



**Memo:  
Summary Preliminary Findings  
G3 Public Comment Period Feedback**

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## 1. Executive Summary

The draft G3 Guidelines were posted for public comment from January 2-March 31, 2006. In this time frame, 275 responses were received from individuals and organizations in diverse geographies and constituencies. After an initial three week analysis period in April 2006 the GRI Secretariat has outlined preliminary findings in this memo. The purpose of this memo is to inform key parties about the preliminary findings, and to indicate issues and areas that will be considered by the GRI Technical Advisory Committee (TAC) for drafting the final version of the G3 Guidelines during their May-June 2006 deliberations. A final and more detailed account of the findings from the public comment period, and how they influenced the Guidelines, will be available in late June 2006.

Responses indicated a generally positive reaction to the draft G3 Guidelines. Overall, respondents welcomed the direction that draft G3 is heading and generally perceived G3 to be an improvement on the 2002 Guidelines. A first analysis of the comments indicated great diversity of views which did not tend to concentrate on a limited number of major issues. Rather, feedback was characterised by a large number and wide ranging set of small proposed changes, often focusing on detailed issues. This is both a benefit and challenge for finalizing the G3 Guidelines. The benefit is that there is a diverse and rich source of feedback, but the challenge is to balance the trade-offs that occur when making decisions about changes in places where there were multiple opinions pulling an issue in slightly different directions – but no clear majority opinion.

The reporting principles received much attention in the comments, and there were suggestions for improvements for all 10 principles. This memo outlines key comments on the three principles that received the most attention: relevance and materiality, inclusivity, and assurability.

For the standard disclosure section, respondents generally welcomed the performance-oriented approach of the draft G3. Within this positive context, respondents stressed the need to balance comparable and narrative information. Comments often provided very detailed suggestions for changes to the protocols and indicators. This memo outlines the main areas requiring the attention of the TAC on the disclosure on management approach, and the three main indicator sets: economic, environment, and social.

## 2. Introduction

This memo summarizes the analysis-to-date of the public comments received on the Draft G3 Sustainability Reporting Guidelines. The public comment period was open from 2 January 2006 until 31 March 2006 and 275 responses were received. The comments offered a wide range of views on the Guidelines and provide a diverse source of feedback and ideas. The comments will continue to be reviewed in detail in the coming weeks by the Technical Advisory Committee and the Secretariat as the preparation of the Final Draft of the G3 Sustainability Reporting Guidelines continues. The final draft G3 will be submitted to governance bodies on June 20 for their review and decision.

### Section summary

- Responses were analysed using a combination of quantitative data (to provide the general direction of feedback) and qualitative data (to characterize views and identify potential improvements).
- The lower representation in some geographies and presence of single inputs prepared by multiple parties skews the sample size and limits the ability to draw conclusions on the basis of statistical significance.
- The number of inputs from outside Europe and North America has increased from 2002.

The comments provide a general sense of direction and many detailed ideas for revisions to specific parts of the Guidelines. However, different from previous comment periods, there is not an easy identifiable set of themes with distinct geographic and/or constituency trends that can be generalized from the comments. This memo therefore outlines the ideas and issues that have emerged. A final analysis and explanation of major changes will be provided with the final draft of the G3 Guidelines.<sup>1</sup>

### 2.1 Methodology of analysis

All interested parties were invited to submit their comments on the G3 draft via a web-based public comment form by 31 March 2006. The form was designed with both open-ended spaces for narrative comments, as well as a series of questions with 6-point scales to measure general satisfaction or levels of agreement.<sup>2</sup>

All 275 submissions were viewed in their entirety, and the responses to individual questions were also extracted and compared against each other to look for trends in content emerging from respondents in different geographies and constituencies. The web based comment form had several main sections, so in addition to the analysis of individual submission, all the responses to a given section of the form were analyzed and compared to each other.

#### Few 'majority' messages

Overall, respondents' comments were not highly polarised, and, a wide cross section of respondents often discussed different aspects of the same topic in complementary ways. When looking to draw out proposals for changes, it was therefore difficult to simplify views on a topic, identify two or three specific options for changes, and then assess support for each. Reaching conclusions therefore required inferring the direction implied by comments and looking for inputs that related to that direction. The analysis tried to take into account any patterns that could be identified in terms of geography or constituency, but, for any given point, the numbers were often

<sup>1</sup> The process to develop the G3 Guidelines has spanned several years and engage hundreds of experts globally. See the document "All you need to know about the G3 Guidelines: past, present, future" for more information about the context within which the G3 was created, the aims of the process, and how these goals were formed.

<sup>2</sup> A copy of the web-based comment form used by respondents can be found at [www.grig3.org/guidelines](http://www.grig3.org/guidelines)

too small to be conclusive on their own about the perspective of a given group. As stated earlier, the comments covered a wide range of topics, but, in many cases, with only a small number of responses targeting a given topic. As such, there was an attempt to summarize groupings within this large set of issues, present the views that appeared to be more prominent, and, where possible, indicate differences in perspective amongst different groups.

### **Quantitative data**

The quantitative data that emerged from the series of six-point scales provided valuable information for understanding the general sentiment and sense of direction underlying the comments. However, the statistics themselves are less reliable for identifying specific trends at the geographic or constituency level. The numbers of a given group/geography were often too small to be statistically significant, particularly for regions outside of Europe and North America. It was recognized that sometimes single submissions actually had larger numbers behind them since there were single submissions prepared by several organizations working in collaboration, submissions from membership organizations representing the views of large numbers of individuals, submissions where multiple experts within a single organization contributed, and finally, submissions from individuals. It was decided not to try and weigh these, since there was no fair basis to decide what value to assign a given submission compared to another since it would imply judgements about the merits of the process of preparation and relative degree of representation that could be assumed for any given submission.

It was also noted that some individuals or cultural groups are reluctant to nominate extreme ends of the scale (i.e., the 'very good' or 'very poor' ends) or use the extremes in very different ways. This tendency was demonstrated in the comment form where some respondents that selected the 'very poor' option for a given issue noted only one specific detail as requiring change, whereas others selecting the same point on the scale noted a fundamental objection to an entire concept.

Responses on the ratings scale followed relatively similar patterns across most questions. Rarely did more than 10% of respondents nominate the negative ends of the scale (not useful – not at all useful; or poor – very poor). This suggests that the majority of respondents, on the majority of questions, were relatively satisfied. The middle band of 'somewhat improved / somewhat satisfied' is one of the hardest to analyze, so was approached with caution.

