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Exposure draft of *SRS 301: Management approach*

19 April 2016

Comments to be received by 17 July 2016

The G4 Guidelines are being transitioned to a set of modular Sustainability Reporting Standards (GRI Standards). This exposure draft of *SRS 301: Management approach* is published by the Global Sustainability Standards Board (GSSB), the independent standard-setting body of GRI. This draft is published for comment only and may change based on public feedback before its official release.

Any interested party can submit comments on this draft by 17 July 2016. Comments should be submitted in writing, and only comments in English will be considered. Please refer to the Transition to Standards website [here](#) for additional information and a link to the online consultation platform.

Comments are to be submitted via the online platform if possible. In exceptional cases, if comments cannot be submitted online, they can be sent to standards@globalreporting.org.

All comments received will be considered a matter of public record. Comments will be made available on the GRI website along with the name of the individual or organization that submitted the comment, the country, and constituency group.

This exposure draft of *SRS 301: Management approach* contains the Disclosures on Management Approach, as well as content related to reporting the topic Boundary and grievance mechanisms from the G4 Guidelines, along with guidance from the G4 Implementation Manual. Key changes are highlighted within comment boxes throughout this draft, and the location of original G4 text is provided as below:

- G4 RPSD = Text has been sourced from the [G4 Guidelines – Reporting Principles and Standard Disclosures](#)
- G4 IM = Text has been sourced from the [G4 Guidelines – Implementation Manual](#)

A summary of the key changes related to this Standard is provided in an [Annex](#).

For more information, or to view and download the full set of GRI Standards exposure drafts, visit the [Transition to Standards website](#).

Explanatory memorandum

This explanatory memorandum sets out the objectives of the Transition to Standards, the significant proposals contained within this exposure draft of *SRS 301: Management approach*, and a summary of the GSSB's involvement and views on the development of this draft.

Objectives for the Transition to Standards

The following objectives were considered during the development of this exposure draft:

- devising a modular format that allows the Standards to be updated independently when the need arises and that facilitates continuous improvement
- ensuring minimal disruption of G4 disclosure requirements and their methodologies
- preserving the Reporting Principles and the focus on materiality
- clarifying certain G4 concepts and disclosures that are not clearly understood by users, based on available G4 FAQs and GSSB input
- clarifying what is required, versus what is recommended or what is just guidance
- reducing unnecessary duplication of content
- making individual elements of G4 easier to find
- allowing for flexibility in reporting options and formats

In addition, the transition to Standards offers an opportunity to increase the overall user-friendliness and the technical quality and robustness of the Standards.

Significant proposals and changes in *SRS 301: Management approach*

This draft Standard incorporates the Disclosures on Management Approach (DMA) and related guidance from the G4 Guidelines and Implementation Manual. This content has been revised and restructured in line with the project objectives set out above. Notable changes in this draft Standard are summarized below:

- the topic Boundary disclosures have been incorporated into this draft Standard and are aligned with the revised definition of 'topic Boundary'. Previously in G4, these disclosures were included in the General Standard Disclosures section (G4-20 and G4-21).
- the management approach disclosures now set out clearer expectations for reporting on the purpose and components of the management approach. For each material topic, the organization is required to report the purpose of the management approach, and if relevant, a description of certain components of the management approach (e.g., policies, specific actions). These changes are intended to improve the consistency and quality of reporting on the management approach.
- the content of the grievance mechanisms-related Aspects from G4 has been incorporated into this draft Standard. The grievance mechanisms-related Indicators from G4 (G4-EN34, G4-LA16, G4-HR12 and G4-SO11) have been combined and included in this draft Standard as guidance. The only requirement is for organizations to describe the grievance mechanism(s), if used for managing a material topic. New reporting recommendations and guidance have been added for describing the grievance mechanism(s), in line with authoritative intergovernmental instruments.

- Content from the Overall Aspect of G4 has been included in this draft Standard as guidance. This guidance refers to reporting expenditures (or resources) for a material topic. The Overall Aspect of G4 is proposed to be discontinued and its content relocated to relevant GRI Standards.
- Content from the Investment Aspect of G4 has been included in this draft Standard as reporting recommendations. This content deals with reporting on how policies are reflected in the organization's contracts and agreements with other entities (e.g., investment agreements). The Investment Aspect of G4 is currently proposed to be discontinued and its content relocated to relevant GRI Standards.
- Throughout the draft Standard, there are clear distinctions between requirements (denoted using 'shall'), recommendations (denoted using 'should') and guidance, which is identified with a specific background color. These changes are consistent with standard-setting practice and will make it more clear for users which content is required in each Standard. For an overview of G4 guidance text that has been included as reporting requirements or recommendations in this draft Standard, see the [Annex](#).

Additional detail on these proposals can be found in the background document on the Transition to Standards, available on the [online consultation platform here](#).

GSSB's involvement and views on the development of this draft

The GSSB discussed the development of *SRS 301: Management approach* at its meetings on 3-5th November 2015, 11th February 2016, and 5-7th April 2016. Minutes and live recordings of these meetings are available on the [GSSB website here](#).

