

GRI and the SDGs an introduction to GRI 305 on Emission

Diskusi Perancangan Mekanisme Insentif Sektor Swasta untuk Penguatan Transparansi Aksi Iklim Indonesia

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WRI, 19 September 2019





Who we are

We are an international **independent** organization that has pioneered **sustainability reporting** for two decades.

We **help** businesses and governments **understand** and communicate their **impact** on critical **sustainability issues**.





Our focus areas



Create standards and guidance to advance sustainable development



Harmonize the sustainability landscape



Lead efficient and effective sustainability reporting

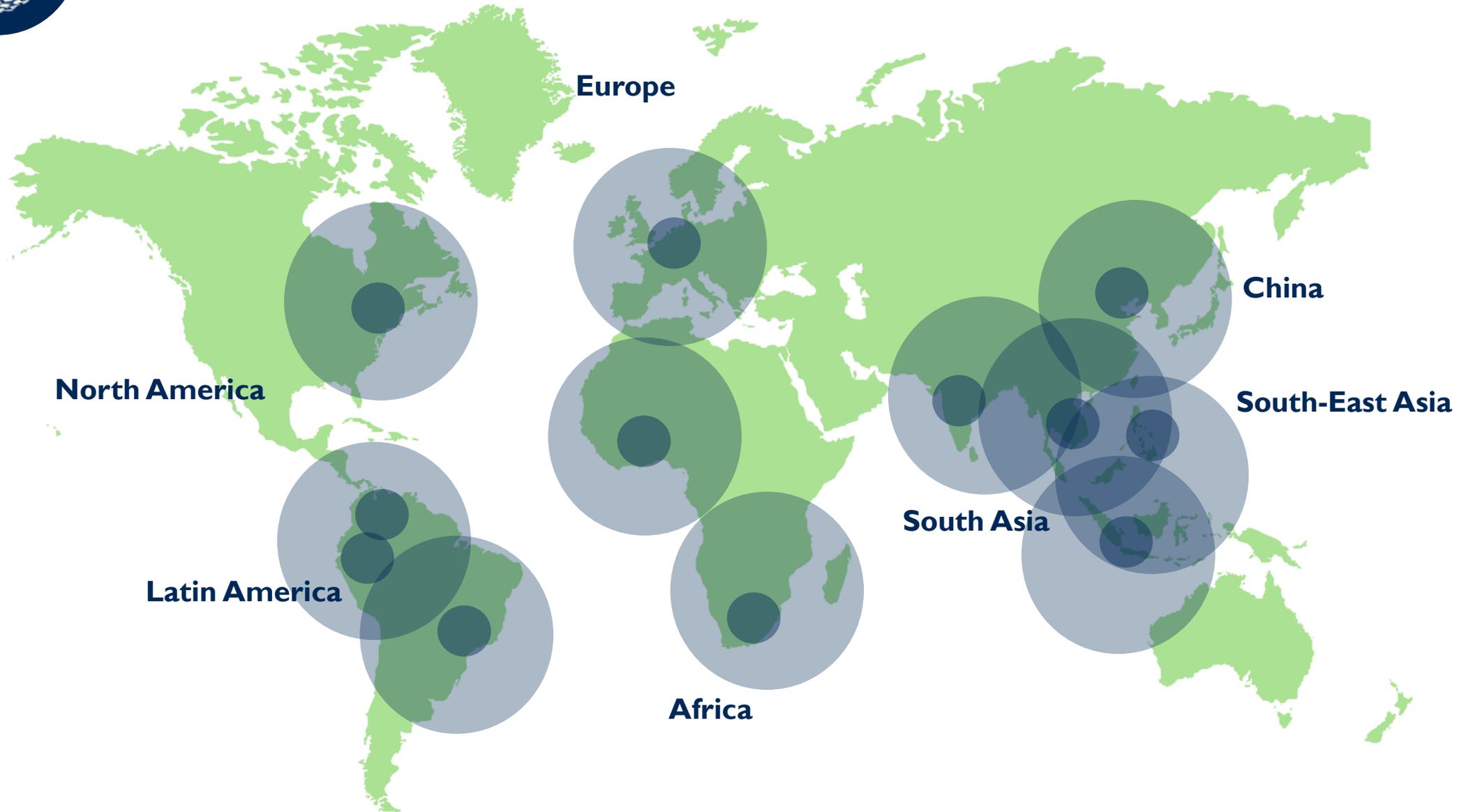


Drive effective use of sustainability information to improve performance



A global perspective

GRI offices around the world



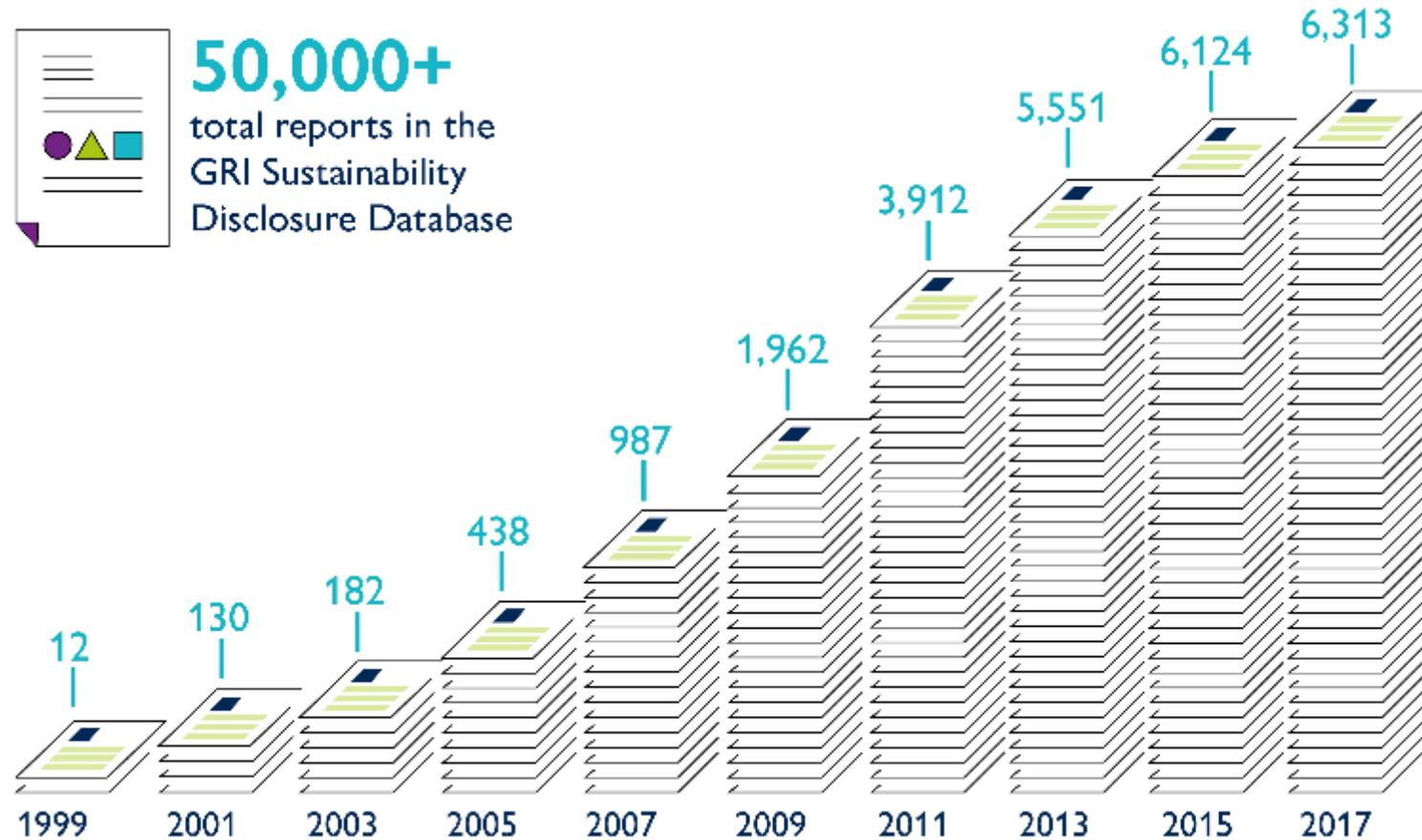


Some stock exchanges referencing GRI





Reports in GRI's Sustainability Disclosure Database*



*per report year



Governmental partners and programs

- Australia
Department of Foreign Affairs and Trade (DFAT)



- Norway
Norwegian Ministry of Foreign Affairs (MFA)



Norwegian Ministry
of Foreign Affairs

- Sweden
Swedish International Development Cooperation Agency
(Sida)



- Swiss Confederation
State Secretariat for Economic Affairs (SECO)



Staatsekretariat für Wirtschaft
Confédération suisse
Confederazione Svizzera
Confederaziun Svizra

Federal Confederation

Federal Department of Economic Affairs
Economic and Research Policy
State Secretariat for Economic Affairs SECO

- The United Kingdom
UK Department for International Development (DFID)





GRI Sustainability Reporting Standards





Sustainability Reporting

Sustainability reporting is an organization's practice of reporting publicly on its **economic, environmental, and/or social impacts**, and hence its contributions - positive or negative - towards the goal of sustainable development.





The Power of Sustainability Reporting

The practice of disclosing sustainability information inspires **accountability**, helps identify and manage **risks**, and enables organizations to seize new **opportunities**.

Reporting supports companies to protect the **environment** and improve **society**, thrive economically by improving governance and stakeholder relations, enhancing **reputation** and building **trust**.





Our Approach

We operate through a robust [multi-stakeholder](#) approach, ensuring participation and [expertise](#) of diverse stakeholders in the development of the [GRI Standards](#).





GRI Standards

The GRI Standards are a set of interrelated reporting standards, enabling organizations to report publicly on their economic, environmental and social **impacts** and contribution towards **sustainable development**.

The GRI Standards represent **global best practice** for reporting sustainability information – enhancing its comparability and quality.