### **Qualitative data**

As a result of the limits of the statistical data, there was heavy reliance on the qualitative data received through the open-ended, narrative questions to develop a high level picture of the issues, characterize views, and draw conclusions. The conclusions in this memo were not driven solely by the popularity of an idea since this might neglect important responses from smaller geographic or constituency base. The analysis aimed to identify concerns that seemed to come from multiple geographies and/or constituencies or look for points that were voiced as particularly problematic to a single geography/constituency.

## ***2.2 Profile of respondents***

There were 275 responses to the public comment period, which is a response rate more than triple that of the 2002 Guidelines. Over the same time period, there has been a five-fold increase in the number of organizations that have used the GRI Guidelines to report, and a hard-to-quantify expansion in the number of stakeholders interested in using information from sustainability reports. This response rate is viewed as reasonable and a reflection of the growing interest and expertise around GRI-based reporting.

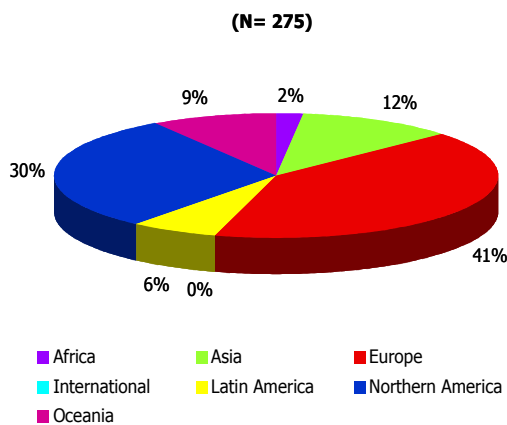
The vast majority (67%) of responses were submitted as organizational responses, and the remaining 33% as individual responses. Several submissions represent the input of multiple

respondents: membership based organisations and organisations collaborating to complete forms are two such examples. See Annex 1 for a full list of respondents.

### Geographical breakdown

There were submissions from 31 countries with the most responses from Europe and North America (41% and 30%, respectively). Organizations from the UK, France, Germany and The Netherlands accounted for most of the European inputs; and the USA formed the bulk of North American responses. Asia constituted 12% of responses. Most of these were from Japan, although there was increased or first-time input from India, Korea, and China (Hong Kong). 9% of responses were from Oceania, all from Australia and New Zealand. South America provided 6% of the responses, which surpasses previous experience. This figure may be deceptively low given that at least two Brazilian responses were those of pooled comments from a large number of organizations. 2% of responses were from Africa (see Figure 1), and all of these were South African.

Figure 1 Responses by geography (n=total respondents)

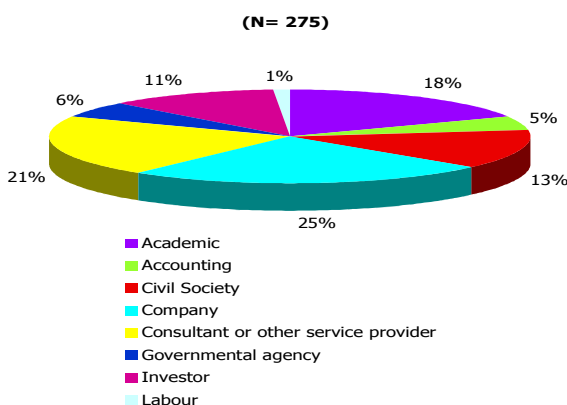


These response patterns largely mirror the uptake of sustainability reporting practices. In absolute numbers, responses from developing countries remain too few to achieve numerical balance with developed countries. This has been a reoccurring challenge in GRI processes. However, there is growing representation outside Europe and North America. Out of all public comments received on the 2002 Guidelines there were only 11 inputs from outside Europe and North America, and this time there are 79. Japanese inputs increased from 2 to 15. African responses remained on par with 2002. Thus, whilst there remains a gap in absolute numbers, responses from areas outside Europe and

North America are increasing. However, the distribution in regional representation should still be considered when making difficult judgements that require balancing multiple needs.

### Stakeholder group distribution

Figure 2 Responses by stakeholder group



One-quarter of the comments were provided from the business constituency, and 21% by consultant or other service providers. 18% were from academia, but this includes several responses from a single MBA class. Civil society and investor groups were nearly-evenly represented (13% and 11% respectively), followed by government agency (6%), accounting (5%), and 1% from labor.

Responses by stakeholder group reflect historical trends seen by GRI during other public comment periods. Numbers are again somewhat deceiving since certain responses represent

input from a number of organisations. For example, the single labor response is the result of internal consultation undertaken by TUAC and the ICFTU within the labour constituency.

For most constituencies, comments appeared to come from the perspective of either preparing reports or using reported information. The exception was the government inputs which provided mixed views both as report preparers and users.

### **Sectoral breakdown**

The financial services sector was highly represented amongst respondents (13%), followed by non-profit / services sector (12%), and the energy sector (9%). Public agencies accounted for 5% of responses, whilst automotive, energy utilities, and universities each represented 4%. Organisations from 25 other diverse sectors also submitted comments.

### **Experience with GRI Guidelines**

Respondents were asked to choose the one option that best described their experience with the Guidelines: used the Guidelines in the preparation of a report; prepared a report but not using the Guidelines; use information from reports based on the Guidelines; provide services to report preparers; have not prepared a report; other.

Most (29%) of the respondents had used the GRI Guidelines to report. 3% of respondents had prepared a sustainability report, but not using the GRI Guidelines, and 7% were interested in preparing reports in the future. User groups, who access information from other's GRI-based report, made up 22% of respondents. The other key group identified were service providers, who represented 17% of respondents.

### 3. General Feedback: G2 to G3

#### Goals of G3

Throughout 2003-2004, GRI carried out a Structured Feedback Process, in which 450 participants contributed and suggested the direction that the future GRI Guidelines should take. Outcomes of the SFP provided the main goals and aims of the G3 development process, and are summarized below.

