

**Summary Report  
Latin American Regional Roundtable  
GRI Structured Feedback Process (SFP)  
10 December 2003  
Belo Horizonte, Brazil**

Note: This report is intended to highlight the main discussions points raised during the Roundtable meeting. The Working Group Questions can be found in Annex 1. For a complete list of all participants and a collection of photos from the roundtable please see the roundtable's website.

## **1. Background:**

GRI has begun a three-year consultative process aimed at soliciting widespread feedback on the 2002 GRI *Sustainability Reporting Guidelines* (Guidelines). This process will culminate in the release of the next final version of the Guidelines, expected to be published in 2005/2006. The first phase of this process - the Structured Feedback Process (SFP) – began in June 2003 and more than 110 organisations completed the SFP questionnaire about the Guidelines. These questionnaires have been analysed and the main findings form the basis for discussion during a series of seven regional roundtables to be held from December 2003 – March 2004. This Roundtable in Brazil was the first such event. The specific objective of the roundtable was to seek additional feedback to the Guidelines, in particular on a group of issues that were highlighted as significant from the analysis of the SFP questionnaires.

In mid-2004, GRI will begin the revision of the Guidelines based on recommendations that emerged from the SFP. By that time, GRI expects that over 400 stakeholders from around the world will have contributed to the SFP.

## **2. Key Discussion Points:**

The participants actively discussed and debated many issues related to the GRI and the GRI Guidelines which can be summarized as follows:

### ***2.1 Regional Issues and Priorities:***

- Non-financial reporting is new in Latin America which means there is little experience in reporting, including among consultants. Brazil has progressed considerably in the last five years as a result of the innovative work and engagement of Instituto Ethos.

- Many Latin American country governments do not have the resources/means to adequately enforce national laws. Some participants reflected on how GRI reporting could help in this enforcement process. Clear language that GRI sees enforcement of national law as a precondition for a global reporting process is seen as helpful.
- There are issues of importance in Latin America that are not reflected in the Guidelines, for example sanitation. While there was no clear consensus on how GRI should address this general issue, specific regional GRI resource documents are NOT deemed necessary.
- It was stressed however, that GRI should encourage active stakeholder dialogue between reporting organizations and its stakeholders where 'regional' issues can be identified and discussed.

## ***2.2 Suggestions on how to raise the profile of the GRI in Latin America:***

Raising awareness about the GRI is crucial to increase the uptake and use of the Guidelines. GRI should focus on awareness-raising, in particular through national organizations, to ensure the following messages are clear:

- The GRI encourages an incremental approach to reporting. This flexibility is very valuable as reporting is a consequence of a process that encourages and triggers a reporter's continuous improvement, also towards being in full accordance with the Guidelines at a later stage.
- Following the GRI Guidelines is not expensive.

The participants also recommended that GRI should develop a number of additional tools/resource documents to assist companies in using the Guidelines. These include:

- Guidance on how the GRI Guidelines relate to other CSR frameworks/standards such as Global Compact, AA 1000, SA 8000 and national initiatives like those produced by CEADS, Instituto Ethos (Ethos indicators), etc.
- Guidance on the process of stakeholder engagement including how organizations could identify who their main stakeholders are.
- Tools to assist SMEs and non-business sectors to report.

## ***2.3 Comments about the GRI Guidelines and indicators:***

### *General comments:*

- The incremental and in accordance options are both very helpful.
- There was a strong message not to increase the number of indicators and to retain the flexibility in the Guidelines. This flexibility is linked to materiality and issues of regional priority that lends to the overall credibility of the Guidelines. Materiality = what is important to your stakeholders!
- Indicators that create/generate change within the reporting organization are very useful.
- Comparability can be best achieved through quantitative indicators; common ratios might also be useful to increase comparability.
- GRI should research which indicators in the 2002 Guidelines are used/not used, and should also analyze this from a regional perspective.

- The reference to international standards in the social indicators of the Guidelines should be seen as a minimum requirement. These then need to be supplemented with other social indicators that reflect the specific issues of that industry sector, location of operations of the reporting organisation, and issues that are identified during the engagement process.
- There was a strong message that it is 'normal' that the social indicators are more qualitative in design rather than quantitative. However, what is needed is more focused and specific qualitative indicators which guide the reporter better and encourage the reporting of comprehensive and useful information.

*Suggestions for revision/additions to the indicators in the 2002 GRI Guidelines:*

- 'Stakeholder engagement' indicators could be developed which would provide 'a window' into how an organisation undertakes this engagement. These indicators could encourage greater transparency on:
  - which stakeholders were engaged, why them and not others.
  - the way in which the stakeholder were engaged.
  - all issues raised as relevant by stakeholders, which are included in the report, and why the others are not.
  - what influence the stakeholder dialogue had on the decision-making process of the reporting organization.
- Additional social indicators could include those that focus on:
  - Community issues
  - The impact of an organizations social action.

## Annex 1: Working Group Questions:

### *Setting the Expectations for Using GRI:*

- How useful is incremental reporting in your regional context and how can it be improved?
- How should incremental reporting fit with the in accordance concept?
- How do both of these concepts add overall value to reporters and users of reports?

### *Reporting as a Process and its Reflection in the Guidelines:*

- How to effectively embed stakeholder engagement in the GRI reporting process?
- How to best link business management processes (inc. MIS) with GRI reporting?
- How should that be reflected in the GRI guidelines revision?

### *Designing the GRI Framework to Maximize Internal and External Benefits:*

- What are factors that affect costs and benefits of reporting?
- What are factors that strengthen the use of reports?
- How do the guidelines fit with other GRI portfolio products to serve overall reporting needs?

### *Indicator Design:*

- What's a "good" qualitative indicator? How do you see that related to comparability?
- Do the issues GRI covers meet your usage needs in your regional context?
- What suggestion do you have on design criteria to better frame existing indicators?

### *Social Indicators:*

- What's a good balance between quantitative and qualitative indicators in the social indicator section of the guidelines?
- What's the role of global standards in framing social indicators?
- How can the process of stakeholder engagement in GRI reporting integrate cultural factors into social aspects of GRI based reports?

### *Flexibility and Comparability – Choosing your Report Contents:*

- How do you see the ability of the existing reporting principles to determine materiality?
- Given the interaction between principles, report expectations and core/additional indicators how should GRI approach the number of indicators?
- How should the GL accommodate disaggregation/breakdown of information and reporting boundaries as important factors in affecting materiality?