For the Transition to Standards, the full GSSB membership oversaw the development of the draft Standards; no additional Project Working Groups were appointed. Therefore the views of the GSSB on the development of this draft Standard are reflected in the summary of main proposals above and in the public exposure draft itself, which was approved by the GSSB for public exposure on 5-7th April 2016. Meeting minutes and a full recording of the meeting can be accessed on the [GSSB website here](#).

- 1 Sustainability Reporting Standard 301:
- 2 Management approach 2016

Exposure draft for comment only

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18 Introduction

19 A. Overview of the GRI Sustainability Reporting Standards

20 The GRI Sustainability Reporting Standards (GRI Standards) are designed to be used by
21 organizations to report about their impacts on the economy, the environment, and society.

22 The GRI Standards are structured as a set of interrelated standards. They are intended to be
23 used together to help an organization prepare a sustainability report which is based on the
24 Reporting Principles and focuses on material topics. This ensures that the organization provides
25 a complete picture of its impacts along with enough contextual information to understand these
26 impacts and how they are managed.

27 Organizations can also choose to use individual GRI Standards or their content to report on
28 specific sustainability information.

29 **Figure 1 Overview of the set of GRI Standards**



30 The GRI Standards are divided into six series.

Series	Description
100: Foundation	<i>SRS 101: Foundation</i> is the starting point for using the set of GRI Standards. It is required to be complied with by any organization making a claim that its sustainability report has been prepared in accordance with the GRI Standards. <i>SRS 101</i> outlines the process to be followed in order to prepare a sustainability report using the GRI Standards. It also sets out the Reporting Principles for defining report content and quality, and specifies the different claims that an organization can make about its use of the GRI Standards.
200: General disclosures	<i>SRS 201: General disclosures</i> is used to report contextual information about an organization and its sustainability reporting practices. This includes information about an organization's profile, strategy, ethics and integrity, governance, stakeholder engagement practices, and reporting process.
300: Management approach	<i>SRS 301: Management approach</i> is used to report information about how an organization manages its material topics. This Standard is designed to be used together with each material topic, including those covered by the topic-specific Standards (series 400, 500, and 600), as well as other material topics identified by an organization. Applying <i>SRS 301</i> with each material topic allows an organization to provide a narrative description about how it manages the material topics and related impacts; this is in addition to reporting topic-specific disclosures.
400, 500, and 600: topic-specific Standards	The 400, 500, and 600 series are topic-specific Standards, which are used to report information on economic, environmental, and social topics (e.g., 'Water' or 'Indirect economic impacts'). To prepare a report in accordance with the GRI Standards, an organization applies the Reporting Principles for defining report content from <i>SRS 101: Foundation</i> to identify its material economic, environmental, and social topics. These material topics form the basis for the sustainability report and determine which of the topic-specific Standards will need to be used.

31 *B. Responsibility for this Standard*

32 This Standard is issued by the Global Sustainability Standards Board (GSSB). It is part of the set
33 of GRI Sustainability Reporting Standards (GRI Standards). The GSSB is an independent
34 standard-setting body created by GRI. It has responsibility for setting globally-accepted
35 sustainability reporting standards, according to a due process. More information on the GSSB's
36 due process can be found here:

37 <https://www.globalreporting.org/information/about-gri/governance-bodies/Global-Sustainability-Standard-Board/Pages/default.aspx>
38

39 Any feedback or comments on the GRI Standards can be submitted to
40 standards@globalreporting.org for the consideration of the GSSB.

41 C. Scope

42 SRS 301: *Management approach* sets out disclosure requirements for information about the
 43 approach a reporting organization uses to manage a material topic. This Standard is designed to
 44 be used together with each material topic, including those covered by the topic-specific
 45 Standards (series 400, 500, and 600), or other material topics identified by an organization.

46 Applying this Standard together with each material topic ensures that an organization provides a
 47 narrative description of how it manages the topic and related impacts, in addition to reporting
 48 on the topic-specific disclosure requirements.

49 SRS 301 is therefore applicable to any organization that has identified a material topic, and
 50 wishes to report on its management approach related to that topic. This Standard can be used
 51 by an organization of any size, type, sector, or geographic location.

Commented [SD1]: Type of change: Clarification
 [Reporting on other material topics].

52 D. Using this Standard

53 Requirements, recommendations, and guidance

54 Throughout the GRI Standards, specific terms are used to signify requirements,
 55 recommendations, and guidance.

- 56 • **Requirements:** These are mandatory instructions and are denoted using 'shall.' These
 57 can include process or methodology requirements, as well as disclosure requirements
 58 (i.e., information to be reported). Requirements are to be considered in the context of
 59 recommendations and guidance.
- 60 • **Recommendations:** These are cases where a particular course of action is
 61 encouraged or recommended, but not required. They are denoted using 'should.'
- 62 • **Guidance:** These sections include background context and examples to help
 63 organizations better understand the requirements. They also describe possible,
 64 achievable, or allowed scenarios for reporting information; these are signified using
 65 'can'. A different background color denotes 'Guidance' sections throughout the GRI
 66 Standards. Guidance is not required, but organizations are encouraged to consult the
 67 'Guidance' sections.