#### *Overall aims for the G3 Guidelines:*

- More-user friendly
- Minimize transition costs
- Provide guidance on relevance
- Increase assurability
- Harmonize with other standards and normative frameworks
- Engage investors

#### *Advice for performance indicators and disclosures:*

- Sensitivity to total number of indicators
- Performance-focused
- Comparable reporting
- Improve qualitative indicators
- A how-to guide for interpreting indicators

Detail and rationale of these goals can be found at [www.globalreporting.org/sfp](http://www.globalreporting.org/sfp) or in the document "All you need to know about the G3: Past, present, future."

#### **G2 to G3: An improvement**

Overall, the feedback on the G3 draft indicated that organizations viewed it as an improvement from the 2002 Guidelines. When rating the level of satisfaction on various measures of relevance, comparability, user-friendliness, assurability, performance-based, and universally-applicable, 50-60% of respondents indicated 'very satisfied' or 'satisfied' and an additional 25-30% answering 'somewhat satisfied.' Many of the major changes in the G3 draft were seen as helpful, most notably, the reporting principles. Numerous comments stated that the structure of the Guidelines as a whole was much improved and easier to understand.

#### **G2 to G3: Balancing burden and value**

In meeting some of the goals for the G3 development process to improve existing content or develop new reporting guidance, there was a risk that the cost to migrate from G2 to G3 may be high, or that the extra guidance could become extra reporting burden. In particular, many of the G3 developments were initiated on the basis of feedback suggesting that revising indicators focusing more on performance would enhance the value of reporting. Since any changes to the indicators inevitably require organizations to adjust reporting systems, it was important to see if the G3 was perceived to moving in the right direction and if the perceived benefits were equal to the effort involved to implement the G3. This issue was looked at closely during the preliminary analysis.

The assessment to date suggests that overall reporting burden does not seem to be raised as a key issue by large number of respondents. There was, however, a small number of submissions from business that offered strong views that G3 has added complexity and that there will be a significant migration cost from G2 to G3, in part due to the replacement of policy-oriented indicators with more performance-based measures and overall updating of the indicators. This view did not seem to be uniform, since other business inputs cited the shift to more results-oriented indicators and the overall streamlining as changes that added value to reporting organizations and their information users alike. There was relatively little input from NGOs and investors on this topic to cross reference against, so it is difficult to judge the degree to which these changes would indeed add value from their perspective. It is therefore difficult to assess at this stage how the cost-benefit balance of the changes is or will be perceived until they are applied in practice.

There are some comments from the business sector on the G3 indicators questioning relevance, feasibility of measurement, and complexity – all of which could be connected to issues of burden. However, when viewed in the context of the individual submission, many appeared to indicate characteristics of issues or indicator sets that the organization would like to see changed in the Guidelines, and for the most part, do not make the statement that the Guidelines on the whole would be unworkable, too difficult to use, etc. This interpretation requires further assessment, however, as the draft is revised.

## 4. Process Guidance

### 4.1 Principles

Respondents offered a generally positive view of the draft reporting principles. 90% of respondents noted that principles were satisfactory, good, or very good.

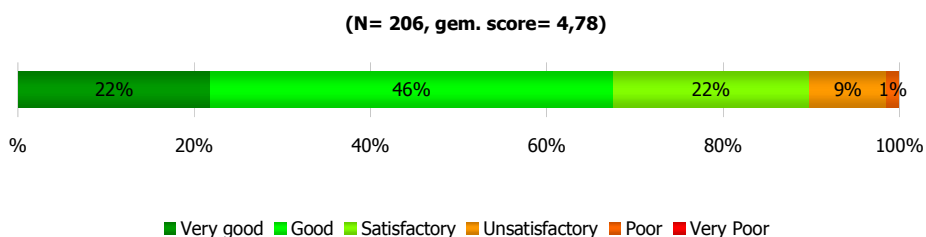


Figure 3 Overall assessment of the reporting principles

The principles attracted responses primarily around their definitions or how they were ordered and structured. There were also comments and suggestions about how to communicate concepts more clearly, such as through diagrams or the positioning of the tests. Comparative to feedback on indicators, there were fewer detailed edits proposed. Some noted that particular principles should be 'clarified' but did not necessarily identify how.

A common response was that the overall structure of the draft G3 was easier to use than the 2002 Guidelines and a number commented positively on the way principles were grouped into two sections for defining report content and ensuring quality of reported information. A number of the inputs from the accounting community were not as supportive of this grouping since they felt that the principles had inter-relationships that made such distinctions difficult in practice.

#### Section summary

- A majority view that just one of the two words (relevance or materiality) should be used, and the definition of relevance/materiality should be based on sustainability impact, rather than influence.
- A perceived increase in emphasis on stakeholder engagement drew a mix of positive and negative reactions.
- Comments on assurability suggest alternate terms such as credibility or reliability. Also draw remarks on GRI's overall policy stance on assurance
- Boundary guidance generally seen as a useful addition.

The new self-tests for applying the principles were widely popular amongst respondents and many saw them as positive ways to understand how the principles could be used in the reporting process. A number cited the inclusions of tests as one of the improvements in the Guidelines.

Some requested more guidance on how to apply the principles, such as whether fulfilling a principle such as relevance and materiality required satisfying a single test or a combination of tests and how to weight them.

In general, there was few clear geographic or constituency basis of comments, with the exception of the accounting community (especially European-based), who provided detailed feedback on all the principles.

Respondents provided detailed feedback on all nine principles. As a broad outline of the public comment period findings, this memo presents findings on the principles that attracted the most interest. These are, relevance and materiality; inclusivity; and assurability.

### **Relevance and materiality**

The relevance and materiality principle attracted wide attention. In overall comments, respondents welcomed the draft G3's recognition and increased emphasis on the use of principles to define content and focusing reporting. In comments on the individual principle, there was debate about which word is more appropriate, and many agreed that it was confusing to have one principle with two words. Many agreed that the principle should be either 'relevance' or 'materiality'. For some, the words also represented two concepts with very specific relationships. Input from the accounting community generally argued that the two are difficult to combine because materiality is an absolute measure, whilst relevance is a relative measure. Several of these comments also indicated that the tests more correctly assessed 'relevance' more than they did 'materiality'. This was one of few constituency- or geography-based approaches to emerge in responses on principles overall.

Some argued that to avoid confusion with the accounting definitions, the G3 Guidelines should not use the word "materiality" to describe the principle. It could be inferred that these comments implied a preference for the term "relevance", but this was not always explicitly stated. There were comments from the accounting sector, especially European-based, suggesting that 'materiality' as used in the draft G3 differs from the definition used in financial accounting. Respondents requested that the difference should be more clearly articulated and reasons for the difference explained if G3 uses the term materiality.

