

Sustainability Reporting Guidelines & Construction and Real Estate Sector Supplement

**The Construction and Real Estate Sector Supplement is based on the
G3.1 Sustainability Reporting Guidelines**



Table of Contents

Overview of the Guidance included in this Document for the Construction and Real Estate Sector



Preface

Sustainable Development and the Transparency Imperative

Introduction

Introductory Section for the Construction and Real Estate Sector

10

Additional Construction and Real Estate
Glossary of Terms

13

Overview of Sustainability Reporting

The Purpose of a Sustainability Report 14

Orientation to the GRI Reporting Framework 14

Orientation to the GRI Guidelines 15

Applying the Guidelines 16

Part 1

Defining Report Content, Quality, and Boundary

Guidance for Defining Report Content 18

Principles for Defining Report Content 18

Principles for Defining Report Quality 24

Guidance for Report Boundary Setting 28

Part 2

Standard Disclosures

Strategy and Profile 31

1. Strategy and Analysis 31

2. Organizational Profile 32

3. Report Parameters 32

4. Governance, Commitments,
and Engagement 34

5. Management Approach and
Performance Indicators 35

Economic 37

Environmental 39

Social:

Labor Practices and Decent Work 45

Human Rights 48

Society 53

Product Responsibility 56

General Reporting Notes

Data Gathering 58

Report Form and Frequency 58

Assurance 59

Glossary of Terms 60

Annex and References 62

Acknowledgements 63





Overview of the Guidance included in this Document for the Construction and Real Estate Sector

Throughout this document, construction and real estate sector-specific materials are highlighted using the following symbols:



Denotes sector-specific text or commentary on existing G3.1 Guidelines content and Performance Indicators



Denotes new, sector-specific Disclosure on Management Approach or Performance Indicator

All of the sector-specific disclosures and Performance Indicators are considered as core (these are labeled as CRE1, CRE2, CRE3, etc), and should be included in the Content Index, in addition to other items reporting organizations choose to report on.

The following tables provide a summary of the construction and real estate sector-specific disclosures, Performance Indicators, and commentary on the G3.1 Guidelines that are included in this merged document of the content of the Construction and Real Estate Sector Supplement ("Sector Supplement") and the G3.1 Guidelines. The table is organized by category and Aspect. For some disclosures and Performance Indicators, further information on compilations, definitions, and other supporting details can be found in the body of this merged document.

Profile Section

CONSTRUCTION AND REAL ESTATE SECTOR-SPECIFIC COMMENTARY ON G3.1 STRATEGY AND ANALYSIS SECTION

Context	Commentary
1. Strategy and Analysis	1.2 Commentary added to report the approach to the construction of new assets versus retrofits, upgrades, and refurbishments, and the effect on impacts, risks and opportunities.

CONSTRUCTION AND REAL ESTATE SECTOR-SPECIFIC COMMENTARY ON G3.1 ORGANIZATIONAL PROFILE SECTION

Context	Commentary
2. Organizational Profile	2.8 Commentary added to report additional sector-specific information to define the scale of the reporting organization.

CONSTRUCTION AND REAL ESTATE SECTOR-SPECIFIC COMMENTARY ON G3.1 REPORT PARAMETERS SECTION

Context	Commentary
3. Report Parameters	3.6 Commentary added to report on reasons for exclusion when some activities within organizational boundaries are not included.
	3.8 Commentary added to report on different lease types.

CONSTRUCTION AND REAL ESTATE SECTOR-SPECIFIC COMMENTARY ON G3.1 GOVERNANCE, COMMITMENTS, AND ENGAGEMENT SECTION

Context	Commentary
4. Governance, Commitments, and Engagement	4.14 Commentary added to differentiate those stakeholder groups that are engaged at the organizational level and those that are engaged at a project or asset level.
	Commentary added to explain how to understand customers.





Economic Section

CONSTRUCTION AND REAL ESTATE SECTOR-SPECIFIC COMMENTARY ON G3.1 ECONOMIC DISCLOSURE ON MANAGEMENT APPROACH

Context	Commentary
Economic Performance	DMA Commentary added to report on policies and practices regarding regulatory and strategic risk that might impact financial performance.
Indirect Economic Impacts	DMA Commentary added to report on policies and practices regarding legacy impacts.

CONSTRUCTION AND REAL ESTATE SECTOR-SPECIFIC COMMENTARY ON G3.1 ECONOMIC INDICATORS

Aspect	Indicator and Commentary
Economic Performance	EC1 Commentary added to clarify sources of financial information. Commentary added to report on specific breakdown for payments to governments. Commentary added to refer to methodology for calculating community investments and clarifying infrastructure investments.
	EC2 Commentary added to report financial implications and other risks and opportunities for the organization's activities due to other sustainability issues. Commentary added to provide new definitions on Qualitative Financial implications and Obsolescence.
Market Presence	EC7 Commentary added to include procedures for local hiring for all direct employees, contractors and sub-contractors hired from the local community. Commentary added to provide definitions on contractors and sub-contractors.
Indirect Economic Impact	EC8 Commentary added to explain other significant infrastructure investments made by the reporting organization.
	EC9 Commentary added to add examples of indirect economic impacts.

Environmental Section

CONSTRUCTION AND REAL ESTATE SECTOR-SPECIFIC COMMENTARY ON G3.1 ENVIRONMENTAL DISCLOSURE ON MANAGEMENT APPROACH

Aspect	Commentary on DMA
Materials	DMA Commentary added to report policies and practices on the use and selection of materials.
Energy	DMA Commentary added to report policies and practices on energy management.
Water	DMA Commentary added to report policies and practices on water use and quality management, and on drainage and discharge of water.
Biodiversity	DMA Commentary added to report policies and practices on mitigation of adverse biodiversity impacts.
Emissions, effluents and waste	DMA Commentary added to report policies on carbon management. Commentary added to report policies and practices that promote waste avoidance, and reduce fugitive emissions.
Land Degradation, Contamination and Remediation	DMA Commentary added to explain Land Degradation, Contamination and Remediation. Commentary added to report policies on planning, management and practices related to land degradation, contamination and remediation.
Products and Services	DMA Commentary added to report policies and practices to mitigate environmental and end user human health impacts.





Aspect	Commentary on DMA
Transport	DMA Commentary added to report policies and practices to avoid or reduce transport of materials and people, to promote more sustainable transport, and on the management of transport impacts.

CONSTRUCTION AND REAL ESTATE SECTOR-SPECIFIC COMMENTARY ON G3.1 ENVIRONMENTAL INDICATORS

Aspect	Indicator and Commentary
Materials	EN1 Commentary added to report either total weight, volume or value of materials used and percentage that have been certified for their sustainability qualities.
	EN2 Commentary added to include reused materials in this Indicator. Commentary added to report percentage of materials used that are recycled and reused input materials.
Energy	EN3 Commentary added to indicate that reporting organizations involved in new construction and redevelopment should report known or metered energy consumption in addition to listing non-metered sources and also identify the reporting boundary. Commentary added to report total direct energy consumption – purchased, produced and sold – in gigajoules (GJ) and kilowatt hours (kWh), using recognized conversion factors.
	EN4 Commentary added to report indirect energy consumption in gigajoules (GJ) and kilowatt hours (kWh), using recognized conversion factors, linked to metered or measured data, by meaningful segmentation, and according to the report boundary.
	CRE1 Building energy intensity.
	EN5 Commentary added to make this a Core Indicator for the sector. Commentary added to report relevant financial data, actual or estimated. Commentary added to define like-for-like.
	EN6 Commentary added to make this a Core Indicator for the sector. Commentary added to expand on the type of initiatives to reduce energy requirements.
Water	EN8 Commentary added to report total water withdrawal purchased and sourced, linked to metered or measured utility data, and according to the report boundary. Commentary added to report actions to mitigate and reduce water consumption and relevant financial data.
	EN9 Commentary added to differentiate withdrawal from groundwater sources that are recharged and non-recharged.
	EN10 Commentary added to report total volume of water recycled/reused linked to metered utility data.
	CRE2 Building water intensity.
Biodiversity	EN12 Commentary added to include marine and aquatic biodiversity, and light pollution and reflection.
	EN13 Commentary added to expand on protected or restored habitats.
Emissions, Effluents and Waste	EN16 Commentary added to report on meaningful segmentation, linked to metered or measured data and consistent with the organization's reporting boundary for energy.
	EN17 Commentary added to report on meaningful segmentation.
	CRE3 Greenhouse gas emissions intensity from buildings.
	CRE4 Greenhouse gas emissions intensity from new construction and redevelopment activity.





Aspect	Indicator and Commentary
	EN18 Commentary added to make this a Core Indicator for the sector. Commentary added to report corporate and project initiatives that result in direct and indirect greenhouse gas emissions.
	EN21 Commentary added to clarify that discharged water may be treated by means other than a “facility”.
	EN22 Commentary added to report percentage of waste by disposal method, significant waste type and waste diverted from landfill.
Land Degradation, Contamination and Remediation	CR5 Land remediated and in need of remediation for the existing or intended land use, according to applicable legal designations.
Products and Services	EN26 Commentary added to include enhancement efficiency.
Transport	EN29 Commentary added to highlight relevance and provide sector specific clarification.

Social Section

CONSTRUCTION AND REAL ESTATE SECTOR-SPECIFIC COMMENTARY ON G3.1 LABOR AND DECENT WORK DISCLOSURE ON MANAGEMENT APPROACH

Aspect	Commentary on DMA
Employment	DMA Commentary added to report policies and practices on outsourcing of work and recruitment of employees and supervised workers, improvements for the workforce, on daily and casual workers, logistics for return of foreign workers, and worker accommodation.
Occupational Health and Safety	DMA Commentary added to report on policies and practices on procurement, transport, handling, use and disposal of all hazardous material, assisting employees, and for commissioning, operation and decommissioning. Commentary added to report policy on compensation and benefits for employees for work-related injuries or fatalities. Commentary added to report policies and practices related to contractors’ and sub-contractors’ issues.
Training and Education	DMA Commentary added to report on policies and programs for re-employability after a project has ended, or after any occupational disability has occurred.
Diversity and Equal Opportunity	DMA Commentary added to report policy on gender equality, including how gender is incorporated into procurement policy and plans. Commentary added to report policies and practices regarding gender equality in the workplace, in the community, in relation to customers and in relation to investment.

CONSTRUCTION AND REAL ESTATE SECTOR-SPECIFIC COMMENTARY ON G3.1 LABOR AND DECENT WORK INDICATORS

Aspect	Indicator and Commentary
Indicator Protocol set	Commentary added to include contractors and sub-contractors definitions.
Employment	LA1 Commentary added to include contractors and sub-contractors definitions.
	LA3 Commentary added to include benefits provided to temporary employees and other benefits.
Occupational Health and Safety	LA7 Commentary added to report injuries and fatalities to non-workers and to include contractors. Commentary added to report the nature of the injury or diseases by type, and the circumstances of the accident or dangerous occurrence.





Aspect	Indicator and Commentary
	CRE6 Percentage of the organization operating in verified compliance with an internationally recognized health and safety management system.
	LA8 Commentary added to report the way how education and training is provided and preventive measures in place where there is high incidence or high risk of specific diseases.
Training and Education	LA10 Commentary added to report relevant categories of training, including vocational training, apprenticeships and occupational health and safety training provided to workers.
Diversity and Equal Opportunity	LA13 Commentary added to highlight the relevance of this Indicator for the sector.
Equal Remuneration for Women and Men	LA14 Commentary added to highlight the relevance of this Indicator for the sector.

CONSTRUCTION AND REAL ESTATE SECTOR-SPECIFIC COMMENTARY ON G3.1 HUMAN RIGHTS DISCLOSURE ON MANAGEMENT APPROACH

Aspect	Commentary on DMA
Investment and Procurement Practices	DMA Commentary added to report policy and criteria for the screening of contractors and sub-contractors. Commentary added to report practices to monitor and train employees and contractors in compliance with labor and international human rights standards.
Non-discrimination	DMA Commentary added to report policies and practices for recruitment and career development to avoid discrimination.
Child Labor	DMA Commentary added to report policy and practices for screening and monitoring of child labor risks by contractors and sub-contractors in all stages of the lifecycle. Commentary added to report practices in regards to workers' children.
Prevention of Forced and Compulsory Labor	DMA Commentary added to illustrate specific situations in the sector.
Security Practices	DMA Commentary added to report on awareness raising and training provided to security personnel in relation to human rights.

CONSTRUCTION AND REAL ESTATE SECTOR-SPECIFIC COMMENTARY ON G3.1 HUMAN RIGHTS INDICATORS

Aspect	Indicator and Commentary
Indicator Protocol set	Commentary added to include contractors and sub-contractors definitions.
Non-discrimination	HR4 Commentary added to report the total number of incidents of discrimination broken down by gender, disability, age and sexual orientation.
Child Labor	HR6 Commentary added to explain the risks of child labor in the manufacture of building materials and in the building services industry.





CONSTRUCTION AND REAL ESTATE SECTOR-SPECIFIC COMMENTARY ON G3.1 SOCIETY DISCLOSURE ON MANAGEMENT APPROACH

Aspect	Commentary on DMA
Local Communities	DMA Commentary added to include resettlement and displacement.
Corruption	DMA Commentary added to report policies and practices to mitigate corruption risks, within the reporting organization and/or the supply chain. Commentary added to report policy or screening process in place to mitigate incidents of money laundering, bribery and corruption through real estate valuations and transactions.
Anti-Competitive Behavior	DMA Commentary added to report policies and procedures to identify and avoid anti-competitive behavior, within the reporting organization and/or the supply chain.

CONSTRUCTION AND REAL ESTATE SECTOR-SPECIFIC COMMENTARY ON G3.1 SOCIETY INDICATORS

Aspect	Indicator and Commentary
Local Communities	S01 Commentary added to report the engagement approach throughout lifecycle stages to ensure successful project delivery and community acceptance and/or satisfaction.
	S09 Commentary added to report on positive impacts on local communities.
	CRE7 Number of persons voluntarily and involuntarily displaced and/or resettled by development, broken down by project.
Public Policy	S05 Commentary added to report public policy participation that results in positive contribution to public policy development, and risks related to conflict of interest on regulatory and/or advisory organizations.
	S06 Commentary added to make this a Core Indicator for the sector.

CONSTRUCTION AND REAL ESTATE SECTOR-SPECIFIC COMMENTARY ON G3.1 PRODUCT RESPONSIBILITY DISCLOSURE ON MANAGEMENT APPROACH

Aspect	Commentary on DMA
	DMA Commentary added to explain that in the context of this supplement, 'product' relates to the asset constructed and managed during its lifecycle. 'Responsibility' relates to the impacts of assets and activities on people and communities.
Customer Health and Safety	DMA Commentary added to report on policies, practices and training relating to end user health, safety and security during all stages of the lifecycle.
Product and Service Labeling	DMA Commentary added to report on policies with respect to the application of voluntary and mandatory sustainable building standards, certification, rating and labeling schemes. Commentary added to report on practices with regards to customer surveys.





CONSTRUCTION AND REAL ESTATE SECTOR-SPECIFIC COMMENTARY ON G3.1 PRODUCT RESPONSIBILITY INDICATORS

Aspect	Indicator and Commentary
Indicator Protocol set	Commentary added to clarify product and service information/labeling definition for the sector.
Customer Health and Safety	<p>PR1 Commentary added to adapt the lifecycle table to the sector needs.</p> <p>Commentary added to report on mandatory and voluntary assessments, as well as internal and external audits/re-assessments, when assessing compliance.</p>
	<p>PR2 Commentary added to clarify that this Indicator relates only to operation, refurbishment and demolition of assets.</p> <p>Commentary added to report incidents of non-compliance with regulations and voluntary codes, and the total number of dangerous occurrences, reportable injuries and fatalities to non-workers on or off a site or assets as a result of non-compliance with regulation and voluntary codes.</p>
Product and Service Labeling	<p>PR3 Commentary added to refer to CRE8 for labeling and certification for new construction, management and redevelopment of assets.</p>
	<p>CRE8 Type and number of sustainability certification, rating and labeling schemes for new construction, management, occupation and redevelopment.</p>
	<p>PR4 Commentary added to clarify voluntary products and service information.</p>
	<p>PR5 Commentary added to clarify that 'Customers' should be read as clients and end users (including occupants and visitors).</p> <p>Commentary added to include customer satisfaction trends over time when reporting on the results or key conclusions of surveys.</p>

CONSTRUCTION AND REAL ESTATE ANNEX

Provides additional Construction and Real Estate References



Preface

Sustainable Development and the Transparency Imperative

The goal of sustainable development is to “meet the needs of the present without compromising the ability of future generations to meet their own needs.”¹ As key forces in society, organizations of all kinds have an important role to play in achieving this goal.

Yet in this era of unprecedented economic growth, achieving this goal can seem more of an aspiration than a reality. As economies globalize, new opportunities to generate prosperity and quality of life are arising through trade, knowledge-sharing, and access to technology. However, these opportunities are not always available for an ever-increasing human population, and are accompanied by new risks to the stability of the environment. Statistics demonstrating positive improvements in the lives of many people around the world are counter-balanced by alarming information about the state of the environment and the continuing burden of poverty and hunger on millions of people. This contrast creates one of the most pressing dilemmas for the 21st century.

One of the key challenges of sustainable development is that it demands new and innovative choices and ways of thinking. While developments in knowledge and technology are contributing to economic development, they also have the potential to help resolve the risks and threats to the sustainability of our social relations, environment, and economies. New knowledge and innovations in technology, management, and public policy are challenging organizations to make new choices in the way their operations, products, services, and activities impact the earth, people, and economies.

The urgency and magnitude of the risks and threats to our collective sustainability, alongside increasing choice and opportunities, will make transparency about economic, environmental, and social impacts a fundamental component in effective stakeholder relations, investment decisions, and other market relations. To support this expectation, and to communicate clearly and openly about sustainability, a globally shared framework of concepts, consistent language, and metrics is required. It is the Global Reporting Initiative’s (GRI) mission to fulfil this need by providing a trusted and credible framework for sustainability reporting that can be used by organizations of any size, sector, or location.

Transparency about the sustainability of organizational activities is of interest to a diverse range of stakeholders, including business, labor, non-governmental organizations, investors, accountancy, and others. This is why GRI has relied on the collaboration of a large network of experts from all of these stakeholder groups in consensus-seeking consultations. These consultations, together with practical experience, have continuously improved the Reporting Framework since GRI’s founding in 1997. This multi-stakeholder approach to learning has given the Reporting Framework the widespread credibility it enjoys with a range of stakeholder groups.

¹ World Commission on Environment and Development. Our Common Future. Oxford: Oxford University Press, 1987, p.43.





Introductory Section for the Construction and Real Estate Sector

Who is the Construction and Real Estate Sector Supplement for?

The Construction and Real Estate Sector Supplement (CRESS) is intended for companies that:

- invest in, develop, construct, or manage buildings; and
- invest in, develop or construct infrastructure.

The lifecycle diagram below describes the activity areas covered within this Sector Supplement:



* Management and occupation only apply to Real Estate and not to Infrastructure assets

Several activities associated with construction and real estate are implicit within one or more of the lifecycle stages in the diagram. For example, 'design' is an activity relevant for each stage of the lifecycle. Similarly, activities associated with 'acquisition and disposal' and 'planning'/'regulatory approval' can apply to different stages of the lifecycle. Reporting organizations that are involved in these activities are encouraged to use the Sector Supplement in a way that is consistent with organizational reporting boundaries.

The scope of the Supplement includes companies included in the following Global Industry Classification Standard (GICS) codes: 201030 Construction & Engineering, 404030 Real Estate Management & Development, 404020 Real Estate Investment Trusts (REITs).

Occupation

The occupation of buildings is potentially relevant to almost all sectors. Several CRESS Performance Indicators are designed for use by any reporting organization that occupies buildings (either as an owner occupier, or under multi-let or single-let landlord/tenant arrangements). In particular, the Performance Indicators CRE1, CRE2 and CRE3 can be used by organizations that would not define their core activities as construction and real estate, but occupy buildings to carry out their core activities.

Infrastructure

For the purpose of this Sector Supplement, infrastructure assets relate to new construction, and demolition and redevelopment of infrastructure only. Management and occupation of infrastructure is not included in the scope of this Sector Supplement. Infrastructure asset types include:

- Transport infrastructure (e.g., roads, tunnels, bridges, airports);
- Social infrastructure (e.g., hospitals, schools, courts, correctional facilities);
- Environmental infrastructure (e.g., water treatment, waste and recycling facilities, desalination plants);
- Energy infrastructure (e.g., power generation, renewable installations, gas storage, transmission distribution, combined heat and power); and
- Other infrastructure (e.g., fixed or mobile telecommunication networks, broadcast facilities).

How to define the boundaries of the scope of the report when using this Sector Supplement?

GRI's Sustainability Reporting Guidelines ask reporters to define their report boundaries according to levels of control and influence. For the construction and real estate sector, organizational reporting boundaries may differ across Performance Indicators, based on the reporter's level of control or influence over end users (such as occupants and visitors), and the supply chain (including contractors and sub-contractors). Reporters





should explain clearly where Performance Indicator boundaries vary from their overall organizational reporting boundary.

What is the context of this Sector Supplement?

This Sector Supplement describes sustainability disclosures and Performance Indicators that are important or unique to the construction and real estate sector.

The sector has significant positive and negative impacts on the economy, environment and society.

The United Nations Environment Programme (UNEP) Sustainable Buildings & Climate Initiative reports that buildings are responsible for more than 40 percent of global energy use and over one third of global greenhouse gas (GHG) emissions. Reducing GHG emissions in the built environment is widely recognized as the least expensive way to mitigate impacts. The construction and real estate sector has the potential to play a significant role in the response to climate change.

Activities associated with constructing, managing, occupying and demolishing buildings and infrastructure also deplete natural resources and lead to many kinds of pollutants in land, air and water. Resources like water and natural materials, which are vital to the survival of all species, are consumed on a significant scale by activities associated with the built environment. The UNEP Sustainable Buildings & Climate Initiative estimates that the built environment is responsible for 30 percent of raw material use and 25 percent of water use globally.

The built environment can also significantly affect natural ecosystems, and transform or eradicate long standing habitats, as it is responsible for 12 percent of land use globally. The construction and real estate sector also produces large quantities of waste. UNEP estimates that the built environment contributes to 25 percent of total solid waste generation globally.

In socio-economic terms, the built environment has significant direct and indirect impacts on social wellbeing and the livelihoods and prosperity of local communities and individuals. The lasting community impacts of the sector, both positive and negative, are known as 'legacy'.

Through its various activities as a major employer with a diverse and complex supply chain, the sector can positively impact local economies by providing jobs, training and industry. It provides homes, education and recreational facilities for communities, yet it can also be responsible for displacing people.

How is the Supplement organized?

This document includes guidance specific to the construction and real estate sector integrated into GRI's G3.1 Guidelines.

The Construction and Real Estate Sector Supplement includes eight new sector-specific Performance Indicators and their associated Performance Indicator Protocols (labeled as CRE1, CRE2, CRE3, etc). These new Performance Indicators are 'Core' Indicators under the GRI Guidelines for the sector. Core Indicators are generally applicable Indicators and are assumed to be material for most organizations. An organization should report on these unless they are deemed not material on the basis of the Reporting Principles detailed in Section 1 of the Supplement.

The Sector Supplement offers sector-specific Performance Indicators and commentaries on the original G3.1 Guidelines content. Together, the original G3.1 Guidelines and the sector-specific commentaries and Performance Indicators make up GRI's Construction and Real Estate Sector Supplement.