68 A reporting organization is required to comply with all relevant requirements in order to claim
 69 that its report has been prepared in accordance with the GRI Standards. See Table 2 of *SRS 101:*
 70 *Foundation* for more information. It is not necessary to comply with recommendations or
 71 guidance in order to make an 'in accordance' claim.

72 *E. Normative references*

73 The documents below are required to be used together for the application of this Standard. For
74 documents with a date given, only the listed version applies. For undated references, the latest
75 version of the document applies.

- 76 *SRS 101: Foundation*
- 77 *GRI Standards Glossary of terms*

78 *F. Effective date*

79 *SRS 301: Management approach* is effective for all reports published on or after 1 January 2018.
80 Earlier adoption of this Standard is encouraged.

81 *G. Background context*

Commented [SD2]: Source: G4 IM p. 63

82 Management approach disclosures give a reporting organization the opportunity to explain how
83 it manages the economic, environmental and social impacts of its material topics. This provides
84 narrative information about how an organization identifies, analyzes, and responds to its
85 potential and actual impacts.

86 Disclosure about an organization's management approach also provides context for the
87 information reported using topic-specific Standards (series 400, 500 and 600). This can be
88 especially useful for explaining quantitative information to stakeholders.

89 The reporting requirements in this Standard have a generic form, and can be applied to a wide
90 variety of topics. Topic-specific Standards can also contain additional guidance for reporting
91 management approach information about the topic in question.

92 SRS 301: Management approach

93 Explanation of the material topic and its Boundaries

94 Reporting requirements

95 I.1 For each material topic, the reporting organization shall report the following information
96 for Disclosure 301-1:

Commented [SD3]: Source: G4 RPSD pp. 29, 46

Disclosure 301-1	
a.	An explanation of why the topic is material.
b.	Whether the topic Boundary is within the organization, outside of the organization, or both, and: <ol style="list-style-type: none"> i. if the topic Boundary is within the organization, list the entities or groups of entities that cause the impacts related to the topic; and/or ii. if the topic Boundary is outside of the organization, list the entities, groups of entities or elements that cause the impacts related to the topic, including their geographic location.
c.	Any specific limitation regarding the topic Boundary.

Commented [SD4]:

Type of change: Change in location

Source: G4 RPSD p. 29

Commented [SD5]: Source: G4 IM p. 64

97 Guidance I.1

98 The reporting requirements within this Standard are to be reported for each material topic identified.
99 Material topics are those that reflect the organization's significant economic, environmental and social
100 impacts; or that substantively influence the assessments and decisions of stakeholders.

101 For more information on identifying the material topics, see *SRS 101: Foundation* and the How-to-Guide.

102 Why the topic is material

103 The explanation of why the topic is material can include:

- 104 • a description of the significant impacts identified and the reasonable expectations and interests of
105 stakeholders regarding the topic; and
- 106 • a description of the process the reporting organization used to identify the impacts related to the
107 topic, such as due diligence.

108 Topic Boundary

109 Organizations might be involved with impacts either through their own activities or as a result of their
110 business relationships with other parties. The concept of the topic Boundary refers to the entities that
111 cause the impacts related to a material topic. These entities can be within the organization (i.e., the
112 entities included in the organization's consolidated financial statements or equivalent documents, as
113 reported under Disclosure 201-45 of *SRS 201: General disclosures*), outside of the organization (e.g.,
114 suppliers or clients), or both.

Commented [SD6]: Type of change: Clarification
[Clarifying the definition of topic Boundary]

115 The Boundary of a material topic is defined as within the organization if the organization or an entity it
 116 owns or controls (e.g., subsidiary) has caused a significant impact on the economy, the environment or
 117 society.

118 The Boundary of a material topic is defined as outside of the organization if an outside entity (e.g.,
 119 supplier, client) has caused a significant impact on the economy, the environment or society that the
 120 reporting organization has either contributed to, or is linked to, via a business relationship.

121 The concept of defining topic Boundaries outside of the organization is due to the fact that organizations
 122 are increasingly expected to take responsibility for impacts where:

- 123 • the organization has contributed to, or is seen as contributing to, the impact through its activities or
 124 decisions, but this impact has been caused directly by another party; and
- 125 • the organization is involved solely because the impact is directly linked to its operations, products or
 126 services by a business relationship (even if the organization has not contributed to that impact).

127 Even if the organization does not have influence or leverage over the entities causing these impacts, the
 128 organization is still expected to report on these impacts and how it has responded to them.

129 The Boundary is to be defined for each material topic and it can vary by topic.

130 See references 2, 3 and 4 in the References section.

131 Reporting topics where the Boundary is outside the reporting organization

132 If the Boundary for the material topic is defined as outside the reporting organization, it can be difficult to
 133 report the topic-specific disclosures. This can happen if, for example, the Boundary for a topic includes
 134 part of the supply chain, and the organization does not have access to supplier information to report the
 135 topic disclosures. In these cases the organization is still required to report its management approach for
 136 the topic, in order to claim that the report is in accordance with the GRI Standards. The organization can
 137 omit disclosures if one of the recognized reasons for omission applies. See Section 2.9 of SRS 101:
 138 *Foundation* for more information on reasons for omission.