Benefits of the GRI Standards

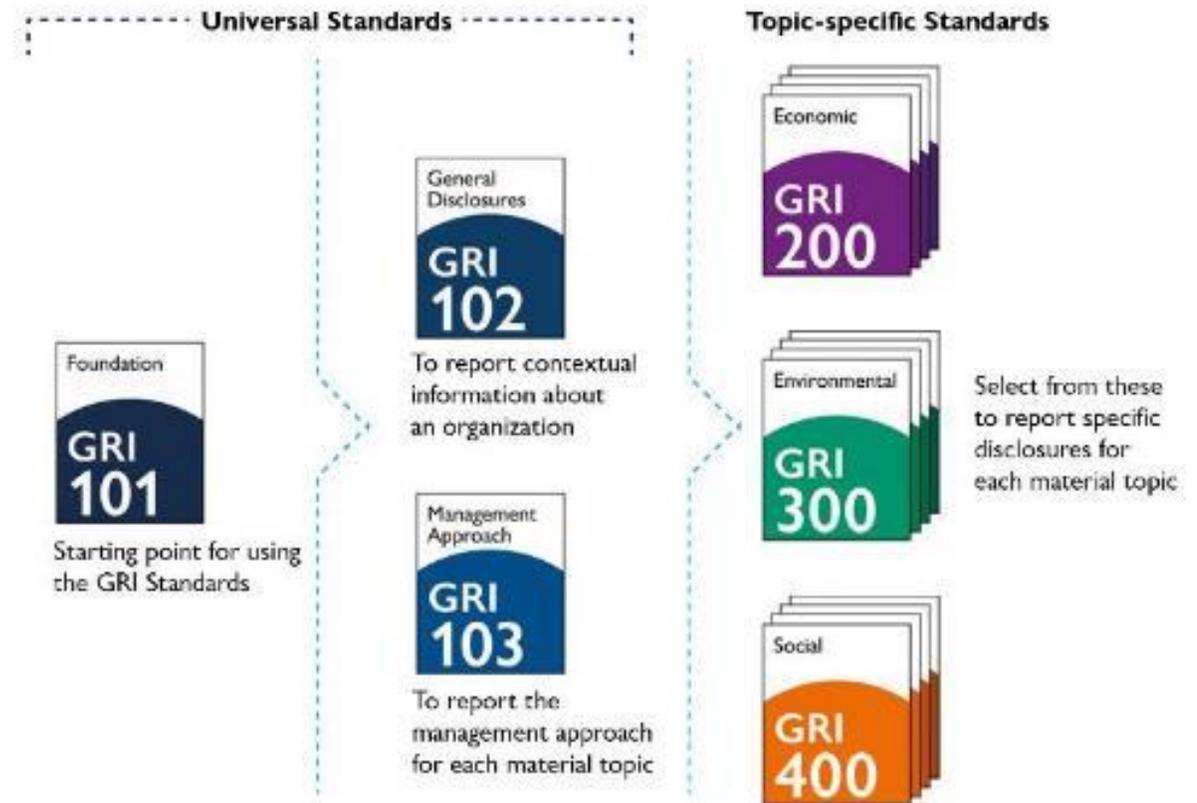
- **Flexible and future-proof structure:**
Ensures the GRI Standards remain up-to-date and relevant
- **Policy integration and referencing:**
Governments and market regulators can easily reference the Standards in their policy initiatives
- **Common language:**
One framework to meet all sustainability reporting needs – from comprehensive reports to issue-specific disclosures
- **Credibility and robustness:**
Developed with multi-stakeholder contributions and rooted in the public interest



The set of GRI Standards includes:

<https://www.globalreporting.org/standards/gri-standards-translations/gri-standards-bahasa-indonesia-translations-download-center/>