There was some indication as to how 'relevance and materiality' should be defined. The majority (62%) of responses indicated it should be defined by the organization's sustainability impact, whilst the remaining 38% noted preference for defining it through 'influence on decisions'. The accompanying qualitative data from the 62% reflected that many respondents consider influence to be a subset of impact since decisions are presumably influenced as a result of the sustainability impact. More broadly, many respondents indicated that 'impact or influence' was an appropriate distinction and argued that the definition needed to recognize and incorporate both in a more nuanced way.

Each of the indicators in the standard disclosures section of the G3 are categorized into 'core' and 'additional' subsets. Respondents, mainly from the accounting community, questioned the consistency of applying a materiality filter and also identifying a set of indicators as core.

### **Inclusivity**

Comments on the inclusivity principle generally covered three areas. First, some respondents perceived there was more emphasis on stakeholder engagement than in the 2002 Guidelines. This appeared to be driven by the combination of the definition of materiality that references stakeholders and the inclusion of specific disclosure items on the stakeholder engagement undertaken specifically for the report (disclosure items 3.10 – 3.11). Some respondents saw this as positive, but others argued that it created a false distinction or assumption that reporting needed to be based on stakeholder engagement done exclusively for a report.

Second, some comments focused on the breadth of stakeholders to be engaged. The draft G3 includes references to “stakeholders who use the report”. This was seen as useful by some for making the concept more manageable, but others felt that this undermined the basic message that organizations should be accountable to all stakeholders. The labor input particularly emphasized the role of international conventions and standards in defining rights that form the basis of accountability. Some of these comments held implications for the text explaining the principle, but others pointed to the need for the definition of the principle to address more directly the scope of stakeholders.

Third, there were a few comments asking for more clarity on how stakeholder views related to decisions on materiality. In particular, these comments questioned the materiality of information that is deemed useful by stakeholders, but not useful by the reporting organization.

Some requested further guidance in the form of a ‘how to’ manual for stakeholder engagement

### **Assurability**

Feedback on the principle of assurability included comments both on the principle, but also on GRI’s policy on assurance. It came from a number of organizations involved in the field of assurance as well as companies, general consultants, and labor, although over one-third of those who responded specifically on the principle of assurability were from the assurance profession.

Overall, the concept of a principle that highlighted the controls needed for information to undergo review was supported. However, comments had different views on how it should be identified and characterized. A portion of these comments focused on how to envision the principle. Comments from the accounting community took the view that the principle described in the draft G3 would better be identified as ‘reliability’ since it related more to the nature of information and documentation. Another submission indicated that it would be better framed as ‘credibility’. These inputs seemed to be more reflective of different views on the scope of the word assurance, rather than difficulties with the concepts presented in the text of the principle. A few comments noted that while the idea of assurability may be valid, developing information systems requires time and would not be immediately achievable by new reporters or SMEs.

A number of comments on the principle linked their views to the GRI policies on assurance. Several respondents requested more clarity on GRI’s definition of assurance. Some submissions called for more emphasis on independent, external views, while others took the view that GRI should more explicitly recognize a range of approaches. A few comments stated that GRI should provide guidance on the minimum expectations for assurance, while others explicitly stated that GRI should not define assurance procedures or responsibilities. The deletion of the annex on assurance from the 2002 Guidelines was noted by some commentators.

## **4.2 Boundary setting**

There was generally positive feedback that more boundary guidance is included in the draft G3. Most of the feedback on boundary guidance related to its position in the G3 Guidelines, rather than its actual content. The relative absence of negative feedback may be a reflection that the guidance that appears in the draft G3 is taken directly from the Boundary Protocol, which was developed in a multi-stakeholder working group process in 2004, which also included a public comment period. There were comments that called for more direct reference to supply chain/product responsibility in the indicators and Disclosure on Management Approach (DMA). The linkages between these sections and the boundary guidance will require further assessment.

## 5. Standard Disclosures

### 5.1 Disclosure Items

At the time of writing this memo, the analysis of the disclosure items was still in the early stages. There were a number of detailed comments on how to improve the wording of the disclosure items, but generally positive feedback on them as a set. Most sections were rated as satisfactory or higher by close to 90% of the respondents and approximately 85% indicated that each section was an improvement over the G2. The strategy and analysis section was generally seen as an improvement from G2. There were a number of detailed comments on the elements of the strategy analysis such as the CEO statement as well as inputs on clarifying its relationship

with other parts of the Guidelines. Other disclosures also were subject to specific feedback that is still being analyzed. General comments indicated a request to consolidate some of the disclosures, and to review the division of disclosures on stakeholder engagement into two sections.

#### Section summary

- Most respondents viewed the DMA as a positive way to balance comparable and narrative information
- Some respondents suggested more disaggregated data, especially for economic indicators
- Some called for clearer definitions on some environmental indicators, particularly to relate more clearly to both manufacturing and service-based organizations
- Comments on social indicators questioned the value of incidence data

### 5.2 New approach to performance disclosure: DMA and indicators

The performance indicators underwent significant changes from G2 to G3 with the goal of making them more results-focused or performance-oriented. This was pursued by shifting descriptive or narrative indicators to requests for comparable facts, such as components of a process, or, where appropriate, making them quantitative. The intent was to develop indicators that would highlight specific, factual information that could be reported year on year and would show change over time - allowing the reader to draw conclusions about performance. A new reporting element, the Disclosure on Management Approach (DMA), was introduced to provide space for disclosures on the approaches, policies, and processes in place and to provide context for the performance indicators. These two key changes intend to balance the needs and demands for narrative information and more comparable performance indicators.

Overall, respondents positively cited that performance indicators were improved in terms of being more clear, concise, and comparable. When compared to G2, 85% of respondents stated that draft G3 was more performance based. At the same time, a number of respondents also underlined that performance information needs a clear context and that qualitative information is an essential component of reporting. There were also comments regarding the use of incidents indicators as a measure of performance which is addressed in more detail in this memo under social indicators (below). Some respondents, primarily business and consultancies, also welcomed that there were fewer indicators.

