2 Binding collective bargaining agreements include those signed by the reporting organization itself or by employer organizations of which it is a member. These agreements can be at the sector, national, regional, organizational, or workplace level.
- 2.3 Identify the total number of employees covered by collective bargaining agreements.
- 2.4 Report the percentage of total employees covered by collective bargaining agreements.

3. Definitions

None.

4. Documentation

Records of formal recognition agreements and signed collective agreements with independent trade unions will normally be held by the human resources or personnel department of the reporting organization.

5. References

- ILO Convention 87, 'Freedom of Association and Protection of the Right to Organise', 1948.
- ILO Convention 98, 'Right to Organise and Collective Bargaining', 1949.
- ILO Convention 135, 'Workers' Representatives Convention', 1971.
- ILO Convention 154, 'Collective Bargaining Convention', 1981 and Recommendations 91, 'Collective Agreements Recommendation' 1951, and 163, 'Collective Bargaining Recommendation', 1981.
- ILO Declaration on Fundamental Principles and Rights at Work, 86th Session, 1998, Article 2 (a).
- OECD Guidelines for Multinational Enterprises, Section IV, Paragraph 2 (a).



LA5 Minimum notice period(s) regarding significant operational changes, including whether it is specified in collective agreements.

1. Relevance

This Indicator provides insight into an organization's practice of ensuring timely discussion of significant operational changes, and engaging with its employees and their representatives to negotiate and implement these changes (which may have positive or negative implications for workers). Timely and effective consultation with workers and other relevant parties, where practicable (such as with governmental authorities), helps to minimize any adverse impacts from operating changes on workers and related communities.

Minimum notice period(s) are an Indicator of an organization's ability to maintain employee satisfaction and motivation while implementing significant changes to operations. This Indicator also allows an assessment of an organization's consultation practices in relation to expectations expressed in relevant international norms. Consultative practices that result in good industrial relations can help provide positive working environments, reduce turnover, and minimize operational disruptions.

2. Compilation

- 2.1** Report the minimum number of weeks notice typically provided to employees and their elected representatives prior to the implementation of significant operational changes that could substantially affect them.
- 2.2** For organizations with collective bargaining agreements, report whether the notice period and/or provisions for consultation and negotiation are specified in collective agreements.

3. Definitions

Significant operational changes

Alterations to the reporting organization's pattern of operations that will have substantial positive or negative consequences for its employees. Such changes may include, for example, restructuring, outsourcing of operations, closures, expansions, new openings, takeovers, sale of all or part of the organization, or mergers.

4. Documentation

Agreements specific to the organization will provide data for this Indicator.

5. References

- Declaration concerning the aims and purposes of the International Labour Organisation (Declaration of Philadelphia), 1944 - Annex to the ILO Constitution – Articles I (a) and III (e).
- ILO Convention 158, 'Termination of Employment Convention', 1982.
- ILO Tripartite Declaration of Principles Concerning Multinational Enterprises and Social Policy, 1997.
- ILO Recommendation 94, 'Co-operation at the Level of the Undertaking Recommendation', 1952.
- ILO Recommendation 135, 'Workers' Representatives' Convention', 1971.
- OECD Guidelines for Multinational Companies, Revision 2000, Article IV, (2) & (3).
- OECD Principles of Corporate Governance, 2004 (notably Article IV, C, D & E).



LA6 Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs.

1. Relevance

A health and safety committee with joint representation can facilitate a positive health and safety culture. The use of committees is one way to involve workers in driving the improvement of occupational health and safety in the workplace. This Indicator provides one measure of the extent to which the workforce is actively involved in health and safety.

2. Compilation

2.1 Identify formal health and safety committees that help monitor and advise on occupational safety programs at the facility level or higher with joint management/labor representation. 'Formal' refers to committees whose existence and function are integrated in the reporting organization's organizational and authority structure, and that operate according to certain agreed, written rules.

2.2 Report the percentage of the total workforce represented in formal joint management-worker health and safety committees:

- None;
- Up to 25%;
- Between 25% and 50%;
- Between 50% and 75%; and
- Over 75%.

2.3 Report the level(s) at which the committee(s) typically operates (e.g., at facility level and/or at multi-facility, region, group, or company levels). This may either be a result of a formal policy, procedure, or informal practice within the organization.

3. Definitions

None.

4. Documentation

Potential sources of information include organizational procedures and minutes of occupational health & safety committee(s).

5. References

- ILO Convention 155, 'Occupational Safety and Health Convention' and Protocol 155, 1981.
- ILO Convention 161, 'Occupational Health Services Convention', 1985.



LA7 Rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities, by region and by gender.

1. Relevance

Health and safety performance is a key measure of an organization's duty of care. Low injury and absentee rates are generally linked to positive trends in staff morale and productivity. This Indicator will show whether health and safety management practices are resulting in fewer occupational health and safety incidents. An evaluation of trends and patterns may also indicate potential workplace inequity.

2. Compilation

2.1 This Indicator should provide a regional breakdown for the following, by gender:

- The total workforce (i.e., total employees plus supervised workers); and
- Independent contractors working on-site to whom the reporting organization is liable for the general safety of the working environment.

2.2 Since some reporting organizations include minor (first-aid level) injuries in their data, indicate whether such injuries are included or excluded.

2.3 In calculating 'lost days' indicate:

- Whether 'days' means 'calendar days' or 'scheduled work days'; and
- At what point the 'lost days' count begins (e.g., the day after the accident or 3 days after the accident).

2.4 Report regional breakdown and total of injury, occupational diseases, lost days, and absentee rates in the reporting period by gender, using the following formula:

- Injury rate (IR)

$$IR = \frac{\text{Total \# of injuries}}{\text{Total hours worked}} \times 200,000$$

Note: The injury rate should capture fatalities.

- Occupational diseases rate (ODR)

$$ODR = \frac{\text{Total \# of Occupational diseases cases}}{\text{Total hours worked}} \times 200,000$$

- Lost day rate (LDR)

$$LDR = \frac{\text{Total \# of lost days}}{\text{Total hours worked}} \times 200,000$$

- Absentee rate (AR)

$$AR = \frac{\frac{\text{Total \# of missed (absentee) days}}{\text{over the period}}}{\frac{\text{Total \# of workforce days worked}}{\text{for same period}}} \times 200,000$$

Note: The factor 200,000 is derived from 50 working weeks @ 40 hours per 100 employees.

By using this factor, the resulting rate is related to the number of employees, not the number of hours.

2.5 Report fatalities in the reporting period by gender, using an absolute number, not a rate.

2.6 Report the system of rules applied in recording and reporting accident statistics. The 'ILO Code of Practice on Recording and Notification of Occupational Accidents and Diseases' was developed for the reporting, recording, and notification of workplace accidents. Where national law follows the ILO recommendations, it is sufficient to state that fact and that practice follows the law. In situations where national law does not comply, indicate which system of rules it applies and their relationship to the ILO code.

3. Definitions

Injury

A non-fatal or fatal injury arising out of or in the course of work.

Injury rate

The frequency of injuries relative to the total time worked by the total workforce in the reporting period.

Occupational disease

A disease arising from the work situation or activity (e.g., stress or regular exposure to harmful chemicals), or from a work-related injury.

Occupational disease rate

The frequency of occupational diseases relative to the total time worked by the total workforce in the reporting period.



Lost day

Time ('days') that could not be worked (and is thus 'lost') as a consequence of a worker or workers being unable to perform their usual work because of an occupational accident or disease. A return to limited duty or alternative work for the same organization does not count as lost days.

Lost day rate

The impact of occupational accidents and diseases as reflected in time off work by the affected workers. It is expressed by comparing the total lost days to the total number of hours scheduled to be worked by the workforce in the reporting period.

Absentee

An employee absent from work because of incapacity of any kind, not just as the result of work-related injury or disease. Permitted leave absences such as holidays, study, maternity/paternity, and compassionate leave are excluded.

Absentee rate

Refers to a measure of actual absentee days lost as defined above, expressed as a percentage of total days scheduled to be worked by the workforce for the same period.

Fatality

The death of a worker occurring in the current reporting period, arising from an occupational injury or disease sustained or contracted while in the reporting organization's employ.

4. Documentation

Employee records, employee contracts, attendance records, and accident records will provide relevant data for this Indicator.

5. References

- ILO Convention 155, 'Occupational Health & Safety Convention' and Protocol 155, 1981.
- ILO Code of Practice on Recording and Notification of Occupational Accidents and Diseases, 1995.
- ILO Guidelines on Occupational Safety and Health Management Systems, 2001.



LA8 Education, training, counseling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases.

1. Relevance

As part of a preventative strategy for managing the health and safety of its workforce, this Indicator is relevant for any organization. It also has specific relevance for organizations working in countries with a high risk or incidence of communicable diseases, and those in professions that have a high incidence of specific diseases. The Indicator helps demonstrate the extent to which such issues have been addressed in organizational programs and the degree to which best practices are applied. Preventing serious diseases contributes to the health, satisfaction, and stability of the workforce, and helps maintain the organization's social license to operate in a community or region.

2. Compilation

- 2.1** Report the programs related to assisting workforce members, their families, or community members regarding serious diseases using the table below:

Assistance Programs								
	Education/ Training		Counseling		Prevention/ Risk Control		Treatment	
Program recipients	Yes	No	Yes	No	Yes	No	Yes	No
Workers								
Workers' families								
Community members								

- 2.2** Report whether there are workers who are involved in occupational activities who have a high incidence or high risk of specific diseases.

3. Definitions

Risk control

Practices that seek to limit exposure and transmission of diseases.

Serious diseases

Occupational or non-occupational related impairment of health with serious consequences for employees, their families, and communities, such as HIV/AIDS, diabetes, RSI, and stress.

4. Documentation

Potential sources of information include organizational policies and operating procedures, minutes of internal occupational health committee(s), and human resource and health center records.

5. References

- GRI Cross-Reference: Reporting Guidance on HIV/AIDS: A GRI Resource Document. LA8 is a standard Indicator relevant for HIV/AIDS. Reporting organizations operating in areas with high prevalence should consider expanding their reporting on this issue and can view the GRI Resource Document for examples.



LA9 Health and safety topics covered in formal agreements with trade unions.

1. Relevance

This Indicator demonstrates one of the ways in which the health and safety of the workforce is ensured. Formal agreements can promote the acceptance of responsibilities by both parties and the development of a positive health and safety culture. This Indicator will reveal the extent to which the workforce is actively involved in formal, labor-management agreements that determine health and safety management arrangements.

2. Compilation

- 2.1** Report whether formal agreements (either local or global) with trade unions cover health and safety. (Yes/No)
- 2.2** If yes, report the extent to which various health and safety topics are covered by local and global agreements signed by the organization.

Agreements at the local level typically address topics such as:

- Personal protective equipment;
- Joint management-employee health and safety committees;
- Participation of worker representatives in health and safety inspections, audits, and accident investigations;
- Training and education;
- Complaints mechanism;
- Right to refuse unsafe work; and
- Periodic inspections.

Agreements at the global level typically address topics such as:

- Compliance with the ILO;
- Arrangements or structures for resolving problems; and
- Commitments regarding target performance standards or level of practice to apply.

3. Definitions

Formal agreements

Written documents signed by both parties declaring a mutual intention to abide by what is contained in the documents. These can include, for example, local collective bargaining agreements as well as national and international framework agreements.

4. Documentation

Potential sources of information include collective agreements with trade unions.

5. References

- ILO Convention 155, 'Occupational Safety and Health Convention' and its Protocol 155, 1981.



LA10 Average hours of training per year per employee, by gender, and by employee category.

1. Relevance

Maintaining and improving human capital, particularly through training that expands the knowledge base of employees, is a key element in organizational development. This Indicator provides insight into the scale of the organization's investment in this area and the degree to which the investment is made across the entire employee base. Access to training opportunities can also support progress in other areas of social performance, such as ensuring equal opportunity in the workplace. It also contributes to motivating improvement at the personal and organizational level.

2. Compilation

- 2.1 Identify the total number of employees, by gender in each employee category across the organization's operations at the end of the reporting year.
- 2.2 Identify total hours devoted to training personnel within each employee category.
- 2.3 Report the average number of hours of training per year per employee by employee category using the following formula:

$$\frac{\text{Total number of hours per employee category}}{\text{Total number of employees per employee category}}$$

- 2.4 Identify total hours devoted to training personnel per gender.
- 2.5 Report the average number of training per year per gender using the following formula:

$$\frac{\text{Total number of hours by gender}}{\text{Total number of employees by gender}}$$

3. Definitions

Training

Refers to:

- All types of vocational training and instruction;

- Paid educational leave provided by the reporting organization for its employees;
- Training or education pursued externally and paid for in whole or in part by the reporting organization; and
- Training on specific topics such as health and safety.

Training does not include on-site coaching by supervisors.

Employee Category

Breakdown of employees by level (e.g., highest governance bodies, senior management, middle management, etc) and function (e.g., technical, administrative, production, etc). Derived from an organization's own human resources system.

4. Documentation

Potential sources of information include employee records and training schedules.

5. References

- ILO Convention 142, 'Human Resources Development Convention', 1975.
- ILO Convention 140, 'Paid Educational Leave Convention', 1974.
- ILO Convention 155, 'Occupational Safety and Health Convention', 1981.
- OECD Guidelines for Multinational Enterprises, Revision 2000, Articles II, 4 & IV, 2 (c), 3 & 5.



LA11 Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.

1. Relevance

Programs for skills management allow organizations to plan skills acquisitions that will equip employees to meet strategic targets in a changing work environment. A more skilled and aware workforce enhances the organization's human capital and contributes to employee satisfaction, which correlates strongly with improved performance. For those facing retirement, confidence and quality of work relations is improved by the knowledge that they will be supported in their transition from work to retirement. The goal of lifelong learning is to promote the development of knowledge and competencies that will enable each citizen to adapt to a rapidly-changing labor market and to participate actively in all spheres of economic life.

2. Compilation

2.1 Do employee training or assistance programs to upgrade skills provide any of the following?

- Internal training courses;
- Funding support for external training or education; and
- The provision of sabbatical periods with guaranteed return to employment.

2.2 Do transition assistance programs to support employees who are retiring or who have been terminated provide any of the following:

- Pre-retirement planning for intended retirees;
- Retraining for those intending to continue working;
- Severance pay;
- If severance pay is provided, does it take into account employee age and years of service;
- Job placement services; and
- Assistance (e.g., training, counseling) on transitioning to a non-working life.

3. Definitions

Continued employability

Adaptation to the changing demands of the workplace through the acquisition of new skills.

Career endings

Retirement by reaching statutory national retiring age or termination in the face of restructuring.

Skills management

Policies and programs that focus on developing employees' skills to meet the evolving strategic needs of the organization and/or the industry.

Lifelong learning

Acquiring and updating abilities, knowledge, qualifications, and interests throughout life, from pre-school years to post-retirement.

4. Documentation

Potential sources of information include organizational procedures for termination and employee records.

5. References

- ILO Convention 142, 'Human Resources Development Convention', 1975.
- ILO Convention 168, 'Employment Promotion and Protection against Unemployment Convention', 1988.



LA12 Percentage of employees receiving regular performance and career development reviews, by gender.

1. Relevance

Appraising employee performance against common targets aids the personal development of individual employees and contributes to both skills management and the development of human capital within the organization. Employee satisfaction can also be enhanced, which correlates with improved organizational performance. This Indicator indirectly demonstrates how the reporting organization works to monitor and maintain the skill sets of its employees. When reported in conjunction with LA12, the Indicator helps illustrate how the organization approaches skills enhancement. The percentage of employees receiving regular performance and career development reviews broken down by gender demonstrates the extent to which this system is applied throughout the organization and if there is inequity of access to these opportunities.

2. Compilation

- 2.1** Identify the total number of employees broken down by gender. The total number of employees should match that reported under LA1.
- 2.2** Report the percentage of total employees by gender who received a formal performance appraisal and review during the reporting period.

3. Definitions

Regular performance and career development review

Performance targets and reviews are based on criteria known to the employee and his/her superior. This review is undertaken with the knowledge of the employee at least once per year. It can include an evaluation by the employee's direct superior, peers, or a wider range of employees. The review may also involve personnel from the human resources department.

4. Documentation

Potential sources of information include personnel records.

5. References

- ILO Convention 142, 'Human Resources Development', 1975.



LA13 Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity.

1. Relevance

This Indicator provides a quantitative measure of diversity within an organization and can be used in conjunction with sectoral or regional benchmarks. The level of diversity within an organization provides insights into the human capital of the organization. Comparisons between broad workforce diversity and management team diversity also offer information on equal opportunity. Detailed information on the composition of the workforce can also help in assessing which issues may be of particular relevance to certain segments of the workforce.