Other guidance for users of the Sector Supplement

The construction and real estate sector is heavily regulated in many parts of the world. As a consequence, laws, standards, and contemporary reference documents are evolving rapidly. There is also much regional variance of regulation. Reporting organizations and users of the Sector Supplement should be aware that references cited in the Sector Supplement may date or be superseded quickly.

Similarly, because of the degree of regulation across the sector, some content in the Sector Supplement makes a distinction between mandatory performance required by law or contract and voluntary performance beyond normal compliance levels. These distinctions should be made clear by reporting organizations when relevant.

Users should not assume that the sections to which commentary has been added are the only ones



which are significant to the sector. All Disclosures on Management Approach and Aspects are important to the sector. CRESS commentary has been added to highlight issues that are especially relevant to the sector, or to better explain issues that may be unclear to users of the Sector Supplement.

The commentaries added in the Sector Supplement often include examples. The examples are not intended to be definitive or exclusive. They are included to offer a sector-specific reference that is meaningful for users.

One of the ten GRI Reporting Principles included in this Supplement is on balanced reporting: Including both positive and negative impacts is important to keep in mind when using this Supplement.

For some Performance Indicators, comparing results year-on-year may not be particularly relevant or meaningful. Some results will be highly variable depending on economic activity in the sector; for example, the consumption of recycled content in building materials during the reporting period. Another example would be the acquisition or disposal of property during the reporting period. Consequently, care should be exercised if undertaking trend or performance analysis of a reporting organization's performance over time, or if comparisons are being made between reporting organizations. Depending on global economic activity and the geography of reporting organizations, some results will not be comparable year-on-year, or between reporting organizations.

Given the long-term characteristics of real estate, reporting organizations are encouraged to report legacy impacts and initiatives across all aspects of the Disclosures on Management Approach and a number of Performance Indicators across the different categories.

Some construction and real estate Performance Indicators represent absolute performance (e.g., total GHG emissions, total water use), which is not normalized by factors such as floor area or building users. However, where it is practical to do so and will be helpful in interpretation, reporting organizations should consider using 'like-for-like' analysis for absolute Performance Indicators to enable comparability over a defined period of time (e.g., two years). Certain Performance Indicators should also be reported by meaningful segmentation to facilitate interpretation, for example by portfolio, fund, geographic location, or asset type.

CRE

CRE





Additional Construction and Real Estate Glossary of Terms

Lifecycle

Includes the following construction and real estate activities (for buildings and infrastructure), either as discrete stages or as part of a continuous process:

New construction	<ul style="list-style-type: none"> The creation of a single building, or a number of linked buildings and other structures.
Management & Occupation *	<ul style="list-style-type: none"> Management: Policies and procedures implemented on behalf of the building owner to optimize building performance, maintain building systems and structure, and contribute to organizational programs ensuring they achieve their intended results, especially with regard to resource efficiency, health and safety, and occupant wellbeing. Occupation: The act of using a building or structure for its intended purpose, typically by entities who either own the building directly (owner occupier) or have contractual lease arrangements with the owner/ landlord (tenant).
Demolition & Redevelopment	<ul style="list-style-type: none"> Demolition: The complete removal of a single building, or a number of linked buildings and other structures or part thereof. Demolition contrasts with deconstruction, which involves taking a building apart while carefully preserving valuable elements for reuse. Redevelopment: Any new construction of single buildings, or a number of linked buildings and other structures, on a site that has pre-existing uses.

* Stage not relevant for infrastructure.

According to definitions of organizational boundaries, reporters might choose to report impacts associated with activities upstream or downstream of the lifecycle.

Refer to the diagram in the CRESS introduction for a visual representation of the lifecycle stages.

Asset

In terms of construction or real estate, asset refers to a building or physical infrastructure.

Efficiency

As it relates to buildings, efficiency refers to design, construction, management or operating measures taken to maximize return on investment, or human productivity, or to reduce resource use. For example, materials, water, or energy.

Legacy

Long-term positive and negative economic, environmental and social outcomes and impacts from construction, management, occupation, redevelopment and demolition. Such outcomes and impacts may be temporary in nature, or prolonged. In some circumstances, the reporting organization may have relinquished control or ownership of the asset or project.

PPE (property, plant and equipment)

Also known as fixed assets, these are tangible assets that are held for use or for rent by others, vital to business operations but not easily liquidated. Examples include land, buildings, machinery, furniture, and tools.



Overview of Sustainability Reporting

The Purpose of a Sustainability Report

Sustainability reporting is the practice of measuring, disclosing, and being accountable to internal and external stakeholders for organizational performance towards the goal of sustainable development. 'Sustainability reporting' is a broad term considered synonymous with others used to describe reporting on economic, environmental, and social impacts (e.g., triple bottom line, corporate responsibility reporting, etc.).

A sustainability report should provide a balanced and reasonable representation of the sustainability performance of a reporting organization – including both positive and negative contributions.

Sustainability reports based on the GRI Reporting Framework disclose outcomes and results that occurred within the reporting period in the context of the organization's commitments, strategy, and management approach. Reports can be used for the following purposes, among others:

- **Benchmarking** and assessing sustainability performance with respect to laws, norms, codes, performance standards, and voluntary initiatives;
- **Demonstrating** how the organization influences and is influenced by expectations about sustainable development; and
- **Comparing** performance within an organization and between different organizations over time.

Orientation to the GRI Reporting Framework

All GRI Reporting Framework documents are developed using a process that seeks consensus through dialogue between stakeholders from business, the investor community, labor, civil society, accounting, academia, and others. All Reporting Framework documents are subject to testing and continuous improvement.

The GRI Reporting Framework is intended to serve as a generally accepted framework for reporting on an organization's economic, environmental, and social performance. It is designed for use by organizations of any size, sector, or location. It takes into account the practical considerations faced by a diverse range of organizations – from small enterprises to those with extensive and geographically dispersed operations. The GRI Reporting Framework contains general and sector-specific content that has been agreed by a wide range of stakeholders around the world to be generally applicable for reporting an organization's sustainability performance.

The Sustainability Reporting Guidelines (the Guidelines) consist of Principles for defining report content and ensuring the quality of reported information. It also includes Standard Disclosures made up of Performance Indicators and other disclosure items, as well as guidance on specific technical topics in reporting.

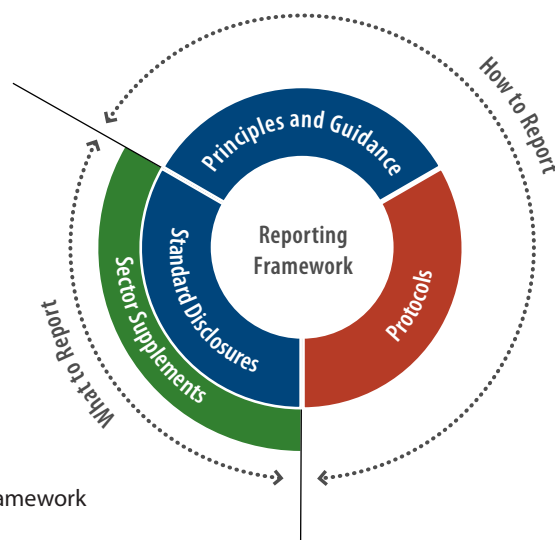


Figure 1: The GRI Reporting Framework



Indicator Protocols exist for each of the Performance Indicators contained in the Guidelines. These Protocols provide definitions, compilation guidance, and other information to assist report preparers and to ensure consistency in the interpretation of the Performance Indicators. Users of the Guidelines should also use the Indicator Protocols.

Sector Supplements complement the Guidelines with interpretations and guidance on how to apply the Guidelines in a given sector, and include sector-specific Performance Indicators. Applicable Sector Supplements should be used in addition to the Guidelines rather than in place of the Guidelines.

Technical Protocols are created to provide guidance on issues in reporting, such as setting the report boundary. They are designed to be used in conjunction with the Guidelines and Sector Supplements and cover issues that face most organizations during the reporting process.

Orientation to the GRI Guidelines

The Sustainability Reporting Guidelines consist of Reporting Principles, Reporting Guidance, and Standard Disclosures (including Performance Indicators). These elements are considered to be of equal in weight and importance.

Part 1 – Reporting Principles and Guidance

Three main elements of the reporting process are described in Part 1. To help determine what to report on, this section covers the Reporting Principles of materiality, stakeholder inclusiveness, sustainability context, and completeness, along with a brief set of tests for each Principle. Application of these Principles with the Standard Disclosures determines the topics and Indicators to be reported. This is followed by Principles of balance, comparability, accuracy, timeliness, reliability, and clarity, along with tests that can be used to help achieve the appropriate quality of the reported information. This section concludes with guidance for reporting organizations on how to define the range of entities represented by the report (also called the 'Report Boundary').

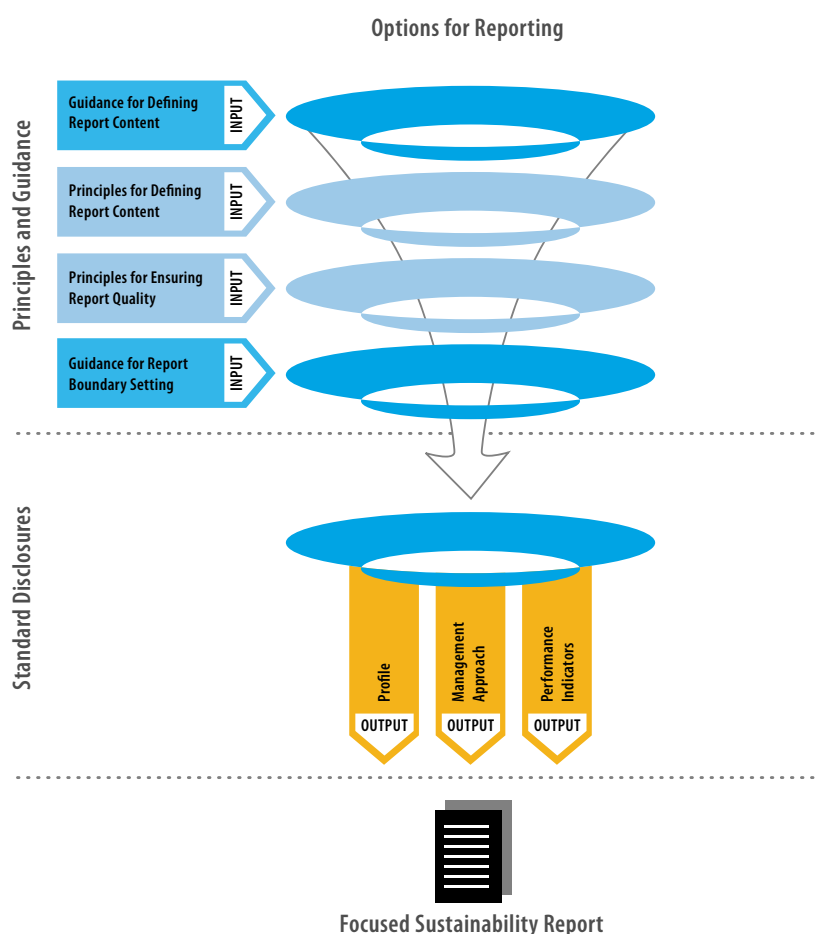


Figure 2: Overview of the GRI Guidelines



Part 2 – Standard Disclosures

Part 2 contains the Standard Disclosures that should be included in sustainability reports. The Guidelines identify information that is relevant and material to most organizations and of interest to most stakeholders for reporting the three types of Standard Disclosures:

- **Strategy and Profile:** Disclosures that set the overall context for understanding organizational performance such as its strategy, profile, and governance.
- **Management Approach:** Disclosures that cover how an organization addresses a given set of topics in order to provide context for understanding performance in a specific area.
- **Performance Indicators:** Indicators that elicit comparable information on the economic, environmental, and social performance of the organization.

Applying the Guidelines

Getting Started

All organizations (private, public, or non-profit) are encouraged to report against the Guidelines whether they are beginners or experienced reporters, and regardless of their size, sector, or location. Reporting can take various forms, including web or print, stand alone or combined with annual or financial reports.

The first step is to determine report content. Guidance for this is provided in Part 1. Some organizations may choose to introduce reporting against the full GRI Reporting Framework from the outset, while others may want to start with the most feasible and practical topics first and phase in reporting on other topics over time. All reporting organizations should describe the scope of their reporting and are encouraged to indicate their plans for expanding their reporting over time.

GRI Application Levels

Upon finalization of their report, preparers should declare the level to which they have applied the GRI Reporting Framework via the “GRI Application Levels” system. This system aims to provide:

- **Report readers** with clarity about the extent to which the GRI Guidelines and other Reporting Framework elements have been applied in the preparation of a report.
- **Report preparers** with a vision or path for incrementally expanding application of the GRI Reporting Framework over time.

Declaring an Application Level results in a clear communication about which elements of the GRI Reporting Framework have been applied in the preparation of a report. To meet the needs of new beginners, advanced reporters, and those somewhere in between, there are three levels in the system. They are titled C, B, and A. The reporting criteria found in each level reflects an increasing application or coverage of the GRI Reporting Framework. An organization can self-declare a “plus” (+) at each level (ex., C+, B+, A+) if they have utilized external assurance.²

An organization self-declares a reporting level based on its own assessment of its report content against the criteria in the GRI Application Levels.

² See the assurance section under General Reporting Notes for more information on options for assurance.



In addition to the self declaration, reporting organizations can choose one or both of the following options:

- Have an assurance provider offer an opinion on the self-declaration.
- Request that the GRI check the self-declaration.

For more information on Application Levels, and the complete criteria, see the GRI Applications Level information pack available as an insert to this document, or found online at www.globalreporting.org.

Request for notification of use

Organizations that have used the Guidelines and/or other elements of the GRI Reporting Framework as the basis for their report are requested to notify the Global Reporting Initiative upon its release. While notifying GRI, organizations can choose any or all of the following options:

- Simply notify the GRI of the report and provide hard and/or soft copy
- Register their report in GRI's online database of reports
- Request GRI check their self-declared Application Level.

Maximizing Report Value

Sustainability reporting is a living process and tool, and does not begin or end with a printed or online publication. Reporting should fit into a broader process for setting organizational strategy, implementing action plans, and assessing outcomes. Reporting enables a robust assessment of the organization's performance, and can support continuous improvement in performance over time. It also serves as a tool for engaging with stakeholders and securing useful input to organizational processes.

Part 1: Defining Report Content, Quality, and Boundary

This section provides Reporting Principles and Reporting Guidance regarding defining report content, ensuring the quality of reported information, and setting the Report Boundary.

Reporting Guidance describes actions that can be taken, or options that the reporting organization can consider when making decisions on what to report on, and generally helps interpret or govern the use of the GRI Reporting Framework. Guidance is provided for defining report content and setting report Boundary.

Reporting Principles describe the outcomes a report should achieve and guide decisions throughout the reporting process, such as selecting which topics and Indicators to report on and how to report on them. Each of the Principles consists of a definition, an explanation, and a set of tests for the reporting organization to assess its use of the Principles. The tests are intended to serve as tools for self-diagnosis, but not as specific disclosures to report against. Tests can, however, serve as a reference for explaining decisions about the application of the Principles

Together, the Principles are intended to help achieve transparency – a value and a goal that underlies all aspects of sustainability reporting. Transparency can be defined as the complete disclosure of information on the topics and Indicators required to reflect impacts and enable stakeholders to make decisions, and the processes, procedures, and assumptions used to prepare those disclosures. The Principles themselves are organized into two groups:

- Principles for determining the topics and Indicators on which the organization should report; and
- Principles for ensuring the quality and appropriate presentation of reported information.

The Principles have been grouped in this way to help clarify their role and function, but this does not impose a rigid restriction on their use. Each Principle can support a range of decisions, and may prove useful in considering questions beyond just defining report content or ensuring the quality of reported information.



1.1 Defining Report Content

In order to ensure a balanced and reasonable presentation of the organization’s performance, a determination must be made about what content the report should cover. This determination should be made by considering both the organization’s purpose and experience, and the reasonable expectations and interests of the organization’s stakeholders. Both are important reference points when deciding what to include in the report.

Reporting Guidance for Defining Content

The following approach governs the use of the GRI Reporting Framework in preparing sustainability reports. More detailed guidance on defining content can be found in the Technical Protocol – Applying the Report Content Principles.

- Identify the topics and related Indicators that are relevant, and therefore might be appropriate to report, by undergoing an iterative process using the Principles of materiality, stakeholder inclusiveness, sustainability context, and guidance on setting the Report Boundary.
- When identifying topics, consider the relevance of all Indicator Aspects identified in the GRI Guidelines and applicable Sector Supplements. Also consider other topics, if any, that are relevant to report.
- From the set of relevant topics and Indicators identified, use the tests listed for each Principle to assess which topics and Indicators are material, and therefore should be reported³.
- Use the Principles to prioritize selected topics and decide which will be emphasized.

- The specific methods or processes used for assessing materiality should:
 - Differ for, and can be defined by, each organization;
 - Always take into account the guidance and tests found in the GRI Reporting Principles; and
 - Be disclosed.

In applying this approach:

- Differentiate between Core and Additional Indicators. All Indicators have been developed through GRI’s multi-stakeholder processes, and those designated as Core are generally applicable Indicators and are assumed to be material for most organizations. An organization should report on these unless they are deemed not material on the basis of the Reporting Principles. Additional Indicators may also be determined to be material.
- The Indicators in final versions of Sector Supplements are considered to be Core Indicators, and should be applied using the same approach as the Core Indicators found in the Guidelines.
- All other information (e.g., company specific Indicators) included in the report should be subject to the same Reporting Principles and have the same technical rigor as GRI Standard Disclosures.
- Confirm that the information to be reported and the Report Boundary are appropriate by applying the Principle of completeness.

Options for Reporting

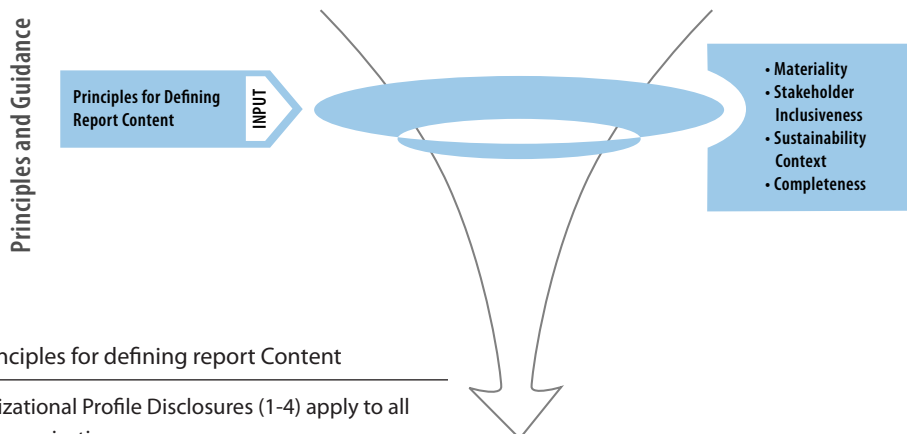


Figure 3: Principles for defining report Content

³ GRI Organizational Profile Disclosures (1-4) apply to all reporting organizations.



Reporting Principles for Defining Content

Each of the Reporting Principles consists of a definition, an explanation, and a set of tests to guide the use of the Principles. The tests are intended to serve as tools for self-diagnosis, but not as specific Disclosure items to report against. The Principles should be used together with the guidance on defining content.

MATERIALITY

Definition: The information in a report should cover topics and Indicators that:

- reflect the organization’s significant economic, environmental, and social impacts or that
- would substantively influence the assessments and decisions of stakeholders.

Explanation: Organizations are faced with a wide range of topics on which it could report. Relevant topics and Indicators are those that may reasonably be considered important for reflecting the organization’s economic, environmental, and social impacts, or influencing the decisions of stakeholders, and, therefore, potentially merit inclusion in the report. Materiality is the threshold at which topics or Indicators become sufficiently important that they should be reported. Beyond this threshold, not all material topics will be of equal importance and the emphasis within a report should reflect the relative priority of these material topics and Indicators.

In financial reporting, materiality is commonly thought of as a threshold for influencing the economic decisions of those using an organization’s financial statements, investors in particular. The concept of a threshold is also important in sustainability reporting, but it is concerned with a wider range of impacts and stakeholders. Materiality for sustainability reporting is not limited only to those sustainability topics that have a significant financial impact on the organization. Determining materiality for a sustainability report also includes considering economic, environmental, and social impacts that cross a threshold in affecting the ability to meet the needs of the present without compromising the needs of future generations.⁴ These material topics will often have a significant financial impact in the near-term or long-term on an organization. They will therefore also be relevant for stakeholders who focus strictly on the financial condition of an organization.

A combination of internal and external factors should be used to determine whether information is material, including factors such as the organization’s overall mission and competitive strategy, concerns expressed directly by stakeholders, broader social expectations, and the organization’s influence on upstream (e.g., supply chain) and downstream (e.g., customers) entities. Assessments of materiality should also take into account the basic expectations expressed in the international standards and agreements with which the organization is expected to comply.

These internal and external factors should be considered when evaluating the importance of information for reflecting significant economic, environmental, and social impacts, or stakeholder decision making.⁵ A range of established methodologies can be used to assess the significance of impacts. In general, ‘significant impacts’ refer to those that are a subject of established concern for expert communities, or that have been identified using established tools such as impact assessment methodologies or life cycle assessments. Impacts that are considered important enough to require active management or engagement by the organization can likely be considered to be significant.

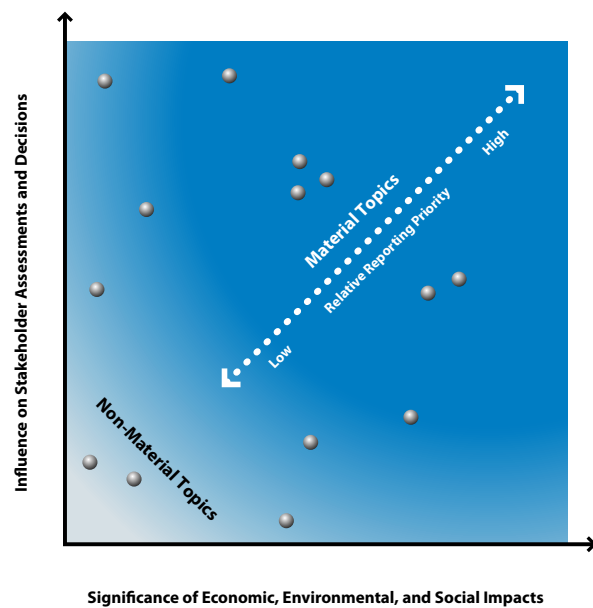


Figure 4: Defining Materiality

⁴ World Commission on Environment and Development. Our Common Future. Oxford: Oxford University Press, 1987, p. 43.

⁵ See the principle of stakeholder inclusion for a discussion of stakeholders.



The report should emphasize information on performance regarding the most material topics. Other relevant topics can be included, but should be given less prominence in the report. The process by which the relative priority of topics was determined should be explained.

In addition to guiding the selection of topics to report, the Materiality Principle also applies to the use of Performance Indicators. When disclosing performance data, there are varying degrees of comprehensiveness and detail that could be provided in a report. In some cases, GRI guidance exists on the level of detail generally considered appropriate for a specific Indicator. Overall, decisions on how to report data should be guided by the importance of the information for assessing the performance of the organization, and facilitating appropriate comparisons.

Reporting on material topics may involve disclosing information used by external stakeholders that differs from the information used internally for day-to-day management purposes. However, such information does indeed belong in a report, where it can inform assessments or decision-making by stakeholders, or support engagement with stakeholders that can result in actions that would significantly influence performance or address key topics of stakeholder concern.