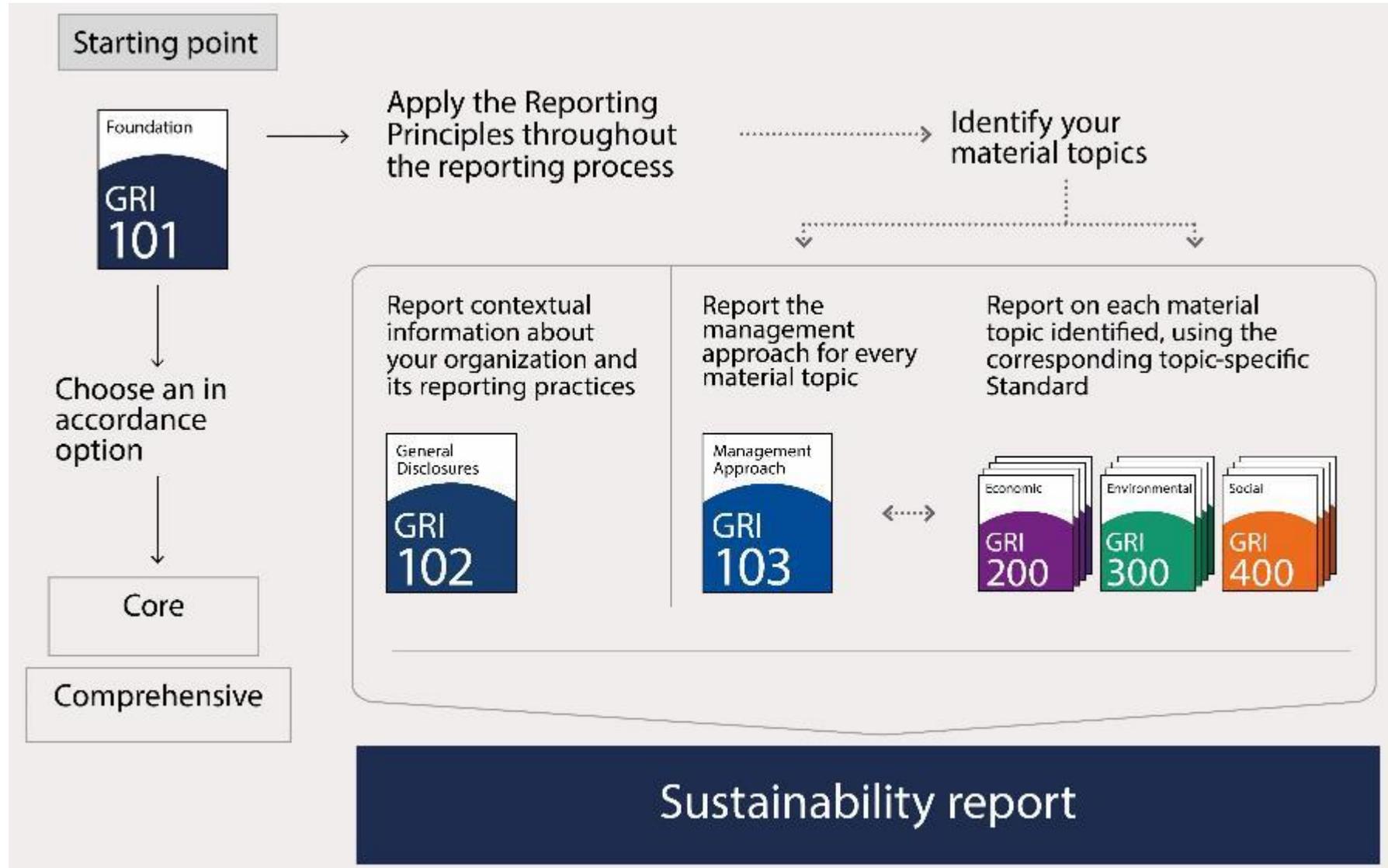
- 3 universal Standards, applicable to all organizations.
- 33 topic-specific Standards, organized into Economic, Environmental, and Social series.
- Organizations select and use only the relevant topic-specific Standards, based on their material topics.





The GRI Sustainability Reporting Standards

Getting started





The GRI Sustainability Reporting Standards

GRI 101: Foundation - Starting point for using the GRI Standards

Section 1: Reporting Principles, includes the 10 Reporting Principles for defining report content and quality, along with guidance.

Reporting Principles	
CONTENT	QUALITY
<ul style="list-style-type: none">• Stakeholder Inclusiveness• Sustainability Context• Materiality• Completeness	<ul style="list-style-type: none">• Accuracy• Balance• Clarity• Comparability• Timeliness• Reliability



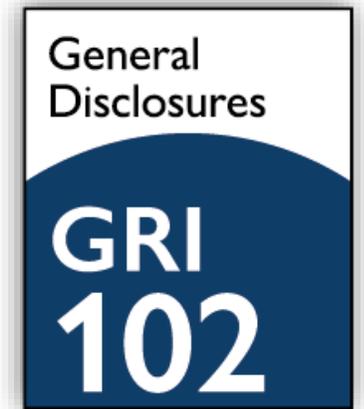


The GRI Sustainability Reporting Standards

GRI 102: General Disclosures - Disclosures about the organization and its reporting practice

Organized into six sections:

1. Organizational profile
2. Strategy
3. Ethics & integrity
4. Governance
5. Stakeholder engagement
6. Reporting practice





The GRI Sustainability Reporting Standards

GRI 103: Management Approach - To be applied to the reporting of each material topic

- The management approach is a narrative explanation of **how the organization manages a material topic** and related **impacts**
- The **Management approach Standard** is designed to be used **together** with the **topic-specific Standards** (series GRI 200, GRI 300 and GRI 400), and any other material topic