2. Compilation

- 2.1 Identify the diversity Indicators used by the reporting organization in its own monitoring and recording that may be relevant for reporting.
- 2.2 Identify the total number of employees in each employee category. The total number of employees should match that reported in LA1.
- 2.3 Report the percentage of employees per employee category in each of the following diversity categories: (% of employees)
 - **Gender;**
 - **Minority groups;** and
 - **Age groups:** Under 30 years old, 30-50 years old, over 50 years old.
- 2.4 Report the percentage of employees by gender for the minority and age groups identified in 2.3.

The categories should be broken down by gender as per the diversity categories above.
- 2.5 Report the percentage of individuals within the organization's governance bodies (e.g., the board of directors, management committee, or similar body for non-corporate reporting organizations) in each of the following diversity categories: (% of Individuals within Governance Bodies)

- **Gender;**
- **Minority groups;** and
- **Age groups:** Under 30 years old, 30-50 years old, over 50 years old.

3. Definitions

Employee Category

Breakdown of employees by level (e.g., highest governance bodies, senior management, middle management, etc) and function (e.g., technical, administrative, production, etc). Derived from an organization's own human resources system.

Governance bodies

The committees or boards responsible for the strategic guidance of the organization, the effective monitoring of management, and the accountability of management to the broader organization and its stakeholders.

Indicators of diversity

Indicators for which the reporting organization gathers data may include, for example, citizenship, ancestry and ethnic origin, creed, and disability.

4. Documentation

Potential sources of information include employee records and minutes of equal opportunity committees.

5. References

- Convention on the Elimination of All Forms of Discrimination Against Women: UN GA: Resolution 34/180 of 18 December 1979.
- Declaration on the Elimination of All Forms of Intolerance and of Discrimination based on Religion or Belief: UN GA: Resolution 36/55 of 26 November 1981.
- Declaration on Race and Racial Prejudice: General Conference UNESCO 20th session on 27 November 1978.
- Declaration on the Rights of Persons Belonging to National or Ethnic, Religious and Linguistic Minorities: UN GA Resolution 47/135 of 18 December 1992.



- ILO Tripartite Declaration of Principles Concerning Multinational Enterprises and Social Policy: Art. 21, 22, 23, 1977.
- ILO Declaration on Fundamental Principles and Rights at Work, 1998.
- ILO Convention concerning Discrimination in Respect of Employment and Occupation, 1958 (No.111).
- International Convention on the Elimination of All Forms of Racial Discrimination of 4 January 1969.
- OECD Guidelines for Multinational Enterprises, Revision 2000 (Employment and Industrial Relations Section).
- United Nations Global Compact: Principle 6, 26 July 2000.
- United Nations Declaration on the Elimination of All Forms of Racial Discrimination: UN GA Resolution 1904 (XVIII) of 20 November 1963.



LA14 Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation.

1. Relevance

Many countries have introduced legislation to enforce the principle of equal pay for work of equal value. This issue is supported by ILO Convention 100 on 'Equal Remuneration for Men and Women Workers for Work of Equal Value'. Equality of remuneration is a factor in retaining qualified employees in the workforce. Where imbalances exist, an organization runs a risk to its reputation and legal challenges on the basis of discrimination.

2. Compilation

- 2.1** Identify the total number of employees in each employee category across the reporting organization's operations, broken down by gender using the information from LA13. Employee categories should be defined based on the reporting organization's own human resources system. The total number of employees should match that reported in LA1.
- 2.2** Identify the basic salary for women and for men in each employee category.
- 2.3** Identify the remuneration for women and men in each employee category.
- 2.4** Report the ratio of the basic salary and remuneration of women to men for each employee category, by significant locations of operation.

3. Definitions

Basic Salary

A fixed, minimum amount paid to an employee for performing his/her duties. This does not include any additional remuneration.

Employee category

Breakdown of employees by level (e.g., highest governance bodies, senior management, middle management, etc) and function (e.g., technical, administrative, production, etc). Derived from an organization's own human resources system.

Remuneration

Basic salary plus additional amounts such as those based on years of service, bonuses including cash and/or equity such as stocks and shares, benefit payments, overtime, time owed, and any additional allowances (e.g., transportation, living and childcare allowances).

4. Documentation

Sources of information for this Indicator include employee and payment records.

5. References

- ILO Convention 100, 'Equal Remuneration for Men and Women Workers for Work of Equal Value', 1951.
- ILO Convention 111, 'Discrimination in Respect of Employment and Occupation', 1958.
- ILO Declaration on Fundamental Principles and Rights at Work, 1998.





IP

Indicator Protocols Set
Human Rights (HR)



Human Rights

Performance Indicators

Aspect: Investment and Procurement Practices

- CORE** **HR1** Percentage and total number of significant investment agreements and contracts that include clauses incorporating human rights concerns, or that have undergone human rights screening.
- CORE** **HR2** Percentage of significant suppliers, contractors, and other business partners that have undergone human rights screening, and actions taken.
- CORE** **HR3** Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained.

Aspect: Non-discrimination

- CORE** **HR4** Total number of incidents of discrimination and corrective actions taken.

Aspect: Freedom of Association and Collective Bargaining

- CORE** **HR5** Operations and significant suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk, and actions taken to support these rights.

Aspect: Child Labor

- CORE** **HR6** Operations and significant suppliers identified as having significant risk for incidents of child labor, and measures taken to contribute to the effective abolition of child labor.

Aspect: Forced and Compulsory Labor

- CORE** **HR7** Operations and significant 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.

Aspect: Security Practices

- ADD** **HR8** Percentage of security personnel trained in the organization's policies or procedures concerning aspects of human rights that are relevant to operations.

Aspect: Indigenous Rights

- ADD** **HR9** Total number of incidents of violations involving rights of indigenous people and actions taken.

Aspect: Assessment

- CORE** **HR10** Percentage and total number of operations that have been subject to human rights reviews and/or impact assessments.

Aspect: Remediation

- CORE** **HR11** Number of grievances related to human rights filed, addressed, and resolved through formal grievance mechanisms.



Relevance

Human Rights Performance Indicators elicit disclosures on the impacts and activities an organization has on the civil, political, economic, social and cultural human rights of its stakeholders. The Aspects within these Performance Indicators are based on internationally recognized standards, primarily the United Nations Universal Declaration of Human Rights and the ILO Declaration on the Fundamental Principles and Rights at Work of 1998 (in particular the eight core Conventions of the ILO). Although closely related, the categories of Human Rights and Labor Practices serve different purposes. Human Rights Indicators focus on how the reporting organization maintains and respects the basic rights of a human being, whereas the Indicators on Labor Practices reflect the quality of the work conditions and the working environment.

The Performance Indicators seek to provide comparable measures of results or outcomes, and therefore focus primarily on incidents relating to core human rights. Incidents typically include 'points of impact' on stakeholder groups as well as risks for the organization where violations have occurred. The Indicator set addresses three general areas:

- Basic aspects of human rights (HR4, HR5, HR6, HR7 and HR9);
- The capacity and knowledge enabling the organization to effectively address human rights, including training and internal procedures (HR3, HR8, HR10, and HR 11); and
- The organization's integration of human rights into its external business relationships either through investments or suppliers (HR1 and HR2).

Definitions

Human rights

Generally recognized human rights are defined by the International Bill of Human Rights, which is composed of three instruments:

1. Universal Declaration of Human Rights, 1948;
2. International Covenant on Civil and Political Rights, 1966; and
3. International Covenant on Economic, Social and Cultural Rights, 1966.

In addition to the International Bill of Human Rights, the corpus of human rights is further defined by numerous other declarations, treaties and conventions at international, regional and sub-regional levels. Of particular relevance to business among these additional instruments are:

1. ILO Declaration on Fundamental Principles and Rights at Work, 1998 (in particular the eight core conventions of the ILO consisting of Conventions 100, 111, 87, 98, 138, 182, 29, 105);
2. Convention on the Elimination of All Forms of Racial Discrimination, 1966;
3. Convention on the Elimination of All Forms of Discrimination Against Women (CEDAW), 1979;
4. Convention on the Rights of the Child, 1989;
5. International Convention on the Protection of the Rights of All Migrant Workers and Members of Their Families, 1990; and
6. ILO Convention (107) Indigenous and Tribal Populations Convention, 1957, ILO Convention (169) Concerning Indigenous and Tribal Peoples in Independent Countries, 1991 and United Nations Declaration on the Rights of Indigenous Peoples, 2007.

General References

- ILO Tripartite Declaration Concerning Multinational Enterprises and Social Policy, 2001, Third Edition.
- OECD Guidelines for Multinational Enterprises, Revision 2000.
- Vienna Declaration and Programme of Action, 1993.



HR1 Percentage and total number of significant investment agreements and contracts that include human rights clauses or that have undergone human rights screening.

1. Relevance

This measure is one indication of the extent to which human rights are integrated in an organization's economic decisions. This is particularly relevant for organizations that operate within or are partners in ventures in regions where the protection of human rights is of significant concern. Integrating human rights criteria in screening or including human rights in performance requirements can be part of a strategy to reduce the risks of investment. Problems with an organization's human rights record can result in reputational damage for the investing organization and can affect the stability of investments.

2. Compilation

- 2.1** Count only the agreements and contracts that are significant in terms of size or strategic importance. The significance may be determined by the level of approval required within the organization for the investment or other criteria that can be consistently applied to agreements. The reporting organization should disclose their definition of "significant agreements".
- 2.2** Identify the total number of significant investment agreements and contracts finalized during the reporting period that either moved the organization into a position of ownership in another entity or initiated a capital investment project that was material to financial accounts.
- 2.3** If multiple significant investment agreements are undertaken and contracts signed with the same partner, the number of the agreements should reflect the number of separate projects undertaken or entities created.
- 2.4** Report the total number and percentage of significant investment agreements and contracts that include human rights clauses or that underwent human rights screening.

3. Definitions

Human rights clauses

Specific terms in a written agreement that define minimum expectations of performance with respect to human rights as a requirement for investment.

Human rights screening

A formal or documented process that applies a set of human rights performance criteria as one of the factors in determining whether to proceed with a business relationship.

4. Documentation

Potential information sources include the reporting organization's legal, investor relations, and financial departments, as well as documentation collected through quality management systems.

5. References

None.



HR2 Percentage of significant suppliers, contractors, and other business partners that have undergone human rights screening, and actions taken.

1. Relevance

The development of extensive networks of suppliers and contractors to produce products and services has generated interest in how reporting organizations apply their human rights policies to their supply networks. This is particularly relevant for organizations in sectors that rely heavily on outsourcing and global networks.

Processes that screen and monitor human rights performance within the supply chain, contractors and other business partners can provide evidence of an organization's positive and/or negative impact on the wider business community. Issues with human rights performance on the part of significant suppliers, contractors and other business partners can result in reputational damage for their business partners and/or create instability in the suppliers' operations. Screening is part of risk management, and the percentage indicated here indicates how regularly an organization takes this particular risk into consideration.

2. Compilation

- 2.1** Identify the total number of the reporting organization's significant suppliers, contractors and other business partners.
- 2.2** Report the percentage of contracts with significant suppliers, contractors and other business partners that included clauses or screening on human rights. See HR1 for definitions of 'clauses'.
- 2.3** Report the percentage of contracts with significant suppliers, contractors and other business partners that were either declined or imposed performance conditions, or were subject to other actions as a result of human rights screening.

3. Definitions

Significant suppliers, contractors and other business partners

External parties from whom products or services are obtained or with whom contracts are concluded for the provision of such products and services. In the context of this Indicator, 'significant' refers to suppliers and contractors who are:

- The primary providers of a given type of good or service and overall comprise the majority of the organization's purchases; or
- Identified as having the highest risk of incidents of violations related to human rights.

Human rights screening

A formal or documented process that applies a set of human rights performance criteria as one of the factors in determining whether to proceed with a business relationship.

5. Documentation

Potential information sources include the reporting organization's procurement or purchasing and legal departments.

5. References

None.



HR3 Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained.

1. Relevance

Information generated from this Indicator offers insight into an organization's capacity to implement its human rights policies and procedures. Human rights have become well-established in international standards and laws, and this has obligated organizations to implement specialized training that equips employees to address human rights in the course of their regular work. The number of employees trained and the amount of training they receive both contribute to an assessment of an organization's depth of knowledge about human rights.

2. Compilation

- 2.1** Identify the total number of hours devoted to employee training, using data from LA10.
- 2.2** Identify the total number of employees, using data from LA1.
- 2.3** Identify employees who have received formal training in the organization's policies and procedures on human rights issues and their applicability to the employees' work. This can refer either to training dedicated to the topic of human rights or to a human rights module within a general training program.
- 2.4** Report the total number of hours in the reporting period devoted to training on policies and procedures concerning aspects of human rights that are relevant to operations.
- 2.5** Report the percentage of employees in the reporting period trained in policies and procedures concerning aspects of human rights that are relevant to operations.

3. Definitions

None

4. Documentation

Potential sources of information include employee records of training and training schedules.

5. References

None.



HR4 Total number of incidents of discrimination and corrective actions taken.

1. Relevance

Human rights extend beyond the rights of employees in the workplace. Anti-discrimination policy is a key requirement of international conventions and social legislation and guidelines. The issue of discrimination is also addressed by ILO Core Conventions 100 & 111. An effective monitoring system is necessary to ensure compliance throughout the reporting organization's operations. Stakeholders will seek assurance that such policies and monitoring are effective.

2. Compilation

- 2.1** Identify incidents of discrimination on grounds of race, color, sex, religion, political opinion, national extraction, or social origin as defined by the ILO, or other relevant forms of discrimination involving internal and/or external stakeholders across operations in the reporting period.

'Incidents' refer to legal actions, complaints registered with the organization or competent authorities through a formal process, or instances of non-compliance identified by the organization through established procedures such as management system audits or formal monitoring programs.

- 2.2** Report the total number of incidents of discrimination during the reporting period.

- 2.3** Report the status of the incidents and the actions taken with reference to the following:

- Organization has reviewed the incident;
- Remediation plan is being implemented;
- Remediation plan has been implemented and results reviewed through routine internal management review processes; and
- Incident is no longer subject to action (i.e., resolved, case completed, no further by action by company, etc).

3. Definitions

Discrimination

The act and the result of treating a person unequally by imposing unequal burdens or denying benefits rather than treating the person fairly on the basis of individual merit. Discrimination can also include harassment, defined as a course of comments or actions that are unwelcome, or should reasonably be known to be unwelcome, to the person towards whom they are addressed.

4. Documentation

Potential information sources include the reporting organization's legal and compliance departments.

5. References

- Declaration on the Elimination of All Forms of Intolerance and of Discrimination based on Religion or Belief, UN General Assembly Resolution 36/55 of 26 November 1981.
- Declaration on Race and Racial Prejudice: General Conference UNESCO 20th session on 27 November 1978.
- Declaration on the Rights of Persons Belonging to National or Ethnic, Religious and Linguistic Minorities: UN GA Resolution 47/135 of 18 December 1992.
- ILO Convention 100, 'Equal Remuneration Convention', 1951.
- ILO Convention 111, 'Discrimination in Respect of Employment and Occupation Convention', 1958.
- International Convention on Civil and Political Rights: GA Resolution 2200 A XX1 of 16 December 1966.
- International Convention on the Elimination of All Forms of Racial Discrimination GA Resolution 1904 (XV111) of 20 November 1963.
- United Nations Convention on the Elimination of all forms of Discrimination Against Women: UN, GA: Resolution 34/180 of 18 December 1979.
- United Nations Declaration on the Elimination of All Forms of Racial Discrimination: GA Resolution 1904 (XVIII) of 20 November 1963.



HR5 Operations and significant suppliers identified in which the right to exercise freedom of association or collective bargaining may be violated or at significant risk, and actions taken to support these rights.

1. Relevance

Inherent in the right to freedom of association and collective bargaining is the protection of the right of workers (and employers) to organize collectively in organizations of their own choice. The Right to Freedom of Association is a fundamental provision of the UN Universal Declaration of Human Rights and is defined by ILO Core Conventions 87 & 98.

This Indicator aims to reveal actions that the reporting organization has taken to evaluate whether opportunities exist for workers to exercise their rights to freedom of association and collective bargaining. It also aims to reveal actions that have been taken to support these rights across the organization's range of operations. This Indicator does not require the reporting organization to express a specific opinion on the quality of national legal systems.

2. Compilation

- 2.1** Identify operations and significant suppliers in which employee rights to exercise freedom of association or collective bargaining may be violated or at risk. The process of identification should reflect the organization's approach to risk assessment on this issue and can draw from recognized international data sources such as ILO reports (yearly report of ILO Committee of Experts on the implementation of ratified conventions and recommendations, as well as the Governing Body's reports on freedom of association).
- 2.2** Report operations and significant suppliers identified in which employee rights to exercise freedom of association or collective bargaining may be violated or at risk either in terms of:
 - Type of operations (e.g., manufacturing plant); or
 - Countries or geographical areas with operations considered at risk.

- 2.3** Report on any measures taken by the organization in the reporting period intended to support rights to freedom of association and collective bargaining. See the ILO Tripartite Declaration and OECD Guidelines for further guidance.