Tests

In defining material topics, take into account the following:

- Reasonably estimable sustainability impacts, risks, or opportunities (e.g., global warming, HIV-AIDS, poverty) identified through sound investigation by people with recognized expertise, or by expert bodies with recognized credentials in the field.

Significance to Stakeholders, including:

- Main sustainability interests/topics and Indicators raised by stakeholders (e.g., vulnerable groups within local communities, civil society).

- The main topics and future challenges for the sector reported by peers and competitors.
- Relevant laws, regulations, international agreements, or voluntary agreements with strategic significance to the organization and its stakeholders.

Significance to the Organization, including:

- Key organizational values, policies, strategies, operational management systems, goals, and targets.
- The interests/expectations of stakeholders specifically invested in the success of the organization (e.g., employees, shareholders, and suppliers).
- Significant risks to the organization.
- Critical factors for enabling organizational success.
- The core competencies of the organization and the manner in which they can or could contribute to sustainable development.

Prioritizing

- The report prioritizes material topics and Indicators.



STAKEHOLDER INCLUSIVENESS

Definition: The reporting organization should identify its stakeholders and explain in the report how it has responded to their reasonable expectations and interests.

Explanation: Stakeholders are defined as entities or individuals that can reasonably be expected to be significantly affected by the organization's activities, products, and/or services; and whose actions can reasonably be expected to affect the ability of the organization to successfully implement its strategies and achieve its objectives. This includes entities or individuals whose rights under law or international conventions provide them with legitimate claims vis-à-vis the organization.

Stakeholders can include those who are invested in the organization (e.g., employees, shareholders, suppliers) as well as those who have other relationships to the organization (e.g., vulnerable groups within local communities, civil society).

The reasonable expectations and interests of stakeholders are a key reference point for many decisions in the preparation of a report, such as the scope, boundary, application of Indicators, and assurance approach. However, not all of an organization's stakeholders will use the report. This presents challenges in balancing the specific interests/expectations of stakeholders who can reasonably be expected to use the report with broader expectations of accountability to all stakeholders.

For some decisions, such as the report scope or boundary of a report, the reasonable expectations and interests of a wide range of stakeholder will need to be considered. There may be, for example, stakeholders who are unable to articulate their views on a report and whose concerns are presented by proxies. There may also be stakeholders who choose not to express views on reports because they rely on different means of communication and engagement. The reasonable expectations and interests of these stakeholders should still be acknowledged in decisions about the content of the report. However, other decisions, such as the level of detail required to be useful to stakeholders, or expectations of different stakeholders about what is required to achieve clarity, may require greater emphasis on those who can reasonably be expected to use the report. It is important to document the processes and approach taken in making these decisions.

Stakeholder engagement processes can serve as tools for understanding the reasonable expectations and interests of stakeholders. Organizations typically initiate different types of stakeholder engagement as part of their regular activities, which can provide useful inputs for decisions on reporting. These may include, for example, stakeholder engagement for the purpose of compliance with internationally-agreed standards, or informing ongoing organizational/ business processes. In addition, stakeholder engagement may also be implemented specifically to inform the report preparation process. Organizations can also use other means such as the media, the scientific community, or collaborative activities with peers and stakeholders. These means can help the organization better understand stakeholders' reasonable expectations and interests.

For a report to be assurable, the process of stakeholder engagement should be documented. When stakeholder engagement processes are used for reporting purposes, they should be based on systematic or generally-accepted approaches, methodologies, or principles. The overall approach should be sufficiently effective to ensure that stakeholders' information needs are properly understood. The reporting organization should document its approach for defining which stakeholders it engaged with, how and when it engaged with them, and how engagement has influenced the report content and the organization's sustainability activities. These processes should be capable of identifying direct input from stakeholders as well as legitimately established societal expectations. An organization may encounter conflicting views or differing expectations among its stakeholders, and will need to be able to explain how it balanced these in reaching its reporting decisions.

Failure to identify and engage with stakeholders is likely to result in reports that are not suitable, and therefore not fully credible, to all stakeholders. In contrast, systematic stakeholder engagement enhances stakeholder receptivity and the usefulness of the report. Executed properly, it is likely to result in ongoing learning within the organization and by external parties, as well as increase accountability to a range of stakeholders. Accountability strengthens trust between the reporting organization and its stakeholders. Trust, in turn, fortifies report credibility.



Tests:

- ☑ The organization can describe the stakeholders to whom it considers itself accountable.
- ☑ The report content draws upon the outcomes of stakeholder engagement processes used by the organization in its ongoing activities, and as required by the legal and institutional framework in which it operates.
- ☑ The report content draws upon the outcomes of any stakeholder engagement processes undertaken specifically for the report.
- ☑ The stakeholder engagement processes that inform decisions about the report are consistent with the scope and boundary of the report.

SUSTAINABILITY CONTEXT

Definition: The report should present the organization's performance in the wider context of sustainability.

Explanation: Information on performance should be placed in context. The underlying question of sustainability reporting is how an organization contributes, or aims to contribute in the future, to the improvement or deterioration of economic, environmental, and social conditions, developments, and trends at the local, regional, or global level. Reporting only on trends in individual performance (or the efficiency of the organization) will fail to respond to this underlying question. Reports should therefore seek to present performance in relation to broader concepts of sustainability. This will involve discussing the performance of the organization in the context of the limits and demands placed on environmental or social resources at the sectoral, local, regional, or global level. For example, this could mean that in addition to reporting on trends in eco-efficiency, an organization might also present its absolute pollution loading in relation to the capacity of the regional ecosystem to absorb the pollutant.

This concept is often most clearly articulated in the environmental arena in terms of global limits on resource use and pollution levels. However, it can also be relevant with respect to social and economic objectives such as national or international socio-economic and sustainable development goals. For example, an organization could report on employee wages and social benefit levels in relation to nation-wide minimum and median income levels, and the capacity of social safety nets to absorb those in poverty or those living close to the poverty line. Organizations operating in a diverse range of locations, sizes, and sectors will need to consider how to best frame their overall organizational performance in the broader context of sustainability. This may require distinguishing between topics or factors that drive global impacts (such as climate change) and those that have more regional or local impacts (such as community development). When reporting on topics that have positive or negative local impacts, it is important to provide insight into how the organization affects communities in different locations. Similarly, distinctions might need to be made between trends or patterns of impacts across the range of operations versus contextualizing performance location by location.

The organization's own sustainability and business strategy provides the context in which to discuss



performance. The relationship between sustainability and organizational strategy should be made clear, as should the context within which performance is reported.

Tests:

- ☑ The organization presents its understanding of sustainable development and draws on objective and available information as well as measures of sustainable development for the topics covered in the report.
- ☑ The organization presents its performance with reference to broader sustainable development conditions and goals, as reflected in recognized sectoral, local, regional, and/or global publications.
- ☑ The organization presents its performance in a manner that attempts to communicate the magnitude of its impact and contribution in appropriate geographical contexts.
- ☑ The report describes how sustainability topics relate to long-term organizational strategy, risks, and opportunities, including supply-chain topics.

COMPLETENESS

Definition: Coverage of the material topics and Indicators and definition of the report boundary should be sufficient to reflect significant economic, environmental, and social impacts and enable stakeholders to assess the reporting organization's performance in the reporting period.

Explanation: Completeness primarily encompasses the dimensions of scope, boundary, and time. The concept of completeness can also be used to refer to practices in information collection (for example, ensuring that compiled data includes results from all sites within the Report Boundary) and whether the presentation of information is reasonable and appropriate. These topics are related to report quality, and are addressed in greater detail under the Principles of accuracy and balance later in Part 1.

Scope refers to the range of sustainability topics covered in a report. The sum of the topics and Indicators reported should be sufficient to reflect significant economic, environmental, and social impacts. It should also enable stakeholders to assess the organization's performance. In determining whether the information in the report is sufficient, the organization should consider both the results of stakeholder engagement processes and broad-based societal expectations that may not have surfaced directly through stakeholder engagement processes.

'Boundary' refers to the range of entities (e.g., subsidiaries, joint ventures, sub-contractors, etc.) whose performance is represented by the report. In setting the boundary for its report, an organization must consider the range of entities over which it exercises control (often referred to as the 'organizational boundary', and usually linked to definitions used in financial reporting) and over which it exercises influence (often called the 'operational boundary'). In assessing influence, the organization will need to consider its ability to influence entities upstream (e.g., in its supply chain) as well as entities downstream (e.g., distributors and users of its products and services). The boundary may vary based on the specific Aspect or type of information being reported.

'Time' refers to the need for the selected information to be complete for the time period specified by the report. As far as practicable, activities, events, and impacts should be presented for the reporting period in which they occur. This includes reporting on activities that produce minimal short-term impact, but which have



a significant and reasonably foreseeable cumulative effect that may become unavoidable or irreversible in the longer term (e.g., bio-accumulative or persistent pollutants). In making estimates of future impacts (both positive and negative), the reported information should be based on well-reasoned estimates that reflect the likely size, nature, and scope of impacts. Although such estimates are by nature subject to uncertainty, they can provide useful information for decision-making as long as the basis for estimates is clearly disclosed and the limitations of the estimates are clearly acknowledged. Disclosing the nature and likelihood of such impacts, even if they may only materialize in the future, is consistent with the goal of providing a balanced and reasonable representation of the organization's economic, environmental, and social performance.

Tests:

- ☑ The report was developed taking into account the entire chain of entities upstream and downstream, and covers and prioritizes all information that should reasonably be considered material on the basis of the principles of materiality, sustainability context, and stakeholder inclusiveness.
- ☑ The report includes all entities that meet the criteria of being subject to control or significant influence of the reporting organization unless otherwise declared.
- ☑ The information in the report includes all significant actions or events in the reporting period, and reasonable estimates of significant future impacts of past events when those impacts are reasonably foreseeable and may become unavoidable or irreversible.
- ☑ The report does not omit relevant information that would influence or inform stakeholder assessments or decisions, or that would reflect significant economic, environmental, and social impacts.

1.2 Reporting Principles for Defining Quality

This section contains Principles that guide choices on ensuring the quality of reported information, including its proper presentation. Decisions related to the process of preparing information in a report should be consistent with these Principles. All of these Principles are fundamental for effective transparency. The quality of information enables stakeholders to make sound and reasonable assessments of performance, and take appropriate action.

Reporting Principles for Defining Quality

BALANCE

Definition: The report should reflect positive and negative aspects of the organization's performance to enable a reasoned assessment of overall performance.

Explanation: The overall presentation of the report's content should provide an unbiased picture of the reporting organization's performance. The report should avoid selections, omissions, or presentation formats that are reasonably likely to unduly or inappropriately influence a decision or judgment by the report reader. The report should include both favorable and unfavorable results, as well as topics that can influence the decisions of stakeholders in proportion to their materiality. Reports should clearly distinguish between factual presentation and the reporting organization's interpretation of information.

Tests:

- ☑ The report discloses both favorable and unfavorable results and topics.
- ☑ The information in the report is presented in a format that allows users to see positive and negative trends in performance on a year-to-year basis.
- ☑ The emphasis on the various topics in the report is proportionate to their relative materiality.



COMPARABILITY

Definition: Issues and information should be selected, compiled, and reported consistently. Reported information should be presented in a manner that enables stakeholders to analyze changes in the organization’s performance over time, and could support analysis relative to other organizations.

Explanation: Comparability is necessary for evaluating performance. Stakeholders using the report should be able to compare information reported on economic, environmental, and social performance against the organization’s past performance, its objectives, and, to the degree possible, against the performance of other organizations. Consistency in reporting allows internal and external parties to benchmark performance and assess progress as part of rating activities, investment decisions, advocacy programs, and other activities. Comparisons between organizations require sensitivity to factors such as differences in organizational size, geographic influences, and other considerations that may affect the relative performance of an organization. Where necessary, report preparers should consider providing context that will help report users understand the factors that may contribute to differences in performance between organizations.

Maintaining consistency with the methods used to calculate data, with the layout of the report, and with explaining the methods and assumptions used to prepare information, all facilitates comparability over time. As the relative importance of topics to a given organization and its stakeholders change over time, the

content of reports will also evolve. However, within the confines of the Principle of Materiality, organizations should aim for consistency in their reports over time. An organization should include total numbers (i.e., absolute data such as tons of waste) as well as ratios (i.e., normalized data such as waste per unit of production) to enable analytical comparisons.

When changes occur with the boundary, scope, length of the reporting period, or content (including the design, definitions, and use of any Indicators in the report), reporting organizations should, whenever practicable, restate current disclosures alongside historical data (or vice versa). This ensures that information and comparisons are both reliable and meaningful over time. Where such restatements are not provided, the report should explain the reasons and implications for interpreting current disclosures.

Tests:

- ☑ The report and the information contained within it can be compared on a year-to-year basis.
- ☑ The organization’s performance can be compared with appropriate benchmarks.
- ☑ Any significant variation between reporting periods in the boundary, scope, length of reporting period, or information covered in the report can be identified and explained.

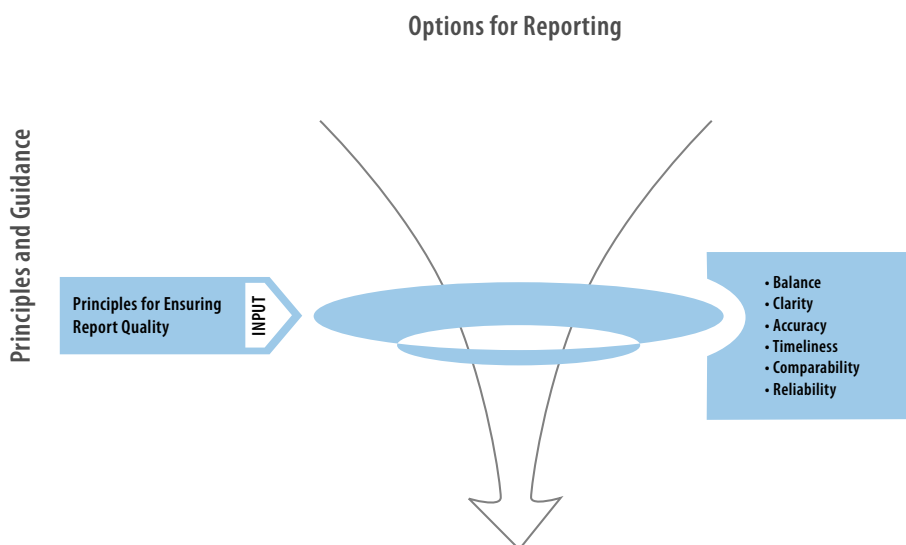


Figure 5: Principles for Ensuring Report Quality



- ☑ Where they are available, the report utilizes generally accepted protocols for compiling, measuring, and presenting information, including the GRI Technical Protocols for Indicators contained in the Guidelines.
- ☑ The report uses GRI Sector Supplements, where available.

ACCURACY

Definition: The reported information should be sufficiently accurate and detailed for stakeholders to assess the reporting organization’s performance.

Explanation: Responses to economic, environmental, and social topics and Indicators can be expressed in many different ways, ranging from qualitative responses to detailed quantitative measurements. The characteristics that determine accuracy vary according to the nature of the information and the user of the information. For example, the accuracy of qualitative information is largely determined by the degree of clarity, detail, and balance in presentation within the appropriate Report Boundary. The accuracy of quantitative information, on the other hand, may depend on the specific methods used to gather, compile, and analyze data. The specific threshold of accuracy that is necessary will depend partly on the intended use of the information. Certain decisions will require higher levels of accuracy in reported information than others.

Tests:

- ☑ The report indicates the data that has been measured.
- ☑ The data measurement techniques and bases for calculations are adequately described, and can be replicated with similar results.
- ☑ The margin of error for quantitative data is not sufficient to substantially influence the ability of stakeholders to reach appropriate and informed conclusions on performance.
- ☑ The report indicates which data has been estimated and the underlying assumptions and techniques used to produce the estimates, or where that information can be found.
- ☑ The qualitative statements in the report are valid on the basis of other reported information and other available evidence.



TIMELINESS

Definition: Reporting occurs on a regular schedule and information is available in time for stakeholders to make informed decisions.

Explanation: The usefulness of information is closely tied to whether the timing of its disclosure to stakeholders enables them to effectively integrate it into their decision-making. The timing of release refers both to the regularity of reporting as well as its proximity to the actual events described in the report.

Although a constant flow of information is desirable for meeting certain purposes, reporting organizations should commit to regularly providing a consolidated disclosure of their economic, environmental, and social performance at a single point in time. Consistency in the frequency of reporting and the length of reporting periods is also necessary to ensure comparability of information over time and accessibility of the report to stakeholders. It can be of value for stakeholders if the schedules for sustainability reporting and financial reporting are aligned. The organization should balance the need to provide information in a timely manner with the importance of ensuring that the information is reliable.

Tests:

- ☑ Information in the report has been disclosed while it is recent relative to the reporting period.
- ☑ The collection and publication of key performance information is aligned with the sustainability reporting schedule.
- ☑ The information in the report (including web-based reports) clearly indicates the time period to which it relates, when it will be updated, and when the last updates were made.

CLARITY

Definition: Information should be made available in a manner that is understandable and accessible to stakeholders using the report.

Explanation: The report should present information in a way that is understandable, accessible, and usable by the organization's range of stakeholders (whether in print form or through other channels). A stakeholder should be able to find desired information without unreasonable effort. Information should be presented in a manner that is comprehensible to stakeholders who have a reasonable understanding of the organization and its activities. Graphics and consolidated data tables can help make the information in the report accessible and understandable. The level of aggregation of information can also affect the clarity of a report if it is either significantly more or less detailed than stakeholders expect.

Tests:

- ☑ The report contains the level of information required by stakeholders, but avoids excessive and unnecessary detail.
- ☑ Stakeholders can find the specific information they want without unreasonable effort through tables of contents, maps, links, or other aids.
- ☑ The report avoids technical terms, acronyms, jargon, or other content likely to be unfamiliar to stakeholders, and should include explanations (where necessary) in the relevant section or in a glossary.
- ☑ The data and information in the report is available to stakeholders, including those with particular accessibility needs (e.g., differing abilities, language, or technology).



RELIABILITY

Definition: Information and processes used in the preparation of a report should be gathered, recorded, compiled, analyzed, and disclosed in a way that could be subject to examination and that establishes the quality and materiality of the information.

Explanation: Stakeholders should have confidence that a report could be checked to establish the veracity of its contents and the extent to which it has appropriately applied Reporting Principles. The information and data included in a report should be supported by internal controls or documentation that could be reviewed by individuals other than those who prepared the report. Disclosures about performance that are not substantiated by evidence should not appear in a sustainability report unless they represent material information, and the report provides unambiguous explanations of any uncertainties associated with the information. The decision-making processes underlying a report should be documented in a manner that allows the basis of key decisions (such as processes for determining the report content and boundary or stakeholder engagement) to be examined. In designing information systems, reporting organizations should anticipate that the systems could be examined as part of an external assurance process.

Tests:

- ☑ The scope and extent of external assurance is identified.
- ☑ The original source of the information in the report can be identified by the organization.
- ☑ Reliable evidence to support assumptions or complex calculations can be identified by the organization.
- ☑ Representation is available from the original data or information owners, attesting to its accuracy within acceptable margins of error.

1.3 Reporting Guidance for Boundary Setting⁶

In parallel with defining the content of a report, an organization must determine which entities' (e.g., subsidiaries and joint ventures) performance will be represented by the report. The Sustainability Report Boundary should include the entities over which the reporting organization exercises control or significant influence both in and through its relationships with various entities upstream (e.g., supply chain) and downstream (e.g., distribution and customers).

For the purpose of setting boundaries, the following definitions should apply⁷:

- Control: the power to govern the financial and operating policies of an enterprise so as to obtain benefits from its activities.
- Significant influence: the power to participate in the financial and operating policy decisions of the entity but not the power to control those policies.

The guidance below on setting the Report Boundary pertains to the report as a whole as well as setting the boundary for individual Performance Indicators.

Not all entities within the Report Boundary must be reported on in the same manner. The approach to reporting on an entity will depend on a combination of the reporting organization's control or influence over the entity, and whether the disclosure relates to operational performance, management performance, or narrative/descriptive information.

The Report Boundary guidance is based on the recognition that different relationships involve differing degrees of access to information and the ability to affect outcomes. For example, operational information such as emissions data can be reliably compiled from entities under the control of an organization, but may not be available for a joint venture or a supplier. The Report Boundary guidance below sets minimum expectations for the inclusion of entities upstream and downstream when reporting on Indicators and management disclosures. However, an organization may determine that it is necessary to extend the boundary for an Indicator(s) to include entities upstream or downstream.

⁶ The guidance on Report Boundary has been derived from the Boundary Protocol. Future updates to the Guidelines will incorporate any further lessons or guidance developed from experience with the Reporting Boundary Protocol.

⁷ Further discussion of these terms can be found in the Boundary Protocol.



Determining the significance of an entity when collecting information or considering the extension of a boundary depends on the scale of its sustainability impacts. Entities with significant impacts typically generate the greatest risk or opportunity for an organization and its stakeholders, and therefore are the entities for which the organization is most likely to be perceived as being accountable or responsible.

Reporting Guidance for Boundary Setting

- A sustainability report should include in its boundary all entities that generate significant sustainability impacts (actual and potential) and/ or all entities over which the reporting organization exercises control or significant influence with regard to financial and operating policies and practices.
- These entities can be included using either Indicators of operational performance, Indicators of management performance, or narrative descriptions.
- At a minimum, the reporting organization should include the following entities in its report using these approaches:
 - Entities over which the organization exercises control should be covered by Indicators of Operational Performance; and
 - Entities over which the organization exercises significant influence should be covered by Disclosures on Management Approach.

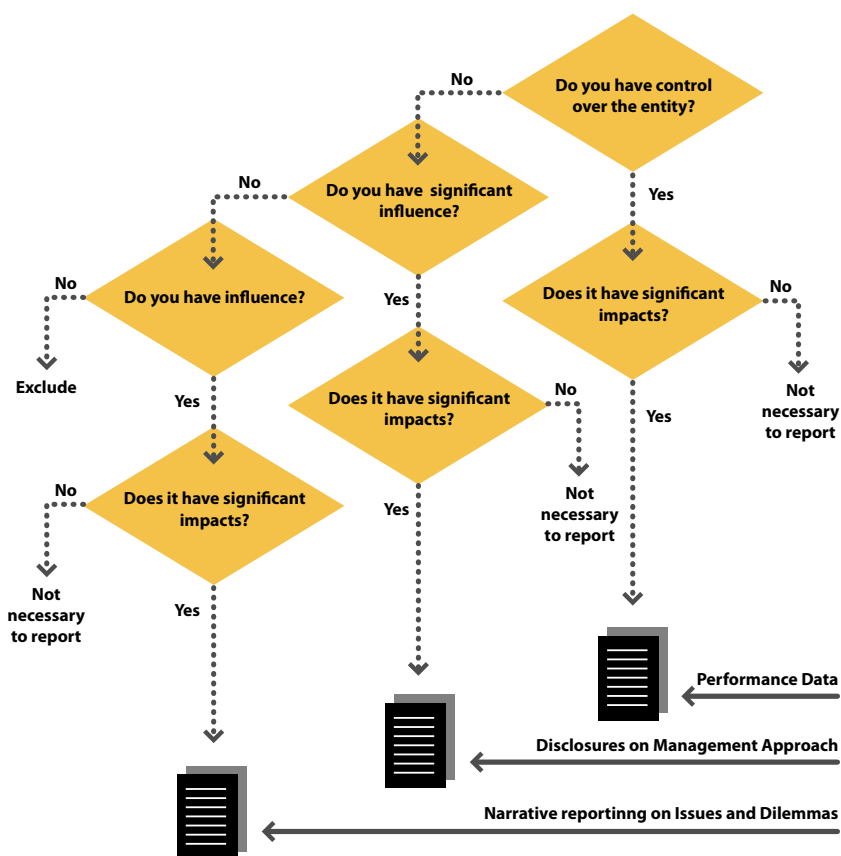


Figure 6: Decision Tree for Boundary Setting



- The boundaries for narrative disclosures should include entities over which the organization does not exercise control/significant influence, but which are associated with key challenges for the organization because their impacts are significant
- The report should cover all entities within its Report Boundary. In the process of preparing its report, an organization may choose not to gather data on a particular entity or group of entities within the defined boundary on the basis of efficiency as long as such a decision does not substantively change the final result of a Disclosure or Indicator.