### **5.3 Disclosure on Management Approach**

Amid the generally positive feedback, there is need to assess the balance between narrative information and comparable indicators following the overall changes and the introduction of the DMA. Respondents widely welcomed the concept of the DMA with 74% indicating that the DMA was useful, or very useful, and 17% indicating it was somewhat useful.

The positive responses cited its value for: providing a structure for reporting on approaches and processes; providing context for performance information; and helping show the degree to which sustainability is integrated into management. Many of the comments on the DMA were less around whether it was a good idea and more on how best to implement it. Within these comments, there were different visions of the DMA, some encouraging a more open-ended application and others encouraging a more strict structure to follow. In addition, there were a number of specific comments on the details and ordering of the individual headings either looking for further elaboration, or elimination of overlaps with, for example, disclosure items on governance or strategy and analysis. Finally, some respondents questioned the appropriateness of including headings for fines and awards in the DMA, suggesting they appeared more similar in nature to performance indicators than to the other elements of the DMA.

Although upwards of 90% of respondents indicated that the concept of the DMA was a good one, only 70% thought that the DMA as it is currently written in the draft G3 was appropriate. Of the 30% of the respondents (n=159)<sup>3</sup> who indicated that the DMA was not appropriate as proposed, two general views seemed to emerge. The first called for a more detailed DMA that contained headings more closely aligned with the elements and vocabulary of management systems. These responses often seemed to correspond with a view that essential information from the disclosures and indicators contained in the 2002 Guidelines had been lost (27% of respondents n=138). This view was strongly held by the North American investor community as well as some other stakeholders focused on social issues. In addition, a number of these submissions also explicitly stated that they felt the DMA should not be a substitute for indicators on policies and programs similar to those found in the 2002 Guidelines.

The other general view of the DMA from those who felt it inappropriate tended to see it as repeating other parts of the Guidelines (including disclosure items on strategy & analysis), and argued that it should be consolidated rather than organized according to category (e.g., environmental, economic, human rights, etc.). These comments argued that a single consolidated view better matched the vision of sustainability and that too many individual DMAs in a report would be repetitive.

### **5.4 Performance indicators**

Overall, performance indicators were perceived to be an improvement from those found in the 2002 Guidelines. Respondents particularly noted that performance indicators were improved in terms of being more clear, concise, and comparable. These are in line with the aims of G3. The introduction of indicator protocols for each indicator was generally seen as useful for clarifying the indicators and their rationale, which would in turn assist in the preparation of reports.

Consistent with feedback in other sections, there were relatively few trends or response patterns across constituencies or geographic areas. There was a high volume of very specific comments and proposals for improvement, such as detailed changes or line edits. There were also over 75 suggestions for new disclosures to be introduced with varying degrees of detail provided to the

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<sup>3</sup> "n" is the total number of respondents to the question

ideas. Many of these detailed comments were made within respondent's own area of specialist expertise.

Amongst the broader feedback on opportunities for improvement, there were recommendations on the need to improve the consistency, particularly wording, across the protocols, and with other related materials such as boundary protocol.

Disaggregation emerged as an issue, but often with differing views. Some submissions argued that disaggregation was necessary to make the performance measures more meaningful, while others (often companies) argued that existing levels of disaggregation for some indicators were not feasible or would result in irrelevant information. A number of comments suggested that the G3 specify that totals require additional contextual information when reported.

The use of incidents indicators (referred to previously as compliance indicators), particularly in social indicators (human rights, labour, product responsibility, and society), was an issue raised in the comments. Many respondents voiced that incidents indicators focus on negative performance or problems where G3 should look for measures of positive performance. Others argued that incidents may not be relevant in certain regions or on the basis that national law already set a high standard of performance. With respect to the human rights indicators in particular, these comments argued that uncovering incidents was dependent on the quality of the monitoring systems in place and that high or low numbers could be deceptive or misinterpreted. Comments on the human rights indicators suggested that with the addition of proper context through much more information about programs and systems in place, incident indicators could potentially be workable, but there were still significant reservations.

Open questions also remain on the relationship between the DMA and indicators, namely in the areas of describing procedures and programs. This is most evident in the categories of human rights, labour, and product responsibility. One set of comments argued for continued inclusion and even expansion of the performance indicators on policies and programs. Others argued for designing the DMA in such a manner that it captured all policy and program information so as to leave the indicators to focus only on purely comparable information.

An overview of responses to each of the indicator sets follows below. At the time of this memo, work was still underway on evaluation of the full set of comments on the indicators.

### **Economic indicators and protocols**

The economic indicators included a number of new indicators developed over the course of the G3 multi-stakeholder development process. There were many comments on the relevance of indicators within the proposed indicator set, as well as concerns about the feasibility of data collection and measurement, and the accuracy of data estimates. Some respondents suggested overcoming these issues by more disaggregated data, or ratio-based indicators. Others requested guidance on how some indicators relate to financial statements or requirements.

### **Environment indicators and protocols**

There were some suggestions to expand the focus and change wording to make the indicators more applicable to both manufacturing organizations and service-based organizations.

There were requests for indicators on supply chain and product responsibility, and comments on the inclusion of indirect impacts as well as direct impacts. Some of these issues appeared related to indicators while others seemed to be linked to boundary-setting guidance.

There were suggestions that definitions be clarified, and in some cases, expanded. For example, there were suggestions to expand 'protected areas' to 'biodiversity-rich', as it is broader and potentially more appropriate.

### **Social indicators and protocols**

Analysis of the responses to the human rights and labor indicators highlighted the challenge of finding a balance with stakeholders' need for narrative information and comparable data, and how to use the DMA in combination with social performance measures.

In the context of the human rights indicators, there were questions on the relevance of incidence data, and a strong message (particularly from socially responsible investors in the USA) that incidence data were only useful if presented in conjunction with information about processes and systems. Some also expressed concern that incidence indicators communicate a false sense of performance, and many of the suggestions for changes focused on seeking more information about systems and processes.

There was input on the importance of referencing the concepts of human rights and many suggested further referencing ILO/UN conventions.