139 Any specific limitation regarding the topic Boundary is to be reported with Disclosure 301-I-c of this
 140 Standard.

Commented [SD7]: Type of change: Clarification
 [Reporting impacts outside the organization]

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141 **The management approach and its components**

142 **Reporting requirements**

143 I.2 For each material topic, the reporting organization shall use Disclosure 301-2 to report
 144 the following information:

Commented [SD8]: Source: G4 RPSD p. 46; G4 IM p. 64

Disclosure 301-2	
a.	An explanation of how the reporting organization manages the topic.
b.	A statement of the management approach purpose.
c.	A description of the following, if the management approach includes that component: <ul style="list-style-type: none"> i. Policies ii. Commitments iii. Goals and targets iv. Responsibilities v. Resources vi. Grievance mechanisms vii. Specific actions

Commented [SD9]: Type of change: Change in instructive verb
 Original wording: Describe whether the management approach is intended to avoid, mitigate, or remediate negative impacts, or enhance positive impacts.
 Source: G4 IM p. 64

Commented [SD10]: Type of change: Change in instructive verb
 Original wording: Describe the components of the management approach. Although the following Guidance is not exhaustive or absolute, management approach components may include (in no particular order):

- Policies
- Commitments
- Goals and targets
- Responsibilities
- Resources
- Specific actions

Source: G4 IM p. 64

145 **Guidance I.2**
 146 The purpose of the management approach can be to avoid, mitigate, or remediate negative impacts, or to
 147 enhance positive impacts.

Commented [SD11]: Type of change: Change in location
 Relevant content from the grievance mechanisms-related Aspects of G4 has been included in this draft Standard. The only requirement is for organizations to describe its grievance mechanisms if they exist for managing a material topic.
 Source: G4 IM pp. 140-141, 171-172, 196-197, 219-220

148 **Reporting recommendations**

149 I.3 If reporting policies for a material topic as specified in Disclosure 301-2-c, the reporting
 150 organization should provide an abstract, summary, or link to the publicly-available policies
 151 that cover the topic, as well as the following information:

Commented [SD12]: Source: G4 IM pp. 64-65, 135, 176

- 152 I.3.1 the range of entities covered by the policies and their location;
- 153 I.3.2 an identification of the person or committee responsible for approving the
 154 policies;
- 155 I.3.3 any references the policies make to international standards and widely-
 156 recognized initiatives;
- 157 I.3.4 the date of issue and last review date of the policies; and/or
- 158 I.3.5 whether these policies are reflected in the organization's contracts and
 159 agreements with other entities (e.g., investment agreements).

Commented [SD13]:
 Type of change: Change in instructive verb
 Original wording: Provide information about policies... This may include an abstract, summary, or link to the publicly-available policies that cover the material Aspect. Provide the following information about these policies:

- Range of entities covered by the policies and their location
- Identification of the person...

Source: G4 IM p. 64

Commented [SD14]: Type of change: Change in location
 Source: G4 IM p. 176

SRS 301: Management approach

160 I.4 If reporting commitments for a material topic as specified in Disclosure 301-2-c, the
 161 reporting organization **should** provide a statement of intent to manage the impacts for
 162 the topic, or explain:

163 I.4.1 the organization's position towards the topic;

164 I.4.2 whether the commitment to manage the topic is based on regulatory
 165 compliance or extends beyond it; and/or

166 I.4.3 compliance with international standards and widely-recognized initiatives related
 167 to the topic.

168 I.5 If reporting goals and targets for a material topic as specified in Disclosure 301-2-c, the
 169 reporting organization **should** provide the following information:

170 I.5.1 the baseline and context for goals and targets;

171 I.5.2 the range of entities included in the goals and targets, and their location;

172 I.5.3 the expected result (quantitative or qualitative);

173 I.5.4 the expected timeline for achieving each goal and target; and/or

174 I.5.5 whether goals and targets are mandatory (based on legislation) or voluntary. If
 175 they are mandatory, the organization should list the relevant legislation.

176 I.6 If reporting responsibilities for a material topic as specified in Disclosure 301-2-c, the
 177 reporting organization **should** explain:

178 I.6.1 who is assigned responsibility for managing the material topic; and

179 I.6.2 whether the responsibility is linked to performance assessments or incentive
 180 mechanisms.

181 **Guidance I.6**

182 For more information on the disclosure of the highest governance body's responsibilities, see Section 4 of
 183 SRS 201: General disclosures.

184 I.7 If reporting resources for a material topic as specified in Disclosure 301-2-c, the
 185 reporting organization **should** explain the resources allocated for managing the material
 186 topic, such as financial, human or technological, as well as the rationale for the allocation.

187 **Guidance I.7**

188 This explanation can include expenditures to prevent, mitigate and remediate impacts. Examples of such
 189 expenditures are: expenditures on equipment, maintenance, operating materials and services, training and
 190 education, external certification of management systems, research and development, or installation of new
 191 technologies.