Part 2: Standard Disclosures

This section specifies the base content that should appear in a sustainability report, subject to the guidance on determining content in Part 1 of the Guidelines.

There are three different types of disclosures contained in this section.

- **Strategy and Profile:** Disclosures that set the overall context for understanding organizational performance such as its strategy, profile, and governance.
- **Management Approach:** Disclosures that cover how an organization addresses a given set of topics in order to provide context for understanding performance in a specific area.
- **Performance Indicators:** Indicators that elicit comparable information on the economic, environmental, and social performance of the organization.

Reporting organizations are encouraged to follow this structure in compiling their reports, however, other formats may be chosen.

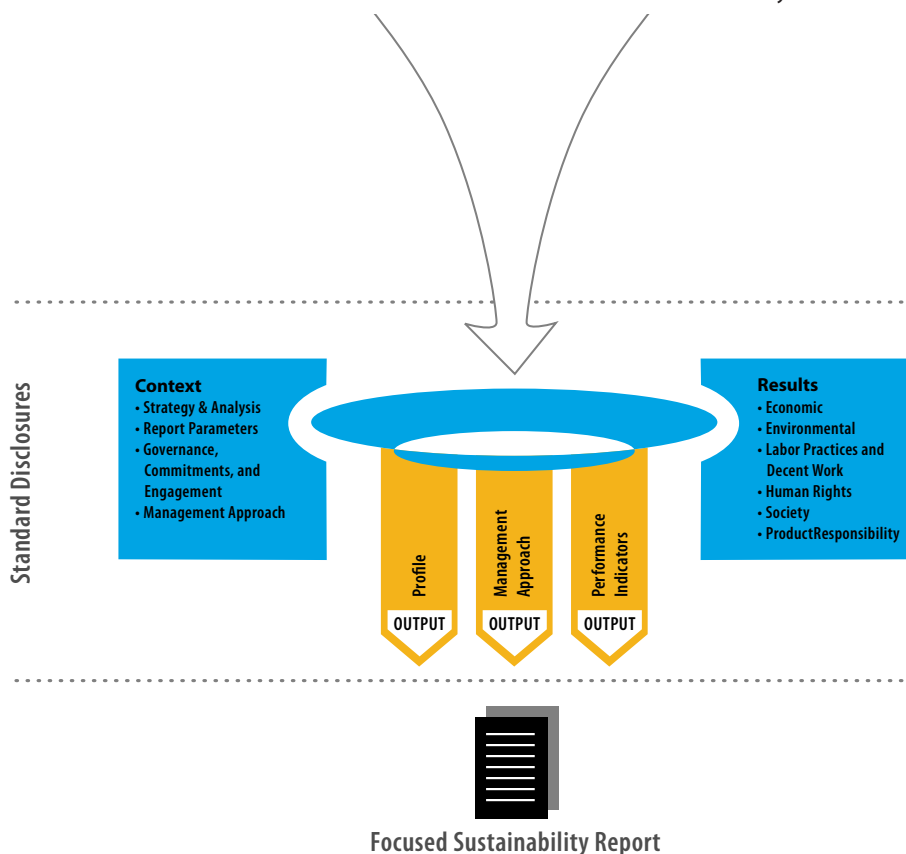


Figure 7: Overview of GRI Standard Disclosures



Profile

1. Strategy and Analysis

This section is intended to provide a high-level, strategic view of the organization's relationship to sustainability in order to provide context for subsequent and more detailed reporting against other sections of the Guidelines. It may draw on information provided in other parts of the report, but this section is intended to produce insight on strategic topics rather than simply summarize the contents of the report. The strategy and analysis should consist of the statement outlined in 1.1 and a concise narrative outlined in 1.2.

- 1.1** Statement from the most senior decision-maker of the organization (e.g., CEO, chair, or equivalent senior position) about the relevance of sustainability to the organization and its strategy.

The statement should present the overall vision and strategy for the short-term, medium-term (e.g., 3-5 years), and long-term, particularly with regard to managing the key challenges associated with economic, environmental, and social performance. The statement should include:

- Strategic priorities and key topics for the short/medium-term with regard to sustainability, including respect for internationally agreed standards and how they relate to long-term organizational strategy and success;
- Broader trends (e.g., macroeconomic or political) affecting the organization and influencing sustainability priorities;
- Key events, achievements, and failures during the reporting period;
- Views on performance with respect to targets;
- Outlook on the organization's main challenges and targets for the next year and goals for the coming 3-5 years; and
- Other items pertaining to the organization's strategic approach.

- 1.2** Description of key impacts, risks, and opportunities.

The reporting organization should provide two concise narrative sections on key impacts, risks, and opportunities.

Section One should focus on the organization's key impacts on sustainability and effects on stakeholders, including rights as defined by national laws and relevant internationally agreed standards. This should take into account the range of reasonable expectations and interests of the organization's stakeholders. This section should include:

- A description of the significant impacts the organization has on sustainability and associated challenges and opportunities. This includes the effect on stakeholders' rights as defined by national laws and the expectations in internationally-agreed standards and norms;
- Describe the approach to the construction of new assets versus retrofits, upgrades, and refurbishments, and the effect this has on impacts, risks, and opportunities.
- An explanation of the approach to prioritizing these challenges and opportunities;
- Key conclusions about progress in addressing these topics and related performance in the reporting period. This includes an assessment of reasons for underperformance or over-performance; and
- A description of the main processes in place to address performance and/or relevant changes.

Section Two should focus on the impact of sustainability trends, risks, and opportunities on the long-term prospects and financial performance of the organization. This should concentrate specifically on information relevant to financial stakeholders or that could become so in the future. Section Two should include the following:

- A description of the most important risks and opportunities for the organization arising from sustainability trends;
- Prioritization of key sustainability topics as risks and opportunities according to their



relevance for long-term organizational strategy, competitive position, qualitative, and (if possible) quantitative financial value drivers;

- Table(s) summarizing:
 - Targets, performance against targets, and lessons-learned for the current reporting period; and
 - Targets for the next reporting period and mid-term objectives and goals (i.e., 3-5 years) related to key risks and opportunities.
- Concise description of governance mechanisms in place to specifically manage these risks and opportunities, and identification of other related risks and opportunities.

- Total capitalization broken down in terms of debt and equity (for private sector organizations); and
- Quantity of products or services provided.

In addition to the above, reporting organizations are encouraged to provide additional information, as appropriate, such as:

- *Total assets;*
- *Beneficial ownership (including identity and percentage of ownership of largest shareholders); and*
- *Breakdowns by country/region of the following:*
 - *Sales/revenues by countries/regions that make up 5 percent or more of total revenues;*
 - *Costs by countries/regions that make up 5 percent or more of total revenues; and*
 - *Employees.*

2. Organizational Profile

2.1 Name of the organization.

2.2 Primary brands, products, and/or services.

The reporting organization should indicate the nature of its role in providing these products and services, and the degree to which it utilizes outsourcing.

2.3 Operational structure of the organization, including main divisions, operating companies, subsidiaries, and joint ventures.

2.4 Location of organization's headquarters.

2.5 Number of countries where the organization operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report.

2.6 Nature of ownership and legal form.

2.7 Markets served (including geographic breakdown, sectors served, and types of customers/beneficiaries).

2.8 Scale of the reporting organization, including:

- Number of employees;
- Number of operations;
- Net sales (for private sector organizations) or net revenues (for public sector organizations);

Report additional information, for example:

- *Gross lettable area for assets under construction and management.*
- *Vacancy rate (real estate).*

2.9 Significant changes during the reporting period regarding size, structure, or ownership including:

- The location of, or changes in operations, including facility openings, closings, and expansions; and
- Changes in the share capital structure and other capital formation, maintenance, and alteration operations (for private sector organizations).

2.10 Awards received in the reporting period.

3. Report Parameters

REPORT PROFILE

3.1 Reporting period (e.g., fiscal/calendar year) for information provided.

3.2 Date of most recent previous report (if any).



- 3.3 Reporting cycle (annual, biennial, etc.)
- 3.4 Contact point for questions regarding the report or its contents.

REPORT SCOPE AND BOUNDARY

- 3.5 Process for defining report content, including:

- Determining materiality;
- Prioritizing topics within the report; and
- Identifying stakeholders the organization expects to use the report.

Include an explanation of how the organization has applied the 'Guidance on Defining Report Content', the associated Principles and the Technical Protocol – Applying the Report Content Principles.

- 3.6 Boundary of the report (e.g., countries, divisions, subsidiaries, leased facilities, joint ventures, suppliers). See GRI Boundary Protocol for further guidance.

Where activities within organizational boundaries are not included in reporting on Performance Indicators, report reasons for these exclusions.



- 3.7 State any specific limitations on the scope or boundary of the report⁸.

If boundary and scope do not address the full range of material economic, environmental, and social impacts of the organization, state the strategy and projected timeline for providing complete coverage.

- 3.8 Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities that can significantly affect comparability from period to period and/or between organizations.

Different lease types can affect the approach to reporting emissions under the Greenhouse Gas Reporting Protocol. Reporting organizations with real estate portfolios should report single-let and multi-let lease arrangements (typically financial lease or operating lease) across the portfolio.



- 3.9 Data measurement techniques and the bases of calculations, including assumptions and techniques underlying estimations applied to the compilation of the Indicators and other information in the report.

Explain any decisions not to apply, or to substantially diverge from, the GRI Indicator Protocols.

- 3.10 Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement (e.g., mergers/acquisitions, change of base years/periods, nature of business, measurement methods).

- 3.11 Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report.

GRI CONTENT INDEX

- 3.12 Table identifying the location of the Standard Disclosures in the report.

Identify the page numbers or web links where the following can be found:

- Strategy and Analysis 1.1 – 1.2;
- Organizational Profile 2.1 – 2.10;
- Report Parameters 3.1 – 3.13;
- Governance, Commitments, and Engagement 4.1 – 4.17;
- Disclosure of Management Approach, per category;
- Core Performance Indicators;
- Any GRI Additional Indicators that were included; and
- Any GRI Sector Supplement Indicators included in the report.



ASSURANCE

- 3.13 Policy and current practice with regard to seeking external assurance for the report. If not included in the assurance report accompanying the sustainability report, explain the scope and basis of any external assurance provided. Also explain the relationship between the reporting organization and the assurance provider(s).

⁸ See completeness Principle for explanation of scope.



4. Governance, Commitments, and Engagement

GOVERNANCE

- 4.1** Governance structure of the organization, including committees under the highest governance body responsible for specific tasks, such as setting strategy or organizational oversight.

Describe the mandate and composition (including number of independent members and/or non-executive members) of the highest governance body and its committees, and indicate each individual's position and any direct responsibility for economic, social, and environmental performance.

Report the percentage of individuals by gender within the organization's highest governance body and its committees, broken down by age group and minority group membership and other indicators of diversity.

Refer to definitions of age and minority group in the Indicator Protocol for LA13 and note that the information reported under 4.1 can be cross referenced against that reported for LA13.

- 4.2** Indicate whether the Chair of the highest governance body is also an executive officer (and, if so, their function within the organization's management and the reasons for this arrangement).

- 4.3** For organizations that have a unitary board structure, state the number and gender of members of the highest governance body that are independent and/or non-executive members.

State how the organization defines 'independent' and 'non-executive'. This element applies only for organizations that have unitary board structures. See the glossary for a definition of 'independent'.

- 4.4** Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body.

Include reference to processes regarding:

- The use of shareholder resolutions or other mechanisms for enabling minority shareholders to express opinions to the highest governance body; and
- Informing and consulting employees about the working relationships with formal representation bodies such as organization

level 'work councils'; and representation of employees in the highest governance body.

Identify topics related to economic, environmental, and social performance raised through these mechanisms during the reporting period.

- 4.5** Linkage between compensation for members of the highest governance body, senior managers, and executives (including departure arrangements), and the organization's performance (including social and environmental performance).

- 4.6** Processes in place for the highest governance body to ensure conflicts of interest are avoided.

- 4.7** Process for determining the composition, qualifications, and expertise of the members of the highest governance body and its committees, including any consideration of gender and other indicators of diversity.

- 4.8** Internally developed statements of mission or values, codes of conduct, and principles relevant to economic, environmental, and social performance and the status of their implementation.

Explain the degree to which these:

- Are applied across the organization in different regions and department/units; and
- Relate to internationally agreed standards.

- 4.9** Procedures of the highest governance body for overseeing the organization's identification and management of economic, environmental, and social performance, including relevant risks and opportunities, and adherence or compliance with internationally agreed standards, codes of conduct, and principles.

Include frequency with which the highest governance body assesses sustainability performance.

- 4.10** Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental, and social performance.



COMMITMENTS TO EXTERNAL INITIATIVES

- 4.11** Explanation of whether and how the precautionary approach or principle is addressed by the organization.

Article 15 of the Rio Principles introduced the precautionary approach. A response to 4.11 could address the organization's approach to risk management in operational planning or the development and introduction of new products.

- 4.12** Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or endorses.

Include date of adoption, countries/operations where applied, and the range of stakeholders involved in the development and governance of these initiatives (e.g., multi-stakeholder, etc.). Differentiate between non-binding, voluntary initiatives and those with which the organization has an obligation to comply.

- 4.13** Memberships in associations (such as industry associations) and/or national/international advocacy organizations in which the organization:

- Has positions in governance bodies;
- Participates in projects or committees;
- Provides substantive funding beyond routine membership dues; or
- Views membership as strategic.

This refers primarily to memberships maintained at the organizational level.

STAKEHOLDER ENGAGEMENT

The following Disclosure Items refer to general stakeholder engagement conducted by the organization over the course of the reporting period. These Disclosures are not limited to stakeholder engagement implemented for the purposes of preparing a sustainability report.

- 4.14** List of stakeholder groups engaged by the organization.

Identify and report those stakeholder groups that are engaged at the organizational level and those that are engaged at a project or asset level.

Examples of stakeholder groups are:

- Civil society;
- Customers;

Customers refers to end users (e.g., occupants and visitors), and end users to customers.

- Employees, other workers, and their trade unions;
- Local communities;
- Shareholders and providers of capital; and
- Suppliers.

- 4.15** Basis for identification and selection of stakeholders with whom to engage.

This includes the organization's process for defining its stakeholder groups, and for determining the groups with which to engage and not to engage.

- 4.16** Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group.

This could include surveys, focus groups, community panels, corporate advisory panels, written communication, management/union structures, and other vehicles. The organization should indicate whether any of the engagement was undertaken specifically as part of the report preparation process.

- 4.17** Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting.

5. Management Approach and Performance Indicators

The section on sustainability Performance Indicators is organized by economic, environmental, and social categories. Social Indicators are further categorized by Labor, Human Rights, Society, and Product Responsibility. Each category includes a Disclosure on Management Approach ('Management Approach') and a corresponding set of Core and Additional Performance Indicators.



Core Indicators have been developed through GRI's multi-stakeholder processes, which are intended to identify generally applicable Indicators and are assumed to be material for most organizations. An organization should report on Core Indicators unless they are deemed not material on the basis of the GRI Reporting Principles. Additional Indicators represent emerging practice or address topics that may be material for some organizations, but are not material for others. Where final versions of Sector Supplements exist, the Indicators should be treated as Core Indicators. See Guidance on Defining Report Content for further details.

The Disclosure(s) on Management Approach should provide a brief overview of the organization's management approach to the Aspects defined under each Indicator Category in order to set the context for performance information. The organization can structure its Disclosure(s) on Management Approach to cover the full range of Aspects under a given Category or group its responses on the Aspects differently. However, the Disclosure should address all of the Aspects associated with each category regardless of the format or grouping.

Within the overall structure of the Standard Disclosures, Strategy and Profile items 1.1 and 1.2 in 'Strategy and Analysis' are intended to provide a concise overview of the risks and opportunities facing the organization as a whole. The Disclosure(s) on Management Approach is intended to address the next level of detail of the organization's approach to managing the sustainability topics associated with risks and opportunities.

In reporting on the Performance Indicators, the following guidance on data compilation applies:

- **Data aggregation:** Reporting organizations should determine the appropriate level of aggregation of information. See additional guidance in the General Reporting Notes section of the Guidelines.
 - **Metrics:** Reported data should be presented using generally accepted international metrics (e.g., kilograms, tonnes, litres) and calculated using standard conversion factors. Where specific international conventions exist (e.g., GHG equivalents), these are typically specified in the Indicator Protocols.
- **Reporting on Trends:** Information should be presented for the current reporting period (e.g., one year) and at least two previous periods, as well as future targets, where they have been established, for the short- and medium-term.
 - **Use of Protocols:** Organizations should use the Protocols that accompany the Indicators when reporting on the Indicators. These give basic guidance on interpreting and compiling information.
 - **Presentation of Data:** In some cases, ratios or normalized data are useful and appropriate formats for data presentation. If ratios or normalized data are used, absolute data should also be provided.



Economic

The economic dimension of sustainability concerns the organization’s impacts on the economic conditions of its stakeholders and on economic systems at local, national, and global levels. The Economic Indicators illustrate:

- Flow of capital among different stakeholders; and
- Main economic impacts of the organization throughout society.

Financial performance is fundamental to understanding an organization and its own sustainability. However, this information is normally already reported in financial accounts. What is often reported less, and is frequently desired by users of sustainability reports, is the organization’s contribution to the sustainability of a larger economic system.

Disclosure on Management Approach

Provide a concise disclosure on the Management Approach items outlined below with reference to the following Economic Aspects:

- Economic Performance;

- Policies and practices for assessing, addressing and managing corporate, operational, regulatory and strategic risk that might impact financial performance.

For example: risk management frameworks; asset valuation risk.
- Policies and practices for mitigating economic risks.

For example: capital structure; cash; stability of income; occupancy rate (real estate); order book (construction); counterparty risk (customers and suppliers).
- Policies and practices regarding maintenance and capital expenditure in plant equipment or property. This will enable reporting organizations to demonstrate the extent to which they, as property owners, are investing in assets to reduce obsolescence, including market, physical, or functional obsolescence.
- Include the time horizon against which the reported risks are assessed.

- Market Presence; and
- Indirect Economic Impacts.

The economic legacy of real estate and infrastructure assets can extend over tens or even hundreds of years, and can have significant indirect economic impacts that benefit local communities. These impacts may include, for example, employment, improved student retention at local schools, safer labor forces, improved community health and wellbeing, greater numbers of re-skilled workers (e.g., in clean energy jobs), and crime reduction. The impacts will be even greater in places or among communities of greater disadvantage.

- Policies and practices to encourage positive, and minimize negative, economic legacy impacts from activities. Distinguish between mandatory and voluntary legacy impacts.

For example: job creation and training opportunities for local and national workforces (related to EC9 ‘Understanding and describing significant indirect economic impacts, including the extent of impacts’); financial support for, or construction of, community centers, healthcare facilities and education facilities; infrastructure providing greater access and mobility between residential and employment areas, such as transport nodes, road upgrades (related to EC8 ‘Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro bono engagement’).

- Policies and practices to measure economic legacy impacts.

For example: procedures to evaluate the social and economic impacts of activities (such as socio-economic due diligence, net job creation studies); research and development investment to promote positive economic legacy.

GOALS AND PERFORMANCE

Organization-wide goals regarding performance relevant to the Economic Aspects.

Use organization-specific Indicators (as needed) in addition to the GRI Performance Indicators to demonstrate the results of performance against goals.



POLICY

Brief, organization-wide policy (or policies) that defines the organization's overall commitment relating to the Economic Aspects listed above, or state where this can be found in the public domain (e.g., web link).




ADDITIONAL CONTEXTUAL INFORMATION

Additional relevant information required to understand organizational performance, such as:


- Key successes and shortcomings;
- Major organizational risks and opportunities;
- Major changes in the reporting period to systems or structures to improve performance; and
- Key strategies for implementing policies or achieving performance.

Economic Performance Indicators


ASPECT: ECONOMIC PERFORMANCE

- EC1** Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments. **Construction and Real Estate** Commentary added 
- EC2** Financial implications and other risks and opportunities for the organization's activities due to climate change and other sustainability issues. **Construction and Real Estate** Commentary added 
- EC3** Coverage of the organization's defined benefit plan obligations. **Construction and Real Estate** Commentary added 
- EC4** Significant financial assistance received from government.

ASPECT: MARKET PRESENCE

- EC5** Range of ratios of standard entry level wage by gender compared to local minimum wage at significant locations of operation. **ADD**
- EC6** Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation. **CORE**
- EC7** Procedures for local hiring and proportion of senior management and all direct employees, contractors and sub-contractors hired from the local community at locations of significant operation. **Construction and Real Estate** Commentary added 

ASPECT: INDIRECT ECONOMIC IMPACTS

- EC8** Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro bono engagement. **Construction and Real Estate** Commentary added 



ADD

EC9 Understanding and describing significant indirect economic impacts, including the extent of impacts.

Construction and Real Estate
Commentary added



Environmental

The environmental dimension of sustainability concerns an organization’s impacts on living and non-living natural systems, including ecosystems, land, air, and water. Environmental Indicators cover performance related to inputs (e.g., material, energy, water) and outputs (e.g., emissions, effluents, waste). In addition, they cover performance related to biodiversity, environmental compliance, and other relevant information such as environmental expenditure and the impacts of products and services.

Disclosure on Management Approach

Provide a concise disclosure on the Management Approach items outlined below with reference to the following Environmental Aspects:

- Materials;

- Policy and practices to reduce and optimize raw material extraction purchased for direct use.

For example, research and development on material substitution; new construction approaches and methods that change the way in which materials are used; policy on refurbishment (or reuse) instead of new construction; sourcing from local markets.

- Policy and practices for selecting materials and engaging suppliers, including specifications for certifications, or utilization of preferred or prescribed lists of products and materials.

For example, material selection and engagement with suppliers on the following issues: renewable content; recycled content materials; materials reused; re-usability of materials used; modularity and other design attributes of materials; and toxicity of materials.

- Energy;

- Policy and practices on energy management through all relevant stages of the life cycle.

For example, approaches to metering, procurement, avoidance, reduction, onsite generation (including use of incentives such as feed-in-tariffs), export and security.



• Water;

- Policy and practices on water use management through all relevant stages of the life cycle.

For example, approaches to metering, procurement, avoidance, reuse, reduction, export including quantified reductions in the water requirements of assets.

- Policy and practices on the management of water quality through all relevant stages of the lifecycle.

For example, practices to improve water quality (including through treatment) and access (including security) inside or outside the reporting boundary.

Include the nature or type of improvements to water quality (e.g., reductions in nitrogen, phosphorus and suspended solids, and reduced pollutant loads as water exits the reporting boundary).

- Policy and practices on drainage and discharge of water.

