

## GRI Meeting 24 June 2011

Present: Teresa Fogelberg (GRI), Ernst Ligteringen (GRI), Jeroen Hooijer, Agneta Stureson, Massimo Zaffiro, Nicolas Bernier Abad, Aisha Khalid

### Governance Background

The Board is elected by the Stakeholders Council which is comprised of 50 people. Each individual has an advisory vote on any changes to the GRI guidelines. There are also organisational stakeholders (any organisation committed to GRI's aims) which are limited by quotas according to which type of organisation they belong. There are about 600 EU organisations involved and they each pay an annual contribution and receive one vote. Recently, financial institutions and governments have been getting involved in the stakeholder council. There are 7 governments from the EU (including Scandinavian, FR, NL, DE governments). There are 16 governments in total. About 30-40% of the financial support received by GRI is from governments.

Although Socially Responsible Investment started the reporting movement, financial information companies such as Bloomberg, Reuters, stock exchanges, institutional investors are creating a greater demand for NFR.

### Current Guidelines

There are 79 labour, social, economic and environmental indicators, but these are filtered according to materiality for the organisation.

GRI has developed 15 sector supplements including one on the mining and minerals industry (the OECD and the UN Security Council have developed specific guidelines using this GRI sector supplement)

### New Initiatives and developments towards G4

- GRI has embarked on a national level project in Brazil where it is developing a perspective of the GRI framework, specifically the high level KPIs, in the Brazilian context. This was initiated largely on the behest of businesses in Brazil.
- GRI is now looking to mainstream reporting and to overcome the obstacle of information dissymmetry.
- GRI is also aiming to strengthen the existing framework through better quality of indicators and precision.
- Another direction of change is greater emphasis on corporate governance/risk management.
- It is also looking at integrated reporting and GRI is working with the IIRC to create a new ESG framework (the Prince's Accounting for Sustainability Project and IFAC are also working on this). A standard on integrated reporting is however thought to be 5 years away.

The current model in use allows companies to determine what is material through the use of principles and then use standardised disclosures to report. There has been some demand (such as from Bloomberg) to develop a new model where GRI would identify which principles/indicators should always be material (through consensus on a global basis). This aims to significantly increase the numbers of reporting organisations. This model will be developed over a period of one year.

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G4 will also incorporate the key normative frameworks (such as the OECD Guidelines, UN Global Compact, Ruggie, ILO etc) to "facilitate a reporting language". This means GRI will present the ideas/principles from other frameworks in a complementary way to the new G4 guidelines.

GRI has also been collaborating with EFFAS, WICI, ISO as well as the French authorities towards this initiative.

Speaking on the possibility of EU legislative action in the field, Mr. Ligteringen elaborated on the idea to for example refer to general principles in the legislation, and then in a footnote add reference to indicators. This would allow the flexible approach currently applied by, for example, GRI where the indicators should be regularly updated.