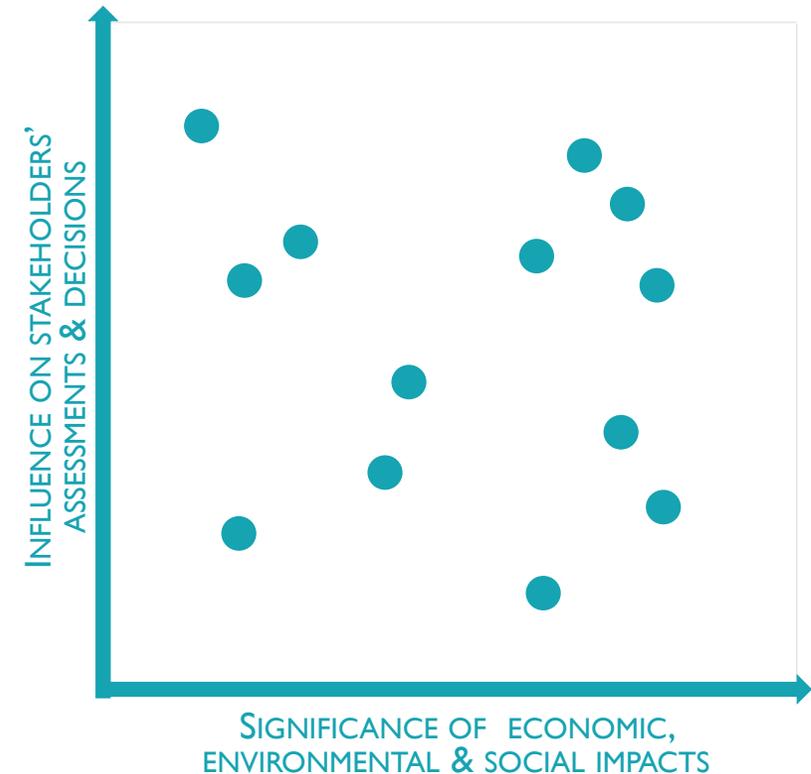




The GRI Sustainability Reporting Standards

Identifying material topics

- In sustainability reporting, **materiality** is the principle that determines which **relevant topics** are sufficiently important that it is **essential to report on** them.
- **Not all** material topics are of **equal importance**, and the emphasis within a report is expected to reflect their relative **priority**.
- Materiality assesses topics against the following **two dimensions**:
 - Significance of an organization's economic, environmental and social impacts
 - Substantive influence on the assessments and decisions of stakeholders.

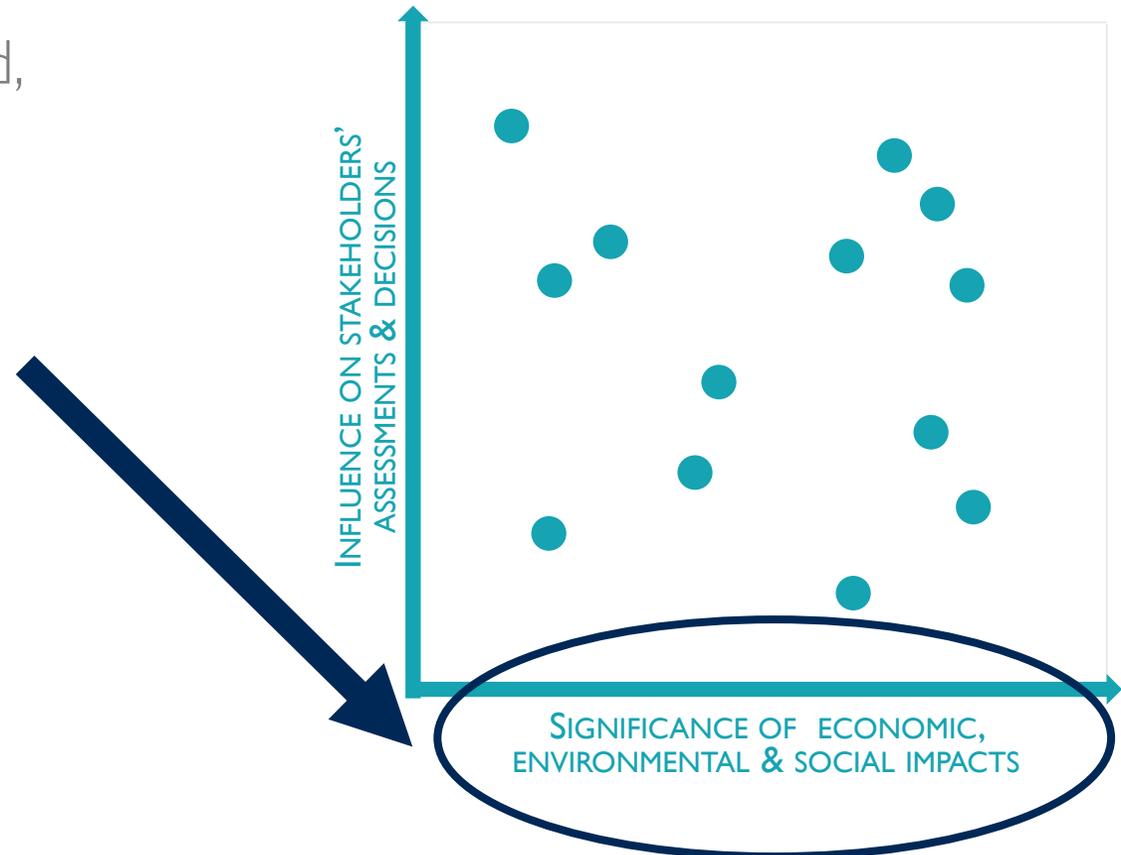




The GRI Sustainability Reporting Standards

Clarifying Topic Boundary

In the GRI Standards, unless otherwise stated, 'impact' refers to the effect an organization has on the economy, the environment, and/or society, which in turn can indicate its contribution (positive or negative) to sustainable development.