For example: Sustainable Urban Drainage Systems; enabling reuse of discharged water.



• Biodiversity;

- Policy and practices on mitigation of adverse biodiversity impacts including, among others, new construction and management activities.

For example: purchasing timber and quarried products; approaches to community engagement regarding biodiversity impacts; provision of green roofs and walls; enabling wildlife migration corridors; preserving and enhancing wood lots and other habitats; habitat restoration; use of biodiversity offsets as part of the overall policy, and approach to habitat protection and restoration.

- Policy and practices on avoiding selection of biologically diverse sites.



• Emissions, Effluents, and Waste;

- Policy on carbon management, including policy position on carbon offsetting.

- Policy and practices that promote waste avoidance as the first step in the waste hierarchy.

For example, material waste avoidance through design, procurement, site management and extensive fit-out (such as shell and core).

- Policy and practices on reducing fugitive emissions.

For example, dust.

For other fugitive emissions refer to EN16 *Total direct and indirect greenhouse gas emissions by weight*.



• Land Degradation, Contamination and Remediation:

Land is sometimes adversely affected or made unproductive due to contamination. The contamination may occur as a result of the activities of the reporting organization, or as a result of prior use or activities by an unrelated organization. Contamination may also be of natural origin. Contamination may affect soil quality, water quality, human health or other environmental or ecological receptors. Contamination may be solid, liquid or gas, in, on, or under the land or in buildings and structures.

In cases where contamination has occurred as a result of prior activities, entities in this sector frequently conduct assessment, risk management and/or remediation activities to make the land suitable for existing or proposed uses. Sometimes land previously assessed as uncontaminated for its present use may be judged to be contaminated if the land use changes to a more sensitive use, for example from industrial to residential.

- Policy on planning for, and/or managing, land assessment and remediation.

For example, the use of third party auditors to assure appropriate identification of potentially contaminated land, risk management



<p>strategies, and remediation to appropriate compliance/standards.</p> <ul style="list-style-type: none"> • Policy on management and/or remediation of contamination or harmful materials such as asbestos, lead, chromium, mercury and man-made mineral fibers. <p>For example: the general nature of potentially contaminating prior land uses (such as general agriculture, intense agriculture, industrial activity, slums, landfill) including the standard to which land is proposed to be assessed, managed and/or remediated (such as residential, industrial, open space); the potential for natural contamination (such as radon, naturally occurring asbestos, land gases or elevated background concentrations of metals or hydrocarbons).</p> <ul style="list-style-type: none"> • Policy and practices to identify risk of contamination and the containment or remediation strategies deployed. 	<p>(such as green travel plans); surveys of the number and proportion of journeys to and from assets.</p> <ul style="list-style-type: none"> • Policy and practices on the management of transport impacts during construction. <p>For example, traffic management measures during construction; minimizing heavy goods deliveries to construction sites and the service or maintenance trips associated with operational assets.</p>
<ul style="list-style-type: none"> • Products and Services; <ul style="list-style-type: none"> • Policies and practices to mitigate environmental and end user human health impacts during all stages of the lifecycle. <p>For example, indoor air and water quality standards, use of low Volatile Organic Compounds (VOC) paints, contaminant management, management and disposal of hazardous substances, mold management, waste management.</p>	<ul style="list-style-type: none"> • Overall <p>GOALS AND PERFORMANCE</p> <p>Organization-wide goals regarding performance relevant to the Environment Aspects.</p> <p>Use organization-specific Indicators (as needed) in addition to the GRI Performance Indicators to demonstrate the results of performance against goals.</p> <p>POLICY</p> <p>Brief, organization-wide policy (or policies) that defines the organization's overall commitment related to the Environmental Aspects listed above or state where this can be found in the public domain (e.g., web link).</p>
<ul style="list-style-type: none"> • Compliance; • Transport; and <ul style="list-style-type: none"> • Policy and practices to avoid or reduce transport of materials and people to and from assets. <p>For example, remote or home-working; use of materials available locally, or low maintenance products.</p> <ul style="list-style-type: none"> • Policy and practices to promote more sustainable transport to and from assets. <p>For example, monitoring modal patterns and shifts of workers or building users or materials as a result of sustainable transport strategies</p>	<p>ORGANIZATIONAL RESPONSIBILITY</p> <p>The most senior position with operational responsibility for Environmental Aspects or explain how operational responsibility is divided at the senior level for these Aspects. This differs from Disclosure 4.1, which focuses on structures at the governance level.</p> <p>TRAINING AND AWARENESS</p> <p>Procedures related to training and raising awareness in relation to the Environmental Aspects.</p> <p>MONITORING AND FOLLOW-UP</p> <p>Procedures related to monitoring and corrective and preventive actions, including those related to the supply chain.</p> <p>List of certifications for environment-related performance or certification systems, or other approaches to auditing/verification for the reporting organization or its supply chain.</p>







ADDITIONAL CONTEXTUAL INFORMATION

Additional relevant information required to understand organizational performance, such as:











- Key successes and shortcomings;
- Major organizational environmental risks and opportunities related to issues;
- Major changes in the reporting period to systems or structures to improve performance; and
- Key strategies and procedures for implementing policies or achieving goals.

Environmental Performance Indicators



ASPECT: MATERIALS

- EN1** Materials used by weight, value or volume. 
CORE **Construction and Real Estate**
 Commentary added 
- EN2** Percentage of materials used that are recycled and reused input materials. 
CORE **Construction and Real Estate**
 Commentary added 

ASPECT: ENERGY

- EN3** Direct energy consumption by primary energy source. 
CORE **Construction and Real Estate**
 Commentary added 
- EN4** Indirect energy consumption by primary source. 
CORE **Construction and Real Estate**
 Commentary added 
- EN5** Building energy intensity. 
CORE
- EN5** Energy saved due to conservation and efficiency improvements. 
CORE **Construction and Real Estate**
 Commentary added to make this a Core Indicator for the sector 
- EN6** Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives. 
CORE **Construction and Real Estate**
 Commentary added to make this a Core Indicator for the sector 
- EN7** Initiatives to reduce indirect energy consumption and reductions achieved. 
ADD

ASPECT: WATER

- EN8** Total water withdrawal by source. 
CORE **Construction and Real Estate**
 Commentary added 



<p style="writing-mode: vertical-rl; transform: rotate(180deg);">ADD</p>	<p>EN9 Water sources significantly affected by withdrawal of water.</p>	<p>Construction and Real Estate Commentary added</p>	<p>CRE</p>
<p style="writing-mode: vertical-rl; transform: rotate(180deg);">ADD</p>	<p>EN10 Percentage and total volume of water recycled and reused.</p>	<p>Construction and Real Estate Commentary added</p>	<p>CRE</p>
<p style="writing-mode: vertical-rl; transform: rotate(180deg);">CORE</p>	<p>CRE2 Building water intensity.</p>		<p>CRE</p>

<p style="writing-mode: vertical-rl; transform: rotate(180deg);">CORE</p>	<p>CRE3 Greenhouse gas emissions intensity from buildings.</p>	<p>CRE</p>
<p style="writing-mode: vertical-rl; transform: rotate(180deg);">CORE</p>	<p>CRE4 Greenhouse gas emissions intensity from new construction and redevelopment activity.</p>	<p>CRE</p>

ASPECT: BIODIVERSITY

<p style="writing-mode: vertical-rl; transform: rotate(180deg);">CORE</p>	<p>EN11 Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas.</p>		
<p style="writing-mode: vertical-rl; transform: rotate(180deg);">CORE</p>	<p>EN12 Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas.</p>	<p>Construction and Real Estate Commentary added</p>	<p>CRE</p>
<p style="writing-mode: vertical-rl; transform: rotate(180deg);">ADD</p>	<p>EN13 Habitats protected or restored.</p>	<p>Construction and Real Estate Commentary added</p>	<p>CRE</p>
<p style="writing-mode: vertical-rl; transform: rotate(180deg);">ADD</p>	<p>EN14 Strategies, current actions, and future plans for managing impacts on biodiversity.</p>		
<p style="writing-mode: vertical-rl; transform: rotate(180deg);">ADD</p>	<p>EN15 Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk.</p>		
<p style="writing-mode: vertical-rl; transform: rotate(180deg);">CORE</p>	<p>EN18 Initiatives to reduce greenhouse gas emissions and reductions achieved.</p>	<p>Construction and Real Estate Commentary added</p>	<p>CRE</p>
<p style="writing-mode: vertical-rl; transform: rotate(180deg);">CORE</p>	<p>EN19 Emissions of ozone-depleting substances by weight.</p>		
<p style="writing-mode: vertical-rl; transform: rotate(180deg);">CORE</p>	<p>EN20 NO, SO, and other significant air emissions by type and weight.</p>		
<p style="writing-mode: vertical-rl; transform: rotate(180deg);">CORE</p>	<p>EN21 Total water discharge by quality and destination.</p>	<p>Construction and Real Estate Commentary added</p>	<p>CRE</p>
<p style="writing-mode: vertical-rl; transform: rotate(180deg);">CORE</p>	<p>EN22 Total weight of waste by type and disposal method.</p>	<p>Construction and Real Estate Commentary added</p>	<p>CRE</p>
<p style="writing-mode: vertical-rl; transform: rotate(180deg);">CORE</p>	<p>EN23 Total number and volume of significant spills.</p>		
<p style="writing-mode: vertical-rl; transform: rotate(180deg);">ADD</p>	<p>EN24 Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III, and VIII, and percentage of transported waste shipped internationally.</p>		
<p style="writing-mode: vertical-rl; transform: rotate(180deg);">ADD</p>	<p>EN25 Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the reporting organization's discharges of water and runoff.</p>		

ASPECT: EMISSIONS, EFFLUENTS, AND WASTE

<p style="writing-mode: vertical-rl; transform: rotate(180deg);">CORE</p>	<p>EN16 Total direct and indirect greenhouse gas emissions by weight.</p>	<p>Construction and Real Estate Commentary added</p>	<p>CRE</p>
<p style="writing-mode: vertical-rl; transform: rotate(180deg);">CORE</p>	<p>EN17 Other relevant indirect greenhouse gas emissions by weight.</p>	<p>Construction and Real Estate Commentary added</p>	<p>CRE</p>

<p>ASPECT: LAND DEGRADATION, CONTAMINATION AND REMEDIATION</p>		
<p style="writing-mode: vertical-rl; transform: rotate(180deg);">CORE</p>	<p>CRE5 Land and other assets remediated and in need of remediation for the existing or intended land use according to applicable legal designations.</p>	<p>CRE</p>



ASPECT: PRODUCTS AND SERVICES

CORE
CORE

EN26 Initiatives to enhance efficiency and mitigate environmental impacts of products and services, and extent of impact mitigation.

Construction and Real Estate
Commentary added

EN27 Percentage of products sold and their packaging materials that are reclaimed by category.

ASPECT: COMPLIANCE

CORE

EN28 Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations.

ASPECT: TRANSPORT

ADD
ADD

EN29 Significant environmental impacts of transporting products and other goods and materials used for the organization's operations, and transporting members of the workforce.

Construction and Real Estate
Commentary added

ASPECT: OVERALL

ADD

EN30 Total environmental protection expenditures and investments by type.

Social Performance Indicators

CRE
CRE

The social dimension of sustainability concerns the impacts an organization has on the social systems within which it operates.

The GRI Social Performance Indicators identify key Performance Aspects surrounding labor practices, human rights, society, and product responsibility.



Labor Practices and Decent Work

The specific Aspects under the category of Labor Practices are based on internationally recognized universal standards, including:

- United Nations Universal Declaration of Human Rights;
- United Nations Convention: International Covenant on Civil and Political Rights;
- United Nations Convention: International Covenant on Economic, Social, and Cultural Rights;
- Convention on the Elimination of all Forms of Discrimination against Women (CEDAW);
- ILO Declaration on Fundamental Principles and Rights at Work (in particular the eight core Conventions of the ILO consisting of Conventions 100, 111, 87, 98, 138, 182, 29, 105); and
- The Vienna Declaration and Programme of Action.

The Labor Practices Indicators also draw upon the two instruments directly addressing the social responsibilities of business enterprises: the ILO Tripartite Declaration Concerning Multinational Enterprises and Social Policy, and the Organisation for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises.

Disclosure on Management Approach

Provide a concise disclosure on the following Management Approach items with reference to the Labor Aspects listed below. The ILO Tripartite Declaration Concerning Multinational Enterprises and Social Policy (in particular the eight core Conventions of the ILO) and the Organisation for Economic Co-operation and Development Guidelines for Multinational Enterprises, should be the primary reference points.

- Employment;

• Policy and practices on outsourcing of work to contractors and subcontractors and recruitment of employees and supervised workers.

For example, the recruitment of workers from the local community, specifically women.

- Policy for increasing direct contribution to overall economic development and

improvements for the workforce (local and national).

For example, efforts made by the company to maintain or increase employment. Reporting organizations should note cross-over with EC9 which addresses indirect economic impacts.

- Policy and practices on employment of daily workers and casual workers who are employed without a formal (written) contract.

For example, how the company avoids employees not having a formal (written) contract by ensuring that all employees and contractors receive a written contract in a language and format they understand, as well as mechanisms in place to ensure that illiterate employees and contractors, and those with disabilities, are able to understand the conditions of contract.

- Policy regarding costs and logistics for the return of foreign workers to their place of origin.
- Policy on worker accommodation and amenities provision (where necessary), and the organizational responsibility for this provision.

For example, where regulatory requirements for the provision of accommodation have been exceeded.

- Labor/Management Relations;
- Occupational Health and Safety;

For all the policy and procedures outlined below, report whether these form part of the health and safety management system.

- Policy and procedures for the procurement, transport, handling, use and disposal of all hazardous materials.

For example, MDF; Volatile Organic Compounds; mould, herbicides and pesticides; mercury; asbestos.

- Policy and procedures for assisting employees with mental health issues, substance and alcohol addiction, and HIV / AIDS.

- Policy on compensation and benefits for employees for work-related injuries or fatalities.



For example, those due to the dangerous nature of work and high incidence rates of injuries and fatalities in the sector.

- Policies and procedures for the commissioning, operation and decommissioning of equipment.
- Policies and procedures with regard to the provision of health and safety requirements in agreements for contractors and subcontractors.
- Policies and procedures requiring prequalification of suppliers and contractors relating to health and safety, and including the existence of formal agreements and health and safety due diligence for new projects and investments.



- Training and Education;

• Explain the context in terms of skills level available for key areas of activity and shortages of skills/competencies in certain high risk roles, jobs and locations.

For example, strategy to address specific skills shortages; the organization's involvement in apprenticeship schemes for construction related jobs; the up skilling and retraining of existing workers.

- Policies and programs for re-employability after a project has ended, or after any occupational disability has occurred.



Refer to EC9, which focuses on economic impact post-construction, including impact on workers' community of origin.

- Diversity and Equal Opportunity; and

Report the following (*):

- Policy on gender equality including how gender is incorporated into procurement policy and plans.
- Policies and practices regarding gender equality in the workplace.



For example, management approach to flexible work schedules; initiatives to provide child-care support and/or facilities to employees; initiatives to promote equal opportunities at the workplace; initiatives to

provide information, education and training on sexual harassment in the workplace; available channels within the organization for filing gender-based discrimination grievances.

- Policies and practices regarding gender equality in the community.

For example, initiatives, including donations and grants to address equality in the community; management approach to the consultation of local women in devising community engagement/investment programs; management approach to determining community engagement/investment activities, including policy and criteria; management approach to addressing gender-related community impacts, including gender impact assessments.



- Policies and practices regarding gender equality in relation to customers.

For example, policy and mechanisms in place to avoid gender discrimination in marketing and advertising materials; management approach to Gender Equality Certification by third party.

- Policies and practices regarding gender equality in relation to investment.

For example, policy for investment decision making, including consideration of gender criteria.

(*) Derived from the 2009 GRI publication Embedding Gender in Sustainability Reporting: A Practitioners Guide.

- Equal remuneration for women and men.

GOALS AND PERFORMANCE

Organization-wide goals regarding performance relevant to the Labor Aspects, indicating their linkage to the internationally recognized universal standards.

Use organization-specific Indicators (as needed) in addition to the GRI Performance Indicators to demonstrate the results of performance against goals.

POLICY

Brief, organization-wide policy (or policies) that defines the organization's overall commitment related to the Labor Aspects, or state where this can be found in the public domain (e.g., web link). Also reference their linkage to the international standards indicated above.



ORGANIZATIONAL RESPONSIBILITY

The most senior position with operational responsibility for Labor Aspects or explain how operational responsibility is divided at the senior level for these Aspects. This differs from Disclosure 4.1, which focuses on structures at the governance level.

TRAINING AND AWARENESS

Procedures related to training and raising awareness in relation to the Labor Aspects. Include information on who participates in diversity, equal opportunities and gender sensitization training (e.g., highest governance bodies, senior management), and the topics addressed by training and any informal awareness raising.

MONITORING AND FOLLOW-UP

Procedures related to monitoring and corrective and preventive actions, including those related to the supply chain.

List of certifications for labor-related performance or certification systems, or other approaches to auditing/verifying the reporting organization or its supply chain.

Include procedures for equal remuneration reviews/audits and for action to redress any gender remuneration gaps.

ADDITIONAL CONTEXTUAL INFORMATION

Additional relevant information required to understand organizational performance, such as:

- Key successes and shortcomings;
- Major organizational risks and opportunities;
- Major changes in the reporting period to systems or structures to improve performance; and
- Key strategies and procedures for implementing policies or achieving goals.
- A description of the legal and socio-economic environment that provides opportunities for, and barriers to, gender equity in the workforce, including but not limited to women’s workforce participation rates, their participation at highest governance level, and equal remuneration.

Labor Practices and Decent Work Performance Indicators

ASPECT: EMPLOYMENT

- LA1** Total workforce by employment type, employment contract, and region, broken down by gender. **CORE** **Construction and Real Estate** Commentary added **CRE**
- LA2** Total number and rate of new employee hires and employee turnover by age group, gender, and region. **CORE**
- LA3** Benefits provided to full-time employees that are not provided to temporary or part-time employees, by significant locations of operation. **ADD** **Construction and Real Estate** Commentary added **CRE**
- LA15** Return to work and retention rates after parental leave, by gender. **CORE**

ASPECT: LABOR/MANAGEMENT RELATIONS

- LA4** Percentage of employees covered by collective bargaining agreements. **CORE**
- LA5** Minimum notice period(s) regarding operational changes, including whether it is specified in collective agreements. **CORE**

ASPECT: OCCUPATIONAL HEALTH AND SAFETY

- LA6** Percentage of total workforce represented in formal joint management–worker health and safety committees that help monitor and advise on occupational health and safety programs. **ADD**
- LA7** Rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities, by region and by gender. **CORE** **Construction and Real Estate** Commentary added **CRE**
- CRE6** Percentage of the organization operating in verified compliance with an internationally recognized health and safety management system. **CORE** **CRE**



LA8 Education, training, counseling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases.

CORE

Construction and Real Estate
Commentary added



ADD

LA9 Health and safety topics covered in formal agreements with trade unions.

ASPECT: TRAINING AND EDUCATION

LA10 Average hours of training per year per employee by gender, and by employee category.

CORE

Construction and Real Estate
Commentary added



ADD

LA11 Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.

ADD

LA12 Percentage of employees receiving regular performance and career development reviews, by gender.

ASPECT: DIVERSITY AND EQUAL OPPORTUNITY

LA13 Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity.

CORE

Construction and Real Estate
Commentary added



ASPECT: EQUAL REMUNERATION FOR WOMEN AND MEN

LA14 Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation.

CORE

Construction and Real Estate
Commentary added



Human Rights

There is growing global consensus that organizations have the responsibility to respect human rights. Human rights Performance Indicators require organizations to report on the extent to which processes have been implemented, on incidents of human rights violations and on changes in the stakeholders' ability to enjoy and exercise their human rights, occurring during the reporting period. Among the human rights issues included are non-discrimination, gender equality, freedom of association, collective bargaining, child labor, forced and compulsory labor, and indigenous rights.

The international legal framework for human rights is comprised of a body of law made up of treaties, conventions, declarations and other instruments. The corner stone of human rights is the International Bill of Rights which is formed by three instruments:

- i) the Universal Declaration of Human Rights (1948);
- ii) the International Covenant on Civil and Political Rights (1966); and
- iii) the International Covenant on Economic, Social and Cultural Rights (1966).

These are the first reference points for any organization reporting on human rights. In addition to these three key instruments, the international legal framework for human rights is underpinned by over 80 other instruments: ranging from soft declarations and guiding principles to binding treaties and conventions, and ranging from universal instruments to regional.

Organizations can affect a wide range of human rights. In assessing which human rights are relevant for reporting, an organization should consider all human rights. Some additional instruments which may be useful for a reporting organization to reflect upon are:

- ILO Declaration on Fundamental Principles and Rights at Work (1998) (which builds upon the eight core Conventions of the ILO consisting of Conventions 100, 111, 87, 98, 138, 182, 29, 105)⁹;
- The regional conventions, adhering to the principle of universality in the International Bill of Rights, for areas where the organization operates, including: the African Charter on Human and Peoples Rights (1981), the Arab Charter on Human Rights (1994), the American Convention on Human Rights (1969),

⁹Conventions 100 and 111 pertain to non-discrimination; Conventions 87 and 98 pertain to freedom of association and collective bargaining; Conventions 138 and 182 pertain to the elimination of child labor; and Conventions 29 and 105 pertain to the prevention of forced and compulsory labor.



the European Convention on Human Rights (ECHR) (1950); and

- Conventions protecting the rights of individuals who may be impacted by the organization’s work, including but not limited to the Convention on the Elimination of Discrimination Against Women (CEDAW) (1979), the Convention on the Rights of the Child (1989), the International Convention on the Elimination of All Forms of Racial Discrimination (1966), ILO Convention 107 Indigenous and Tribal Populations Convention (1957), ILO Convention 169 Concerning Indigenous and Tribal Peoples in Independent Countries (1991), UN Declaration on the Rights of Indigenous Peoples (2007) and Convention on the Rights of Persons with Disabilities (2007).

It is important to note that many Aspects that provide insight into human rights performance can be found in other Indicator Categories in the Guidelines, and are not limited to the Human Rights Indicators Category.

Disclosure on Management Approach

Provide concise disclosure on the implementation of due diligence processes on the following Management Approach items, with reference to the human rights Aspects listed below.

The primary reference points should be the ILO Tripartite Declaration Concerning Multinational Enterprises and Social Policy and the Organisation for Economic Cooperation and Development Guidelines for Multinational Enterprises.

- Investment and Procurement Practices;

There is a risk of human rights violations in the supply chain during the investment and procurement of goods and services (including labor), due to the complexity of the supply chain and the reliance on contractors and sub-contractors.

- Policy and criteria for the screening of contractors and sub-contractors.
For example, details of any monitoring and follow up activity, and the mechanisms in place to address incidences of non-compliance against legal requirements and screening criteria; screening on whether hiring fees (visa, transportation) are passed on to the supervised workers or contractors recruited, withholding of and infrequent payment of



wages and withholding of identification documents; mechanisms in place to address incidences of non-compliance against these legal requirements and screening criteria; grievance complaints mechanisms (rights violations).

- Practices to monitor (e.g., audits) and train employees and contractors in compliance with labor and international human rights standards (including enforcement).

For example, training of employees managing building services and investment processes in screening for labor and human rights standards (such as gender, ethnic and disability sensitivity).



- Non-discrimination;

In male dominated industries, there is a risk of gender discrimination.

- Policies and practices for recruitment and career development to avoid discrimination.

For example, training and awareness programs and grievance mechanisms aimed to combat discrimination.