192 I.8 If reporting grievance mechanisms for a material topic as specified in Disclosure 301-2-c,
 193 the reporting organization **should** explain for each grievance mechanism reported:

194 I.8.1 the ownership of the mechanism;

195 I.8.2 the purpose of the mechanism and relationship to other grievance mechanisms;

196 I.8.3 the organization's activities that are covered by the mechanism;

Commented [SD15]: Type of change: Change in instructive verb
Original wording:
Provide a statement of intent to manage the impacts for the material Aspect.
 Where no such statement is available **describe:**
 •The organization's position towards the material Aspect
 •Whether the commitment...
 Source: G4 IM p. 64

Commented [SD16]: Type of change: Change in instructive verb
Original wording:
Describe:
 •The baseline and context for goals and targets
 •Range of entities included...
 Source: G4 IM p. 64

Commented [SD17]: Type of change: Change in instructive verb
Original wording:
Identify:
 •Who is assigned responsibility for managing the material Aspect
 •Whether the responsibility...
 Source: G4 IM p. 64

Commented [SD18]: Source: G4 IM p. 65

Commented [SD19]: Type of change: Change in instructive verb
Original wording:
Identify the resources allocated for managing the material Aspect, such as financial...
 Source: G4 IM p. 65

Commented [SD20]: Type of change: Change in location
 Source: G4 IM p. 135

Commented [SD21]: Type of change: Clarification
 New reporting recommendations added for describing the grievance mechanism(s), to be consistent with similar content available for the other components of the management approach.

- 197 1.8.4 the intended users of the mechanism;
- 198 1.8.5 how the mechanism is managed;
- 199 1.8.6 the process to address and resolve grievances, including how decisions are
200 made; and/or
- 201 1.8.7 the effectiveness criteria used.

Guidance 1.8

203 This disclosure refers to grievance mechanisms that are linked to the reporting organization. Such
204 mechanisms can be industry, multi-stakeholder or other collaborative initiatives. They can also be
205 processes established by the organization.

206 Mechanisms established by the organization are referred to as 'operational-level' grievance mechanisms.
207 These can occur at the organization level or at a lower level, such as a site or project level. An
208 operational-level grievance mechanism is expected to focus on dialogue to address and resolve grievances.

209 When explaining the ownership of the mechanisms, the organization can indicate whether the grievance
210 mechanism is an operational mechanism, or whether it is a collaborative mechanism established by, or
211 formally involving, other organizations.

212 Grievance mechanisms can serve multiple purposes, including:

- 213 • to provide remedy when negative impacts related to a material topic occur;
- 214 • to support the identification of negative impacts; and
- 215 • to inform the effectiveness of the organization's management approach.

216 As such, information on grievance mechanisms can also be useful for reporting Disclosures 301-1 and 301-
217 3 of this Standard.

218 The organization can disclose whether the use of the grievance mechanism precludes access to judicial or
219 other non-judicial mechanisms, or can interfere with the legitimate role of trade unions.

220 The management of a grievance mechanism can depend on whether the grievance mechanism is an
221 operational mechanism, or whether it involves other organizations. The organization can disclose whether
222 stakeholders, including, suppliers, community organizations or trade unions, are involved in the design of
223 the mechanism. It can also disclose whether stakeholders have a role in monitoring the effectiveness of
224 the mechanism.

225 Effectiveness criteria include: legitimate, accessible, predictable, equitable, transparent, rights-compatible,
226 and a source of continuous learning. For operational level mechanisms, to be effective grievance
227 mechanisms are expected to be based on engagement and dialogue. For a description of each of these
228 criteria, see Guiding Principle 31 in the United Nations (UN) 'Guiding Principles on Business and Human
229 Rights'. These effectiveness criteria can be applied to grievance mechanisms addressing any economic,
230 environmental, and social topic or impact.

231 Where relevant, the reporting organization can report the following for each mechanism:

- 232 • the total number of grievances filed through the mechanism during the reporting period;
- 233 • the number of grievances that were addressed (or reviewed) during the reporting period;
- 234 • the number of grievances that were resolved during the reporting period;
- 235 • the number of grievances filed through the mechanism prior to the reporting period that were
236 resolved during the reporting period; and

Commented [SD22]:

Type of change: Change in location and Clarification

The grievance mechanisms-related Indicators (G4-EN34, G4-LA16, G4-HR12 and G4-SO11) have been included in this draft Standard as guidance; they are not required.

Additional guidance has been included in alignment with authoritative intergovernmental instruments.

Source: G4 IM pp. 140-141, 171-172, 196-197, 219-220

237 • the number of grievances that were resolved by remediation, and how remedy was provided.

238 If it will provide context on significant negative impacts, the organization can provide a breakdown of the

239 number of grievances by the nature and location of the grievance, and the party that filed the grievance

240 (including: employees, other workers who are not employees, and their trade unions; business partners

241 such as suppliers; and civil society or local communities).