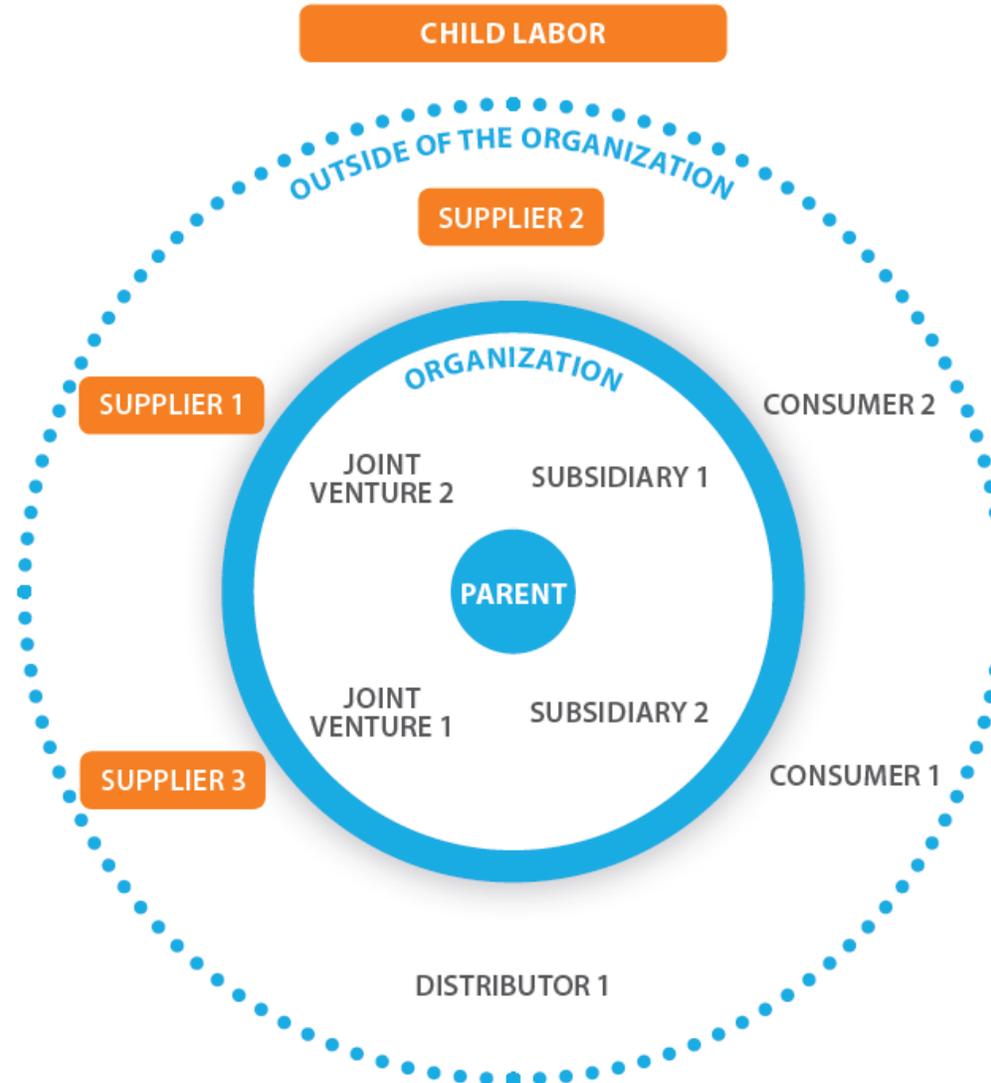


The GRI Sustainability Reporting Standards

Clarifying Topic Boundary

The topic Boundary:

Describes where the impacts occur related to a material topic, and how the organization is involved with the impacts





The GRI Sustainability Reporting Standards

Topic-Specific Standards



- 201 Economic Performance
- 202 Market Presence
- 203 Indirect Economic Impacts
- 204 Procurement Practices
- 205 Anti-corruption
- 206 Anti-competitive Behavior

- 301 Materials
- 302 Energy
- 303 Water
- 304 Biodiversity
- 305 Emissions
- 306 Effluents and Waste
- 307 Environmental Compliance
- 308 Supplier Environmental Assessment

- 401 Employment
- 402 Labor/Management Relations
- 403 Occupational Health and Safety
- 404 Training and Education
- 405 Diversity and Equal Opportunity
- 406 Non-discrimination
- 407 Freedom of Association and Collective Bargaining
- 408 Child Labor
- 409 Forced or Compulsory Labor
- 410 Security Practices
- 411 Rights of Indigenous Peoples
- 412 Human Rights Assessment
- 413 Local Communities
- 414 Supplier Social Assessment
- 415 Public Policy
- 416 Customer Health and Safety
- 417 Marketing and Labeling
- 418 Customer Privacy
- 419 Socioeconomic Compliance

Number & title of disclosure

Disclosure 305-4 GHG emissions intensity

The disclosure itself has the required information to report

Disclosure
305-4

Reporting requirements

The reporting organization shall report the following information:

- a. GHG emissions intensity ratio for the organization.
- b. Organization-specific metric (the denominator) chosen to calculate the ratio.
- c. Types of GHG emissions included in the intensity ratio; whether direct (Scope 1), energy indirect (Scope 2), and/or other indirect (Scope 3).
- d. Gases included in the calculation; whether CO₂, CH₄, N₂O, HFCs, PFCs, SF₆, NF₃, or all.