- Freedom of Association and Collective Bargaining;

- Child Labor;

- Policy and practices for screening and monitoring of child labor risks by contractors and subcontractors in all stages of the lifecycle (including construction materials).

For example: risks identified to children on or near construction sites (such as risk of injury, exploitation); employee screening by a medical practitioner to determine age; including child labor clauses in contracts with suppliers/ vendors to allow for auditing.

- Practices in regards to workers’ children.

For example: education and health and safety monitoring; child protection, mother and child health; on site crèche and child minding facilities.



- Prevention of Forced and Compulsory Labor;

There is a risk of bonded labor in the sector, including practices such as the removal of passports and identification papers, withholding pay and compulsory overtime.



- Security Practices;

Companies in the sector generally outsource security services. Working in insecure environments, militarized zones, and in post war reconstruction raises issues for the sector not only in relation to the rights of those being protected (the workers) but also the human rights of the individuals in the local community where operations are based. There are other environments (for example, shopping centers, office buildings) where security personnel training is also needed.

- Describe awareness raising and training provided to security personnel, in relation to respect and dignity and human rights.

- Indigenous Rights;
- Assessment; and
- Remediation.

GOALS AND PERFORMANCE

Organization-wide goals regarding performance relevant to the human rights Aspects, indicating their linkage to the international declarations and standards listed in the introduction.

Use organization-specific Indicators (as needed) in addition to the GRI Performance Indicators to demonstrate the results of performance against goals.

POLICY

Brief, organization-wide policy or policies that define the organization’s overall commitment to the human rights Aspects including:

- Rights identified as priorities;
- Application of the policy or policies in terms of country of operations and business partners; and
- Policy or policies which may reasonably be considered likely to affect employees’ decisions to join a trade union, or bargain collectively.

Alternatively, state where a policy or policies can be found in the public domain (e.g., web link). Also, reference the linkage between organizational policy or policies and international human rights Conventions and Declarations.

The relevant policies for this disclosure may be stand-alone human rights policy, or may require disclosing criteria that are integrated into a combination of policies.

Strategies for extending and embedding human rights policies, goals and processes across the organization, and strategies for extending applicable policies and procedures to external parties such as joint ventures, subsidiaries and suppliers. Specifically, the organization should explain its approach for using human rights criteria or clauses in contracts, including the types of clauses and the types of contracts and agreements in which they are commonly applied (e.g., investments, purchasing contracts, joint ventures).

ORGANIZATIONAL RISK ASSESSMENT

Describe risk assessment procedures that include human rights, including the use of industry guidance and practices.

Identify other processes for analyzing and understanding human rights issues that are relevant to the organization and its stakeholders, and the frequency with which they are undertaken.

Identify any specific organizational or sectoral opportunities and risks that relate to human rights, considering internal drivers or practices that could promote or undermine efforts to uphold human rights (e.g., purchasing practices).

IMPACT ASSESSMENT

Processes and procedures for assessing, reviewing or tracking human rights impacts at the level of individual operations, or for assessing specific business decisions, including the review of projects, operations, or other activities with specific business lines (e.g., sourcing strategies). This is distinct from organizational risk assessment, which assesses the organization as a whole.

- Degree to which internal and external stakeholder engagement is included in the process;
- Degree to which minorities and vulnerable groups are considered in the process;
- Whether and how the organization assesses its relationships with other parties such as workers and their trade unions, suppliers, business partners, governments, security providers in order to evaluate the potential of its being associated with, or considered complicit in, human rights abuse;



- Which parameters are used to implement the assessment (e.g., country of operation, relevant human rights law, organizational human rights policies and commitments); and
- How and when the results of impact assessment inform processes that investigate alternatives and/or assist in the development of mitigation and remediation strategies.

ORGANIZATIONAL RESPONSIBILITY

The most senior position with operational responsibility for human rights Aspects, or an explanation of how operational responsibility is divided at senior level for these Aspects, including:

- The distribution of responsibilities for the implementation of human rights policies and practices, including any involvement of the highest governance body;
- Listing of human rights issues that have been raised at board or senior executive level during the reporting period;
- The inclusion of human rights criteria in employee performance assessments, annual bonus schemes and other incentive mechanisms; and
- Any agreements/partnerships with external parties that are designed to help the organization identify and meet its human rights responsibilities (for example, international framework agreements with trade unions/global union federations, external grievance procedures established with local/international NGOs or national human rights commissions).

The above points differ from Disclosure 4.1, which focuses on structures at the governance level.

TRAINING AND AWARENESS

Procedures related to training and raising awareness in relation to the human rights Aspects, including descriptions of the strategy for embedding awareness of human rights, of major operations that are the focus of internal training, of the methods and resources used for human rights training, and of training on the availability and accessibility of grievance mechanisms and remediation processes.

MONITORING, FOLLOW-UP AND REMEDIATION

Procedures related to monitoring and corrective and preventive actions, including those related to the supply chain.

List of certifications for human rights-related performance, or certification systems, or other approaches to auditing/verifying the reporting organization or its supply chain.

Procedures describing how the results of monitoring are applied, and procedures to determine remedies for negative human rights impacts, including remediation processes associated with grievance procedures, and responses to complaints from local community/workers' representatives, and other stakeholders.

Describe processes for monitoring internal and external parties (e.g., use of internal audit, third-party monitoring, prioritizing risk locations). In addition, the organization should describe the availability and accessibility of grievance mechanisms and remediation processes, and the involvement of local community/workers' representatives' engagement in monitoring performance.

ADDITIONAL CONTEXTUAL INFORMATION

Additional relevant information required to understand organizational performance, such as:

- Key successes and shortcomings;
- Major organizational risks and opportunities;
- Major changes in the reporting period to systems or structures to improve performance; and
- Key strategies and procedures for implementing policies or achieving goals.



Human Rights Performance Indicators

ASPECT: INVESTMENT AND PROCUREMENT PRACTICES

- HR1** Percentage and total number of significant investment agreements and contracts that include clauses incorporating human rights concerns, or that have undergone human rights screening.
- HR2** Percentage of significant suppliers, contractors, and other business partners that have undergone human rights screening, and actions taken.
- HR3** Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained.

ASPECT: NON-DISCRIMINATION

- HR4** Total number of incidents of discrimination and corrective actions taken.

Construction and Real Estate
Commentary added 

ASPECT: FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING

- HR5** Operations and significant suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk, and actions taken to support these rights.

ASPECT: CHILD LABOR

- HR6** Operations and significant suppliers identified as having significant risk for incidents of child labor, and measures taken to contribute to the effective abolition of child labor.

Construction and Real Estate
Commentary added 

ASPECT: FORCED AND COMPULSORY LABOR

- HR7** Operations and significant suppliers identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of all forms of forced or compulsory labor.

ASPECT: SECURITY PRACTICES

- HR8** Percentage of security personnel trained in the organization's policies or procedures concerning aspects of human rights that are relevant to operations.

ASPECT: INDIGENOUS RIGHTS

- HR9** Total number of incidents of violations involving rights of indigenous people and actions taken.

ASPECT: ASSESSMENT

- HR10** Percentage and total number of operations that have been subject to human rights reviews and/or impact assessments.

ASPECT: REMEDIATION

- HR11** Number of grievances related to human rights filed, addressed and resolved through formal grievance mechanisms.



CORE

CORE

CORE

CORE

CORE

CORE

CORE

ADD

ADD

CORE

CORE



Society

Society Performance Indicators focus attention on the impacts organizations have on the local communities in which they operate, and disclosing how the risks that may arise from interactions with other social institutions are managed and mediated. In particular, information is sought on the risks associated with bribery and corruption, undue influence in public policy-making, and monopoly practices.

Community members have individual rights based on:

- Universal Declaration of Human Rights;
- International Covenant on Civil and Political Rights;
- International Covenant on Economic, Social and Cultural Rights; and
- Declaration on the Right to Development.

While there is ongoing debate about collective community rights, indigenous and tribal peoples have collective rights recognized by ILO Conventions 107 and 169 and the UN Declaration on Indigenous Rights. In terms of identity, these peoples' rights are based on both the collective and the individual. Their right to free, prior and informed consultation in order to seek consent is a fundamental right expressly recognized in the reference points above.

Disclosure on Management Approach

Provide a concise disclosure on the following Management Approach items with reference to the Society Aspects:

- Local Communities;

Including resettlement and displacement, and how responsibilities relating to resettlement are shared with other organizations.

- Corruption;

There is risk of corruption in the sector, particularly in relation to obtaining regulatory approval, procurement, inspection and certification processes.

- Policies and practices to mitigate corruption risks, within the reporting organization and/or the supply chain.

For example, transparency through cost plus contracts; auditing of risk management processes; the implementation of sector specific codes of conduct related to corruption; the use of integrity pacts or subscription to sector specific anti-corruption policy; disclosure of corruption cases in each country where the reporting organization is active.

- Policy or screening process in place to mitigate incidents of money laundering, bribery and corruption through real estate valuations and transactions.

For example, screening criteria and training during tender processes for partners, suppliers, contractors and sub-contractors; initiatives to address corruption in the sector at the governmental level (local, national and international), and company level.

- Public Policy;
- Anti-Competitive Behavior; and

There is a risk of anti-competitive bidding practices within the construction sector through collusion to set tender prices, cover pricing and cartel price fixing.

- Policies and procedures to identify and avoid anti-competitive behavior, within the reporting organization and/or the supply chain.

For example, employee 'ethics training'; company code of conduct; establishing an ethics committee or similar; making business ethics part of balanced score cards for managers.

- Compliance.

GOALS AND PERFORMANCE

Organization-wide goals regarding performance relevant to the Aspects indicated above.

Use organization-specific Indicators as needed in addition to the GRI Performance Indicators to demonstrate the results of performance against goals.

Address the extent to which organization-wide goals contribute to or interfere with the collective rights of local communities.



POLICY

Brief, organization-wide policy (or policies) that define the organization's overall commitment relating to the Society Aspects or state where this can be found in the public domain (e.g., web link).

Organization-wide policy or policies, or standards, related to assessing the risks to local communities, and managing impacts on local communities. Address the areas listed below covering the whole life cycle of the organization's operations (including entering, operating, and exiting):

- References/statements regarding the collective rights of local communities;
- Risk assessment for impacts on local communities, through the whole life cycle;
- Mitigation of impacts on local communities;
- Engagement with both women and men in local communities; and
- Application of the policy within different levels of the organization.

ORGANIZATIONAL RESPONSIBILITY

The most senior position with operational responsibility for Society Aspects or explain how operational responsibility is divided at the senior level for these Aspects. This differs from Disclosure 4.1, which focuses on structures at the governance level.

Explain the division of responsibility for impacts on local communities in the highest governance body. For organizations that do not have a single policy or standard, explain the roles of different departments in the overall process of managing the impacts. Indicate the extent to which the impacts are addressed in the organizational structures identified in the Governance section (Disclosure 4.1), and in the mechanisms for employees and shareholders to provide direction to the highest governance body (Disclosure 4.4). Inform if and how works councils, occupational health and safety committees and/or other independent employee representation bodies are empowered to deal with and have dealt with impacts on local communities.

TRAINING AND AWARENESS

Procedures related to training and raising awareness in relation to the Society Aspects.

Refer specifically to formal and informal training that addresses impacts on local communities including, but not limited to, parties that are trained or with whom the organization communicates its policy or policies, including those external to the organization.

Procedures directed at the training and awareness of employees and contractors (including security personnel) for managing impacts on local communities.

MONITORING AND FOLLOW-UP

Procedures related to monitoring and corrective and preventive actions, including those related to the supply chain.

List of certifications for performance or certification systems, or other approaches to auditing/verifying the reporting organization or its supply chain.

Procedures related to assessing the risks and managing impacts on local communities, including entering, operating, and exiting. This should include information on how data was collected and the process for selecting the local community members (individual or group) from whom information was gathered.

ADDITIONAL CONTEXTUAL INFORMATION

Additional relevant information required to understand organizational performance, such as:

- Key successes and shortcomings;
- Major organizational risks and opportunities;
- Major changes in the reporting period to systems or structures to improve performance; and
- Key strategies and procedures for implementing policies or achieving goals.



Society Performance Indicators

ASPECT: LOCAL COMMUNITIES

- CORE

S01 Percentage of operations with implemented local community engagement, impact assessments, and development programs.

Construction and Real Estate
Commentary added

CRE
- CORE

S09 Operations with significant potential or actual negative and positive impacts on local communities.

CRE
- CORE

S010 Prevention and mitigation measures implemented in operations with significant potential or actual negative impacts on local communities.

CRE
- CORE

CRE7 Number of persons voluntarily and involuntarily displaced and/or resettled by development, broken down by project.

CRE

ASPECT: ANTI-COMPETITIVE BEHAVIOR

- ADD

S07 Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes.

ASPECT: COMPLIANCE

- CORE

S08 Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations.

ASPECT: CORRUPTION

- CORE

S02 Percentage and total number of business units analyzed for risks related to corruption.
- CORE

S03 Percentage of employees trained in organization’s anti-corruption policies and procedures.
- CORE

S04 Actions taken in response to incidents of corruption.

ASPECT: PUBLIC POLICY

- CORE

S05 Public policy positions and participation in public policy development and lobbying.

CRE
- CORE

S06 Total value of financial and in-kind contributions to political parties, politicians, and related institutions by country.

CRE



Product Responsibility

Product Responsibility Performance Indicators address the aspects of a reporting organization's products and services that directly affect customers, namely, health and safety, information and labeling, marketing, and privacy.

These aspects are chiefly covered through disclosure on internal procedures and the extent to which these procedures are not complied with.

In the context of construction and real estate, 'product' relates to the asset constructed (building or infrastructure) and managed (buildings only) during its lifecycle. 'Responsibility' in the context of construction and real estate relates to the impacts of assets and activities on people and communities.

End users in the context of construction differ from end users in the context of buildings. In construction, the end user, the customer, is typically both the future owner(s) engaging with the construction contractor and the eventual occupant of the asset. In the case of buildings, end users are primarily the occupants or those who visit the building.

Disclosure on Management Approach

Provide a concise disclosure on the following Management Approach items with reference to the Product Responsibility Aspects:

- Customer Health and Safety;

- Policies, practices and training relating to end user health, safety and security during all stages of the lifecycle.

For example, operational health and safety policies including fire and elevator safety; disabled access; use of established standards such as OHSAS 18001; end user training on health, safety and security practices, including asset and site security arrangements; disaster management and emergency procedures.

See also Disclosure on Management Approach for Environment, and EN26.

- Product and Service Labeling;

- Policies with respect to the application of voluntary and mandatory sustainable building standards, certification, rating and labeling schemes.

For example; certification schemes used in given geographical regions and reasons for choosing the certification/rating/labels.

- Practices with regards to customer surveys.

For example, approach to, desired outcomes and follow up with respect to surveys undertaken; selection process for stakeholders involved in customer surveys.

- Marketing Communications;
- Customer Privacy; and
- Compliance.

GOALS AND PERFORMANCE

Organization-wide goals regarding performance relevant to the Product Responsibility Aspects.

Use organization-specific Indicators (as needed) in addition to the GRI Performance Indicators to demonstrate the results of performance against goals.

POLICY

Brief, organization-wide policy (or policies) that defines the organization's overall commitment to the Product Responsibility Aspects, or state where this can be found in the public domain (e.g., web link).

ORGANIZATIONAL RESPONSIBILITY

The most senior position with operational responsibility for Product Responsibility Aspects, or explain how operational responsibility is divided at the senior level for Product Responsibility Aspects. This differs from Disclosure 4.1, which focuses on structures at the governance level.

TRAINING AND AWARENESS

Procedures related to training and raising awareness in relation to the Product Responsibility Aspects.



MONITORING AND FOLLOW-UP

Procedures related to monitoring and corrective and preventive actions, including those related to the supply chain.

List of certifications for product responsibility-related performance or certification systems, or other approaches to auditing/verifying the reporting organization or its supply chain.

ADDITIONAL CONTEXTUAL INFORMATION

Additional relevant information required to understand organizational performance, such as:

- Key successes and shortcomings;
- Major organizational risks and opportunities;
- Major changes in the reporting period to systems or structures to improve performance; and
- Key strategies and procedures for implementing policies or achieving goals.

Product Responsibility Performance Indicators

ASPECT: CUSTOMER HEALTH AND SAFETY

PR1 Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures.

CORE

Construction and Real Estate
Commentary added

CRE

PR2 Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services during their life cycle, by type of outcomes.

ADD

Construction and Real Estate
Commentary added

CRE

ASPECT: PRODUCT AND SERVICE LABELING

PR3 Type of product and service information required by procedures, and percentage of significant products and services subject to such information requirements.

CORE

Construction and Real Estate
Commentary added

CRE

CRE8 Type and number of sustainability certification, rating and labeling schemes for new construction, management, occupation and redevelopment.

CORE

CRE

PR4 Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes.

ADD

Construction and Real Estate
Commentary added

CRE

PR5 Practices related to customer satisfaction, including results of surveys measuring customer satisfaction.

ADD

Construction and Real Estate
Commentary added

CRE

ASPECT: MARKETING COMMUNICATIONS

PR6 Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship.

CORE



ADD **PR7** Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship by type of outcomes.

ASPECT: CUSTOMER PRIVACY

ADD **PR8** Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data.

ASPECT: COMPLIANCE

CORE **PR9** Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services.

General Reporting Notes

Data Gathering

FEASIBILITY ASSESSMENT

The process of defining report content will result in a set of topics and Indicators on which the organization should report. However, practical challenges such as the availability of data, the cost of gathering it, the confidentiality of information, privacy or other legal concerns, the reliability of available information, and other factors, may result in a legitimate decision not to disclose certain information. Where material information is omitted, the report should clearly indicate this and the reasons why.

DATA AGGREGATION AND DISAGGREGATION

Reporting organizations will need to determine the level of aggregation at which to present information. This requires balancing the effort required against the added meaningfulness of information reported on a disaggregated basis (e.g., country or site). Aggregation of information can result in the loss of a significant amount of meaning, and can also fail to highlight particularly strong or poor performance in specific areas. On the other hand, unnecessary disaggregation of data can affect the ease of understanding the information. Reporting organizations should disaggregate information to an appropriate level using the principles and the guidance in the reporting Indicators. Disaggregation may vary by Indicator, but will generally provide more insight than a single, aggregated figure.

Report Form and Frequency

DEFINITION OF A SUSTAINABILITY REPORT

A sustainability report refers to a single, consolidated disclosure that provides a reasonable and balanced presentation of performance over a fixed time period. Stakeholders should be able to directly access all of the report information from a single location, such as a GRI content index. Other publications should not be referenced as the information source for a GRI Standard Disclosure Item (ex., a Performance Indicator) unless the means for a stakeholder to directly access the information is provided (e.g., a link to a specific web page or the page number of the corresponding publication). There is no minimum length for a report using the GRI Framework as long as the organization has properly applied the Guidelines and Framework documents it has chosen to use.



MEDIUM OF REPORTING

Electronic (e.g., CD-ROM) or web-based reporting and paper reports are appropriate media for reporting. Organizations may choose to use a combination of web and paper-based reports or use only one medium. For example, an organization may choose to provide a detailed report on their website and provide an executive summary including their strategy and analysis and performance information in paper form. The choice will likely depend on the organization's decisions on its reporting period, its plans for updating content, the likely users of the report, and other practical factors such as its distribution strategy. At least one medium (web or paper) should provide users with access to the complete set of information for the reporting period.

FREQUENCY OF REPORTING

Organizations should define a consistent and periodic cycle for issuing a report. For many organizations, this will be an annual cycle, although some organizations choose to report biannually. An organization may choose to update information on a regular basis between the issuing of consolidated accounts of performance. This has advantages in terms of providing stakeholders with more immediate access to information, but has disadvantages in terms of comparability of information. However, organizations should still maintain a predictable cycle in which all of the information that is reported covers a specific time period.

Reporting on economic, environmental, and social performance could coincide or be integrated with other organizational reporting, such as annual financial statements. Coordinated timing will reinforce the linkages between financial performance and economic, environmental, and social performance.

UPDATING REPORT CONTENT

When preparing a new report, an organization may identify areas of information that have not changed since the prior report (e.g., a policy that has not been amended). The organization may choose to only update the topics and Indicators that have changed and to re-publish the Disclosures that have not changed. For example, an organization may choose to reproduce the information on policies that have not changed and only update its Performance Indicators. The flexibility to take such an approach will depend in large part on the organization's choice of reporting medium. Topics such as strategy and analysis and Performance Indicators are likely to show changes each reporting period, while other topics such as organizational profile or governance

may change at a slower pace. Regardless of the strategy used, the full set of applicable information for the reporting period should be accessible in a single location (either a paper or web-based document).

Assurance**CHOICES ON ASSURANCE**

Organizations use a variety of approaches to enhance the credibility of their reports. Organizations may have systems of internal controls in place, including internal audit functions, as part of their processes for managing and reporting information. These internal systems are important to the overall integrity and credibility of a report. However, GRI recommends the use of external assurance for sustainability reports in addition to any internal resources.

A variety of approaches are currently used by report preparers to implement external assurance, including the use of professional assurance providers, stakeholder panels, and other external groups or individuals. However, regardless of the specific approach, it should be conducted by competent groups or individuals external to the organization. These engagements may employ groups or individuals that follow professional standards for assurance, or they may involve approaches that follow systematic, documented, and evidence-based processes but are not governed by a specific standard.

GRI uses the term 'external assurance' to refer to activities designed to result in published conclusions on the quality of the report and the information contained within it. This includes, but is not limited to, consideration of underlying processes for preparing this information. This is different from activities designed to assess or validate the quality or level of performance of an organization, such as issuing performance certifications or compliance assessments.

Overall, the key qualities for external assurance of reports using the GRI Reporting Framework are that it:

- Is conducted by groups or individuals external to the organization who are demonstrably competent in both the subject matter and assurance practices;
- Is implemented in a manner that is systematic, documented, evidence-based, and characterized by defined procedures;
- Assesses whether the report provides a reasonable and balanced presentation of performance, taking into consideration the veracity of data in a report as well as the overall selection of content;



- Utilizes groups or individuals to conduct the assurance who are not unduly limited by their relationship with the organization or its stakeholders to reach and publish an independent and impartial conclusion on the report;
- Assesses the extent to which the report preparer has applied the GRI Reporting Framework (including the Reporting Principles) in the course of reaching its conclusions; and
- Results in an opinion or set of conclusions that is publicly available in written form, and a statement from the assurance provider on their relationship to the report preparer.

As indicated in Profile Disclosure 3.13, organizations should disclose information on their approach to external assurance.

Glossary of Terms

Additional Indicators

Additional Indicators are those Indicators identified in the GRI Guidelines that represent emerging practice or address topics that may be material to some organizations but not generally for a majority.

Boundary

The boundary for a sustainability report refers to the range of entities whose performance is covered in the organization's sustainability report.

Content Index

A GRI content index is a table or matrix that lists all of the Standard Disclosures, and where responses to the Disclosures can be found (page number or URL). Reporting organizations can also add reference to organization-specific (non-GRI Guidelines) Indicators. The Content Index provides users with a quick overview of what has been reported and increases ease of report use. A Content Index is especially important if some of the Disclosures appear in other reports, such as a financial report or previous sustainability reports.

Core Indicator

Core Indicators are those Indicators identified in the GRI Guidelines to be of interest to most stakeholders and assumed to be material unless deemed otherwise on the basis of the GRI Reporting Principles.