## 6. Conclusion

The comments have provided much useful input on the draft G3 and the analysis outlined in this memo has not been able to catalogue all of the individual detailed suggestions. Overall, the comments seemed to validate the broad architecture, but several areas will require attention from the Technical Advisory Committee. These broadly include:

- The materiality and relevance principle will require review to consider the comments on its definition and the appropriate title.
- Other principles will require refinements of the definitions, tests, and explanations drawing on the comments.
- The standard disclosures will require assessing proposed edits to individual items, including the details within the strategy and analysis. Each section will likely undergo some further refinements.
- The DMA will require review and consideration of how best to balance the various inputs received on the level of depth required and its linkage to the indicators.
- The individual indicators will require review in light of the comments received. The social and economic indicators more generally will require close attention, and particularly the human rights and labour indicators.
- Areas have been identified such as assurance, stakeholder engagement, and a few others where more detailed guidance has been requested. Decisions are needed on whether this appears in the G3 Guidelines or as external support resources, and the timeframe necessary to develop such additional material.

## Annex 1: List of respondents

Note: Some respondents replied as individuals, and some as organizations. In future documents this distinction will be made.

Title	LastName	FirstName	Organization
Ms.	Jackson	Rachel	ACCA
Ms.	Bergkamp	Vicki	Adorers of the Blood of Christ
Ms.	Weber	Margaret	Adrian Dominican Sisters
Mr.	Moneva	José Mariano	AECA (Spanish Accounting and Business Adminis...)
Ms.	van ruijven	marleen	Amnesty Internartional, Dutch section
Mr.	Huelle	Alexander	amnesty international
Mr.	Fiala	Franz	ANEC
Mr.	Bullock	Stephen	Anglo Platinum
Ms.	Cheng	Ka Lai	Architectural Services Department of HKSAR Governm
Mrs.	Maurice	Anne-Sophie	AREVA
Ms.	Bakshi	Nishita	As You Sow
Mr.	SASIA	PEDRO MANUEL	ASOCIACION EGIERA
Mr.	Lund	Ronald	Auditing Roundtable
Ms.	Fabienne	Beaudu	Autoroutes du sud de la France
Mrs.	Pendrey	Annette	Aviva
Ms.	Harper Gow	Marianne	Baillie Gifford
Mr.	Boele	Richard	Banarra Sustainability and Social Assurance
Mrs.	Kunde	Annette	BASF Aktiengesellschaft
Ms.	Brautigam	Julie	Baxter International
Ms.	Mazry	Adriana	BP p.l.c.
Mr.	Lozano	Rodrigo	BRASS Centre, Cardiff University
Mr.	Moya	Renato	Brazilain Group Discussion About GRI (Sao Paulo)
Ms.	Custodio	Ana Lucia de Melo	Brazilian GRI Guidelines Studies Group - Rio de Ja
Mr.	Draeger	Robert	Bristol-Myers Squibb
Mr.	Tuppen	Chris	BT
Mr.	Unsöld	Daniel	BUND - Friends of the Earth Germany
Ms.	Sharp	Katherine	Business in the Community
Mr.	Park	Jaeheum	Business Institute for Sustainable Development
Ms.	Haygood	Leah	BuzzWord Sustainable Reporting
Ms.	Hoyte	Patricia	Caiteur Group Inc. - Climate Change Institute
Mr.	McElroy	Mark	Center for Sustainable Innovation
Ms.	Ogulin	Michelle	Centre for Public Agency Sustainability Reporting
Ms.	Kelly	Anne	Ceres
Mr.	Gans	Philip	Certified General Accountants Ass'n of Canada
Ms.	Saltzman	Susan	Chemical Heritage Foundation
Ms.	Ito	Kayo	Chiba University Research Center on Public Affairs
Ms.	Mizumoto	Eriko	ChuoAoyama Sustainability Certification Organizati
Ms.	SPEK	Machteld	CIFOR (Hanacaraka Res & Adm Svc as consultant to)
Ms.	Kendall	Gail	CLP Holdings
Mr.	Rupp	Jens	Coca-Cola HBC
Ms.	Lobo	Thereza	Comunitas
Mr.	YOGANANTHAN	MUTTIAH	CONSEIL SUPERIEUR DE L'ORDRE DES EXPERTS-COMPTABLE

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Mr.	Parra	Cristian	CONSULTORA TR MALTHUS
Ms.	Baillie	Alexandra	Convention on Biological Diversity (Secretariat)
Mrs.	Zogg	Brigitte	Coop
Mrs.	Pontarolli	Susie	Copel - Cia. Paranaense de Energia
Ms.	Funnell-Milner	Linda	Corporate ResponseAbility
Mr.	kani	ichiro	COSMO RESEARCH INSTITUTE,Inc.
Mr.	Sturge, FCA	Derrick	CPR Board CICA
Ms.	Rosenbaum	Ruth	CREA: Center for Reflection, education and Action
Ms.	Noguchi	Yuuko	Cre-en.inc
Mr.	Broer	Wijnand	CREM
Ms.	Matesic	Mirjana	Croatian Bus Council for Sustainable Development
Mr.	Fourie	Neil	CSR Consulting and Reporting
Mr.	Line	Mark	CSR Network
Ms.	Kawaguchi	Mariko	Daiwa Institute of Research
Ms.	Schwindenhammer	Sandra	Darmstadt University of Technology
Mr.	Soerensen	Preben J	Deloitte Touche Tomatsu
Ms.	Miller	Tamara	Department for Environment Food and Rural Affairs
Ms.	Buhmann	Karin	Dept. of Social Sciences, Roskilde University
Ms.	Brösse	Katja	Deutsche Telekom AG
Mr.	Herinckx	Gaëtan	Dexia Asset Management
Mr.	van Tilburg	Rob	DHV
Mr.	Wieland	Peter	DNV
Ms.	Shapiro	Karen	Domini Social Investments
Ms.	Heinonen	Valerie	Dominican Sisters of Hope
Mr.	Perceval	Chris	Earthwatch Institute
Mr.	Machiba	Tomoo	Ecoistic
Mrs.	Fernandes	Sara	EDP - Energias de Portugal
Ms.	Maier	Stephanie	EIRIS
Mrs.	Marques/ Branco	Vania / Paulo	Ekobe Education and Consulting
Mr.	Arigony	Luiz	Eletróbrás
Mr.	Haenke	Peter	Energetics Pty Ltd
Mrs.	Fischer	Séverin	Entreprises pour l'Environnement
Ms.	Bloustein	Helen	EPA (Environment Protection Authority) Victoria
Mr.	Nelson	Peter	Eskom Holdings
Ms.	squires	coby	ethical funds company
Mr.	Chris	Ballance	Ethical Funds Company (The)
Mrs.	terreo	glauçia	ethos institute - brazil
Ms.	Cabos	Isabelle	European investment bank
Ms.	Lankester	Olivia	F&C Asset Management, UK
Mr.	Carabajal	Osvaldo	Facultad de Ciencias Económicas Uncuyo
Mr.	Devlin	David	FEE (European Federation of Accountants)
Mrs.	LEONARD	Martine	FIR -Forum pour l'Investissement Responsable
Ms.	Gullo	Krista	Ford Motor Company
Mr.	Watt	Iain	Forum for the Future
Ms.	Dobkowski-Joy	Aleksandra	Framework:CR
Mr.	Andersen	Niels Ebbe	FSR - Denmark
Ms.	Oberkofler	Monica	Gap Inc.
Ms.	POIZE	Noémie	Gaz de France