3. Definitions

Freedom of association

Workers and employers may establish and join organizations of their own choosing without the need for prior authorization.

Significant suppliers

External parties from whom products or services are obtained or with whom contracts are concluded for the provision of such products and services. In the context of this Indicator, 'significant' refers to suppliers who are:

- The primary providers of a given type of good or service and overall comprise the majority of the organization's purchases; or
- Identified as having the highest risk of incidents of violations related to human rights.

4. Documentation

Potential information sources include the reporting organization's legal, compliance, and human resources departments.

5. References

- ILO Convention 87, 'Freedom of Association and Protection of the Right to Organise Convention', 1948.
- ILO Convention 98, 'Right to Organise and Collective Bargaining Convention', 1949
- United Nations Universal Declaration of Human Rights, 1948.
- International Covenant on Economic, Social and Cultural Rights, 1966.



HR6 Operations and significant suppliers identified as having significant risk for incidents of child labor, and measures taken to contribute to the effective abolition of child labor.

1. Relevance

The abolition of child labor is a key principle and objective of major human rights declarations and legislation, and is subject to ILO Conventions 138 and 182. The presence and effective implementation of policies on child labor are a basic expectation of socially responsible conduct.

2. Compilation

2.1 Identify operations considered to have significant risk for incidents of:

- Child labor; and/or
- Young workers exposed to hazardous work.

The process of identification should reflect the organization's approach to risk assessment on this issue and can draw from recognized international data sources such as ILO reports.

2.2 Report operations considered to have significant risk for incidents of child labor either in terms of:

- Type of operations (e.g., manufacturing plant); or
- Countries or geographical areas with operations considered at risk.

2.3 Report on any measures taken by the organization in the reporting period intended to contribute to the elimination of child labor. See the ILO Tripartite Declaration and OECD Guidelines for further guidance.

3. Definitions

Child

This term applies to all persons under the age of 15 years or under the age of completion of compulsory schooling (whichever is higher), except in certain countries where economies and educational facilities are insufficiently developed and a minimum age of 14 years might apply. These countries of exception are specified by the ILO in

response to special application by the country concerned and consultation with representative organizations of employers and workers.

Note: ILO Convention 138 refers to both child labor and young workers. See below for the definition of 'young worker'.

Significant suppliers

External parties from whom products or services are obtained or with whom contracts are concluded for the provision of such products and services. In the context of this Indicator, 'significant' refers to suppliers who are:

- The primary providers of a given type of good or service and overall comprise the majority of the organization's purchases; or
- Identified as having the highest risk of incidents of violations related to human rights.

Young worker

A person who is above the applicable minimum working age and younger than 18 years of age.

4. Documentation

Potential information sources include the reporting organization's legal, compliance, and human resources departments.

5. References

- ILO Convention 138, 'Minimum Age Convention', 1973.
- ILO Convention 182, 'Worst Forms of Child Labour Convention', 1999.
- ILO Declaration on Fundamental Principles and Rights at Work, 86th Session, 1998.
- United Nations Convention on the Rights of the Child, 1989.



HR7 Operations and significant suppliers identified as having significant risk for incidents of forced or compulsory labor, and measures taken to contribute to the elimination of all forms of forced or compulsory labor.

1. Relevance

Not to be subjected to forced or compulsory labor is considered a fundamental human right and is a provision of the UN Universal Declaration of Human Rights and subject to ILO Core Conventions 29 & 105. This type of labor can exist in a variety of forms and the data provided will indicate the reporting organization's challenges in contributing to the abolition of forced and compulsory labor.

2. Compilation

- 2.1** Identify operations considered to have significant risk for incidents of forced or compulsory labor. The process of identification should reflect the organization's approach to risk assessment on this issue and can draw from recognized international data sources such as ILO reports.
- 2.2** Report operations considered to have significant risk for incidents of compulsory labor either in terms of:
 - Type of operations (e.g. manufacturing plant); or
 - Countries or geographical areas with operations considered at risk.
- 2.3** Report on any measures taken by the organization in the reporting period intended to contribute to the elimination of all forms of forced or compulsory labor. See the ILO Tripartite Declaration and OECD Guidelines for further guidance.

3. Definitions

Forced or compulsory labor

All work and service which is exacted from any person under the menace of any penalty and for which the said person has not offered her/himself voluntarily (ILO Convention 29, Forced Labour Convention, 1930). The most extreme examples are slave labor and

bonded labor, but debts can also be used as a means of maintaining workers in a state of forced labor. Withholding identity papers, requiring compulsory deposits, or compelling workers, under threat of firing, to work extra hours to which they have not previously agreed, are all examples of forced labor.

Significant suppliers

External parties from whom products or services are obtained or with whom contracts are concluded for the provision of such products and services. In the context of this Indicator, 'significant' refers to suppliers who are:

- The primary providers of a given type of good or service and overall comprise the majority of the organization's purchases; or
- Identified as having the highest risk of incidents of violations related to human rights.

4. Documentation

Potential information sources include the reporting organization's legal, compliance, and human resources departments.

5. References

- ILO Conventions 29, 'Forced Labour Convention', 1930.
- ILO Convention 105, 'Abolition of Forced Labour', 1957.
- League of Nations (later UN) Slavery Convention, 1927.
- United Nations Supplementary Convention on the Abolition of Slavery, the Slave Trade, and Institutions and Practices Similar to Slavery, 226 U.N.T.S.3, 1957.
- Universal Declaration of Human Rights (United Nations General Assembly Resolution 217 A (III) of 10 December 1948), Articles 4 & 5.
- ILO Declaration on Fundamental Principles and Rights at Work, 86th Session, 1998.



HR8 Percentage of security personnel trained in the organization's policies or procedures concerning aspects of human rights that are relevant to operations.

1. Relevance

The conduct of security personnel towards third parties is underpinned by their training in human rights issues, particularly regarding the use of force. Training security personnel can help prevent reputational and litigation risks that arise from inappropriate actions or approaches not condoned by the reporting organization. Information provided under this Indicator helps to demonstrate the extent to which management systems pertaining to human rights are implemented. This measure indicates the proportion of the security force that can reasonably be assumed to be aware of the organization's expectations of human rights performance.

2. Compilation

- 2.1** Identify the total number of security personnel the reporting organization employs directly.
- 2.2** Report the percentage of security personnel who have received formal training in the organization's policies on, or specific procedures for, human rights issues and their application to security. This can refer either to training dedicated to the topic or a module within a more general training program.
- 2.3** Report whether training requirements also apply to third party organizations providing security personnel.

3. Definitions

Security personnel

Individuals employed for the purposes of guarding property of the organization, crowd control, loss prevention, and escorting persons, goods, and valuables.

4. Documentation

Potential information sources include the reporting organization's human resources department and training records received by internal security personnel. Contractors may hold similar information with respect to their employees.

5. References

- ILO Convention 29, 'Forced Labour Convention', 1930.
- ILO Convention 105, 'Abolition of Forced Labour Convention', 1957.
- The Voluntary Principles on Security and Human Rights, 2000.



HR9 Total number of incidents of violations involving rights of indigenous people and actions taken.

1. Relevance

The number of recorded incidents involving the rights of indigenous peoples provides information about the implementation of an organization's policies relating to indigenous peoples. This information will help indicate the state of relations with these stakeholder communities, particularly in regions where indigenous people reside or have interests near operations of the reporting organization. The information also provides an additional entry point for support groups. ILO Conventions 107 and 169 address the rights of indigenous peoples.

2. Compilation

- 2.1** Identify incidents involving indigenous rights among the organization's own employees, and in communities near existing operations that are likely to be affected by planned or proposed future operations of the reporting organization.

'Incidents' refer to legal actions, complaints registered with the organization or competent authorities through a formal process, or instances of non-compliance identified by the organization through established procedures such as management system audits or formal monitoring programs.

- 2.2** Report the total number of identified incidents involving indigenous rights during the reporting period.
- 2.3** Report the status of the incidents and actions taken with reference to the following:
- Organization has reviewed the incident;
 - Remediation plan is being implemented;
 - Remediation plan has been implemented and results reviewed through routine internal management review processes; and
 - Incident is no longer subject to action (i.e., resolved, case completed, no further by action by company, etc).

3. Definitions

Indigenous peoples

Indigenous peoples are those whose social, cultural, political, and economic conditions distinguish them from other sections of the dominant national community, or who are regarded as indigenous on account of their descent from the populations which inhabited the country, or a geographical region to which the country belongs, at the time of conquest or colonization or the establishment of present state boundaries and who, irrespective of their legal status, retain some or all of their own social, economic, cultural, and political institutions.

4. Documentation

Potential information sources include the reporting organization's operating procedures and guidelines on the issue. Other information may be supplied by country managers and by legal specialists of the reporting organization. Data on indigenous people within the workforce may be obtainable from employee records.

5. References

- Charter of the United Nations, Preamble, San Francisco, 1945.
- International Finance Corporation's Performance Standards on Social & Environmental Sustainability, 2006.
- ILO Convention (107) Indigenous and Tribal Populations Convention, 1957.
- ILO Convention (169) Concerning Indigenous and Tribal Peoples in Independent Countries, 1991.
- United Nations Declaration on the Rights of Indigenous Peoples, 2007.



HR10 Percentage and total number of operations that have been subject to human rights reviews and/or impact assessments.

1. Relevance

Reporting organizations need to be aware of their special responsibility to respect human rights. The presence of the reporting organization's operations can have positive and negative effects in relation to respecting on the protection of human rights. Organizations can affect human rights directly, through their own actions and operations, and indirectly, through their interaction and relationships with others, including governments, local communities and suppliers.

Information reported for this Indicator will provide insight into how far the reporting organization takes human rights considerations into account when making decisions on their locations of operations. It will also evaluate the potential of its being associated with, or considered complicit in, human rights abuse.

2. Compilation

- 2.1** Identify countries in which the reporting organization operates.
- 2.2** Report the total number of operations, by country.
- 2.3** Report the total number and percentage of operations that have undergone human rights reviews or human rights impact assessments, by country.

3. Definitions

Human rights reviews

A formal or documented assessment process that applies a set of human rights performance criteria.

4. Documentation

Potential information sources include the reporting organization's legal, compliance, and human resources departments, information supplied by country managers and the risk management office.

5. References

- Global Compact Business Guide for Conflict Impact Assessment and Risk Management, 2002.
- Guidance on Responsible Business in Conflict-Affected and High-Risk Areas: A Resource for Companies and Investors, UNGC/PRI, 2010.
- OECD Guidelines for Multinational Enterprises, Revision 2000.
- OECD Risk Awareness Tool for Multinational Enterprises in Weak Governance Zones (in particular ch. 2, 4 & 7), 2006.
- Multinational Enterprises in Situations of Violent Conflict and Widespread Human Rights Abuses, OECD, Working Papers on International Investment, number 2002/1, 2002.



HR11 Number of grievances related to human rights filed, addressed, and resolved through formal grievance mechanisms.

1. Relevance

Disputes over the human rights impact of an organization's operations and decisions may occur. Effective grievance mechanisms play an important role in the successful protection of human rights.

2. Compilation

- 2.1 Identify existing formal organizational grievance mechanisms.
- 2.2 Report the total number of grievances related to human rights filed through formal organizational grievance mechanisms during the reporting period.
- 2.3 Report the total number of addressed grievances related to human rights from those filed in the reporting period, broken down by:
 - Internal Stakeholders;
 - External stakeholders; and
 - Gender, minority group membership and other indicators of diversity (for grievances filed by an individual or group of people and not an organization).
- 2.4 Report the total number of resolved grievances related to human rights from those filed in the reporting period, broken down by:
 - Internal Stakeholders;
 - External stakeholders; and
 - Gender, minority group membership and other indicators of diversity (for grievances filed by an individual or group of people and not an organization).
- 2.5 Report the total number of grievances related to human rights addressed and resolved during the reporting period that were filed before the reporting period, broken down by:

- Internal Stakeholders;
- External stakeholders; and
- Gender, minority group membership and other indicators of diversity (for grievances filed by an individual or group of people and not an organization).

3. Definitions

Grievance mechanisms

A system consisting of specified procedures, roles and rules for methodically addressing complaints as well as resolving disputes. Grievance mechanisms are expected to be legitimate, accessible, predictable, equitable, rights-compatible, clear and transparent and based on dialogue and mediation.

4. Documentation

Potential information sources include the reporting organization's legal, compliance, and human resources departments.

5. References

None.



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IP

Indicator Protocols Set Society (SO)



Society

Performance Indicators

Aspect: Local Communities

- | | |
|------|--|
| CORE | S01 Percentage of operations with implemented local community engagement, impact assessments, and development programs. |
| CORE | S09 Operations with significant potential or actual negative impacts on local communities. |
| CORE | S010 Prevention and mitigation measures implemented in operations with significant potential or actual negative impacts on local communities. |

Aspect: Corruption

- | | |
|------|---|
| CORE | S02 Percentage and total number of business units analyzed for risks related to corruption. |
| CORE | S03 Percentage of employees trained in organization's anti-corruption policies and procedures. |
| CORE | S04 Actions taken in response to incidents of corruption. |

Aspect: Public Policy

- | | |
|------|---|
| CORE | S05 Public policy positions and participation in public policy development and lobbying. |
| ADD | S06 Total value of financial and in-kind contributions to political parties, politicians, and related institutions by country. |

Aspect: Anti-Competitive Behavior

- | | |
|-----|--|
| ADD | S07 Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes. |
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Aspect: Compliance

- | | |
|------|---|
| CORE | S08 Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations. |
|------|---|



Relevance

The categories of Labor, Human Rights, and Product Responsibility address social impacts associated with specific stakeholder groups (such as employees or customers). However, the social impacts of organizations are also linked to interactions with market structures and social institutions that establish the social environment within which stakeholder groups interact. These interactions, as well as the organization's approach to dealing with social groups such as communities, represent an important component of sustainability performance. The Society Performance Indicators therefore focus on the impacts organizations have on the communities in which they operate, and how the organization's interactions with other social institutions are managed and mediated. In particular, information is sought on bribery and corruption, involvement in public policy-making, monopoly practices, and compliance with laws and regulations other than labor and environmental.

Definitions

Corruption

Corruption is 'the abuse of entrusted power for private gain'¹ and can be instigated by individuals in the public or private sector. It is interpreted here to include such corrupt practices as bribery, fraud, extortion, collusion, conflict of interest, and money laundering. In this context, it includes an offer or receipt of any gift, loan, fee, reward, or other advantage to or from any person as an inducement to do something that is dishonest, illegal, or a breach of trust in the conduct of the enterprise's business.² This may include gifts other than money, such as free goods and holidays, or special personal services provided for the purpose of, or liable to result in, an improper advantage or that may result in moral pressure to receive such an advantage.

Local Community

Persons or groups of people living and/or working in any areas that are economically, socially or environmentally impacted (positively or negatively) by the organization's operations. The local community can range from people living adjacent to operations through to isolated settlements at a distance from operations that may experience the impacts of these operations.

Operation

A single location used by an organization for the production, storage and/or distribution of its goods and services, or for administrative purposes (e.g., office). Within a single operation, there may be multiple production lines, warehouses, or other activities. For example, a single factory may be used for multiple products or a single retail outlet may contain several different retail operations that are owned or managed by the reporting organization.

Vulnerable Groups

A vulnerable group is a set or subset of people with some specific physical, social, political, or economic condition or characteristic that places the group at a higher risk of suffering a burden, or at a risk of suffering a disproportionate burden of the social, economic or environmental impacts of an organization's operations. Vulnerable groups may include, but are not limited to, children and youth, the elderly, people with disabilities, ex-combatants, the internally displaced, refugees or returning refugees, HIV/AIDS-affected households, indigenous peoples, and ethnic minorities. Vulnerabilities and impacts may differ by gender.

General References

- Inter-American Convention Against Corruption, 1996.
- OECD Guidelines for Multinational Enterprises, Revision 2000.
- OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions, 1997.
- OECD Principles of Corporate Governance, 2004.
- Stakeholder Engagement: A Good Practice Handbook For Companies Doing Business In Emerging Markets, IFC, 2007.
- United Nations Convention Against Corruption, 2003.

¹ Transparency International

² These definitions are based on 'Business Principles for Countering Bribery' which have been developed through a project managed by Transparency International.



SO1 Percentage of operations with implemented local community engagement, impact assessments, and development programs.

1. Relevance

A key element in managing impacts on women and men in local communities is assessment and planning in order to understand the potential and actual impacts, and strong engagement with local communities in order to understand their expectations and needs. There are many elements that can be incorporated into engagement, impact assessments, and development programs. This Indicator seeks to identify which elements have been consistently applied, organization-wide.

Engagement, impact assessments, and development programs, combined with the consistency of their application, provide insight into the overall quality of an organization's efforts, as well as its degree of follow-up on policy or policies.