Downstream

The term 'downstream entities' is based on the concept of a production chain that extends from the extraction of raw materials to the use of a good or service by an end-user. 'Downstream' refers to those organizations that play a role in the distribution or use of goods and services provided by the reporting organization, or, more generally, play a role in a later step in the production chain than the organization itself.

Global Reporting Initiative

GRI's vision is of a sustainable global economy where organizations manage their economic, environmental, social and governance performance and impacts responsibly and report transparently. GRI accomplishes this vision by providing guidance and support that enables organizations to report transparently and with accountability, as drivers of the change to a sustainable global economy. All GRI Reporting Framework components are developed using a multi-stakeholder consensus-seeking approach.



GRI Reporting Framework

The GRI Reporting Framework is intended to provide a generally accepted framework for reporting on an organization's economic, environmental, and social performance. The Framework consists of the Sustainability Reporting Guidelines, the Indicator Protocols, Technical Protocols, and the Sector Supplements.

Independent Board Member

Definitions for 'independent' can vary between legal jurisdictions. Independent usually implies that the member has no financial interest in the organization or other potential benefits that could create a conflict of interest. Organizations using the Guidelines should state the definition used for 'independent'.

Indicator Categories

Broad areas or groupings of sustainability topics. The categories included in the GRI Guidelines are: economic, environmental, and social. The social grouping is categorized in terms of Labor Practices, Human Rights, Society, and Product Responsibility. A given category may have several Indicator Aspects.

Indicator Aspects

The general types of information that are related to a specific Indicator category (e.g., energy use, child labor, customers).

Performance Indicator

Qualitative or quantitative information about results or outcomes associated with the organization that is comparable and demonstrates change over time.

Profile Disclosures

The numbered information requirements in Part 2 of the Guidelines that set the overall context for reporting and understanding organizational performance (e.g., 2.1, 3.13).

Reporting Principle

Concepts that describe the outcomes a report should achieve and that guide decisions made throughout the reporting process, such as which Indicators to respond to, and how to respond to them.

Sector Supplement

Sector Supplements are versions of the GRI Guidelines tailored for particular sectors. Some sectors face unique issues. Sector Supplements capture these issues, which may not be covered in the original Guidelines. Sector

Supplements feature integrated commentary and new Performance Indicators, ensuring that sustainability reports cover key sectoral concerns.

Stakeholder

Stakeholders are defined broadly as those groups or individuals: (a) that can reasonably be expected to be significantly affected by the organization's activities, products, and/or services; or (b) whose actions can reasonably be expected to affect the ability of the organization to successfully implement its strategies and achieve its objectives.

Standard Disclosures

The Guidelines present topics and information for reporting that are material to most organizations and of interest to most stakeholders. These are captured in three types of Standard Disclosures:

- Strategy and Profile Disclosures set the overall context for reporting and for understanding organizational performance, such as its strategy, profile, governance, and management approach;
- Disclosures on Management Approach cover how an organization addresses a given set of topics in order to provide context for understanding performance in a specific area.
- Performance Indicators that elicit comparable information on the economic, environmental, and social performance of the organization

Sustainability Report

Sustainability reporting is the practice of measuring, disclosing, and being accountable for organizational performance while working towards the goal of sustainable development. A sustainability report provides a balanced and reasonable representation of the sustainability performance of the reporting organization, including both positive and negative contributions.

Indicator Protocol

An Indicator Protocol provides definitions, compilation guidance, and other information to assist report preparers, and to ensure consistency in the interpretation of the Performance Indicators. An Indicator Protocol exists for each of the Performance Indicators contained in the Guidelines.



Unitary Board

Refers to a board structure that has only one governing body responsible for the organization.

Upstream

The term 'upstream entities' is based on the concept of a production chain that extends from the extraction of raw materials to the use of a good or service by an end-user. 'Upstream' refers to those organizations that play a role in the supply chain of the reporting organization or, more generally, play a role in an earlier step in the production chain than the organization itself.

For definitions of words or concepts contained directly in the wording of the Indicators, see the Indicator Protocols.

Construction and Real Estate Annex and References

These references do not have their origin in internationally-adopted documents, conventions or protocols like those cited as formal references in the main text. They may, however, be useful sources of guidance to reporters when compiling Indicators.

CRE1 – Energy intensity

- EPRA Best Practices Recommendations: Sustainability Reporting (2011)
- Establishing the Ground Rules for Property: Industry-wide Sustainability Metrics (Green Property Alliance, UK 2010)
- REALpac Energy Normalization Methodology v1.02 (July 2010)
- Property Council of Australia – A Guide to Corporate Responsibility Reporting in the Property Sector (2009)
- REALpac – A Guide to Corporate Responsibility and Sustainability Reporting in the Canadian Real Property Sector (April 2010)
- British Council of Offices' Guide to Specification (2009)
- IPD Space Code (2008)

CRE2 – Water intensity

- EPRA Best Practices Recommendations: Sustainability Reporting (2011)

- Establishing the Ground Rules for Property: Industry-wide Sustainability Metrics (Green Property Alliance, UK 2010)
- REALpac – Water Benchmarking Report (May 2011)
- Property Council of Australia – A Guide to Corporate Responsibility Reporting in the Property Sector (2009)
- REALpac – A Guide to Corporate Responsibility and Sustainability Reporting in the Canadian Real Property Sector (April 2010)
- British Council of Offices' Guide to Specification (2009)
- IPD Space Code (2008)

CRE3 – GHG intensity (buildings)

- EPRA Best Practices Recommendations: Sustainability Reporting (2011)
- Establishing the Ground Rules for Property: Industry-wide Sustainability Metrics (Green Property Alliance, UK 2010)
- REALpac Energy Normalization Methodology v1.02 (July 2010)
- Property Council of Australia – A Guide to Corporate Responsibility Reporting in the Property Sector (2009)
- REALpac – A Guide to Corporate Responsibility and Sustainability Reporting in the Canadian Real Property Sector (April 2010)
- British Council of Offices' Guide to Specification (2009)
- IPD Space Code (2008)

CRE4 – GHG intensity (construction)

- ENCORD Construction CO2 Measurement Protocol

EN22 – Waste

- ENCORD Waste Measurement Protocol



G3 Guidelines Acknowledgements: A Global Effort

The following organizations provided funds or in-kind contributions for the G3 development process

G3 Consortium:



G3 ad hoc support:

The United Kingdom Department for Environment, Food and Rural Affairs (DEFRA) and the Netherlands Ministry of Foreign Affairs also contributed to the G3 Guidelines Development.

G3 Online supported by:



G3 printed by:



G3 Guidelines and Protocols Content Development

Volunteers from business, non-governmental organizations, labor, accountancy, investment, academia, and others came together and create all aspects of the G3 Guidelines and Protocols. The following multi-stakeholder technical working groups were convened between January and November 2005, and each delivered a different part of the content of the G3 Guidelines.

Indicators Working Group (IWG) Members

The Indicators Working Group was responsible for reviewing the indicators set as a whole; ensuring quality and consistency of the indicators' design; and designing overall fit with the TAC guidance.

- Mr. Neil Anderson, Union Network International, UNI
- Mr. David Bent, Forum for the Future
- Mr. William R. Blackburn, William Blackburn Consulting
- Ms. Julie-Anne Braithwaite, Rio Tinto/ICMM
- Ms. Sarah Forrest, Goldman Sachs International
- Ms. Somporn Kamolsiripichaiporn, Chulalongkorn University
- Mr. Robert Langford, The Federation des Experts Comptables Europeens (FEE)
- Ms. Stephanie Maier, Ethical Investment Research Service (EIRIS)
- Ms. Asako Nagai, Sony Corporation
- Mr. Ron Nielsen, Alcan Inc.
- Mr. Michael Rae, World Wide Fund Australia
- Ms. Ulla Rehell, Kesko Corporation
- Mr. George Nagle, Bristol-Myers Squibb
- Ms. Filippa Bergin, Amnesty International
- Ms. Giuliana Ortega Bruno, Ethos Institute

The IWG worked with six issue-specific Advisory Groups that were responsible for reviewing indicators and creating technical protocols for indicators in their area of expertise.

Society Advisory Group Members

- Ms. Anne Gambling, Holcim
- Mr. Sachin Joshi, Center For Social Markets (CSM)
- Mr. Craig Metrick, Investor Responsibility Research Center (IRRC)
- Mr. Keith Miller, 3M
- Ms. Ruth Rosenbaum, Center for Reflection, Education and Action (CREA)
- Ms. Glauca Terreo, Instituto Ethos
- Mr. Peter Wilkinson, Transparency International



Human Rights Advisory Group Members

- Ms. Marina d'Engelbronner, Humanist Committee on Human Rights (HOM)
- Ms. Bethany Heath, Chiquita Brands
- Mr. Jorge Daniel Taillant, The Center for Human Rights and Environment (CEDHA)
- Rev. Mr. David M. Schilling, Interfaith Center on Corporate Responsibility
- Ms. Susan Todd, Solstice Sustainability Works Inc.
- Mr. Hirose Chuichiro, Canon
- Mr. Steve Ouma, Kenyan Human Rights Commission
- Mr. Björn Edlund, ABB Ltd.
- Ms. Marleen van Ruijven, Amnesty International

Environment (Biodiversity and Water) Advisory Group

- Mr. Ian Blythe, Boots Group PLC
- Mr. Ian Dutton, The Nature Conservancy
- Ms. Annelisa Grigg, Fauna & Flora International
- Ms. Nancy Kamp-Roelands, Ernst & Young Netherlands/ Royal NIVRA
- Ms. Erin Musk, City West Water
- Mr. Mike Rose, SASOL
- Mr. Fernando Toledo, Codelco

Environment (Pollution) Advisory Group Members

- Ms. Tanja D. Carroll, Coalition for Environmentally Responsible Economies (CERES)
- Mr. Yutaka Okayama, Toyota Motor Corporation
- Ms. Maria Fatima Reyes, Philippine Institute of Certified Public Accountants (PICPA)
- Mr. Yogendra Kumar Saxena, Gujarat Ambuja Cements
- Mr. David Stangis, Intel Corporation
- Ms. Sonia Valdivia, The Catholic University of Peru
- Mr. Eric Shostal, Institutional Shareholder Services
- Ms. Lucian Turk, Dell, Inc.

Labor Advisory Group Members

- Ms. Michiko Arikawa, Matsushita Electric Industrial (Panasonic)
- Mr. Stephen Frost, Southeast Asia Research Centre
- Ms. Kyoko Sakuma, Sustainability Analysis & Consulting
- Mr. Sean Ansett, Gap Inc.
- Ms. Deborah Evans, Lloyd's Register of Quality Assurance (LRQA)
- Mr. Pierre Mazeau, Electricité de France (EDF)
- Mr. Dan Viederman, Verité

Economic Advisory Group Members

- Ms. Christine Jasch, Institute for Environmental Management and Economics (IOEW)
- Mr. Martin Tanner, Novartis International AG
- Ms. Helen Campbell, former AccountAbility
- Mr. Eric Israel, KPMG LLP
- Ms. Martina Japy, BMJ CoreRatings
- Ms. Michelle Smith, Rohm and Haas
- Ms. Lisa Acree, Business for Social Responsibility
- Mr. Johan Verburg, NOVIB/Oxfam Netherlands

Reporting as a Process Working Group (RPWG) Members

The Reporting as a Process Working Group was tasked with updating and further developing the reporting principles, and other guidance on the process of applying the G3 Guidelines.

- Ms. Amy Anderson, Starbucks Coffee
- Mr. Pankaj Bhatia, World Resources Institute (WRI)
- Mr. Bill Boyle, BP
- Dr. Uwe Brekau, Bayer AG
- Ms. Debra Hall, Coalition for Environmentally Responsible Economies (CERES)
- Mr. Dunstan Hope, Business for Social Responsibility
- Dr. Aqueel Khan, Association for Stimulating Know How (ASK)



- Ms. Judy Kuszewski, SustainAbility Ltd.
- Mr Brian Kohler, Communications, Energy & Paperworkers Union of Canada
- Mr Ken Larson, Hewlett Packard
- Mr. Steve Lippman, Trillium Invest
- Mr Luis Perera, PriceWaterHouseCoopers
- Mr. Dante Pesce, Vincular, Pontificia Universidad Católica de Valparaíso
- Ms Mizue Unno, So-Tech Consulting, Inc.
- Mr Cornis van der Lugt, UNEP Division of Technology, Industry, and Economics (DTIE)
- Mr. Robert Walker, The Ethical Funds Company
- Mr. Ian Whitehouse, Manaaki Whenua Landcare Research
- Mr Alan Willis, Alan Willis & Associates
- Although not a member of the group, Jennifer Iansen-Rogers, KPMG, The Netherlands, provided ongoing advice on process matters.

Public comments

270 submissions were received in response to its call for comments on the draft G3 Guidelines between January and March 2006. These comments significantly shaped the final G3 Guidelines.

Consultants

The GRI secretariat enlisted the (paid) help of the following consultants during the G3 process:

- csrnetwork (Lead consultant – Mark Line)
- Just Solutions (Lead consultant – Vic Thorpe)
- onValues (Lead consultant - Ivo Knoepfel)
- Ove Arup (Lead consultant - Jean Rogers)
- Responsibility Matters (Lead consultant – Mark Brownlie)
- Sandra Pederson, Editor
- Source-Asia (Lead consultant – Paul Wenman)
- Triple Innova (Lead consultant - Michael Kundt)
- University of Amsterdam (Lead consultant - Jeffrey Harrod)

G3.1 Acknowledgements:

Community Impacts Working Group

- Ms. Luz Barragan, CEMEX
- Mr. Derk Byvanck, Oxfam/Novib
- Mr. Pierre Hubbard, TUAC (Trade Union Advisory Committee to the OECD)
- Ms. Constance Kane, World Education
- Ms. Helen Macdonald, Newmont Mining Corporation
- Ms. Liane Lohde, International Finance Corporation, United States of America
- Mr. Manohar Paralkar, Tata Motors
- Mr. Claude Perras, Rio Tinto
- Mr. Johan Verburg, Oxfam/Novib

Human Rights Working Group

- Mr. Tom Ety, Former FNV Netherlands
- Ms. Karin Ireton, Standard Bank
- Ms. Margaret Jungk, The Danish Institute for Human Rights
- Mr. Stephen Ouma Akoth, Former Human Rights Commission, Kenya
- Ms. Jeehye Park, SK Telecom
- Mr. Dante Pesce, Vincular: Centre for CSR – Chile
- Ms. Anna Pot, APG All Pensions Group
- Mr. Ed Potter, Coca-Cola Company
- Ms. Soraya Ramoul, NovoNordisk
- Ms. Jo Render, Newmont Mining Corporation / ERM
- Mr. Martin Summers, British American Tobacco
- Ms. Jet Urmeneta, Verité Southeast Asia
- Mr. Bob Walker, Northwest & Ethical Investments
- Mr. John Wilson, TIAA-CREF



Gender Working Group

- Ms. Gemma Adaba , International Confederation of Free Trade Unions (ICFTU)
- Ms. Amy Augustine, Calvert /CERES
- Mr. Stefan Chojnicki, Standard Chartered Bank
- Ms. Heloisa Covolan, Itaipu Binacional
- Ms. Janet Geddes, KPMG India
- Ms. Jane Gronow, Rio Tinto
- Ms. Kate Grosser, Nottingham University Business School
- Ms. Cecily Joseph, Symantec
- Ms. Tahereh Kharestani, CSR Iran
- Mr. Tur-Od Lkhagvajav, XacBank
- Ms. Jyoti Macwan, SEWA
- Ms. Laraine Mills, UNIFEM
- Ms. Alisha Miranda, Standard Chartered Bank
- Ms. Carmen Niethammer, International Finance Corporation (IFC)
- Ms. Pratibha Pandya, SEWA
- Ms. Liz Potter, LendLease
- Ms. Srimathi Shivashankar, Infosys Technologies India
- Ms. Ines Smyth, Oxfam GB
- Ms. Anne Stenhammer, UNIFEM
- Ms. Annie Tennant, LendLease
- Ms. Noortje Verhart, KIT Royal Tropical Institute
- Mr. Vusa Vundla, AMSCO
- Mr. Jean-Paul Zalaquett Falaha, Chilectra
- Ms. Jo Zaremba, Oxfam GB

Public comments

The development of G3.1 followed established due process, including a call for public comment. 358 responses were received during the Public Comment Period. Recommendations and concerns were considered and addressed by the Working Groups and GRI's governance bodies, significantly shaping G3.1's design.

Acknowledgements Technical Protocol

Report Content & Materiality Working Group

- Mr. Glenn Frommer, MTR Corporation
- Mr. Bradley Googins, Carroll School of Management - Boston College
- Mr. Jong Ho Hong, Graduate School of Environmental Studies Seoul National University
- Ms. Daisy Kambalame, African Institute of Corporate Citizenship (AICC)
- Mr. David Kingma, Holcim
- Mr. Carlos Eduardo Lessa Brandão - Brazilian Institute of Corporate Governance
- Mr. Jason Morrison, Pacific Institute
- Mr. Graham Terry, The South African Institute of Chartered Accountants (SAICA)
- Mr. Luis Perera, PriceWaterHouseCoopers
- Mr. Cornis van der Lugt - United Nations Environment Programme (UNEP)
- Ms. Janet Williamson, TUC

Public comments

The development of the Technical Protocol – Applying the Report Content Principles followed established due process, including a call for public comment. 40 responses were received during the Public Comment Period. Recommendations and concerns were considered and addressed by the Working Group and GRI's governance bodies, significantly shaping the Technical Protocol's design.





Construction and Real Estate Sector Supplement Content Development

Acknowledgements

Construction and Real Estate Sector Supplement Working Group Members

The Construction and Real Estate Sector Supplement Working Group was responsible for developing the set of new, sector-specific disclosures and performance indicators, as well as commentary on the G3.1 Guidelines content. The Working Group process ran from October 2009 through August 2011. The Working Group was formed by volunteers from construction and real estate companies, investors, labor and non-governmental organizations.

Consultants for the Construction and Real Estate Sector Supplement development

The GRI Secretariat enlisted the (paid) help of the following consultants during the Construction and Real Estate Sector Supplement process:

- Jones Lang LaSalle (Lead Consultants – Matthew Tippett and Jonny McCaig)
- INSPIRIT International Communications (Lead consultant for layout – Tuuli Sauren)

WG Member	Organization name	Country
Jonathan Ben-Ami,	Arup	UK
Maria Atkinson	Lend Lease	Australia
Kirsi Borg	Citycon	Finland
Tatiana Bosteels	Hermes Real Estate	UK
	British Property Federation	UK
	UK Green Building Council	UK
Betsy Boyle	Ceres	Boston, USA
Michael Brooks	REALPac	Canada
Patrick Brown	British Property Federation	UK
Chuan Chen (Victor)	University of Melbourne//Center for Policy Research, China	Australia
Stephen Driscoll	Landcom	Australia
Olivier Elamine	alstria office REIT-AG	Germany
John Fyfield	Hermes Real Estate	UK
Marion Hellmann-Theurer	Building and Wood Workers' International	Switzerland.
Elson Homez	Cebu Holdings, Inc.	Philippines
Sonal Kohli	Essar Group	India
Miho Kurosaki	Bloomberg L.P.	Japan
Mili Majumdar	The Energy and Resources Institute (TERI)	India
Donna RA McIntire	Sustainable Building and Climate Initiative (SBCI), UNEP	France
Fiona Murie	Building and Wood Workers' International	Switzerland
Darryl Neate	Oxford Properties Group	Canada
Gary Pivo	University of Arizona	USA
Liz Potter	Lend Lease	Australia
John (Jack) R. Rizzo	Prologis	USA
Niyati Sareen	Hindustan Construction Company Limited	India
Sander Paul van Tongeren	Global Real Estate Asset Management / APG All Pensions Group	The Netherlands
Jill Wells	Engineers Against Poverty	UK
Edmundo Werna	International Labour Organization	Switzerland
Nivit Kumar Yadav	Centre for Science and Environment	India



GRI Governance Bodies

Technical Advisory Committee

This group of a maximum of 15 experts assists in maintaining the overall quality and coherence of the GRI Reporting Framework by providing high level technical advice and expertise. Their key function in the Guidelines' development is to recommend the direction of guidance, resolve key issues that emerge around content, ensure the development follows sound due process, and submit a concur/non-concur recommendation to the Board on whether to approve the Guidelines for release.

Stakeholder Council

This group of a maximum of 50 constitutes the formal stakeholder policy forum within the GRI governance structure. The Council advises the Board on policy and strategy issues. Some individual SC members participate in Guidelines Working Groups.

Board of Directors:

This group of a maximum of 16 has the ultimate fiduciary, financial and legal responsibility for GRI, and is the final decision making authority on Guidelines revisions, organizational strategy and work plans.

GRI Secretariat:

The Secretariat works to drive GRI's Mission to make sustainability reporting standard practice. The Secretariat implements the Guidelines and technical work plan approved by the Board of Directors. It also manages communications, outreach, stakeholder relations, learning and research services and financial administration. The Secretariat supports the operations of the Board of Directors, Stakeholder Council and Technical Advisory Committee.

Legal Liability

This document, designed to promote sustainability reporting, has been developed through a unique multi-stakeholder consultative process involving representatives from reporting organizations and report information users from around the world. While the GRI Board of Directors encourage use of the GRI Sustainability Reporting Guidelines (GRI Guidelines) by all organizations, the preparation and publication of reports based fully or partially on the GRI Guidelines is the full responsibility of those producing them. Neither the GRI Board of Directors nor Stichting Global Reporting Initiative can assume responsibility for any consequences or damages resulting directly or indirectly, from the use of the GRI Guidelines in the preparation of reports or the use of reports based on the GRI Guidelines.

Request for Notification of Use

Organizations that have used the Guidelines and/or other elements of the Reporting Framework as the basis for their report are requested to notify GRI upon its release. When notifying GRI, organizations can choose the following options:

- Register their report in GRI's online database of reports
- Request that GRI publicize their report with the Featured Report Service
- Request a GRI Application Level Check to confirm their self-declared Application Level.

Copyright and Trademark Notice

This document is copyright-protected by Stichting Global Reporting Initiative (GRI). The reproduction and distribution of this document for information and/or use in preparing a sustainability report is permitted without prior permission from GRI. However, neither this document nor any extract from it may be reproduced, stored, translated, or transferred in any form or by any means (electronic, mechanical, photocopied, recorded, or otherwise) for any other purpose without prior written permission from GRI.

Global Reporting Initiative, the Global Reporting Initiative logo, Sustainability Reporting Guidelines, and GRI are trademarks of the Global Reporting Initiative.



Further information on the GRI and the Sustainability Reporting Guidelines may be obtained from:

www.globalreporting.org

info@globalreporting.org



Global Reporting Initiative

PO Box 10039

1001 EA Amsterdam

The Netherlands

Tel: +31 (0) 20 531 00 00

Fax: +31 (0) 20 531 00 31

© 2000-2011 Global Reporting Initiative.
All rights reserved.





