



# Introducing the Global Reporting Initiative (GRI)

ESG & Sustainability Transformation

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ESG Transformation



## Introducing the Global Reporting Initiative (GRI)

### What is the GRI standard?

The GRI Standard for Sustainable Development Reporting is an international standard system released in 2016, with the goal of assisting organizations to report on sustainable financing to ensure transparency. GRI provides a framework for collecting, analyzing, and reporting data on social, environmental, and commercial aspects of an organization. The GRI currently contains all 36 sets of Sustainable Development Reporting Standards. Of these, 3 sets of Overall Standards are used for the entire organization, the remaining 33 standards are based on each topic including "Economy, Environment, Society" and organizations only select standards related to the key areas in which the organization operates.



### Whose GRI?

Global Reporting Initiative (GRI) – The Global Reporting Initiative is a non-profit organization that provides frameworks for sustainable development. GRI's goal is to promote sustainability reporting and holistic thinking for all organizations globally. GRI is playing an important role in providing guidelines and principles for developing sustainability reports as well as helping organizations measure, report and track progress on their potential impact on Environment-related issues, Social, and Governance, is often referred to as ESG (Environmental, Social, and Governance).

### Why do organizations need to use GRI Standards to guide ESG? How does GRI relate to ESG?

- **Global Reporting Standards:**

GRI has developed global GRI standards for Sustainable Development Reporting. In this standard, GRI provides guidance frameworks for how businesses, organizations and governments collect, analyze, and report information related to ESG aspects. GRI standards enable organizations to report on prominent topics such as greenhouse gas emissions, energy and water use, and labour practices.

One of the hallmarks of the GRI standard is the overarching theme, which focuses on topics that demonstrate significant organizational impact and, most importantly, to its stakeholders. This supports the implementation of sustainability reporting that is uniquely



designed by each organization. Thus, the organization can implement sustainability reports and help shareholders, investors and stakeholders understand the process of realizing the organization's sustainability goals.

- **Transparency and Social Responsibility:**

For transparency, the GRI standard sets out the Reporting Principles including "Defining Reporting Content and Determining Reporting Quality". The principles encourage organizations to report transparently on all aspects of their sustainability performance. In addition, the GRI standard requires the company to disclose information about the risks, opportunities and plans of the organization related to ESG. The sustainability report is shown comprehensively about the organization's activities.

- **ESG Risk Classification and Assessment:**

GRI provides an approach to classifying and assessing ESG-related risks. By categorizing according to E (Environment), S (Social), and G (Governance), the organization can obtain data about its activities and their impact on these three dimensions.

Next, the organization will identify risks and opportunities based on statistical analyses, and assess market trends and stakeholder interest. Based on the information analysed, the organization will assess and estimate the risks and opportunities to business operations and financial performance, which will help determine the importance of each issue in ESG. Ultimately, the organization will develop strategies to manage risk and capitalize on ESG opportunities.

In addition to the Global Reporting Initiative (GRI), businesses can choose to report according to one or more of the most extensive ESG frameworks/standards that are widely recognised globally:

- Carbon Disclosure Project (CDP),
- Climate Disclosure Standards Board (CDSB),
- Sustainability Accounting Standards Board (SASB),
- Science-Based Targets Initiative (SBTi)
- Task Force on Climate-related Financial Disclosures (TCFD),
- International Sustainability Standards Board (ISSB),
- International Organization for Standardization (ISO),
- Green Business Bureau (GBB),
- UN Sustainable Development Goals (SDGs),
- UN Principles for Responsible Investment (PRI),
- Sustainable Development Index (VNSI) published by HOSE,...

Note here that standards often require competing data conflicts, and combining multiple standards can lead to chaos in traditional reporting. But when you apply advanced SaaS technology, this is completely solved.

ESG reporting, once independently audited, is like a passport that guarantees the highest authority on the sustainable development of any organization or business in the world, regardless of size and industry. ESG reporting according to international standards creates absolute verifiable confidence for customers, partners and even investment funds that rigorously provide green credit packages and long-term companionship with the most favourable conditions only for market leaders.

To learn more about Green Economy and sustainability-related models, don't hesitate to contact [YTT Consulting!](https://yttconsulting.com)

