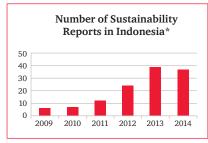# Sustainability Reporting:
Global Reporting Initiative (GRI) G4

pwc

Why Report on Sustainability?

In today's dynamic climate, with increased scarcity of raw materials, climate change and ecosystem degradation, companies are facing stakeholders demanding greater transparency than ever before – and over more than just finances. It is therefore no surprise that publishing stand-alone sustainability reports is a fast-rising trend around the globe, with 90% of the sustainability reports adopt or make reference to GRI guidelines.

Stakeholder Management

Benchmark

Sustainability Report Benefits

Credibility, Accountability and Transparency

Performance management

Risk management

Number of Sustainability Reports in Indonesia*

*Source: GRI database, May 2015

93% *of CEOs believe that companies should measure positive and negative impacts of their activities*

66% *of ASEAN companies report sustainability in some form (excluding Singapore)*

68% *of ASEAN public listed companies have or planning to have measures in place to assess the performance of their sustainability performance*

18% *of ASEAN companies with sustainability reports have engaged independent third-party assurance*

Source: Grant Thornton International Business Report 2013, PwC: Going beyond philanthropy – Pulse-check on sustainability, 2013

Sustainability Reporting in Indonesia:

In Indonesia, the number of companies publishing sustainability reports has increased exponentially, from 6 reports in 2009 to 37 in 2014 - with more than half adopting the GRI framework. This signals that companies in Indonesia are becoming increasingly aware of the importance and usefulness of sustainability reporting, as well as the integration of sustainability into their strategy. A sustainability report is rapidly going from being a "nice-to-have" – to a must-have.

Main regulatory drivers in Indonesia:

- **Regulation No.KEP-431/BL/2012** on Annual Reporting for Publicly Listed Companies to disclose CSR including policies, types of programs, and expenditure on: environmental performance, labour practices, social and community empowerment, and product responsibility.
- **Government Regulation no. 47/2012** stating that companies' annual reports should contain social and environmental responsibilities.

Sustainability Reporting can help you to:

- Better manage your sustainability risks
- Engage and manage stakeholders in a more structured manner
- Set targets and improve performance
- Benchmark against other companies in the industry
- Enhance credibility, accountability and transparency
- Improve your brand and reputation as a responsible organisation

What is GRI G4:

The Global Reporting Initiative (GRI) is one of the most widely used frameworks for sustainability reporting. In May 2013, GRI issued new guidelines-"G4". G4 places the concept of materiality at the heart of sustainability reporting. The framework sets out the principles and indicators that organisations can use to measure and report their economic, environmental, and social performance, focusing on the concept of "materiality." Understanding GRI's guidelines will help you to create communications that convey your organisation's sustainability efforts effectively and to an international standard as well as allow comparability across companies. GRI provides a 2 year transition period where GRI reports issued after 31st December 2015 must follow G4 guideline.

Relevant questions to effectively implement G4:

Has your organisation performed a materiality assessment from a business and stakeholder perspective?

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Does our reporting comply with all G4 requirements? If not, what are the gaps?

Are we able to report comprehensively on our strategy execution and governance?

Is your organisation able to report on material aspects in the supply chain?

Is your organisation prepared to report its value creation story?

Why focus on "Materiality"?
- Clarifies the real matters and relevant management information needed
- Ensures different stakeholder needs are taken into account and prevents issues from being overlooked
- Help to eliminate initiatives that do not contribute to your strategy
- May reduce reporting costs

PwC Services in Sustainability Reporting

1 *Identify G4 reporting disclosures requirements and gaps, including data*

2 *Discussion on materiality and selection of data*

3 *Analysis of the gaps and obtain agreement for the disclosures*

4 *Gather the required data and necessary information for disclosures and start the writing process*

5 *Discuss and agree the sustainability report prior printing*

Development of Sustainability Report
The development of sustainability report is commonly coupled with and preceded by our service in sustainability strategy development, which helps companies define and implement sustainability vision, programmes, and governance structure. In the next stage, PwC assists companies in development of their GRI G4 sustainability reports. Through the reporting process, we will facilitate knowledge transfer to you so you can learn to:
- identify and understand the main features of the G4 Guidelines
- identify the content expected to be found in G4-based reports
- recognize the tasks and decisions to be made during the reporting
- process to prepare a G4-based report focused on material aspects

We will not only help you better understand the reporting process but also the benefits beyond the report.

GRI G4 Report Training
PwC Indonesia, PwC Malaysia, PwC Thailand, PwC Philippines and PwC Vietnam are GRI Certified Training Partners in our respective countries. We offer a 2 day certified training course for businesses to understand the process of GRI G4 sustainability reporting. We are able to customize in-house training based on specific issues in your company or industry. The knowledge that you will gain from our training includes:
- Key steps of the GRI framework and reporting process
- Stakeholder prioritisation and engagement
- Materiality principle, testing and implementation
- Setting the boundaries in material aspects
- What constitutes a quality sustainability report

PwC Malaysia, PwC Thailand & PwC Indonesia is a GRI Certified Training Partner in Malaysia, Thailand & Indonesia — **Global Reporting Initiative™**

Contact our Sustainability and Climate Change specialists

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