Some disclosures have additional requirements on how to compile this information

2.7 When compiling the information specified in Disclosure 305-4, the reporting organization shall:

- 2.7.1 calculate the ratio by dividing the absolute GHG emissions (the numerator) by the organization-specific metric (the denominator);
- 2.7.2 if reporting an intensity ratio for other indirect (Scope 3) GHG emissions, report this intensity ratio separately from the intensity ratios for direct (Scope 1) and energy indirect (Scope 2) emissions.

Actions that are encouraged, but not required

Reporting recommendations

2.8 When compiling the information specified in Disclosure 305-4, the reporting organization should, where it aids transparency or comparability over time, provide a breakdown of the GHG emissions intensity ratio by:

- 2.8.1 business unit or facility;
- 2.8.2 country;
- 2.8.3 type of source;
- 2.8.4 type of activity.

Typically includes background information, explanations and examples

Guidance

Guidance for Disclosure 305-4

Intensity ratios can be provided for, among others:

- products (such as metric tons of CO₂ emissions per unit produced);

The reporting organization can report an intensity ratio for direct (Scope 1) and energy indirect (Scope 2) GHG emissions combined, using the figures reported in Disclosures 305-1 and 305-2.

GRI 305 - Emissions

- Management approach disclosures (this section references GRI 103)
- 305-1 Direct (Scope 1) GHG emissions
- 305-2 Energy indirect (Scope 2) GHG emissions
- 305-3 Other indirect (Scope 3) GHG emissions
- 305-4 GHG emissions intensity
- 305-5 Reduction of GHG emissions
- 305-6 Emissions of ozone-depleting substances (ODS)
- 305-7 Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions





SDGs strategy

Context

TARGET 12.6



ENCOURAGE COMPANIES TO ADOPT SUSTAINABLE PRACTICES AND SUSTAINABILITY REPORTING



To contribute to the realization of SDG target 12.6, GRI is thus committed to:

- **Enable the private sector** to integrate the SDGs within their reporting process in accordance with the GRI Standards
- **Support policy actors and investors** to engage with the private sector on the SDGS with the aim to align and maximize their contributions
- **Strengthen local and international policy** on sustainable development and sustainability reporting



Business Reporting on the SDGs

An Action Platform to help shape the future of corporate reporting on the SDGs

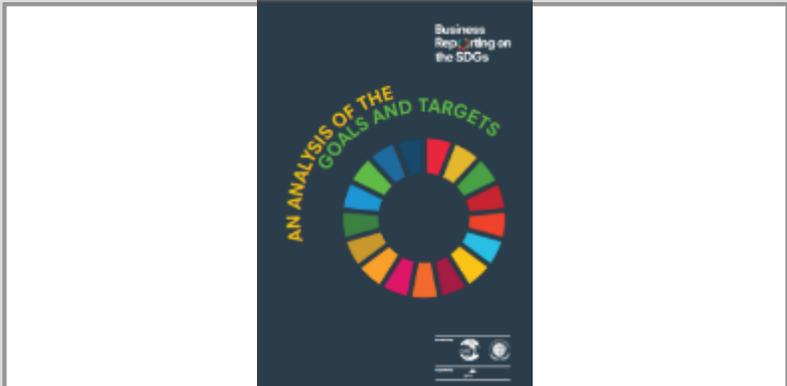


United Nations
Global Compact

GRI and the United Nations Global Compact announced their continued partnership to develop best practices for corporate reporting on the Sustainable Development Goals (SDGs), empowering businesses to prioritize SDG targets and measure and report on progress.

SUSTAINABLE DEVELOPMENT GOALS

1 NO POVERTY 	2 ZERO HUNGER 	3 GOOD HEALTH AND WELL-BEING 	4 QUALITY EDUCATION 	5 GENDER EQUALITY 	6 CLEAN WATER AND SANITATION
7 AFFORDABLE AND CLEAN ENERGY 	8 DECENT WORK AND ECONOMIC GROWTH 	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE 	10 REDUCED INEQUALITIES 	11 SUSTAINABLE CITIES AND COMMUNITIES 	12 RESPONSIBLE CONSUMPTION AND PRODUCTION
13 CLIMATE ACTION 	14 LIFE BELOW WATER 	15 LIFE ON LAND 	16 PEACE, JUSTICE AND STRONG INSTITUTIONS 	17 PARTNERSHIPS FOR THE GOALS 	SUSTAINABLE DEVELOPMENT GOALS





Stay Connected!