2. Compilation

- 2.1** Identify the total number of operations. (The total number of operations should match that reported under Profile Disclosure 2.8.)
- 2.2** Identify organization-wide local community engagement, impact assessments, and development programs.
- 2.3** Report the percentage of operations with implemented local community engagement, impact assessments, and development programs including, but not limited to, the use of:
 - Social impact assessments, including gender impact assessments, based on participatory processes;
 - Environmental impact assessments and ongoing monitoring;
 - Public disclosure of results of environmental and social impact assessments;
 - Local community development programs based on local communities' needs;

- Stakeholder engagement plans based on stakeholder mapping;
- Broad based local community consultation committees and processes that include vulnerable groups;
- Works councils, occupational health and safety committees and other employee representation bodies to deal with impacts; and
- Formal local community grievance processes.

3. Definitions

Community Development Programs

Plan that details actions to minimize, mitigate, and compensate for adverse social and economic impacts, and to identify opportunities and actions to enhance positive impacts of the project on the community.

4. Documentation

Potential information sources for this Indicator may include:

- Public consultation and consultation plans;
- Agenda and meeting reports of works councils, occupational health and safety committees and other employee representation bodies;
- Baseline studies – socio-economic, health, environment, cultural, etc;
- Social impact assessments;
- Gender impact assessments;
- Health impact assessments;
- Environmental impact assessments;
- Social action plans;
- Resettlement action plans;
- Community development plans;
- Grievance or complaints mechanisms; and
- Documents held in community information centers.



5. References

- International Finance Corporation's Performance Standards on Social & Environmental Sustainability, 2006.
- OECD Guidelines For Multinational Enterprises (in particular Ch ii.3 & v.2.b).
- OECD Risk Awareness Tool for Multinational Enterprises in Weak Governance Zones (in particular ch. 2, 4 & 7).



S09 Operations with significant potential or actual negative impacts on local communities.

1. Relevance

Organizational operations related to entering, operating, and exiting can have a number of significant negative impacts on local communities. Indicators in the GRI Framework, such as environmental emissions or economic data, will offer an overall picture of positive and negative impacts, but may not be able to present them in relation to local communities.

This Indicator is focused on significant potential and actual negative impacts related to operations and not on community investments or donations (which are addressed under EC1).

The Indicator informs stakeholders about an organization's awareness of its impacts. It also enables an organization to better prioritize and improve its organization-wide attention to local communities.

Understanding operations with specific challenges, combined with information about organization-wide processes, enables stakeholders to better assess an organization's overall community performance. An analysis of negative impacts enables an organization to reflect its approach in management systems and consequently enhance the brand and reputation of the organization as a potential partner. It simultaneously strengthens the ability of an organization to maintain existing operations, and to initiate new ones.

2. Compilation

2.1 Identify internal sources of information about potential and actual negative impacts, including sources such as:

- Actual performance data;
- Internal investment plans and associated risk assessments;
- All data collected with GRI indicators (e.g., EC9, EN1, EN3, EN8, EN12, EN14-15, EN19-26, EN29, LA8, HR6-9, PR1-2) as relates to individual communities.

2.2 Identify significant potential negative impacts, including but not limited to consideration of:

- Vulnerability and risk to local communities from potential impacts due to factors such as:
 - Degree of physical or economic isolation of the local community;
 - Level of socio-economic development including the degree of gender equality within the community ;
 - State of socio-economic infrastructure (health, education);
 - Proximity to operations;
 - Level of social organization; and
 - Strength and quality of the governance of local and national institutions around local communities.

2.3 Identify the exposure of the local community to operations due to higher than average use of/ impact on shared resources through:

- Use of hazardous substances that impact on the environment and human health in general, and specifically reproductive health;
- Volume and type of pollution released;
- Status as major employer in the local community;
- Land conversion and resettlement; and
- Natural resource consumption.

2.4 Identify the significant potential and actual negative economic, social, cultural, and environmental impacts on local communities and their rights, considering:

- Intensity/severity of the impact;
- Likely duration of the impact;
- Reversibility of the impact; and
- Scale of the impact.



2.5 Report:

- Operations and associated communities with significant potential or actual negative impacts;
- Location of the operations with significant potential or negative impacts; and
- Potential or actual negative impacts of operations.

3. Definitions**Operations with significant potential or actual negative impacts on local communities.**

This refers primarily to operations, considered alone or in combination with the characteristics of local communities, that have higher than average potential of negative impacts, or actual negative impacts, on the social, economic or environmental wellbeing of local communities (for example, local community health and safety).

4. Documentation

Potential information sources include organizational policies and risk assessment procedures, results of data collection from local community programs, and analysis results of external stakeholder forums, joint community committees, stakeholder reports, and other inputs.

Both internal and external sources and references should be used.

5. References

- OECD Risk Awareness Tool for Multinational Enterprises in Weak Governance Zones, 2006.
- International Finance Corporation's Performance Standards on Social & Environmental Sustainability, 2006.



SO10 Prevention and mitigation measures implemented in operations with significant potential or actual negative impacts on local communities.

1. Relevance

This Indicator demonstrates the measures implemented in response to the significant potential and actual negative impacts identified in Indicator SO9.

The quality and extent of prevention and mitigation measures is important in understanding the potential and actual impacts of organization-wide operations. The information also provides insight into the ability of the organization to respond appropriately to potential problems, and therefore the potential risks that impacts pose to the organization's reputation or ability to operate. The approach to prevention and mitigation measures can also provide insight into how an organization implements its mission, values, and commitments.

2. Compilation

- 2.1** Use the information on potential and actual negative impacts reported in SO9.
- 2.2** Report whether, for the significant potential and actual negative impacts reported in SO9:
 - Prevention and mitigation measures were implemented;
 - Prevention and mitigation measures were implemented in order to:
 - i. Remediate non-compliance with laws or regulations;
 - ii. Maintain compliance with laws or regulations;
 - iii. Achieve a standard beyond legal compliance;
 - Prevention and mitigation objectives were achieved or not.

3. Definitions

None.

4. Documentation

Potential information sources include:

- Baseline studies – socio-economic, health, environment, cultural, etc;
- Agenda and meeting reports of works councils, occupational health and safety committees and other employee representation bodies;
- Social impact assessments;
- Gender impact assessments;
- Health impact assessments;
- Environmental impact assessments;
- Social action plans; and
- Resettlement action plans.

5. References

- OECD Guidelines for Multinational Enterprises (in particular Ch ii.3 & v.2.b), 2000.
- OECD Risk Awareness Tool for Multinational Enterprises in Weak Governance Zones, 2006.
- International Finance Corporation's Performance Standards on Social & Environmental Sustainability, 2006.



SO2 Percentage and total number of business units analyzed for risks related to corruption.

1. Relevance

Efforts to manage reputational risks arising from corrupt practices by employees or business partners require a system that has supporting procedures in place. This measure identifies two specific actions for ensuring the effective deployment of the reporting organization's policies and procedures by its own employees and its intermediaries or business partners. Risk analysis is an important and necessary management approach that helps to assess the potential for incidents of corruption within the organization.

2. Compilation

- 2.1** Identify business units analyzed for organizational risks related to corruption during the reporting period. This refers to either a formal risk assessment focused on corruption or the inclusion of corruption as a risk factor in overall risk assessments.
- 2.2** Report the total number and percentage of business units analyzed for risks related to corruption.

3. Definitions

None.

4. Documentation

Potential information sources include monitoring reports.

5. References

- OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions, 1997.
- OECD Guidelines for Multinational Enterprises, Revision 2000.
- Inter-American Convention Against Corruption, 1996.
- United Nations Convention Against Corruption, 2003.
- Business Principles for Countering Bribery, 2003.



SO3 Percentage of employees trained in organization's anti-corruption policies and procedures.

1. Relevance

Efforts to manage reputational risks arising from corrupt practices by employees or business partners require a system that has supporting procedures in place. Training is an important element of such a system as it builds internal awareness and capacity necessary to prevent incidents of corruption. This measure reveals the proportion of the organization's employees that can reasonably be assumed to be aware of the anti-corruption issues.

2. Compilation

- 2.1** Identify the total number of employees, distinguishing between management and non-management employees, using the data from LA1.
- 2.2** Report separately the percentage of total number of management and non-management employees who have received anti-corruption training during the reporting period.

3. Definitions

None.

4. Documentation

Potential information sources include training records.

5. References

- OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions, 1997.
- OECD Guidelines for Multinational Enterprises, Revision 2000.
- Inter-American Convention Against Corruption, 1996.
- United Nations Convention Against Corruption, 2003.
- Business Principles for Countering Bribery, 2003.



SO4 Actions taken in response to incidents of corruption.

1. Relevance

Corruption can be a significant risk to an organization's reputation and business. It is broadly linked to contributing to poverty in transition economies, damage to the environment, abuse of human rights, abuse of democracy, misallocation of investments, and undermining the rule of law. Organizations are increasingly expected by the marketplace, international norms, and stakeholders to demonstrate their adherence to integrity, governance, and good business practices. This Indicator demonstrates specific actions taken to limit exposure to sources of corruption and reduce the risk of new instances of corruption. For stakeholders, there is an interest in both the occurrence of incidents, but also how the organization chooses to respond.

2. Compilation

2.1 Report actions taken in response to incidents of corruption, including:

- The total number of incidents in which employees were dismissed or disciplined for corruption; and
- The total number of incidents when contracts with business partners were not renewed due to violations related to corruption.

2.2 Report any concluded legal cases regarding corrupt practices brought against the reporting organization or its employees during the reporting period and the outcomes of such cases.

3. Definitions

None.

4. Documentation

Potential information sources include legal department records of cases brought against the reporting organization, its employees, business partners, or contractors; minutes of the proceedings of internal disciplinary hearings; and contracts with business partners.

5. References

- United Nations Convention Against Corruption, 2003.
- OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions, 1997.
- Inter-American Convention Against Corruption, 1996.
- OECD Guidelines for Multinational Enterprises, Revision 2000.
- Anti-Corruption Instruments and the OECD Guidelines for Multinational Enterprises, 2003.
- Business Principles for Countering Bribery, 2003.



SO5 Public policy positions and participation in public policy development and lobbying.

1. Relevance

This Indicator provides information that allows organizations to compare public policy positions with formal sustainability policies and objectives. This information provides insight into the extent to which publicly-expressed positions on sustainability are consistently embedded across the organization and aligned across different units. This allows a comparison of organizational priorities (particularly when making comparisons within the same sector) at the same time as the particular policy positions help to clarify the strategic relevance of sustainability issues for the organization. It also helps to provide transparency for lobbying activities for those concerned with the integrity of the practices and potential impacts on stakeholders.

2. Compilation

- 2.1** Participation refers to efforts where the organization has taken a formal position or activities where participation has been formally recognized. While this could include activities through trade associations, roundtables, task forces, and other forms of lobbying with public policymakers, the disclosure relates to the position of the organization and not that of the bodies in which it is involved.
- 2.2** Report the significant issues that are the focus of the reporting organization's participation in public policy development and lobbying. This refers to participation at the level of the organization rather than individual operations.
- 2.3** Report the core positions held on each of the reported issues above and explain any significant differences between lobbying positions and stated policies, sustainability goals, or other public positions.

3. Definitions

Public policy development

Organized or coordinated activities to effect government policy formulation.

Lobbying

Refers to efforts to persuade or influence persons holding political office, or candidates for such office, to sponsor policies, and/or to influence the development of legislation or political decisions. In this Indicator, this can relate to lobbying governments at any level or international institutions.

4. Documentation

Potential information sources include the public policy statements of the reporting organization; internal minutes of government relations committees or departments; statements of positions adopted by the reporting organization in relevant trade associations; and records of interactions with public policy-makers.

5. References

- OECD Guidelines for Multinational Enterprises, Revision 2000.
- OECD Principles of Corporate Governance, 2004.



SO6 Total value of financial and in-kind contributions to political parties, politicians, and related institutions by country.

1. Relevance

The purpose of this Indicator is to reflect the scale of the reporters' engagement in political funding and to ensure transparency in political dealings and relationships with the reporting organization. Many countries have legislation that sets limits on official expenditure by parties and political candidates for campaigning purposes.

2. Compilation

- 2.1** Identify the total monetary value of financial and in-kind contributions committed by the reporting organization during the reporting period to political parties, politicians, and related institutions. The value of in-kind contributions should be estimated.
- 2.2** Calculate contributions in accordance with national accounting rules (where these exist).
- 2.3** Report the total monetary value broken down by country for those countries where:
 - The organization has major operations and/or sales;
 - The organization holds a significant share of the market in comparison to other organizations; or
 - The sums contributed are significant compared to the total amount contributed globally.

3. Definitions

Contributions

Contributions can include donations, loans, sponsorships, purchase of tickets for fundraising events, advertising, use of facilities, design and printing, donation of equipment, retainers or jobs for elected politicians or candidates for office, etc.

Related institutions

Any bodies established with the primary purpose of arranging official or unofficial funding support for political parties, their elected representatives, or persons seeking political office. This definition also includes think-tanks, policy organs, trade associations, and other support organizations that are linked to the creation of support for political parties, their representatives, or candidates for office.

4. Documentation

Potential information sources include the accounting records of external payments and public disclosure statements.

5. References

- OECD Guidelines for Multinational Enterprises, Revision 2000.



SO7 Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes.

1. Relevance

Mergers and acquisitions can affect consumer choice, pricing, and other factors that are essential to efficient markets. Legislation has been introduced in many countries that seeks to control or prevent monopolies, with the underlying assumption that competition between enterprises also promotes economic efficiency and sustainable growth. Legal action indicates a situation in which the market actions or status of the organization have reached a sufficient scale to merit concern by a third party. Legal decisions arising from these situations can carry the risk of significant disruption of market activities for the organization and/or punitive measures.

2. Compilation

- 2.1** This Indicator pertains to legal actions initiated under national or international laws designed primarily for the purpose of regulating anti-competitive behavior, anti-trust, or monopoly practices.
- 2.2** Identify legal actions pending or completed during the reporting period regarding anti-competitive behavior and violations of anti-trust and monopoly legislation in which the reporting organization has been identified as a participant.
- 2.3** Report the total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices.
- 2.4** Report the main outcomes of such actions, including any decisions or judgements.

3. Definitions

Anti-competitive behavior

Actions of the reporting organization and/or employees that may result in collusion with potential competitors to fix prices, coordinate bids, create market or output restrictions, impose geographic quotas, or allocate customers, suppliers, geographic areas, and product lines with the purpose of limiting the effects of market competition.

Anti-trust and monopoly practices

Actions of the reporting organization that may result in collusion to erect barriers to entry to the sector, unfair business practices, abuse of market position, cartels, anti-competitive mergers, price-fixing, and other collusive actions which prevent competition.

4. Documentation

Potential information sources include the legal department records and public records.

5. References

- OECD Guidelines for Multinational Enterprises, Revision 2000.



SO8 Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations.

1. Relevance

The level of non-compliance within the organization helps to indicate the ability of management to ensure that operations conform to certain performance parameters. From an economic perspective, ensuring compliance helps to reduce financial risks that occur either directly through fines or indirectly through impacts on reputation. The strength of an organization's compliance record can also affect its ability to expand operations or gain permits.

Indicators EN28 and PR9 address compliance with specific aspects of law. An organization's overall record of compliance with the range of laws under which it must operate is equally of interest. This Indicator is intended to reflect significant fines and non-monetary sanctions under laws or regulations not covered by EN28 and PR9, such as laws and regulations related to accounting fraud, workplace discrimination, corruption, etc.

2. Compilation

- 2.1** Identify administrative or judicial sanctions levied against the organization for failure to comply with laws or regulations, including:
- International declarations/conventions/treaties, and national, sub-national, regional, and local regulations, and.
 - Cases brought against the organization through the use of international dispute mechanisms or national dispute mechanisms supervised by government authorities.
- 2.2** Report significant fines and non-monetary sanctions in terms of:
- Total monetary value of significant fines;
 - Number of non-monetary sanctions; and
 - Cases brought through dispute resolution mechanisms.

2.3 Where the reporting organization has not identified any non-compliance with laws or regulations, a brief statement to this fact is sufficient.

2.4 Organizations are encouraged to report fines and non-monetary sanctions in terms of the focus of laws.

3. Definitions

None.

4. Documentation

Data sources include audit results or regulatory tracking systems operated by the legal department. Information regarding monetary fines can be found in accounting departments.

5. References

None.





IP

Indicator Protocols Set
Product Responsibility (PR)



Product Responsibility

Performance Indicators

Aspect: Customer Health and Safety

CORE **PR1** Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures.

ADD **PR2** Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services, by type of outcomes.

Aspect: Product and Service Labeling

CORE **PR3** Type of product and service information required by procedures, and percentage of significant products and services subject to such information requirements.

ADD **PR4** Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes.

ADD **PR5** Practices related to customer satisfaction, including results of surveys measuring customer satisfaction.

Aspect: Marketing Communications

CORE **PR6** Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship.

ADD **PR7** Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship, by type of outcomes.

Aspect: Customer Privacy

ADD **PR8** Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data.