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Mr.	Nielsen	Daniel	General Board of Pensions, UMC
Mrs.	Kreis	Erin	General Motors Corporation
Mr.	Neuneyer	Dustin	Germanwatch
Mrs.	Begbie	Sally	Global Hand
Mr.	Isaksson	Raine	Gotland University
Ms.	King	Lynda	Greater Vancouver Regional District
Mr.	Peixoto	Marcus	Grendene
Ms.	ayako	hyakubu	GRI Japan forum
Ms.	Copeland Chiu	Anne	GRI Stakeholder Council
Mrs.	Rochon	Odile	Groupe Investissement Responsable
Mr.	Lake	Rob	Henderson Global Investors
Mr.	Bergmann	Uwe	Henkel KGaA
Ms.	Gambling	Anne	Holcim
Mr.	de vries	jan	HOM
Ms.	goerdat	vandana	HOM
Ms.	Bonner	Sue	ICI
Ms.	VERGER	Olivia	IMS - Entreprendre pour la Cité / ORSE
Mr.	Maher	Francis	In process of establishing
Mrs.	Crubézy	Priscilla	independent
Mrs.	Barcelo	Silvia	independent
Mr.	jappur	rafael	inivação consultores associados ltda
Mr.	Loew	Thomas	Institute 4 Sustainability
Ms.	Schultz	Irmgard	Institute for Social-Ecological Research
Mr.	Spencer	Richard	Institute of Chartered Accountants in England & Wa
Mrs.	Mugarra	Aitziber	Instituto Estudios Cooperativos-Universidad Deusto
Ms.	Steele	Amanda	Insurance Australia Group
Mr.	Gold	Mitch	Int Assoc of Eudcators for World Peace
Mr.	NIEKERK	GARY	INTEL CORPORATION
Mr.	Schilling	David	Interfaith Center on Corporate Responsibility
Ms.	Grosser	Kate	International Centre for Corporate Social Responsi
Mr.	Bertasi	Stefano	International Chamber of Commerce (ICC)
Ms.	Howse	Victoria	International Council on Mining and Metals
Ms.	Gardiner	Louise	International Finance Corporation
Ms.	Gros-Louis	Sandy	International Organisation of Employers
Mr.	Morris	Chris	IPIECA
Ms.	Park	Kyung-Ah	IPS
Mrs.	Ward	Charlotte	ISA Research Group, University of Sydney
Mr.	Kumar	Sunil	ITC Limited,Corporate EHS Dept.
Mr.	Kulkarni	Vijay	ITD Cementation India Ltd
Mr.	miller	douglas	itglwf
Mr.	Simons	Henk	IUCN National Comite of the Netherlands
Mr.	Ranney	Kevin	Jantzi Research Inc.
Ms.	HASEGAWA	TOMOKO	Japan Business Initiatives for G3(refer toE22List)
Mr.	KUMAGAI	Ken-ichi	Japanese Trade Union Confederation
Ms.	Gormley	Doris	Jesuit Conference USA
Mr.	Saeki	Go	JICPA
Mr.	Brengle	Andrew	KLD Research & Analytics, Inc.
Mr.	Shim	Yeongsoo	Korean Institute of CPA (KICPA)

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Mrs.	Iansen-Rogers	Jennifer	KPMG Sustainability on behalf of KPMG GSS
Ms.	Fuster	Anna	La Vola
Ms.	Atkinson	Maria	Lend Lease Corporation
Mr.	O'Neil	Steven	Marianist International
Mrs.	Tondreau	Soruco	MASISA Chile
Ms.	Gilmore	Esther	Matrix Plus Consulting
Mrs.	Sabau	Gabriela	Memorial University of Newfoundland
Ms.	Heinonen	Valerie	Mercy Investment Program
Ms.	Sollbach	Marion	METRO AG
Mr.	Hatzenbuhler	John	Ministry Health Care
Mr.	Frommer	Glenn	MTR Corporation
Ms.	Brand	Demelza	Murray Irrigation Limited
Ms.	Bissett	Rosemary	National Australia Bank Limited
Mrs.	de Oliveira	Aline	Natura Cosméticos
Ms.	Swanston	Katie	Newton Investment Management
Mr.	Gatchell	Charles F.	Nike, Inc.
Mr.	Mizutani	Juntaro	NJS
Ms.	Byron	Judy	Northwest Coalition for Responsible Investment
Mr.	Frier	Claus	Novozymes
Ms.	Nugent	Marcia	Office of Sustainability, Dept for Env & Heritage
Mrs.	Holdsworth	Leanne	Office of the Auditor General
Ms.	Wilson	Helen	Old Mutual
Ms.	Toyooka	Satoko	Olympus Corporation
Mr.	Knoepfel	Ivo	onValues Ltd.
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Ms.	Pretscher	Renate	Österr. Elektrizitätswirtschafts AG - Verbund
Mr.	Cohen	Mark	Owen Graduate School of Management
Mr.	Verburg	Johan	Oxfam International
Mr.	Azcarate Llanes	Fernando	Pablo Olavide University
Ms.	Mayerhöffer	Sandra	PE Europe GmbH
Mr.	Benjamin	David	People for the Ethical Treatment of Animals
Mr.	Prini Estebecorena	Enrique	PETROBRAS
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Ms.	Sampson	Rebecca	Piper Jaffray
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Ms.	chin	yoonyung	POSCO Research Institute(POSRI)
Mr.	Bose	Surojit	PricewaterhouseCoopers Pvt. Ltd.
Mr.	Clarke	Simon	PricewaterhouseCoopers South Africa
Mr.	Niskala	Mikael	Proventia Solutions
Mrs.	Bessa	Fabiane	Puc-PR
Mr.	SHYAM	Asoor	Reliance Energy Generation Limited
Ms.	Irigoyen	Maria	ReportSocial.com
Mr.	Comments represent SFP results in Russia	Contact given for Ecoline	Represents Russian stakeholders (list in comments)
Mr.	Eckelmann	Oliver	Roche
Mrs.	Pietras-Jensen	Vinni	Roskilde University Centre
Ms.	marlin	alice	SAI
Mr.	White	Peter	SAI Global
Mr.	Voskuilen	Gijs	Sara Lee International