242 1.9 If reporting specific actions for a material topic as specified in Disclosure 301-2-c,

243 including processes, projects, programs and initiatives, the reporting organization **should**

244 explain:

245 1.9.1 the range of entities covered by each of the actions and their location;

246 1.9.2 whether the actions are ad hoc or systemic;

247 1.9.3 whether the actions are short, medium, or long-term;

248 1.9.4 how actions are prioritized;

249 1.9.5 whether the actions are part of a due diligence process and aim to avoid,

250 mitigate, or remediate the negative impacts with respect to the material topic;

251 and/or

252 1.9.6 whether actions take international norms or standards into account.

253 **Guidance 1.9**

254 International norms and standards include the Organisation for Economic Co-operation and Development

255 (OECD) *OECD Guidelines for Multinational Enterprises*; the UN *Protect, Respect and Remedy: a Framework for*

256 *Business and Human Rights*; and the UN 'Guiding Principles on Business and Human Rights'.

Commented [SD23]: Type of change: Employee/worker review
Original text: employees
Source: G4 IM pp. 140-141, 171-172, 196-197, 219-220

Commented [SD24]:
Type of change: Change in instructive verb
Original wording:
Identify specific actions related to the material Aspect and explain actions taken to achieve goals and targets.

Specific actions **may** include:

- Processes
- Projects
- Programs
- Initiatives

For each of the specific actions identified, the organization **may** consider explaining:

- The range of entities covered by the actions and their location
- Whether the actions are ad hoc...

Source: G4 IM p. 65

Commented [SD25]: Source: G4 IM p. 65

257 **Evaluation of the management approach**

258 **Reporting requirements**

259 I.10 For each material topic, the reporting organization shall use Disclosure 301-3 to report
 260 the following information:

Commented [SD26]: Source: G4 RPSD p. 46

Disclosure 301-3
a. An explanation of how the organization evaluates the management approach, including: <ul style="list-style-type: none"> i. the mechanisms for evaluating the effectiveness of the management approach; ii. the results of the evaluation of the management approach; and iii. any related adjustments to the management approach.

261 **Guidance I.10**

Commented [SD27]: Source: G4 IM p. 65

262 When reporting the evaluation of its management approach, the reporting organization can describe each
 263 of the following:

- 264 • Mechanisms for monitoring the effectiveness of the management approach. This can include:
 - 265 – internal or external auditing or verification (type, system, scope);
 - 266 – measurement systems;
 - 267 – external performance ratings;
 - 268 – benchmarking;
 - 269 – stakeholder feedback; and
 - 270 – grievance mechanisms.
- 271 • Results of the management approach evaluation, which can include:
 - 272 – disclosures from GRI Standards or organization-specific measurements used to report results;
 - 273 – performance against goals and targets, including key successes and shortcomings;
 - 274 – how results are communicated;
 - 275 – challenges and gaps in the management approach;
 - 276 – any obstacles encountered, unsuccessful endeavors, and any lessons learned in the process; and
 - 277 – progress made in implementing the management approach.
- 278 • Changes to the management approach as a result of the evaluation, which can include:
 - 279 – changes in the allocation of resources, goals, or targets; and
 - 280 – specific actions aimed at improving performance.

281 **General requirements**

282 **Reporting requirements**

283 1.11 If certain management approach disclosures are combined for a group of material topics,
284 the reporting organization shall clearly state which topics are covered by each disclosure.

285 **Guidance 1.11**

286 If the reporting organization's management approach or its components, such as policies or specific
287 actions, apply to more than one material topic, it does not need to be repeated for each topic. Thus, such
288 information can be provided once in a report with a clear explanation of the topics covered.

289 1.12 If there is no management approach for a material topic, the reporting organization shall
290 describe:

291 1.12.1 any plans to implement a management approach; or

292 1.12.2 the reasons for not having a management approach.

Commented [SD28]:

Type of change: Change in instructive verb

Original wording:

When DMA is combined for a group of Aspects, the report states clearly which Aspects are covered by each disclosure.

Source: G4 RPSD p. 45, G4 IM p. 63

Commented [SD29]: Source: G4 RPSD p. 45, G4 IM p. 63

Commented [SD30]:

Type of change: Change in instructive verb

Original wording:

If there are material Aspects for which the organization does not have a management approach, identify any plans to implement a management approach, or the reasons for not having one.

Source: G4 IM p. 64

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References

Commented [SD31]: Source: G4 IM pp. 237-242

294 The following documents informed the development of this Standard and can improve
295 understanding of this Standard.

296 **Authoritative intergovernmental instruments:**

- 297 1. Organisation for Economic Co-operation and Development (OECD), *OECD Guidelines*
298 *for Multinational Enterprises*, 2011.
- 299 2. United Nations (UN), 'Guiding Principles on Business and Human Rights, Implementing
300 the United Nations "Protect, Respect and Remedy" Framework', 2011.
- 301 3. United Nations (UN), *Protect, Respect and Remedy: a Framework for Business and Human*
302 *Rights*, 2008.
- 303 4. United Nations (UN), *Report of the Special Representative of the Secretary-General on the*
304 *Issue of Human Rights and Transnational Corporations and Other Business Enterprises*, John
305 Ruggie, 2011.