Aspect: Compliance

CORE **PR9** Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services



Relevance

The Product Responsibility Indicator set addresses the effects of products and services management on customers and users. Organizations are expected to exercise due care in the design of their products and services to ensure they are fit for their intended use and do not pose unintended hazards to health and safety. In addition, communications related to both products and services and users need to take into consideration the information needs of customers and their rights to privacy. The Indicators are primarily structured in pairs, with a Core Indicator seeking disclosure on the processes in place to address the aspect, and an additional Indicator to report on degree of compliance.

Definitions

Type of non-compliance

Court judgment on failure to act in accordance with regulations or laws, categorized by the nature of the laws or regulations breached.

Product and service information/labeling

Information and labeling are used synonymously and describe communication delivered with the product or service describing its characteristics.

Customer privacy

The right of the customer to privacy and personal refuge, including matters such as the protection of data, the use of information/data only for its original intended purpose (unless specifically agreed otherwise), the obligation to observe confidentiality, and protection from misuse or theft. A customer is understood to include end-customers (consumer) as well as business-to-business customers.

Marketing communication

The combination of strategies, systems, methods, and activities used by an organization to promote its reputation, brands, products, and services to target audiences. Marketing communications can include activities such as advertising, personal selling, promotion, public relations, and sponsorship.

General References

- OECD Guidelines for Multinational Enterprises, Revision 2000.



PR1 Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures.

1. Relevance

This measure helps to identify the existence and scope of systematic efforts to address health and safety across the life cycle of a product and/or service. Customers expect products and services to perform their intended functions satisfactorily, and not pose a risk to health and safety. This responsibility is not only subject to laws and regulations, but is also addressed in voluntary codes such as the OECD Guidelines for Multinational Enterprises.

Efforts made to protect the health and safety of those who use or deliver the product/service have direct impacts on an organization's reputation, the organization's legal and financial risk due to recall, market differentiation in relation to quality, and employee motivation.

2. Compilation

- 2.1** In each of the following life cycle stages, report whether the health and safety impacts of products and services are assessed for improvement:

	yes	no
Development of product concept		
R & D		
Certification		
Manufacturing and production		
Marketing and promotion		
Storage distribution and supply		
Use and service		
Disposal, reuse, or recycling		

- 2.2** Report the percentage of significant product or service categories that are covered by and assessed for compliance with such procedures.

3. Definitions

None.

4. Documentation

Potential information sources include the reporting organization's legal and sales departments as well as the documentation collected through quality management systems.

5. References

- OECD Guidelines for Multinational Enterprises, Revision 2000.



PR2 Total number of incidents of non-compliance with regulations and voluntary codes concerning the health and safety impacts of products and services during their life cycle, by type of outcomes.

1. Relevance

Protection of health and safety is a recognized goal of many national and international regulations. Failing to comply with legal requirements indicates either inadequate internal management systems and procedures, or lack of implementation. In addition to direct financial consequences, ongoing compliance failure poses increased financial risk due to damage to both reputation and employee motivation. For an organization, the number of incidents of non-compliance should remain as low as possible. The trends revealed by this Indicator will indicate improvements or deterioration in the effectiveness of internal controls.

2. Compilation

- 2.1** This Indicator addresses the life cycle of the product or service once it is available for use and therefore subject to regulations concerning the health and safety of products and services.
- 2.2** Where the reporting organization has not identified any non-compliance with regulations and voluntary codes, a brief statement to this fact is sufficient.
- 2.3** Identify the total number of incidents of non-compliance with regulations and voluntary codes concerning the health and safety of products and services during the reporting period.
- 2.4** This Indicator refers to incidents of non-compliance within the reporting period. If a substantial number of incidents relate to events in preceding years, this should be indicated.
- 2.5** Incidents of non-compliance in which the organization was determined not to be at fault are not counted in this Indicator.

- 2.6** Report the total number of incidents of non-compliance with the health and safety of products and services, broken down by:

- Incidents of non-compliance with regulations resulting in a fine or penalty;
- Incidents of non-compliance with regulations resulting in a warning; and
- Incidents of non-compliance with voluntary codes.

3. Definitions

None.

4. Documentation

Potential information sources include the reporting organization's legal and R&D departments as well as documentation collected through quality management systems.

5. References

None.



PR3 Type of product and service information required by procedures, and percentage of significant products and services subject to such information requirements.

1. Relevance

Accessible and adequate information on the sustainability impacts of products and services (positive and negative) is necessary for customers and end users to make informed purchasing choices, and for these preferences to be reflected in the market. Providing appropriate information and labeling with respect to sustainability impacts is directly linked to compliance with certain types of regulations and codes (such as national laws or the OECD Guidelines for Multinational Enterprises) and, potentially, with strategies for brand and market differentiation. This measure provides an indication of the degree to which information and labeling addresses a product's or a service's impact on sustainability.

2. Compilation

- 2.1** Report whether the following product and service information is required by the organization's procedures for product and service information and labeling:

	yes	no
The sourcing of components of the product or service		
Content, particularly with regard to substances that might produce an environmental or social impact		
Safe use of the product or service		
Disposal of the product and environmental/social impacts		
Other (explain)		

- 2.2** Report the percentage of significant product or service categories covered by and assessed for compliance with such procedures.

3. Definitions

None.

4. Documentation

Potential information sources include legal and sales departments and the documentation collected through quality management systems.

5. References

- OECD Guidelines for Multinational Enterprises, Revision 2000.

PR4 Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes.

1. Relevance

The display and provision of information and labeling for products and services are subject to many regulations and laws. Non-compliance indicates either inadequate internal management systems and procedures or ineffective implementation. In addition to direct financial consequences, such as penalties and fines, non-compliance poses a risk to reputation and customer loyalty and satisfaction. An organization's incidents of non-compliance should remain as low as possible. The trends revealed by this Indicator can indicate improvements or deterioration in the effectiveness of internal controls.

2. Compilation

- 2.1** This Indicator refers to incidents of non-compliance decided within the reporting period. If a substantial number of incidents relate to events in preceding years, this should be indicated.
- 2.2** Where the reporting organization has not identified any non-compliance with regulations and voluntary codes, a brief statement to this fact is sufficient.
- 2.3** Identify the total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling during the reporting period.
- 2.4** Incidents of non-compliance in which the organization was determined not to be at fault are not counted in this Indicator.

- 2.5** Report the total number of incidents of non-compliance with regulations concerning product and service information and labeling, broken down by:

- Incidents of non-compliance with regulations resulting in a fine or penalty;
- Incidents of non-compliance with regulations resulting in a warning; and
- Incidents of non-compliance with voluntary codes.

3. Definitions

None.

4. Documentation

Potential information sources include the reporting organization's legal and technical departments as well as documentation collected through quality management systems.

5. References

None.



PR5 Practices related to customer satisfaction, including results of surveys measuring customer satisfaction.

1. Relevance

Customer satisfaction is one measure of an organization's sensitivity to its customers' needs and, from an organizational perspective, is essential for long-term success. In the context of sustainability, customer satisfaction provides insight into how the organization approaches its relationship with one stakeholder group (customers). It can also be used in combination with other sustainability measures. Customers' needs and preferences may differ by gender and other diversity factors. Used in combination, customer satisfaction can provide insights into the degree to which an organization considers the needs of other stakeholders.

2. Compilation

2.1 Report on organization-wide practices in place to assess and maintain customer satisfaction, such as:

- Frequency of measuring customer satisfaction;
- Standard requirements regarding methodologies of surveys; and
- Mechanisms for customers to provide feedback.

2.2 Report the results or key conclusions of surveys (based on statistically relevant sample sizes) conducted in the reporting period that were related to information about:

- The organization as a whole;
- A major product/service category; or
- Significant locations of operation.

2.3 For any survey results reported, identify the product/service category or locations of operations to which they apply.

3. Definitions

None.

4. Documentation

Potential information sources include the reporting organization's customer relations and R&D departments.

5. References

- UNIFEM & UNGC Women's Empowerment Principles: Principles 5 & 7, 2010.



PR6 Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship.

1. Relevance

Marketing communications are designed to influence opinions and purchasing decisions. The growth of consumer activism shows that stakeholders consider marketing communications a significant issue when they:

- Do not conform to generally accepted ethical or cultural standards;
- Are irresponsible in relation to privacy intrusion and dual standards;
- Are irresponsible in their attempts to influence vulnerable audiences such as children; and
- Are irresponsible in portraying gender roles in ways that are not respectful.

Marketing approaches that are seen as inappropriate can incur risks for organizations, including alienation of customers and other stakeholders, damage to reputation, financial costs, and legislative action.

In addition to frameworks of national or international law, voluntary and self-regulatory codes (such as the ICC International Code of Advertising Practice or the OECD Guidelines for Multinational Enterprises) seek to express concepts of responsibility in marketing communications. The adoption of such self-disciplinary codes or rules can assist organizations in ensuring that their marketing communications practices conform to generally accepted standards.

2. Compilation

- 2.1** Report any codes or voluntary standards relating to marketing communications applied across the organization.
- 2.2** Report the frequency with which the organization reviews its compliance with these standards or codes.
- 2.3** Report whether the organization sells products that are:
 - Banned in certain markets; or

- The subject of stakeholder questions or public debate.

- 2.4** Report how the organization has responded to questions or concerns regarding these products.

3. Definitions

None.

4. Documentation

Potential information sources include the reporting organization's legal, sales, and marketing departments.

5. References

- International Chamber of Commerce recommendations (i.e., the ICC International Code of Advertising Practice) and related codes of conduct.
- OECD Guidelines for Multinational Enterprises, Revision 2000.
- Section J of The UN Beijing Platform For Action, 1995.



PR7 Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship, by type of outcomes.

1. Relevance

Non-compliance indicates either inadequate internal management systems and procedures or ineffective implementation. In addition to direct financial consequences such as penalties and fines, non-compliance poses a risk to reputation and customer loyalty and satisfaction. An organization's incidents of non-compliance should remain as low as possible. The trends revealed by this Indicator can indicate improvements or deterioration in the effectiveness of internal controls

2. Compilation

- 2.1** This Indicator refers to incidents of non-compliance within the reporting period. If a substantial number of incidents relate to events in preceding years, this should be indicated.
- 2.2** Where the reporting organization has not identified any non-compliance with regulations and voluntary codes, a brief statement to this fact is sufficient.
- 2.3** Identify the total number of incidents of non-compliance with regulations concerning marketing communications during the reporting period.
- 2.4** Incidents of non-compliance in which the organization was determined not to be at fault are not counted in this Indicator.
- 2.5** Report the total number of incidents of non-compliance with regulations concerning marketing communications, broken down by:
 - Incidents of non-compliance with regulations resulting in a fine or penalty;
 - Incidents of non-compliance with regulations resulting in a warning; and
 - Incidents of non-compliance with voluntary codes.

3. Definitions

None.

4. Documentation

Potential information sources include the reporting organization's legal, sales, and marketing departments.

5. References

None.



PR8 Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data.

1. Relevance

Protection of customer privacy is a generally recognized goal in national regulations and organizational policies. Non-compliance indicates either inadequate internal management systems and procedures or ineffective implementation. This Indicator provides an evaluation of the success of management systems and procedures relating to customer privacy protection. In addition to direct financial consequences such as penalties and fines, non-compliance poses a risk to reputation and customer loyalty and satisfaction. An organization's incidents of non-compliance should remain as low as possible. The trends revealed by this Indicator can indicate improvements or deterioration in the effectiveness of internal controls.

2. Compilation

- 2.1** Identify the total number of complaints regarding breaches of customer privacy during the reporting period.
- 2.2** If a substantial number of these breaches relate to events in preceding years, this should be indicated.
- 2.3** Report the total number of substantiated complaints received concerning breaches of customer privacy, categorized by:
 - Complaints received from outside parties and substantiated by the organization; and
 - Complaints from regulatory bodies.
- 2.4** Report the total number of identified leaks, thefts, or losses of customer data.
- 2.5** Where the reporting organization has not identified any substantiated complaints, a brief statement to this fact is sufficient.

3. Definitions

Breach of customer privacy

Covers any non-compliance with existing legal regulations and (voluntary) standards of which the reporting organization is a member regarding the protection of customer privacy.

Substantiated complaint

Written statement by regulatory or similar official body addressed to the reporting organization that identifies breaches of customer privacy, or a complaint lodged with the organization that has been recognized as legitimate by the organization.

4. Documentation

Information can be drawn from departments responsible for customer service, public relations, and/or legal concerns.

5. References

None.



PR9 Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services.

1. Relevance

The level of non-compliance within an organization is an indicator of the ability of management to ensure that operations conform to certain performance parameters. From an economic perspective, ensuring compliance helps to reduce financial risks that occur either directly through fines or indirectly through impacts on reputation. The strength of an organization's compliance record can also affect its ability to expand operations or gain permits.

2. Compilation

- 2.1** Identify administrative or judicial sanctions levied against the organization for failure to comply with laws or regulations, including international declarations/conventions/ treaties, and national, sub-national, regional, and local regulations concerning the provision and use of the reporting organization's products and services. Relevant information for this Indicator includes but is not limited to data from PR2, PR4, and PR7.
- 2.2** Report total monetary value of significant fines.
- 2.3** Where the reporting organization has not identified any non-compliance with laws or regulations, a brief statement to this fact is sufficient.

3. Definitions

None.

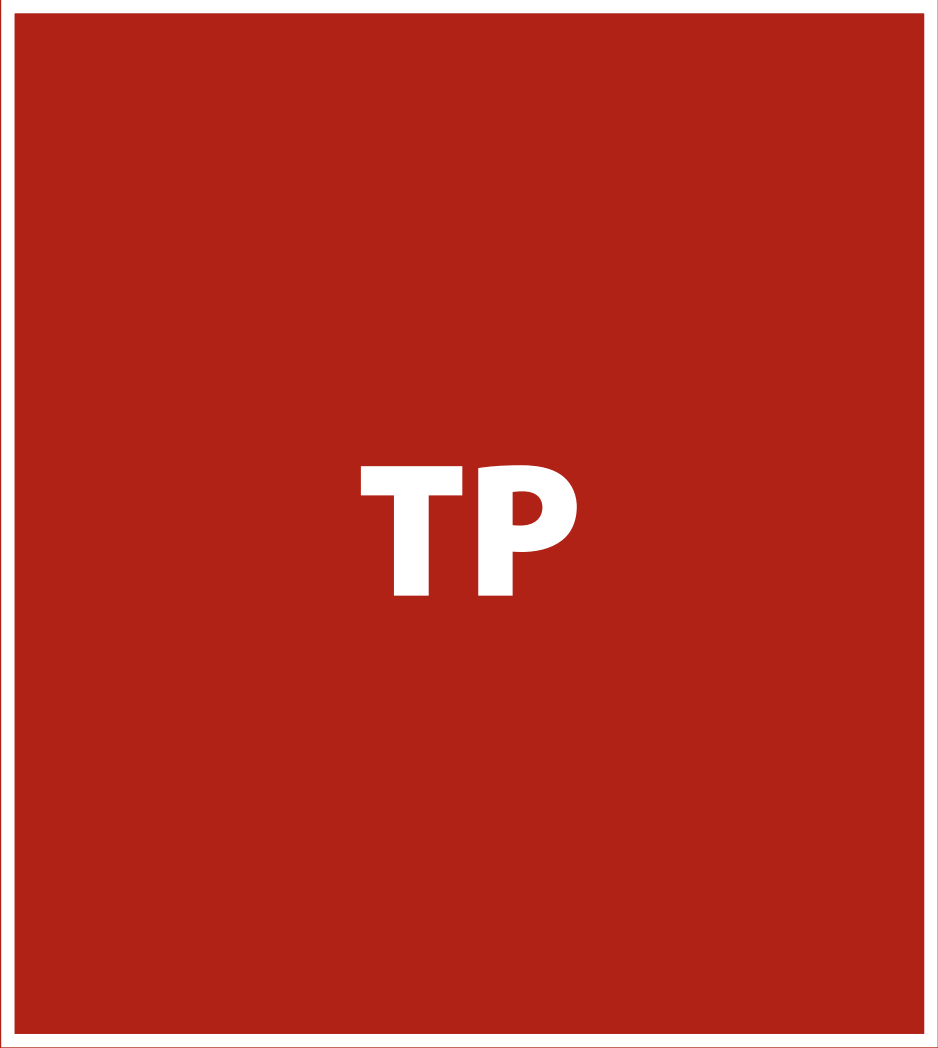
4. Documentation

Data sources include audit results or regulatory tracking systems operated by the legal department. Information regarding monetary fines can be found in accounting departments.

5. References

None.