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Mr.	Joanaz de Melo	João	School of Sciences and Technology-New Univ.Lisbon
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Mr.	Spangenberg	Joachim H.	SERI Germany
Ms.	Yamahaki	Camila	SESI-SC
Ms.	Maitripala	Rochelle	Shell Canada Limited
Mr.	Moeckli	Rene	Shell International
Ms.	Heinonen	Valerie	Sisters of Mercy-Detroit
Ms.	Nash	Nora	Sisters of St. Francis of Philadelphia
Ms.	Paulik	Cecile	Sisters of the Sorrowful Mother
Ms.	fleur	maaike	smk
Mrs.	Tepper Marlin	Alice	Social Accountability International
Mr.	Smith	Paul	Social Response
Ms.	Unno	Mizue	So-Tech Consulting, Inc.
Ms.	García-Pintos	Inés	Spanish Savings Banks Confederation
Mr.	Wheat	Doug	SRI World Group
Ms.	Ainley	Sandra	Standard Bank Group Limited
Mr.	Pearl	Richard	State Street Corporation
Mrs.	Pitkänen	Eija	Stora Enso
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Mr.	Symington	Neil	Suncor Energy
Ms.	Kuszewski	Judy	SustainAbility
Mrs.	Schuler	Verena	Sustainability
Mr.	Skinner	Raymond	Sustainability Working Group
Mr.	Sustainability Working Group (NZICA)	Sustainability Working Group (NZICA)	Sustainability Working Group
Mrs.	McGuinness	Wendy	SustainableFuture
Mr.	Jack	AJ	Sydney Water
Mr.	Karumanchiri	Ravi	Synerlux Consulting
Mr.	DEODHAR	ANANT	TATA MOTORS,PUNE
Mr.	Murphy	Richard	Tax Research LLP
Mrs.	Romero	Marta	Tea Cegos Deployment
Mrs.	Guenther	Edeltraud	Technische Universität Dresden
Mr.	Fernández de Alarcón	Rafael	Telefonica
Mr.	Tuffrey	Michael	The Corporate Citizenship Company
Ms.	UI	Mika	The CSR Institute Inc.
Mr.	Walker	Robert	The Ethical Funds Company
Mr.	Chiloflisch	Catalin	The Ethical Funds Company
Ms.	Coulson	Jennifer	The Ethical Funds Company
Ms.	McCaffrey	Jennifer	The Ethical Funds Company
Mr.	de Regil Castilla	Álvaro José	The Jus Semper Global Alliance
Ms.	Harako	Kazue	The Valdez Society
Ms.	Russ	Marje	Tonkin & Taylor Ltd
Mr.	Mohr	Tony	Total Environment Centre's Green Capital Program
Mr.	Trade Union Advisory Committee to the OECD	TUAC	Trade Union Advisory Committee to the OECD
Mr.	Wilkinson	Peter	Transparency International

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Mr.	Lippman	Steve	Trillium Asset Management
Ms.	Rowan	Catherine	Trinity Health
Mr.	SCHuite	Geert	Triodos Bank
Ms.	Metzenbaum	Shelley	U of MD School of Public Policy; Facility Reporting
Mr.	Van der Lugt	Cornelis	UNEP
Mr.	King	Henry	Unilever
Mr.	King	Henry	Unilever
Mr.	Vallyon	Antony	United Nations Association of New Zealand
Mr.	del Barrio	Jose Antonio	Universala Esperanto-Asocio (World Esperanto As.)
Mr.	garmendia	jose a	universidad complutense madrid
Ms.	Keogh	Amanda	University of Sydney
Ms.	Davies	Kirsten	University of Sydney and Kirsten Davies consultant
Mr.	Bartis	Joel	university of wisconsin
Mr.	Friedrich	Michael	University of Wisconsin - Ethics Wed 8 am
Ms.	Knox	Elizabeth	University of Wisconsin - Madison
Mr.	Reck	Kevin	University of Wisconsin - Madison (MBA Program)
Mr.	Collumb	Richard	University of Wisconsin - Madison (Project Team)
Ms.	University of Wisconsin-Madison	University of Wisconsin-Madison	University of Wisconsin-Madison
Mr.	Murphy	Christopher	University of Wisconsin-Madison
Mr.	Schimkat	Taylor	University of Wisconsin-Madison
Mr.	Tumay	Kojasoy	University of Wisconsin-Madison School of Business
Ms.	Hofkens	Kristy	University of Wisconsin-Madison student
Mr.	Mauro	Francesco	URSCorp Italia
Ms.	Heinonen	Valerie	Ursuline Sisters of Tildonk
Ms.	McLaughlin	Susan	US EPA
Mr.	Meredith	Nathan	UW - Madison
Mr.	Wierschem	Steve	UW - Madison
Mr.	Savage	Patrick	uw madison
Mr.	Peck, Miramontes, Steve, John, Anita	Adam, Fernando, Yazawa, Kampe, Audretsch	UW- Madison School of Business
Mr.	Hostetler	Mike	UW-Madison
Mr.	van weperen	ernst	VBDO
Mr.	Hamburger	Florian	Volkswagen AG
Ms.	Benton	Meredith	Walden Asset Management
Mr.	Vainikka	Marko	Wärtsilä Corporation
Ms.	warhurst	alyson	warwick business school
Mr.	James	Keith	Waste Resources and Action Programme
Ms.	Collings	Emily	Weyerhaeuser Company
Mr.	Blackburn	William	William Blackburn Consulting, Ltd.
Mr.	Wilkinson	Matthew	WWF
Ms.	Araya	Monica	Yale Center for Environmental Law & Policy
Ms.	Forsberg	Krister	