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306 Annex I. Summary of key changes for *SRS 301: Management* 307 *approach*

308 This Annex summarizes the key changes found in *SRS 301: Management approach*. The following types of change might apply to this Standard:

- 309 • Change in location
- 310 • Clarification – changes or additions to text to improve clarity
- 311 • Employee/worker terminology revision
- 312 • Changes to instructive verbs – to clarify the intent of guidance text that comes from the G4 Implementation Manual
- 313 • Deleted text – the text is duplicated, unnecessary or obsolete
- 314 • Other

315 These types of change are listed in the tables below and highlighted within comment boxes throughout this Standard. Minor editorial changes are not
316 indicated.

317 A detailed overview of changes applied globally throughout the GRI Standards is available [here](#).

318 The content sourced from the G4 Guidelines can be identified using the following legend:

319 **Legend**

320 G4 RPSD = Text has been sourced from the [G4 Guidelines – Reporting Principles and Standard Disclosures](#)

321 G4 IM = Text has been sourced from the [G4 Guidelines – Implementation Manual](#)

Changes in location, clarifications, employee/worker terminology, and other				
SRS clause number	SRS section	Type of change	Description or rationale	Source of original G4 text
N/A	Introduction C	Clarification	Reporting on other material topics.	N/A
I.1 Disclosure 301-1-b Disclosure 301-1-c	Explanation of the material topic and its Boundaries	Change in location	Disclosures 301-1-b and 301-1-c are based on G4 General Standard Disclosures G4-20 and G4-21.	G4 RPSD p. 29
Guidance I.1	Topic Boundary	Clarification	Clarifying the definition of topic Boundary.	N/A
Guidance I.1	Reporting topics where the Boundary is outside the reporting organization	Clarification	Reporting impacts outside the organization.	N/A
I.2 Disclosure 301-2-c-vi	The management approach and its components – Grievance mechanisms	Change in location	<p>Relevant content from the following G4 Aspects has been moved into this draft Standard: Environmental Grievance Mechanisms, Labor Practices Grievance Mechanisms, Human Rights Grievance Mechanisms, and Grievance Mechanisms for Impacts on Society.</p> <p>This move has been made on the basis that, unlike Aspects such as water or child labor, grievance mechanisms are not a sustainability topic which should be subject to materiality. Instead, grievance mechanisms should be part of an organization's management</p>	G4 IM pp. 140-141, 171-172, 196-197, 219-220

Changes in location, clarifications, employee/worker terminology, and other				
SRS clause number	SRS section	Type of change	Description or rationale	Source of original G4 text
			<p>approach to identify impacts, and to remediate them when they occur. The key purpose of grievance mechanisms is to provide remedy when adverse impacts occur; providing remedy for adverse impacts is, in turn, a basic expectation expressed in international standards with respect to impact management and due diligence.</p> <p>Existing duplication across these Aspects has been eliminated and additional changes are highlighted in this table. The only requirement is for organizations to describe its grievance mechanisms if they exist for managing a material topic.</p>	
I.3.5	The management approach and its components – Policies	Change in location	Relevant content from Indicator G4-HRI (Investment Aspect) has been incorporated into this draft Standard as reporting recommendations. The Investment Aspect of G4 is currently proposed to be discontinued and its content relocated to relevant GRI Standards.	G4 IM p. 176

Changes in location, clarifications, employee/worker terminology, and other				
SRS clause number	SRS section	Type of change	Description or rationale	Source of original G4 text
Guidance 1.7	The management approach and its components – Resources	Change in location	Relevant content from Indicator G4-EN31 (Overall Aspect) has been incorporated into this draft Standard as guidance. The Overall Aspect of G4 is proposed to be discontinued and its content relocated to relevant GRI Standards.	G4 IM p. 135
1.8	The management approach and its components – Grievance mechanisms	Clarification	New reporting recommendations added for describing the grievance mechanism(s), to be consistent with similar content available for the other components of the management approach.	N/A
Guidance 1.8	The management approach and its components – Grievance mechanisms	Change in location Clarification	The grievance mechanisms-related Indicators (G4-EN34, G4-LA16, G4-HR12 and G4-SO11) have been included in this draft Standard as guidance; they are not required. Additional guidance has been included in alignment with authoritative intergovernmental instruments.	Source: G4 IM pp. 140-141, 171-172, 196-197, 219-220
Guidance 1.8	The management approach and its components – Grievance mechanisms	Employee/worker terminology revision	Added 'other workers who are not employees'.	G4 IM pp. 140-141, 171-172, 196-197, 219-220

Changes to instructive verbs				
To clarify the intent of guidance text that comes from the G4 Implementation Manual				
SRS clause number	SRS section	SRS wording	Original G4 text	Source of original G4 text
I.2 Disclosure 301-2-b	The management approach and its components	For each material topic, the reporting organization shall use Disclosure 301-2 to report the following information: A statement of the management approach purpose.	Describe whether the management approach is intended to avoid, mitigate, or remediate negative impacts, or enhance positive impacts.	G4 IM p. 64
I.2 Disclosure 301-2-c	The management approach and its components	For each material topic, the reporting organization shall use Disclosure 301-2 to report the following information: A description of the following, if the management approach includes that component: i. Policies ii. Commitments iii. Goals and targets iv. Responsibilities v. Resources vi. Grievance mechanisms vii. Specific actions	Describe the components of the management approach. Although the following Guidance is not exhaustive or absolute, management approach components may include (in no particular order): <ul style="list-style-type: none"> • Policies • Commitments • Goals and targets • Responsibilities • Resources • Specific actions 	G4 IM p. 64