TP

Technical Protocol
Applying the Report Content Principles



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Technical Protocol – Applying the Report Content Principles: an overview

Introduction

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

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

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

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

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

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

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

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

Audience

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

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

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

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



Materiality in the context of the GRI Reporting Framework

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

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

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

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

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

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

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

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

Sustainability Reporting and Companies

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

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

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

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

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

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



Defining report content: the process

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

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

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

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

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

1. Identification
2. Prioritization
3. Validation

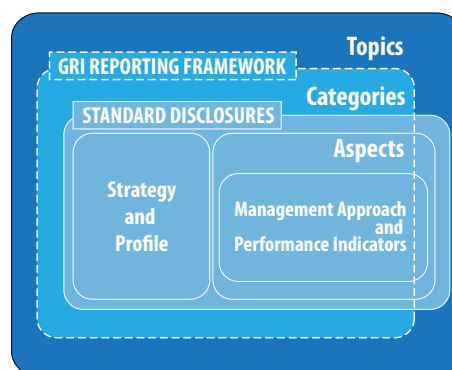


Figure 1: GRI Reporting Framework Terminology

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

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

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

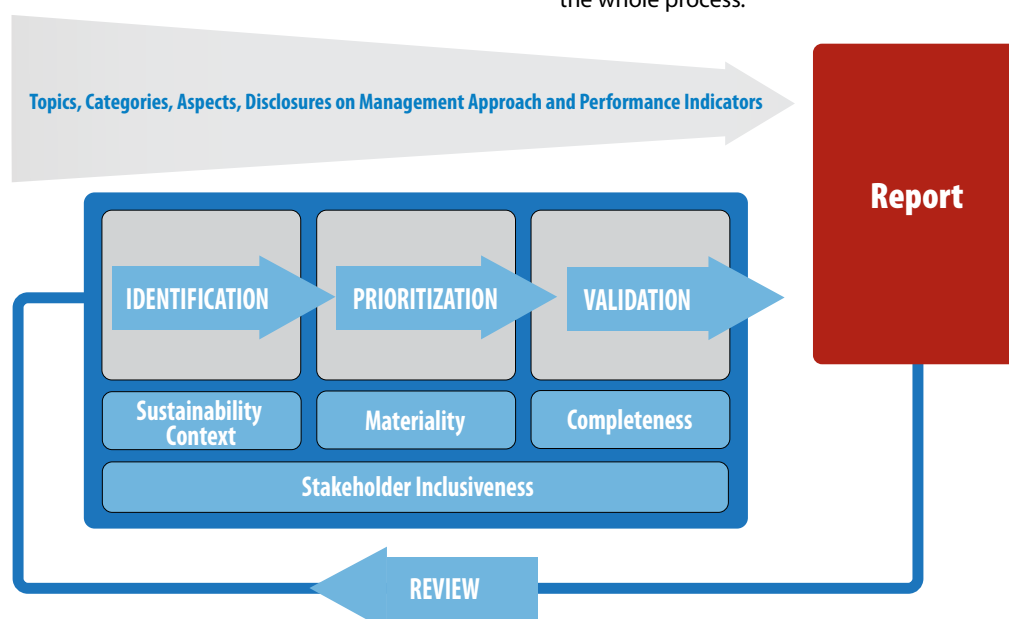


Figure 2: Defining report content – the process

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

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

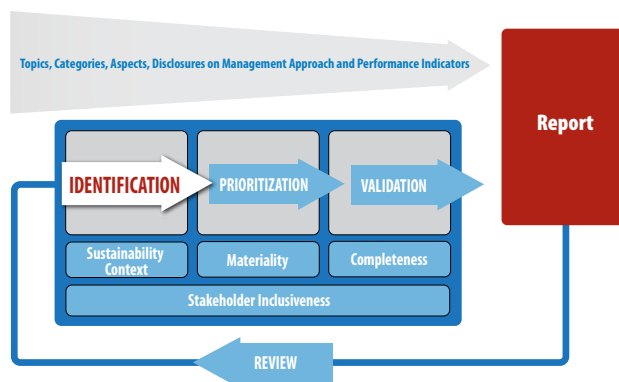
Documentation of the process is crucial, including its methodologies, assumptions and the decisions taken. Accurate records facilitate analysis and assurance, help to fulfill the Standard Disclosures 3.5-3.8 in the GRI Sustainability Reporting Guidelines⁶, and enable the reporting organization to explain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

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

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

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

Step 1: Identification – identify relevant topics



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

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

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

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

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

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

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

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



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

These two Reporting Principles involve different points of departure.

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

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

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

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

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

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

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

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

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

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

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

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

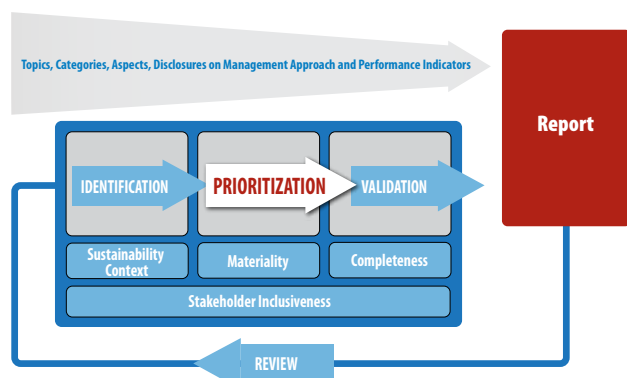
After applying these two Principles to the range of potential topics to consider, the organization should have identified a shortlist of relevant topics that can then be assessed for materiality and relative reporting priority.

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

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



Step 2: Prioritization



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

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

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

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

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

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

BASIC FEATURES OF THE PRIORITIZATION STEP

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

1. An assessment of the Aspects based on analyzing the:

- Significance to Stakeholders; and
- Significance to the Organization.

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

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

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

3. A systematic approach. The Prioritization assessment should be systematic, documented and replicable, and used consistently from year to year. Changes to the assessment approach, and their implications, should be documented.

4. Visual communication. The reporting organization should be able to communicate the results of its Prioritization step in a simple visual manner, explaining the relationship of the selected Aspects to the analysis of the two viewpoints stated above. The representation of Aspects within this visual explanation should be supported by evidence or a documented rationale.

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



SIGNIFICANCE TO STAKEHOLDERS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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



SIGNIFICANCE TO THE ORGANIZATION

The analysis should include but is not limited to:

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

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

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

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

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

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

Determining materiality and relative reporting priority

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

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

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

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

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

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

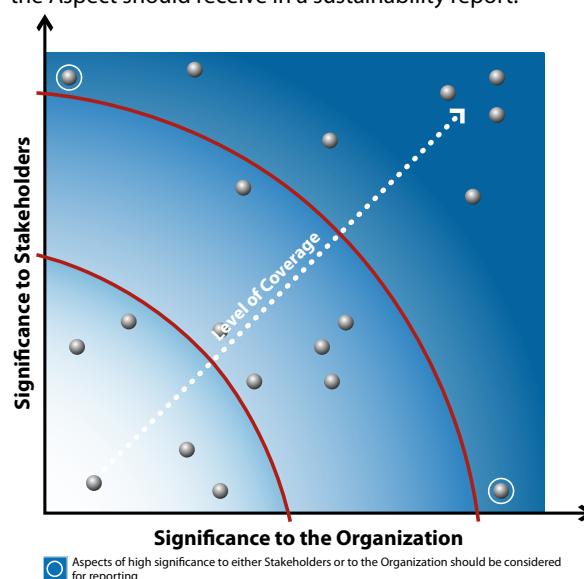


Figure 3: Relative reporting priority

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



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

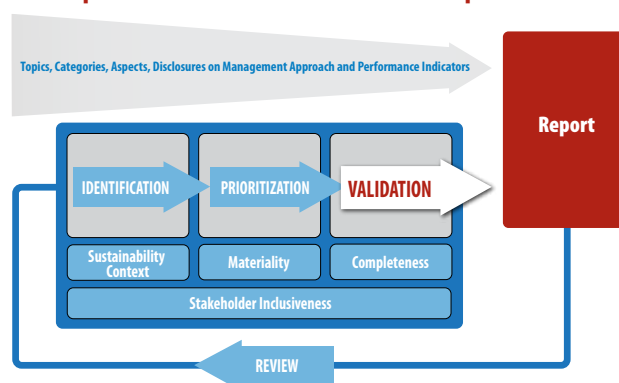
- Aspects with relatively low reporting priority may be Aspects reported to fulfill regulatory or other reporting requirements. It may be decided to not include them in the report.
- Aspects assigned medium-level reporting priority may be considered for inclusion in the report, but given less attention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

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

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

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

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



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

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

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

The Validation step involves assessing the material Aspects against:

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

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

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



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

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

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

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

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

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

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

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

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

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

Review

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

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

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

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

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

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

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



Conclusion

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

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

The online examples can be found at:
www.globalreporting.org

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

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



Glossary of Terms

Additional Indicators

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

Aspects

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

Categories

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

Core Indicator

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

Ecosystem dependencies

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

Entity

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

GRI Reporting Framework

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

Indicator Protocol

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

Performance Indicator

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

Precautionary Principle

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

Report Boundary

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



Report Scope

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

Reporting Principle

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

Sector Supplements

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

Stakeholders

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

Standard Disclosures

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

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

Topics

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



Legal Liability

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

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LAMPIRAN II : DAFTAR NAMA PERUSAHAAN YANG DI JADIKAN SAMPEL

NO	KODE PERUSAHAAN	NAMA PERUSAHAAN
1	ADHI	PT ADHIKARYA (Persero)Tbk
2	ASII	PT ASTRA INTERNATIONAL
3	BBRI	PT BANK RAKYAT INDONESIA
4	BFIN	PT BFI FINANCE INDONESIA
5	BTEL	PT BAKRIE TELECOM
6	INDF	PT INDOFOOD
7	KRAS	PT KRAKATAU STEEL
8	PTPP	PT PP (Persero)
9	SMCB	PT HOLCIM INDONESIA
10	UNVR	PT UNILEVER INDONESIA
11	ACES	PT ACE HARDWARE INDONESIA
12	ADRO	PT ADARO ENERGY
13	AMRT	PT ALFAMART
14	INTA	PT INTRACO PENTA
15	ANTM	PT ANEKA TAMBANG
16	TINS	PT TIMAH
17	MAPI	PT MITRA ADI PERKASA
18	AUTO	PT ASTRA OTOPART
19	BATA	PT SEPATU BATA
20	BBCA	PT BANK BCA
21	BBNI	PT BANK BNI
22	BDMN	PT BANK DANAMON
23	PTRO	PT PETROSEA
24	BIPI	PT BENAKAT
25	BMRI	PT BANK MANDIRI
26	BNBR	PT BAKRIE AND BROTHER
27	CTBN	PT CITRA TUBINDO
28	ELSA	PT ELNUSA
29	ENRG	PT ENERGI MEGA PERSADA
30	EXCL	PT EXCEL
31	FREN	PT SMARTFREN TELECOM
32	GDYR	PT GOODYEAR
33	GEMS	PT GOLDEN ENERGY MINES
34	GGRM	PT GUDANG GARAM

35	GIAA	PT GARUDA INDONESIA
36	GZCO	PT GOZCO PLANTATION
37	HERO	PT HERO
38	HMSP	PT HANJAYA MANDALA SAMPURNA
39	IMAS	PT INDOMOBIL
40	INAF	PT INDOFARMA
41	INAI	PT INDAL ALUMUNIUM
42	INDR	PT INDORAMA
43	ISAT	PT INDOSAT
44	ITMG	PT INDO TAMBANG RAYA MEGAG
45	JPFA	PT JAPFA
46	JPRS	PT JAYAPARI STELL
47	JSMR	PT JASAMARGA
48	KAEF	PT KIMIA FARMA
49	KBRI	PT KERTAS BASUKI RAHMAT
50	KKGI	PT RESOURCES ALAM INDONESIA
51	KLBF	PT KALBE FARMA
52	KOIN	PT KOKOH INTI
53	LPPF	PT MATAHARI DEPARTEMEN STORE
54	LION	PT LION METAL WORKS
55	LSIP	PT LONDON SUMATERA
56	MDRN	PT MODERN INTERNATIONAL
57	MEDC	PT MEDCO
58	META	PT NUSANTARA INFRASTRUCTURE
59	MFIN	PT MANDALA FINANCE
60	MNCN	PT MEDIA NUSANTARA
61	MTDL	PT METRODATA ELECTRONIK
62	MYOH	PT MYOH TEKNOLOGI
63	MYOR	PT MAYORA INDAH
64	MYRX	PT HANSON
65	MYTX	PT APAC CITRA CENTERTEX
66	OKAS	PT ANCORA INDONESIA RESOURCES
67	PGAS	PT PERUSAHAAN GAS
68	PPKT	PT PUPUK KALTIM
69	SMDR	PT SAMUDRA INDONESIA
70	SMGR	PT SEMEN GRESIK
71	SMMT	PT GOLDEN EAGLE ENERGY
72	TKIM	PT TWIJI KIMIA
73	TLKM	PT TELKOM

74	TMPO	PT TEMPO INTI MEDIA
75	ULTJ	PT ULTRAJAYA

LAMPIRAN III: VERIFIKASI DATA

Sebelum melakukan analisis statistik, verifikasi data dilakukan untuk memastikan keakuratan data. Langkah-langkah ini mencakup verifikasi skor pengungkapan, verifikasi data variabel independen yang diambil dari laporan tahunan, dan verifikasi data yang dimasukkan ke dalam file excel. Keakuratan data merupakan bagian dari proses pembersihan data dari eror, dan merupakan proses penting dalam analisis multivariat (Hair et al.; Tabachnick & Fidel dalam Cahaya, 2006). Data proses pembersihan sendiri terdiri dari akurasi data, korelasi, data yang hilang, identifikasi outlier, normalitas, linearitas, dan homoskedastisitas. Data yang hilang tidak dibahas secara rinci karena tidak ada data yang hilang dalam penelitian ini. Rincian proses pembersihan lain seperti normalitas disajikan pada Lampiran IV karena mereka adalah bagian dari uji asumsi regresi itu.

Langkah pertama adalah melakukan verifikasi pada data skor untuk indeks pelaporan. Satu mahasiswa (Rizka Hervina) jurusan akuntansi diminta untuk secara mandiri melakukan scoring kembali variabel dependen (pengungkapan informasi sosial kemasyarakatan) dari 8 laporan tahunan (20% dari ukuran sampel). Rizka Hervina memiliki pengalaman dengan scoring pengungkapan sehingga diharapkan apapun scoring yang salah yang dilakukan oleh peneliti dapat dengan mudah dideteksi.

Langkah kedua adalah verifikasi data variabel independen yang diambil dari laporan tahunan. Rizka Hervina diminta untuk melakukan verifikasi pada data data yang di ambil pada laporan tahunan dari 8 perusahaan (20% dari ukuran sampel) data yang di verifikasi meliputi total aset tahun 2011 dan 2012, jumlah laba bersih tahun 2012, adanya indikator operasi

internasional (penjualan asing, anak perusahaan asing, dan kantor cabang luar negeri), dan tahun berdirinya perusahaan.

Langkah ketiga adalah verifikasi data yang dimasukkan ke dalam file excel. Rizka Hervina diminta untuk memverifikasi data yang telah dimasukan ke excel dan menghitung kembali untuk perhitungan ROA dan Indeks Pengungkapan informasi sosial dari 8 laporan tahunan perusahaan (20% dari ukuran sampel).

