



## The Missing Link of GRI Reporting

The UN Global Compact is a voluntary initiative based on the commitment to implementing and reporting the ten principles of responsible management in the areas of human rights, labour standards, the environment and anti-corruption. Many organizations have become signatories of the UN Global Compact to demonstrate their leadership for responsible management.

Global Reporting Initiative (GRI) provides a guideline for the reporting, based on the UN Global Compact, OECD Guidelines for Multinational Corporations and other international principles.

The basic framework of the GRI reporting includes a) high-level information, b) management approach and c) performance results.

In addition, GRI also offers the principles for defining report quality and content. The GRI Guide is very useful for ESG reporting.

ESG stands for environmental, social and governance issues, which is a more specific terminology for sustainability, ethics and legal compliance. Driven by the regulators, governments and stock exchanges around the world, ESG reporting has been made from a voluntary basis to “comply or explain” mechanism.

However, there is a missing link between the principles of responsible management and ESG reporting. Organizations need a management system to align with the principles of responsible management to achieve the intended outcomes and reporting requirements.

Many organizations have used the normative standards to implement the partial management systems exclusively, such as quality management system (ISO 9001), environmental management system (ISO 14001), occupational health and safety management system (OHSAS 18001) or social accountability system (SA 8000). However, the normative standards have the following drawbacks:

- a) They are used to develop the partial management systems, without integrating processes and criteria;
- b) They have different set of management principles, which cause confusion in the values, policies and norms;
- c) They have no standard requirements for ESG reporting.

CR8001 ESG Management Standard<sup>®</sup> has been developed to help organizations develop, implement and maintain the responsible management system to integrate the various partial management systems, principles, processes and metrics for ESG reporting.