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Changes to instructive verbs				
To clarify the intent of guidance text that comes from the G4 Implementation Manual				
SRS clause number	SRS section	SRS wording	Original G4 text	Source of original G4 text
1.3	The management approach and its components	If reporting policies for a material topic as specified in Disclosure 301-2-c, the reporting organization should provide an...	<p>Provide information about policies that are used to guide the organization's approach to managing the material Aspect. This may include an abstract, summary, or link to the publicly-available policies that cover the material Aspect. Provide the following information about these policies:</p> <ul style="list-style-type: none"> • Range of entities covered by the policies and their location • Identification of the person or committee responsible for approving the policies • References to international standards and widely-recognized initiatives • The date of issue and last review date 	G4 IM p. 64

Changes to instructive verbs				
To clarify the intent of guidance text that comes from the G4 Implementation Manual				
SRS clause number	SRS section	SRS wording	Original G4 text	Source of original G4 text
I.4	The management approach and its components	If reporting commitments for a material topic as specified in Disclosure 301-2-c, the reporting organization should provide a...	<p>Provide a statement of intent to manage the impacts for the material Aspect. Where no such statement is available describe:</p> <ul style="list-style-type: none"> • The organization's position towards the material Aspect • Whether the commitment to manage the material Aspect is based on regulatory compliance or extends beyond it • Compliance with international standards and widely-recognized initiatives related to this Aspect 	G4 IM p. 64

Changes to instructive verbs				
To clarify the intent of guidance text that comes from the G4 Implementation Manual				
SRS clause number	SRS section	SRS wording	Original G4 text	Source of original G4 text
1.5	The management approach and its components	If reporting goals and targets for a material topic as specified in Disclosure 301-2-c, the reporting organization should provide the...	Describe: <ul style="list-style-type: none"> The baseline and context for goals and targets Range of entities included in the goals and targets, and their location The expected result (quantitative or qualitative) The expected timeline for achieving each goal and target Whether goals and targets are mandatory (based on legislation) or voluntary, and if mandatory, list relevant legislation 	G4 IM p. 64
1.6	The management approach and its components	If reporting responsibilities for a material topic as specified in Disclosure 301-2-c, the reporting organization should explain...	Identify: <ul style="list-style-type: none"> Who is assigned responsibility for managing the material Aspect Whether the responsibility is linked to performance assessments or incentive mechanisms 	G4 IM p. 64
1.7	The management approach and its components	If reporting resources for a material topic as specified in Disclosure 301-2-c, the reporting organization should explain the...	Identify the resources allocated for managing the material Aspect, such as financial, human or technological, and explain the rationale for the allocation.	G4 IM p. 65

<p>I.9</p>	<p>The management approach and its components</p>	<p>If reporting specific actions for a material topic as specified in Disclosure 301-2-c, including processes, projects, programs and initiatives, the reporting organization should explain...</p>	<p>Identify specific actions related to the material Aspect and explain actions taken to achieve goals and targets.</p> <p>Specific actions may include:</p> <ul style="list-style-type: none"> • Processes • Projects • Programs • Initiatives <p>For each of the specific actions identified, the organization may consider explaining:</p> <ul style="list-style-type: none"> • The range of entities covered by the actions and their location • Whether the actions are ad hoc or systemic • Whether the actions are short, medium, or long term • How actions are prioritized • Whether specific actions are a part of a due diligence process and aim to avoid, mitigate, or remediate the negative impacts of the material Aspect • Whether actions are informed by international norms or standards (such as the OECD Guidelines for Multinational Enterprises, the UN Protect, Respect and Remedy: a Framework for Business and Human Rights and the UN 'Guiding Principles on Business and Human Rights'). 	<p>G4 IM p. 65</p>
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Changes to instructive verbs				
To clarify the intent of guidance text that comes from the G4 Implementation Manual				
SRS clause number	SRS section	SRS wording	Original G4 text	Source of original G4 text
1.11	General requirements	If certain management approach disclosures are combined for a group of material topics, the reporting organization shall clearly state which topics are covered by each disclosure.	When DMA is combined for a group of Aspects, the report states clearly which Aspects are covered by each disclosure.	G4 RPSD p. 45 G4 IM p. 63
1.12	General requirements	If there is no management approach for a material topic, the reporting organization shall describe: any plans to implement a management approach; or the reasons for not having a management approach.	If there are material Aspects for which the organization does not have a management approach, identify any plans to implement a management approach, or the reasons for not having one.	G4 IM p. 64

Deleted text	
Deleted text	Source of original G4 text
[The following text from the G4 Implementation Manual has been deleted] Provide sufficient information for report users to understand the organization's approach to managing the material Aspect and its impacts.	G4 IM p. 64