Setelah keseluruhan rangkaian verifikasi di lakukan, kemudian data verifikasi yang dilakukan oleh Rizka Hervina dibandingkan dengan data peneliti maka terjadi kesepakatan atau kesepahaman sebesar 97%

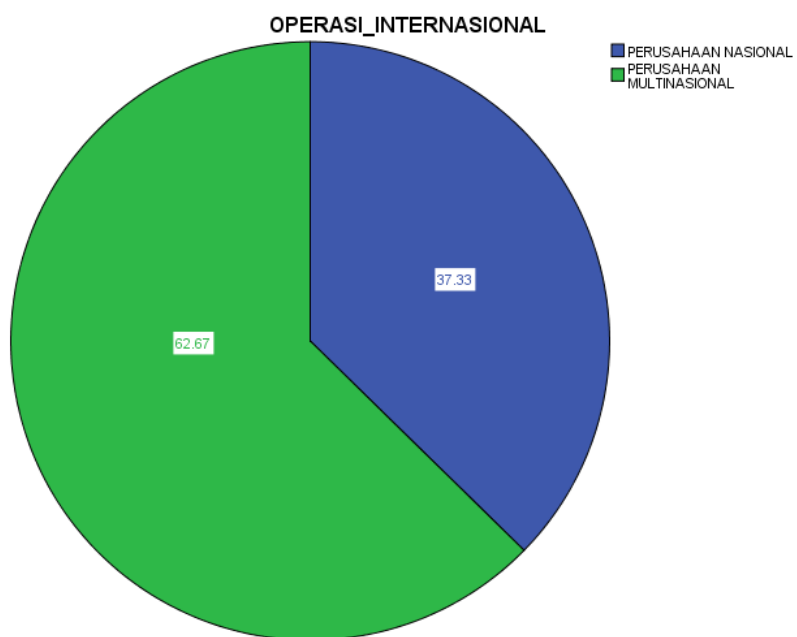
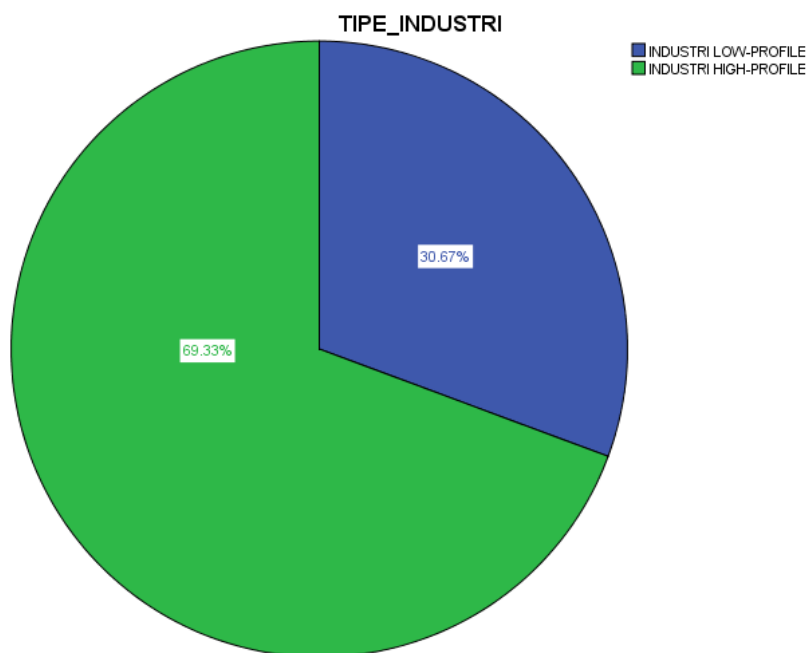
**LAMPIRAN IV: ANALISIS STATISTIK DESKRIPTIF, HASIL REGRESI BERGANDA
DAN UJI ASUMSI KLASIK**

TABEL FREKUENSI

Statistics			
		TIPE_INDUSTRI	OPERASI_INTERNASIONAL
N	Valid	75	75
	Missing	0	0

TIPE_INDUSTRI				
	Frequency	Percent	Valid Percent	Cumulative Percent
0	23	30.7	30.7	30.7
Valid 1	52	69.3	69.3	100.0
Total	75	100.0	100.0	

OPERASI_INTERNASIONAL				
	Frequency	Percent	Valid Percent	Cumulative Percent
0	28	37.3	37.3	37.3
Valid 1	47	62.7	62.7	100.0
Total	75	100.0	100.0	



TABEL ANALISIS STATISTIS DESKRIPTIF

Descriptive Statistics					
	N	Minimum	Maximum	Mean	Std. Deviation
PISKj	75	.20	1.00	.4027	.21496
UKURAN_PERUSAHA AN	75	212446	551336790	34840982.83	91300659.980
KINERJA_PERUSAHA AN	75	-29.52	43.08	8.6436	10.68035
UMUR_PERUSAHA AN	75	7	97	37.23	18.829
Valid N (listwise)	75				

TABEL REGRESI LINIER BERGANDA

Variables Entered/Removed^a

Model	Variables Entered	Variables Removed	Method
1	UMUR_PERUSAHAAN, TIPE_INDUSTRI, OPERASI_INTERNASIONAL, KINERJA_PERUSAHAAN, UKURAN_PERUSAHAAN ^b	.	Enter

a. Dependent Variable: PISKj

b. All requested variables entered.

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.483 ^a	.233	.178	.19495

a. Predictors: (Constant), UMUR_PERUSAHAAN, TIPE_INDUSTRI, OPERASI_INTERNASIONAL, KINERJA_PERUSAHAAN, UKURAN_PERUSAHAAN

ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	.797	5	.159	4.195	.002 ^b
	Residual	2.622	69	.038		
	Total	3.419	74			

a. Dependent Variable: PISKj

b. Predictors: (Constant), UMUR_PERUSAHAAN, TIPE_INDUSTRI, OPERASI_INTERNASIONAL, KINERJA_PERUSAHAAN, UKURAN_PERUSAHAAN

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.246	.060		4.067	.000
	TIPE_INDUSTRI	.051	.052	.110	.968	.336
	UKURAN_PERUSAHAAN	8.773E-010	.000	.373	3.189	.002
	OPERASI_INTERNASIONAL	.073	.049	.165	1.484	.142
	KINERJA_PERUSAHAAN	-.001	.002	-.037	-.330	.742
	UMUR_PERUSAHAAN	.001	.001	.122	1.054	.295

Coefficients^a

Model		Collinearity Statistics	
		Tolerance	VIF
1	(Constant)		
	TIPE_INDUSTRI	.866	1.155
	UKURAN_PERUSAHAAN	.814	1.229
	OPERASI_INTERNASIONAL	.897	1.115
	KINERJA_PERUSAHAAN	.907	1.102
	UMUR_PERUSAHAAN	.827	1.210

a. Dependent Variable: PISKj

Collinearity Diagnostics^a

Model	Dimension	Eigenvalue	Condition Index	Variance Proportions		
				(Constant)	TIPE_INDUSTRI	UKURAN_PERUSAHAAN
1	1	4.032	1.000	.01	.01	.01
	2	.925	2.088	.00	.02	.64
	3	.509	2.814	.01	.07	.04
	4	.265	3.900	.02	.15	.08
	5	.173	4.824	.07	.64	.23
	6	.097	6.462	.89	.10	.00

Collinearity Diagnostics^a

Model	Dimension	Variance Proportions		
		OPERASI_INTERNASIONAL	KINERJA_PERUSAHAAN	UMUR_PERUSAHAAN
1	1	.02	.02	.01
	2	.00	.05	.00
	3	.05	.79	.00
	4	.91	.02	.03
	5	.01	.12	.37
	6	.01	.00	.58

a. Dependent Variable: PISKj

TABEL UJI NORMALITAS

Variables Entered/Removed ^a			
Model	Variables Entered	Variables Removed	Method
1	UMUR_PERUSAHAAN, TIPE_INDUSTRI, OPERASI_INTERNASIONAL, KINERJA_PERUSAHAAN, UKURAN_PERUSAHAAN ^b	.	Enter

- a. Dependent Variable: PISKj
b. All requested variables entered.

Model Summary ^b				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.483 ^a	.233	.178	.19495

- a. Predictors: (Constant), UMUR_PERUSAHAAN, TIPE_INDUSTRI, OPERASI_INTERNASIONAL, KINERJA_PERUSAHAAN, UKURAN_PERUSAHAAN
b. Dependent Variable: PISKj

ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	.797	5	.159	4.195	.002 ^b
	Residual	2.622	69	.038		
	Total	3.419	74			

a. Dependent Variable: PISKj

b. Predictors: (Constant), UMUR_PERUSAHAAN, TIPE_INDUSTRI, OPERASI_INTERNASIONAL, KINERJA_PERUSAHAAN, UKURAN_PERUSAHAAN

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.246	.060		4.067	.000
	TIPE_INDUSTRI	.051	.052	.110	.968	.336
	UKURAN_PERUSAHAAN	8.773E-010	.000	.373	3.189	.002
	OPERASI_INTERNASIONAL	.073	.049	.165	1.484	.142
	KINERJA_PERUSAHAAN	-.001	.002	-.037	-.330	.742
	UMUR_PERUSAHAAN	.001	.001	.122	1.054	.295

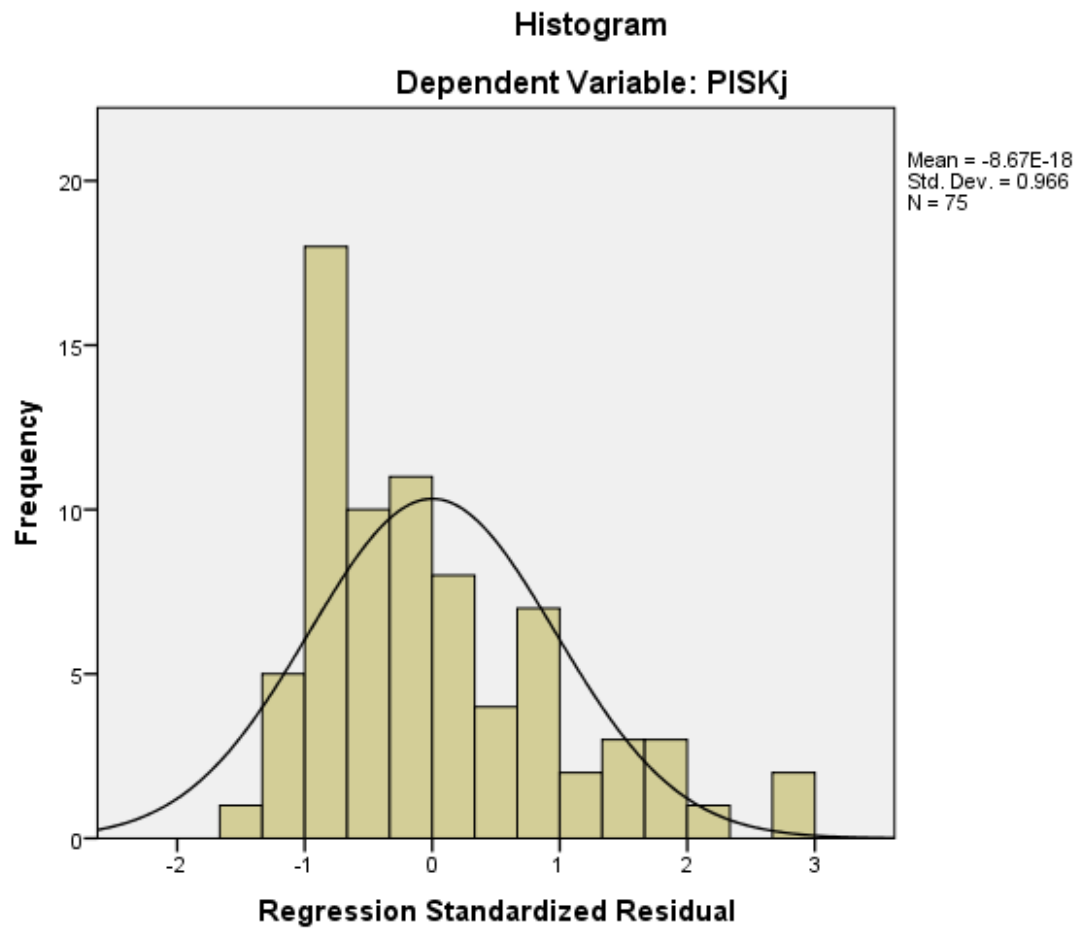
a. Dependent Variable: PISKj

Residuals Statistics^a

	Minimum	Maximum	Mean	Std. Deviation	N
Predicted Value	.2550	.8637	.4027	.10379	75
Residual	-.27629	.52817	.00000	.18825	75
Std. Predicted Value	-1.422	4.442	.000	1.000	75
Std. Residual	-1.417	2.709	.000	.966	75

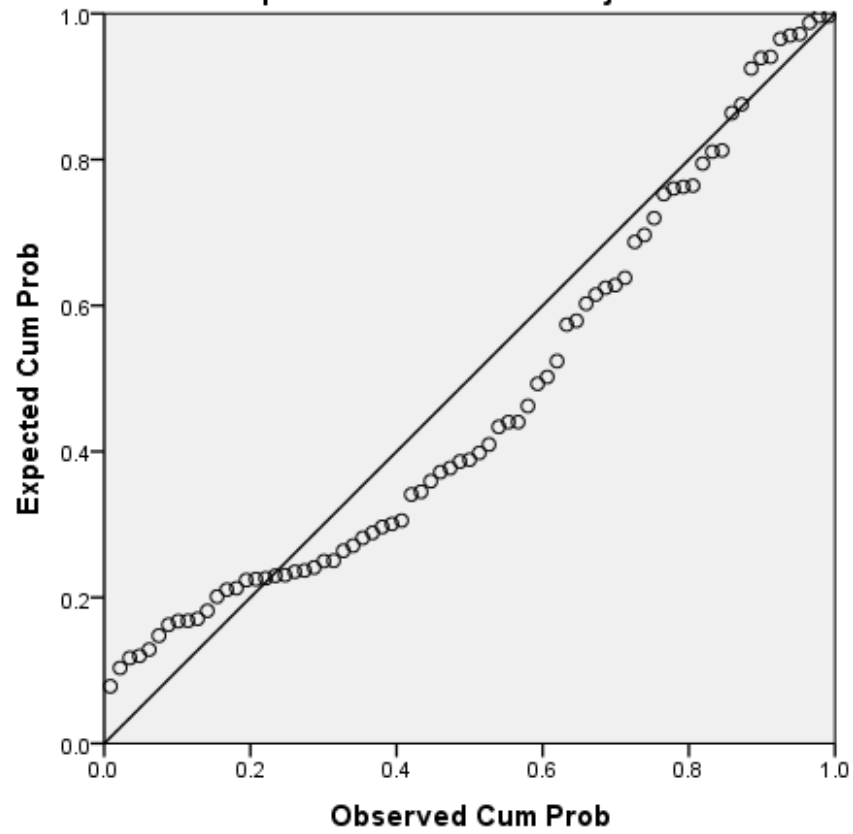
a. Dependent Variable: PISKj

CHART UJI NORMALITAS



Normal P-P Plot of Regression Standardized Residual

Dependent Variable: PISKj



NPar Tests

One-Sample Kolmogorov-Smirnov Test

		Unstandardiz ed Residual
N		75
Normal Parameters ^{a,b}	Mean	0E-7
	Std.	
	Deviation	.18824726
Most Extreme Differences	Absolute	.135
	Positive	.135
	Negative	-.082
Kolmogorov-Smirnov Z		1.170
Asymp. Sig. (2-tailed)		.130

a. Test distribution is Normal.

b. Calculated from data.

TABEL UJI HETEROSKEDASTISITAS**Variables Entered/Removed^a**

Model	Variables Entered	Variables Removed	Method
1	UMUR_PERUSAHAAN, TIPE_INDUSTRI, OPERASI_INTERNASIONAL, KINERJA_PERUSAHAAN, UKURAN_PERUSAHAAN ^b	.	Enter

a. Dependent Variable: ABSRES

b. All requested variables entered.

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.190 ^a	.036	-.034	.11286008

a. Predictors: (Constant), UMUR_PERUSAHAAN, TIPE_INDUSTRI, OPERASI_INTERNASIONAL, KINERJA_PERUSAHAAN, UKURAN_PERUSAHAAN

ANOVA^a

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	.033	5	.007	.518	.762 ^b
	Residual	.879	69	.013		
	Total	.912	74			

a. Dependent Variable: ABSRES

b. Predictors: (Constant), UMUR_PERUSAHAAN, TIPE_INDUSTRI, OPERASI_INTERNASIONAL, KINERJA_PERUSAHAAN, UKURAN_PERUSAHAAN

Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.126	.035		3.618	.001
	TIPE_INDUSTRI	.018	.030	.074	.584	.561
	UKURAN_PERUSAHAAN	-1.356E-010	.000	-.112	-.851	.398
	OPERASI_INTERNASIONAL	.011	.028	.048	.384	.702
	KINERJA_PERUSAHAAN	-.001	.001	-.121	-.975	.333
	UMUR_PERUSAHAAN	.001	.001	.096	.735	.465

a. Dependent Variable: ABSRES

NO	KODE PERUSAHAAN	NAMA PERUSAHAAN	VARIABEL INDEPENDEN				
			TIPE INDUSTRI	COMPANY SIZE	INTERNATIONAL OPERATION	ECONOMIC PERFORMANCE	AGE OF BUSSINESS
1	ADHI	PT ADHIKARYA (Persero)Tbk	1	7872074	1	3,06	54
2	ASII	PT ASTRA INTERNATIONAL	1	182274000	1	13,35	57
3	BBRI	PT BANK RAKYAT INDONESIA	0	551336790	1	3,66	46
4	BFIN	PT BFI FINANCE INDONESIA	0	6570496	0	0,18	32
5	BTEL	PT BAKRIE TELECOM	1	9052400	1	-29,52	21
6	INDF	PT INDOFOOD	1	59324207	1	8,63	20
7	KRAS	PT KRAKATAU STEEL	1	2561947	1	-1,20	44
8	PTPP	PT PP (Persero)	1	8550851	0	4,00	61
9	SMCB	PT HOLCIM INDONESIA	1	12168517	1	11,95	43
10	UNVR	PT UNILEVER INDONESIA	1	11984979	1	43,08	81
11	ACES	PT ACE HARDWARE INDONESIA	0	1916915	0	25,46	19
12	ADRO	PT ADARO ENERGY	1	64493271	1	6,18	8
13	AMRT	PT ALFAMART	0	7503846	0	9,83	25
14	INTA	PT INTRACO PENTA	0	4268975	0	0,31	39
15	ANTM	PT ANEKA TAMBANG	1	19708541	1	17,12	46
16	TINS	PT TIMAH	0	6101007	1	6,88	38
17	MAPI	PT MITRA ADI PERKASA	0	5991000	1	8,32	19
18	AUTO	PT ASTRA OTOPART	1	8881642	1	13,59	23
19	BATA	PT SEPATU BATA	1	574108	1	12,71	83
20	BBCA	PT BANK BCA	0	442994197	1	2,88	59
21	BBNI	PT BANK BNI	0	333303506	1	2,28	68
22	BDMN	PT BANK DANAMON	0	155791000	0	2,74	62
23	PTRO	PT PETROSEA	1	5297420	1	10,83	47
24	BIPI	PT BENAKAT	1	4479157	0	-3,50	7
25	BMRI	PT BANK MANDIRI	0	65953000	1	0,46	16
26	BNBR	PT BAKRIE AND BROTHER	0	15657587	1	1,74	63
27	CTBN	PT CITRA TUBINDO	1	2586942	1	13,45	31
28	ELSA	PT ELNUSA	1	4294557	0	3,12	45
29	ENRG	PT ENERGI MEGA PERSADA	1	19971245	1	1,39	13
30	EXCL	PT EXCEL	1	35455705	1	8,24	25
31	FREN	PT SMARTFREN TELECOM	1	14339807	1	-11,74	13