@GRI_Secretariat



The Global Reporting Initiative



GRI Newsletter: bit.ly/GRI-News



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SDG 13: CLIMATE ACTION

13 CLIMATE ACTION





SDG 13: Take urgent action to combat climate change and its impacts

2. investment portfolio

13 CLIMATE ACTION



How banks can contribute:

- Invest in climate risk mitigations, climate resilience and climate adaptation
- Integrate climate risk into decision making
- Evaluate risk of “stranded assets” and consider global exposure limits or divestment across industries such as fossil fuel
- Measure and publicly disclose the carbon footprint of investment portfolios
- Measure, reduce and report climate exposure and progress



Citi has made a 10-year US\$100 billion commitment to finance activities that reduce carbon emissions, SDG INDUSTRY MATRIX – FINANCIAL SERVICES | 39 FINANCIAL SERVICES SDG INDUSTRY MATRIX – SDG 13 help communities adapt to climate change and directly finance sustainable infrastructure such as green housing.



AXA has committed to divest “from companies most exposed to coal-related activities”, totaling €500 million. AXA has also committed to triple its green investment to over €3 billion by 2020, coming principally from investments in clean technology private equity, green infrastructure, impact investment and green bonds.



Citi Global Citizenship report 2017

Our environmental finance activity can be seen around the world:



This work results in measurable impacts:

4.5M mt CO₂e

GHG emissions avoided

104,305

Jobs supported
(direct, indirect and induced)

43.6M

Population in U.S. cities
and counties served by
water-quality projects

4,747

Families served by green
affordable housing

2,329 MW

New renewable energy capacity



GRI 305: Emissions 2016

1. Sustainable operations, example by Citi

4.5M mt CO₂e GHG emissions avoided

To calculate environmental impacts, we developed models to estimate the GHG emissions avoided by the different types of transactions that contribute to the \$100 billion goal — specifically, renewable energy financing and energy efficiency financing, public finance and consumer and commercial banking.

GHG Emissions (Scope 1 & 2) by Region

Region	Scope 1 CO ₂ e (mt)	Scope 2 CO ₂ e		Total CO ₂ e	
		Location-Based (mt)	Market-Based [†] (mt)	Location-Based (mt)	Market-Based (mt)
North America	13,610	327,832	243,494	341,441	257,104
Latin America	2,302	115,272	84,909	117,573	87,211
Asia Pacific	1,511	193,217	189,346	194,728	190,857
Europe, Middle East & Africa	3,675	63,932	51,091	67,607	54,766

Regional Operational Environmental Performance

Region	GHG Emissions		Total Consumption		Total Waste
	Location-Based (mt)	Market-Based (mt)	Energy (GWh)	Water (m ³)	(mt)
North America	341,441	257,104	802	2,484,810	15,690
Latin America	117,573	87,211	285	1,070,294	10,735
Asia Pacific	194,728	190,857	307	818,997	6,581
Europe, Middle East & Africa	67,607	54,766	180	384,822	3,725



How do companies report on Energy indirect (Scope 2) GHG emissions?

Disclosure 305-1 Direct (Scope 1) GHG emissions

Disclosure 305-2 Energy indirect (Scope 2) GHG emissions



We monitor and annually report our direct and indirect GHG emissions both on an absolute (tonnes of GHGs) and on an intensity (GHGs per tonne of material moved) basis. Our emissions calculations are based on the GHG Protocol Corporate Accounting and Reporting Standard and are divided into three categories, depending on the source:

- Scope 1 (direct) – GHGs are derived from sources that are owned or controlled by the reporting organization. Our principal source of Scope 1 emissions is fuel consumption for: our fleets (used to move material), heating and on site power generation needs.
- Scope 2 (indirect) – GHGs are generated at sources owned or controlled by another organization. Our reported Scope 2 emissions include purchased electricity.

At our operations, Scope 1 and Scope 2 GHGs on an absolute basis have been decreasing since 2013; however, during 2017 GHGs were essentially unchanged from 2016 (a 1.1% increase). This increase was driven by the fact that more tonnes of material were moved in 2017 than in 2016.

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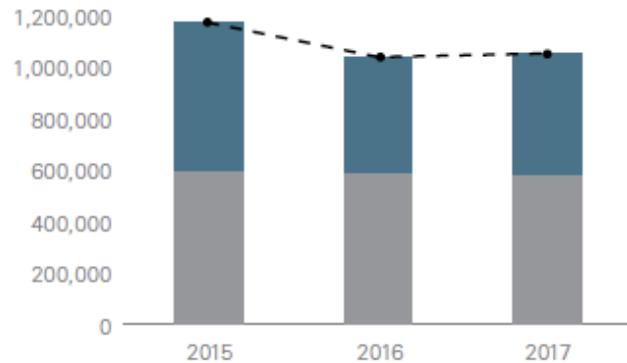
How do companies report on Energy indirect (Scope 2) GHG emissions?

Disclosure 305-1 Direct (Scope 1) GHG emissions

Disclosure 305-2 Energy indirect (Scope 2) GHG emissions



GREENHOUSE GAS EMISSIONS



- Goldcorp - 305-2 GHGs, total CO₂e indirect, scope 2 (tGHG metric)
- Goldcorp - 305-1 GHGs, total direct, scope 1 (tGHG metric)
- ◆ Goldcorp - GHGs, total direct and indirect (scope 1 and 2) (tGHG metric)

GREENHOUSE GAS EMISSIONS BY SITE