VARIABEL DEPENDEN												KLASIFIKASI INDUSTRI
SO01	SO02	SO03	SO04	SO05	SO06	SO07	SO08	SO09	SO10	TOTAL	INDEKS	
1	1	1	0	0	0	1	1	0	0	5	0,50	6
1	0	1	0	0	0	1	1	1	1	6	0,60	4
1	1	1	1	0	1	1	1	1	1	9	0,90	8
1	1	0	1	0	1	1	0	0	1	6	0,60	8
1	1	0	1	0	1	1	0	1	0	6	0,60	7
1	0	1	0	0	0	1	1	1	0	5	0,50	5
1	1	1	1	0	0	1	1	1	1	8	0,80	3
1	0	0	0	0	0	1	1	1	1	6	0,60	6
1	1	1	0	0	0	0	0	1	0	5	0,50	3
1	0	0	1	0	0	0	1	1	0	5	0,50	5
1	0	0	0	0	0	0	0	0	1	2	0,20	9
1	0	0	0	0	0	0	1	1	1	4	0,40	2
1	0	0	0	0	0	0	0	0	1	2	0,20	9
1	0	0	0	0	0	0	0	0	1	3	0,30	9
1	1	1	0	0	0	0	0	0	1	5	0,50	2
1	1	1	1	1	1	1	1	1	0	9	0,90	2
0	0	0	0	0	0	0	1	1	0	2	0,20	9
1	0	0	0	0	0	0	0	0	1	3	0,30	4
1	0	0	0	0	0	0	0	0	1	2	0,20	4
1	0	0	0	0	0	1	1	1	1	6	0,60	8
1	0	1	0	0	0	1	1	1	1	6	0,60	8
1	0	0	0	0	0	1	1	1	1	6	0,60	8
1	0	0	0	1	0	0	0	0	1	3	0,30	2
1	0	0	0	0	0	0	0	0	1	2	0,20	2
1	0	1	0	0	0	1	1	1	1	7	0,70	8
1	0	0	0	0	0	0	0	0	1	3	0,30	9
1	0	0	0	0	0	0	1	1	1	5	0,50	3
1	1	1	0	0	0	0	0	0	1	5	0,50	2
1	0	0	0	0	0	0	0	0	1	2	0,20	2
1	0	0	0	0	0	0	1	0	1	4	0,40	7
1	0	0	0	0	0	0	1	1	0	3	0,30	7

TOTAL ASET 2011	TOTAL ASET 2012	LABA BERSIH 2012	TAHUN BERDIRI	OPERASI INTERNASIONAL		
				ANAK	CABANG	PENJUALAN
6.112.954	7.872.074	213.651	1960	1	0	0
154.319.000	182.274.000	22.460.000	1957	1	0	1
469.899.284	551.336.790	18.681.350	1968	1	1	1
530.477.700	6.570.496	490.272	1982	0	0	0
12.213.100	9.052.400	(3.138.900)	1993	1	0	0
53.585.933	59.324.207	4.871.745	1994	1	0	1
2.398.079	2.561.947	(29.780)	1970	0	0	1
6.933.354	8.550.851	309.683	1953	0	0	0
10.950.501	12.168.517	1.381.404	1971	1	1	1
10.482.312	11.984.979	4.839.145	1933	1	1	1
1.451.755	1.916.915	428.849	1995	0	0	0
54.535.407	64.493.271	3.678.877	2006	1	0	1
5.014.932	7.503.846	615.213	1989	0	0	0
3.737.918	4.268.975	12.430	1975	0	0	0
15.201.235	19.708.541	2.989.025	1968	1	1	1
6.569.807	6.101.007	435.698	1976	1	1	1
4.415.000	5.991.000	433.000	1995	1	1	1
6.964.227	8.881.642	1.076.431	1991	1	1	1
516.649	574.108	69.343	1931	1	1	1
381.908.353	442.994.197	11.898.523	1955	1	1	1
299.058.161	333.303.506	7.202.604	1946	1	1	1
142.292.000	155.791.000	4.082.000	1952	0	0	0
3.772.980	5.297.420	491.150	1967	1	1	1
3.763.967	4.479.157	(144.259)	2007	0	0	0
635.619.000	65.953.000	1.609.000	1998	1	1	1
25.212.651	15.657.587	354.875	1951	1	1	1
2.361.295	2.586.942	332.749	1983	1	1	1
4.389.950	4.294.557	135.597	1969	0	0	0
18.311.373	19.971.245	265.690	2001	1	1	1
31.170.654	35.455.705	2.743.915	1989	1	1	1
12.296.579	14.339.807	(1.563.091)	2001	0	1	1

32	GDYR	PT GOODYEAR	1	1194172	1	5,24	97
33	GEMS	PT GOLDEN ENERGY MINES	1	3440326	1	5,85	17
34	GGRM	PT GUDANG GARAM	1	41509325	0	10,10	43
35	GIAA	PT GARUDA INDONESIA	1	24265944	1	6,26	64
36	GZCO	PT GOZCO PLANTATION	1	3187521	1	3,27	13
37	HERO	PT HERO	0	5276736	1	5,24	42
38	HMSP	PT HANJAYA MANDALA SAMPURNA	1	26247527	1	43,03	51
39	IMAS	PT INDOMOBIL	1	17577664	0	5,81	17
40	INAF	PT INDOFARMA	1	1188619	0	3,68	18
41	INAI	PT INDAL ALUMUNIUM	1	612224	0	4,00	44
42	INDR	PT INDORAMA	1	6630316	1	0,67	39
43	ISAT	PT INDOSAT	1	55225061	1	1,62	8
44	ITMG	PT INDO TAMBANG RAYA MEGAG	1	14912240	1	27,79	27
45	JPFA	PT JAPFA	1	10961464	1	11,21	42
46	JPRS	PT JAYAPARI STELL	1	398607	0	2,32	38
47	JSMR	PT JASAMARGA	1	24753551	0	6,73	36
48	KAEF	PT KIMIA FARMA	1	2076348	0	10,63	43
49	KBRI	PT KERTAS BASUKI RAHMAT	1	740753	0	4,92	36
50	KKGI	PT RESOURCES ALAM INDONESIA	1	1000335	1	21,68	46
51	KLBF	PT KALBE FARMA	1	9417957	1	20,03	46
52	KOIN	PT KOKOH INTI	0	336896	0	10,40	13
53	LPPF	PT MATAHARI DEPARTEMEN STORE	0	2929752	0	28,81	31
54	LION	PT LION METAL WORKS	1	433497	0	21,36	42
55	LSIP	PT LONDON SUMATERA	1	7551796	1	15,65	52
56	MDRN	PT MODERN INTERNATIONAL	0	1734346	1	3,99	43
57	MEDC	PT MEDCO	1	26550000	1	0,50	34
58	META	PT NUSANTARA INFRASTRUCTURE	1	2019528	0	2,23	19
59	MFIN	PT MANDALA FINANCE	0	4062766	0	5,56	31
60	MNCN	PT MEDIA NUSANTARA	0	8960942	1	18,66	17
61	MTDL	PT METRODATA ELECTRONIK	0	1662381	1	8,83	31
62	MYOH	PT MYOH TEKNOLOGI	0	1292581	0	3,46	14
63	MYOR	PT MAYORA INDAH	1	8302506	1	9,97	37
64	MYRX	PT HANSON	1	1116299	0	14,93	43
65	MYTX	PT APAC CITRA CENTERTEX	1	1803323	0	-6,83	27

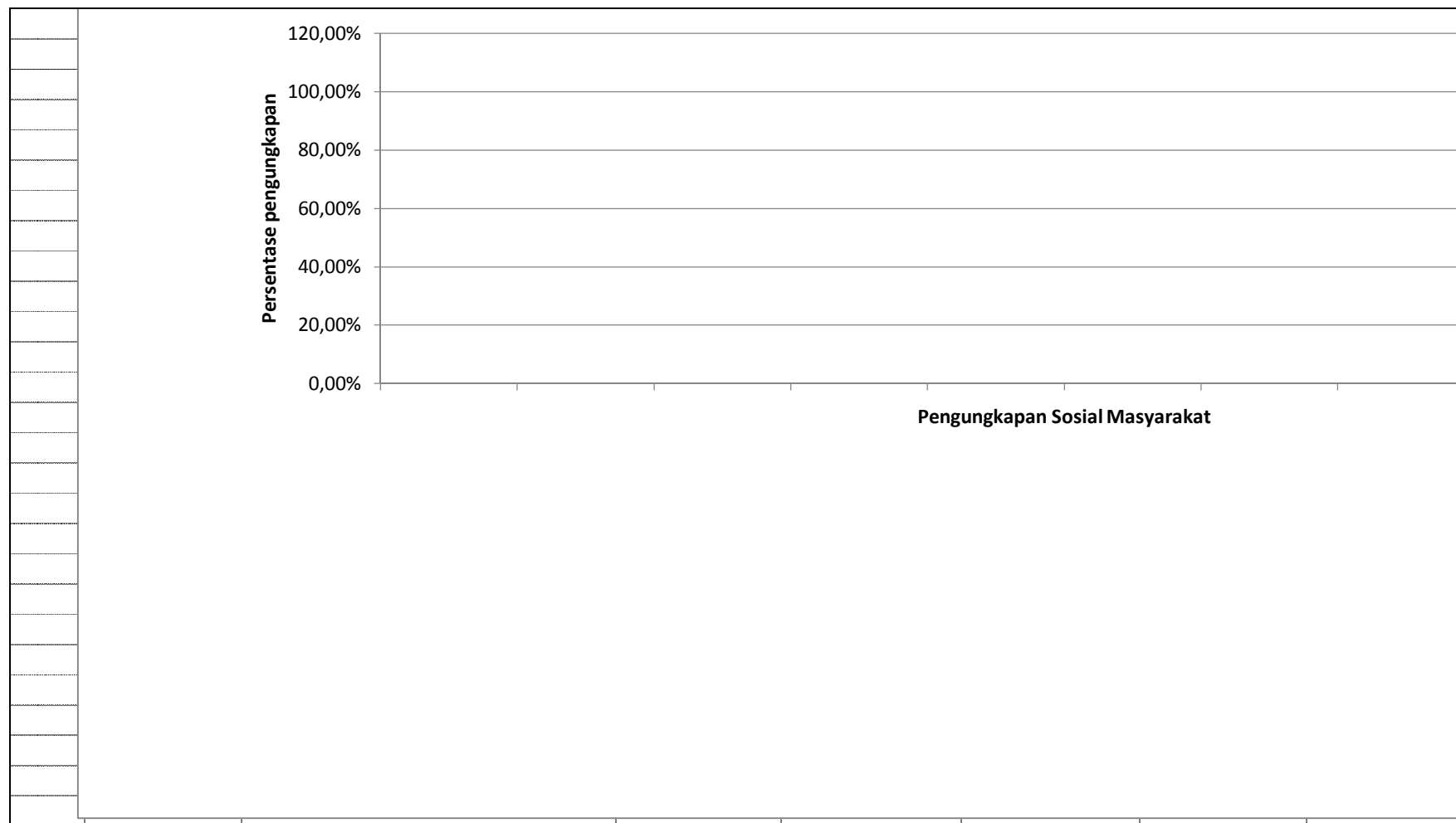
1	1	1	0	0	0	0	0	1	0	4	0,40	4
1	0	0	0	0	0	0	0	1	0	2	0,20	2
1	0	0	0	0	0	0	0	1	0	2	0,20	5
1	1	1	0	0	0	1	1	1	1	7	0,70	7
1	0	0	0	0	0	0	0	1	0	2	0,20	1
1	0	0	0	0	0	0	0	1	1	3	0,30	9
1	0	0	0	0	0	0	0	1	0	2	0,20	5
1	0	0	0	0	0	0	0	1	0	2	0,20	4
1	1	1	1	0	0	0	0	1	1	6	0,60	5
1	0	0	0	0	0	0	0	1	0	2	0,20	3
1	0	0	0	0	0	0	0	1	0	2	0,20	4
1	1	1	1	0	0	1	1	1	1	8	0,80	7
1	1	1	0	0	0	0	0	1	1	5	0,50	2
1	0	0	0	0	0	1	1	1	0	4	0,40	3
1	0	0	0	0	0	0	0	1	0	2	0,20	3
1	1	1	1	0	0	1	1	1	1	8	0,80	7
1	0	0	0	0	0	0	0	1	1	3	0,30	5
1	0	0	0	0	0	0	0	1	0	2	0,20	3
1	0	1	0	0	0	0	0	1	1	4	0,40	2
1	0	1	0	0	0	1	1	1	1	6	0,60	5
1	0	0	0	0	0	0	0	1	0	2	0,20	9
1	0	0	0	0	0	0	0	1	0	2	0,20	9
1	0	0	0	0	0	0	0	1	0	2	0,20	3
1	0	0	0	0	0	0	0	1	1	3	0,30	1
1	0	0	0	0	0	0	0	1	0	2	0,20	9
1	0	1	0	0	0	1	1	1	1	6	0,60	2
1	0	0	0	0	0	0	0	1	0	2	0,20	7
1	0	0	0	0	0	0	0	1	1	3	0,30	8
1	0	0	0	0	0	1	1	1	0	4	0,40	9
1	0	0	0	0	0	0	0	1	0	2	0,20	9
1	0	0	0	0	0	0	0	1	0	2	0,20	9
1	0	0	0	0	0	0	0	1	0	2	0,20	5
1	0	0	0	0	0	0	0	1	0	2	0,20	3
1	0	0	0	0	0	0	0	1	0	2	0,20	4

1.260.542	1.194.172	64.317	1917	1	1	1
3.328.502	3.440.326	198.065	1997	1	0	1
39.088.705	41.509.325	4.068.711	1971	0	0	0
20.507.249	24.265.944	1.401.309	1950	1	0	1
2.834.598	3.187.521	98.421	2001	0	0	1
3.719.583	5.276.736	235.543	1972	0	1	0
19.329.758	26.247.527	9.805.421	1963	1	0	1
12.905.430	17.577.664	884.982	1997	0	0	0
1.114.902	1.188.619	42.385	1996	0	0	0
544.282	612.224	23.155	1970	0	0	0
6.502.831	6.630.316	44.188	1975	1	1	1
53.233.012	55.225.061	875.860	2006	1	1	1
15.784.740	14.912.240	4.265.800	1987	0	0	1
8.266.417	10.961.464	1.077.433	1972	1	1	1
437.849	398.607	9.690	1976	0	0	0
20.915.891	24.753.551	1.536.346	1978	0	0	0
1.794.400	2.076.348	205.764	1971	0	0	0
744.581	740.753	36.542	1978	0	0	0
1.038.928	1.000.335	221.010	1968	0	0	1
8.274.554	9.417.957	1.772.035	1968	1	1	1
307.753	336.896	33.532	2001	0	0	0
2.422.472	2.929.752	770.881	1983	0	0	0
365.816	433.497	85.374	1972	0	0	0
6.791.859	7.551.796	1.122.575	1962	1	1	1
1.055.996	1.734.346	55.726	1971	0	0	1
25.970.000	26.550.000	130.000	1980	1	1	1
1.835.150	2.019.528	42.991	1995	0	0	0
3.782.414	4.062.766	218.002	1983	0	0	0
8.798.230	8.960.942	1.657.087	1997	0	0	1
1.271.546	1.662.381	129.571	1983	1	1	1
798.831	1.292.581	36.150	2000	0	0	0
6.599.846	8.302.506	742.837	1977	1	0	0
861.975	1.116.299	147.718	1971	0	0	0
1.848.395	1.803.323	(124.715)	1987	0	0	0

[illegible]

[illegible]

[illegible]



[illegible]