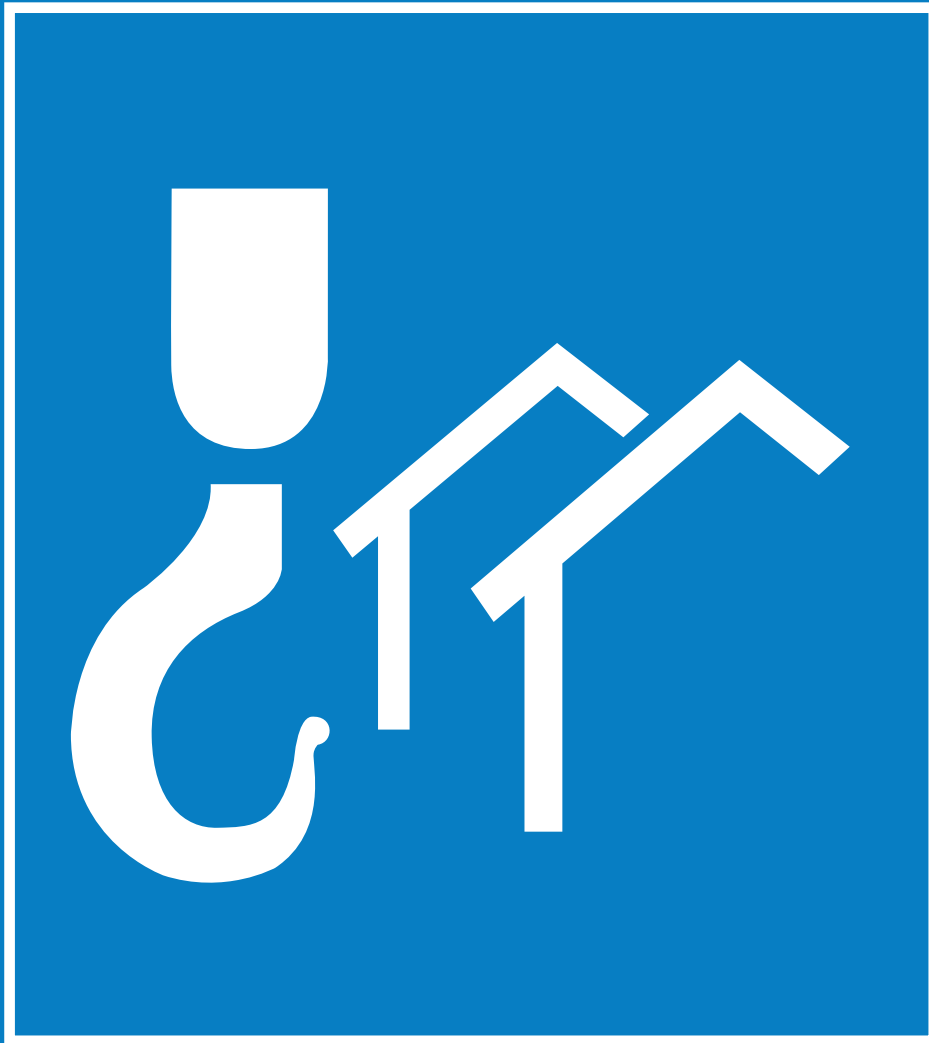
Global Reporting Initiative

PO Box 10039
1001 EA Amsterdam
The Netherlands

Tel: +31 (0) 20 531 00 00

Fax: +31 (0) 20 531 00 31

www.globalreporting.org



GRI Application Levels Construction and Real Estate Sector Supplement



**The Construction and Real Estate Sector Supplement is based on the
G3.1 Sustainability Reporting Guidelines**



GRI Application Levels

Brief overview

To indicate that a report is GRI-based, report makers should declare the level to which they have applied the GRI Reporting Framework via the “Application Levels” system.

To meet the needs of beginners, advanced reporters, and those somewhere in between, there are three levels in the system. They are titled C, B, and A. The reporting criteria at each level reflect a measure of the extent of application or coverage of the GRI Reporting Framework. A “plus” (+) is available at each level (ex., C+, B+, A+) if external assurance was utilized for the report.

How the system works

A report maker self-declares a Level based on its own assessment of its report content against the criteria in the GRI Application Levels (see overleaf).

In addition to the self-declaration, reporting organizations can choose one or both of the following options:

- Have a third party offer an opinion on the self-declaration
- Request that the GRI check the self-declaration.

Value of the Levels

The Levels aim to provide:

- Report readers with a measure of the extent to which the GRI Guidelines and other Reporting Framework elements have been applied in the preparation of a report.
- Report makers with a vision or path for incrementally expanding application of the GRI Reporting Framework over time.

Declaring an Application Level clearly communicates which elements of the GRI Reporting Framework have been applied in the preparation of a report.




- Incentives for beginners: The Levels provide a starting point for first-time report makers, and also reinforce the importance and value of an incremental approach to reporting which expands over time.
- Recognizing advanced reporters: A growing number of organizations have developed sophisticated reporting systems based on the GRI Framework, that include assurance, and are looking to communicate this to readers in a quick and easy-to-understand way.



Application Level Criteria

Reports intended to qualify for level C, C+, B, B+, A or A+ must contain each of the criteria that are presented in the column for the relevant Level.

GRI recommends reporting organizations include the Application Level table in their report as it illustrates the value and requirements of the system to report readers.

Report Application Level	C	C+	B	B+	A	A+
	<p>Report on:</p> <p>1.1 2.1 - 2.10 3.1 - 3.8, 3.10 - 3.12 4.1 - 4.4 , 4.14 - 4.15</p>	Report Externally Assured	<p>Report on all criteria listed for Level C plus:</p> <p>1.2 3.9, 3.13 4.5 - 4.13, 4.16 - 4.17</p>	Report Externally Assured	Same as requirement for Level B	
	Not Required		<p>Management Approach Disclosures for each Indicator Category</p>		<p>Management Approach disclosed for each Indicator Category</p>	
	<p>Report fully on a minimum of any 10 Performance Indicators, including at least one from each of: social, economic, and environment.**</p>		<p>Report fully on a minimum of any 20 Performance Indicators, at least one from each of: economic, environment, human rights, labor, society, product responsibility.***</p>		<p>Respond on each core and Sector Supplement* indicator with due regard to the materiality Principle by either: a) reporting on the indicator or b) explaining the reason for its omission.</p>	

* Sector supplement in final version

** Performance Indicators may be selected from any finalized Sector Supplement, but 7 of the 10 must be from the original GRI Guidelines

*** Performance Indicators may be selected from any finalized Sector Supplement, but 14 of the 20 must be from the original GRI Guidelines

Declaring an Application Level

A GRI Application Level declaration should be included in the report. It needs to be indicated who has made this assessment.

Reporting organizations may exercise their option to seek opinions from a third party or request a GRI Application Level Check to confirm their self-declaration.

Both self-declarations and third party statements should be indicated in the report by including appropriate text. More information on 'Options for Declaration' can be found at www.globalreporting.org.

Having successfully completed a GRI Application Level Check, reporting organizations should include the customized GRI Application Level Check Statement in their report, which incorporates the special GRI-Checked icon.

The *GRI Application Level Check Statement* serves as the formal confirmation of the Application Level Check. GRI recommends reporting organizations publish this Statement near the GRI Content Index.

GRI will only recognize reports on its website as GRI-based if they contain, at minimum, a GRI Content Index.

The GRI Content Index lists every Guidelines disclosure addressed in a report. The Index complements, and should correspond to, an Application Level declaration. It communicates which GRI disclosures have been reported, and the reason why certain disclosures have not been reported. The Index is also the gateway for finding all reported sustainability information. It should be able to easily have clear and direct referencing, and if used online, can be an interactive navigation tool. By using the Index, report users should be able to easily find specific data.



Application Level check methodology

The most important aspect of the GRI Application Level Check revolves around the GRI Content Index. This Index is the basis for determining whether or not an organization has reported on the required set and number of *standard disclosures* (Profile Disclosures, Disclosures on Management Approach, Performance Indicators) for a particular Application Level.

When GRI finds that the Index does not meet the requirements for the Application Level declared by the organization, a set of action points will be provided to the reporting organization in order to correct this.

A GRI Content Index template (Excel file) can be downloaded from GRI's website, which a reporting organization is required to complete for the GRI Application Level Check and can also be included in its report.

As a secondary step, GRI takes a sample of the standard disclosures and determines whether the reporting claims made in the Index can be substantiated. For this purpose, GRI checks the text to see if:

- A quantitative standard disclosure has been answered with a quantitative response in-line with the disclosure.
- A qualitative standard disclosure has been answered with a qualitative response in-line with the disclosure.

Application Levels and assurance

GRI recommends the use of external assurance.

For each of the Application Levels, a "+" can be added to the Level when a reporting organization has had its reporting externally assured. GRI has identified six key qualities for external assurance of reports. The external assurance:

- should be conducted by groups or individuals external to the organization who are demonstrably competent in both the subject matter and assurance practices;
- is implemented in a manner that is systematic, documented, evidence-based, and is characterized by defined procedures;
- assesses whether the report provides a reasonable and balanced presentation of performance, taking into consideration the veracity of the data in a report as well as the overall selection of content;
- utilizes groups or individuals to conduct the assurance who are not unduly limited by their relationship with the organization or its stakeholders to reach and publish an independent and impartial conclusion on the report;
- assesses the extent to which the report preparer has applied the GRI Reporting Framework (including the Reporting Principles) in the course of reaching its conclusions; and
- results in an opinion or set of conclusions that is publicly available in written form, and a statement from the assurance provider on their relationship to the report preparer.

If GRI is requested to check a "plus" (+) level report it will check for the presence of a statement from the assurance provider but will not conduct reviews to determine whether external assurance has met the above-listed criteria.

The Application Levels are intended to demonstrate a pathway for incrementally expanding approaches to reporting using the GRI Reporting Framework. They are in no way intended as substitutes for or equivalents to external assurance.





Indicator Protocols Set
Economic (EC)
Construction and Real Estate
Sector Supplement

**The Construction and Real Estate Sector Supplement is based on the
G3.1 Sustainability Reporting Guidelines**



Economic

Performance Indicators

Aspect: Economic Performance

- EC1** Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments.

CORE **Construction and Real Estate** Commentary added **CRE**
- EC2** Financial implications and other risks and opportunities for the organization’s activities due to climate change and other sustainability issues.

CORE **Construction and Real Estate** Commentary added **CRE**
- EC3** Coverage of the organization’s defined benefit plan obligations.

CORE
- EC4** Significant financial assistance received from government.

CORE

ADD **EC9** Understanding and describing significant indirect economic impacts, including the extent of impacts.

Construction and Real Estate Commentary added **CRE**

Aspect: Market Presence

- ADD** **EC5** Range of ratios of standard entry level wage by gender compared to local minimum wage at significant locations of operation.
- CORE** **EC6** Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation.
- CORE** **EC7** Procedures for local hiring and proportion of senior management and all direct employees, contractors and sub-contractors hired from the local community at locations of significant operation.

Construction and Real Estate Commentary added **CRE**

Aspect: Indirect Economic Impacts

- CORE** **EC8** Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro bono engagement.

Construction and Real Estate Commentary added **CRE**



Relevance

Performance data generated in response to the Indicators in this section are expected to illustrate:

- The flow of capital amongst different stakeholders; and
- The major economic impacts of the organization throughout society.

An organization's economic performance is fundamental to understanding the organization and its basis for sustainability. However, this information is already well reported in many countries in annual financial accounts and reports. Financial statements provide information about the financial position, performance, and changes in the financial position of an entity. They also indicate the results achieved in managing the financial capital provided to the organization.

What is reported less frequently, but often desired by readers of sustainability reports, is the organization's contribution to the sustainability of the economic systems in which the organization operates. An organization may be financially viable, but this may have been achieved by creating significant externalities that impact other stakeholders. Economic Performance Indicators are intended to measure the economic outcomes of an organization's activities and the effect of these outcomes on a broad range of stakeholders.

The Indicators in this section are divided into three categories:

1. **Economic Performance.** This category of Indicators addresses the direct economic impacts of the organization's activities and the economic value added by these activities.
2. **Market Presence.** These Indicators provide information about interactions in specific markets.
3. **Indirect Economic Impacts.** These Indicators measure the economic impacts created as a result of the organization's economic activities and transactions.

There are several linkages between different Economic Indicators. Elements of the value-added table in EC1 are related to other Economic Indicators, and there are also connections between wages and benefits (EC1-2.1c and EC5), transactions with governments (EC1-2.1e and EC4), and community investments (EC1-2.1f and EC8).

The Economic Indicators are also closely related to Indicators in other Protocols, including:

- EC1-2.1c, EC5, and LA14 regarding wages;
- EC1-2.1c, EC3, and LA3 regarding employee benefits;
- EC1-2.1f, EC6, EC8, and SO1 regarding interactions with local communities;
- EC2 (climate change risk) and EN3 (direct energy consumption); and
- EC10 (indirect economic impacts) and SO1 (socio-economic impacts on communities).

Definitions

Significant locations of operation

Locations where single-market revenues, costs, stakeholder payments, production, or employee numbers represent a significant share of the organization's global total, and are sufficient to be particularly important to decision-making by the organization or its stakeholders. Combined, these locations would likely represent the majority of the above figures. Reporting organizations should identify and explain the specific criteria used to determine what is significant. Reporting organizations should use International Accounting Standards 14 (IAS14) as a reference in defining significant locations of operation.

General References

- The International Accounting Standards Board (IASB) website (www.iasb.org) provides information about relevant International Financial Reporting Standards (IFRS).
- In preparing responses to the Economic Indicators, data should be compiled from figures in the organization's audited financial accounts or its internally audited management accounts, wherever possible. In all cases, the data should be compiled using either:
 - The relevant International Financial Reporting Standards (IFRS) and Interpretations of Standards, published by the International Accounting Standards Board (IASB) (some Indicator Protocols reference specific International Accounting Standards, which should be consulted); or



- National or regional standards recognized inter-nationally for the purpose of financial reporting.

The reporting organization should clearly indicate which standards were applied and provide clear references to the relevant sources.

Segmental reporting

Reporting organizations should use International Accounting Standards 14 (IAS14) as a reference in defining 'local', as required by Indicators EC1, EC5, EC6, and EC7.

EC1 Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments.

1. Relevance

Data on the creation and distribution of economic value provide a basic indication of how the organization has created wealth for stakeholders. Several components of the Economic Value Generated and Distributed (EVG&D) table also provide an economic profile of the reporting organization, which may be useful for normalizing other performance figures. If presented in country-level detail, EVG&D can provide a useful picture of the direct monetary value added to local economies.

2. Compilation

2.1 Presentation:

- The EVG&D data should be compiled, where possible, from data in the organization’s audited financial or profit and loss (P&L) statement, or its internally audited management accounts. It is also recommended that the economic value data be presented on an accruals basis in a table that includes the basic components for the organization’s global operations as included in the table below. Data can also be presented

on a cash basis where this can be justified and disclosed in a table that includes the basic components as listed below.

To better assess local economic impacts, EVG&D should be presented separately at country, regional, or market levels, where significant. Reporting organizations should identify and explain their criteria for defining significance.

Report data identified in sections a) to e) according to financial information from relevant financial documents (e.g., audit report, financial statements).



2.2 Guidance on EVG&D Table Line Entries

a) Revenues:

- Net sales equal gross sales from products and services minus returns, discounts, and allowances.
- Revenue from financial investments includes cash received as interest on financial loans, as dividends from shareholdings, as royalties, and as direct income generated from assets (e.g., property rental).
- Revenues from sale of assets include physical assets (property, infrastructure, equipment) and intangibles (e.g., intellectual property rights, designs, and brand names).

Component	Comment
Direct economic value generated	
a) Revenues	Net sales plus revenues from financial investments and sales of assets
Economic value distributed	
b) Operating costs	Payments to suppliers, non-strategic investments, royalties, and facilitation payments
c) Employee wages and benefits	Total monetary outflows for employees (current payments, not future commitments)
d) Payments to providers of capital	All financial payments made to the providers of the organization’s capital.
e) Payments to government (by country – see note below)	Gross taxes
f) Community investments	Voluntary contributions and investment of funds in the broader community (includes donations)
Economic value retained (calculated as Economic value generated less Economic value distributed)	Investments, equity release, etc.



b) Operating costs:

- Cash payments made outside the reporting organization for materials, product components, facilities, and services purchased. This includes property rental, license fees, facilitation payments (since these have a clear commercial objective), royalties, payments for contract workers, employee training costs (where outside trainers are used), employee protective clothing, etc.

c) Employee wages and benefits:

- Total payroll means employee salaries, including amounts paid to government institutions (employee taxes, levies, and unemployment funds) on behalf of employees. Non-employees working in an operational role should normally not be included here, but rather under Operating Costs as a service purchased.
- Total benefits include regular contributions (e.g., to pensions, insurance, company vehicles, and private health), as well as other employee support such as housing, interest-free loans, public transport assistance, educational grants, and redundancy payments. They do not include training, costs of protective equipment, or other cost items directly related to the employee's job function.

d) Payments to providers of funds:

- Dividends to all shareholders;
- Interest payments made to providers of loans.
- This includes interest on all forms of debt and borrowings (not only long-term debt) and also arrears of dividends due to preferred shareholders.

e) Payments to government:

- All company taxes (corporate, income, property, etc.) and related penalties paid at the international, national, and local levels. This figure should not include deferred taxes because they may not be paid. For organizations operating in more than one country, report taxes paid by country. The organization should report which definition of segmentation has been used.

Report payments to government broken down by:

- Payments direct to government; and
- Payments to government as agent, e.g., taxes paid to government but recharged to a third party (such as property or land taxes recharged to tenants or land owners).



f) Community investments:

- Voluntary donations and investment of funds in the broader community where the target beneficiaries are external to the company. These include contributions to charities, NGOs and research institutes (unrelated to the company's commercial R&D), funds to support community infrastructure (e.g., recreational facilities) and direct costs of social programs (including arts and educational events). The amount included should account for actual expenditures in the reporting period, not commitments.

The Financial Services Sector Supplement (EC1, 2.2f) includes a methodology for calculating community investment.



- For infrastructure investments, the calculation of the total investment should include costs of goods and labor in addition to capital costs. For support of ongoing facilities or programs (e.g., an organization funds the daily operations of a public facility), the reported investment should include operating costs.
- This excludes legal and commercial activities or where the purpose of the investment is exclusively commercial. Donations to political parties are included but are also addressed separately in more detail in SO6.
- Any infrastructure investment that is driven primarily by core business needs (e.g., building a road to a mine or factory) or to facilitate the business operations of the organization should not be included. The calculation of investment may include infrastructure built outside the main business activities of the reporting organization, such as a school or hospital for employees and their families.



Infrastructure investment should include one-off mandatory contributions (e.g., payments as part of planning approvals to enhance infrastructure, or investment in community facilities). Infrastructure investment should be distinct from payments to government and operating costs.

CRE

3. Definitions

None

4. Documentation

Finance, treasury, or accounting departments should have the information required by this Indicator.

5. References

- International Accounting Standard (IAS) 12 on Income Taxes, IAS 14 on segment Reporting, IAS 18 on Revenues, and IAS 19 on Employee Benefits should be consulted.

- International Accounting Standard (IAS) 40 on Investment Properties, 2009.

CRE

CRE



EC2 Financial implications and other risks and opportunities for the organization's activities due to climate change and other sustainability issues.



1. Relevance

Climate change presents risks and opportunities to organizations, their investors, and their stakeholders. Organizations may face physical risks due to changes in the climate system and weather patterns. These risks may include the impact of increased storms; changes in sea level, ambient temperature, and water availability; impacts on the workforce such as health effects (e.g., heat-related illness or disease); or the need to relocate operations.

As governments move to regulate activities that contribute to climate change, organizations that are directly or indirectly responsible for emissions face regulatory risk through increased costs or other factors impacting competitiveness. Limits on greenhouse gas emissions can also create opportunities for organizations as new technologies and markets are created. This is especially the case for organizations that can use or produce energy and energy products more efficiently.

EN16 allows for disclosure on total amount of greenhouse gas emissions, while EN18 discloses total reductions achieved and initiatives for reducing the amount of emissions the reporting organization produces.

This Performance Indicator includes financial and reputational risks and opportunities related to climate change, in addition to other sustainability issues. This corresponds with the growing trend towards integrated reporting and an increasing recognition that sustainability impacts other than climate change can have financial implications for reporting organizations.



2. Compilation

2.1 Report whether the organization's senior governance body considered climate change and the risks and opportunities it presents to the organization.

2.2 Report risks and/or opportunities posed by climate change that have potential financial implications for the organization, including:

- Risks due to physical changes associated with climate change (e.g., impacts of modified weather patterns and heat-related illness);
- Regulatory risks (e.g., the cost of activities and systems to comply with new regulations);
- Opportunities to provide new technologies, products, or services to address challenges related to climate change; and
- Potential competitive advantages created for the organization by regulatory or other technology changes linked to climate change.

Report other sustainability risks and opportunities, for example:

- Natural resource scarcity, particularly energy sources, water and building materials;
- Indirect risks and opportunities to business through customers and stakeholders (i.e., counterparty risk);
- Supply chain risks and opportunities, including health and safety;
- Demographic risks and opportunities (e.g., local population changes, migration, migrant worker risk); and
- Liability risk, including delivery/non-delivery of design performance for occupied buildings, and management of potential degradation and contamination.



Report estimated quantitative financial implications including for example, the impact of sustainability factors detailed under 2.2 on the valuation process by:

- Impact on revenue;
- Impact on yield; and
- Costs incurred to mitigate obsolescence risks.



- *Economic, or external, obsolescence:* an asset that is no longer competitive in a particular economy or market, and may involve changes to the local area/environment after the building or physical infrastructure property is built. Examples include changing location parameters for industrial warehouses, loss of or changes in major transportation routes, or improvements in other transportation routes making different locations more competitive, loss of a major employer contributing to economic decline, or changes in land use zoning negatively affecting certain uses.



3. Definitions

Quantitative financial implications

Includes, for example:

Operating utility costs

Electricity and water prices and back-up power costs during times of shortage.

Non-utility operating costs

Maintenance costs, unexpected repair/ replacement costs (due to damage from weather events not covered by insurance);

Depreciation; and

Insurance premiums (due to increased frequency of extreme weather events).

Construction costs

Project and permitting delays (since delays increase financing costs)/regulatory compliance costs (with new building code requirements); and

Materials and import prices (for buildings that source imported materials and/or materials that need to travel long distances).

Contingency funds

Funds to cover liabilities and unexpected costs identified in compilation section 2.2.

Obsolescence

Functional obsolescence: an asset that is no longer useful for a required purpose. This usually occurs due to poor, obsolete or outmoded design based on the standards of a given industry, market segment, or region.



4. Documentation

Records or minutes of the organization's governance bodies, including environmental committees may have the information required by this Indicator.

5. References

- International Accounting Standard (IAS) 40 on Investment Properties, 2009.
- International Integrated Reporting Committee (IIRC), www.theiirc.org.
- Carbon Disclosure Project (CDP) and CDP Water Disclosure, www.cdproject.net, 2010.



EC3 Coverage of the organization's defined benefit plan obligations.

1. Relevance

When an organization provides a retirement plan for its workforce, these benefits could become commitments that members of the schemes plan on for their long-term economic well-being. Defined benefits plans have potential implications for employers in terms of the obligations that need to be met. Other types of plans, like defined contributions, do not guarantee access to a retirement plan or the quality of benefits. The type of plan chosen has implications for both employees and employers. Conversely, a properly funded pension plan can help to attract and maintain a stable workforce and support long-term financial and strategic planning on the part of the employer.

2. Compilation

2.1 Identify whether the structure of retirement plans offered to employees are based on:

- Defined benefit plans; or
- Other types of benefits.

2.2 For defined benefit plans, identify whether the employer's obligations to pay pensions under the plan are to be met directly by the organization's general resources or through a fund held and maintained separately from the resources of the organization.

2.3 Where the plan's liabilities are met by the organization's general resources, report the estimated value of those liabilities.

2.4 Where a separate fund exists to pay the plan's pension liabilities, report:

- The extent to which the scheme's liabilities are estimated to be covered by the assets that have been set aside to meet them;
- The basis on which that estimate has been arrived at; and
- When that estimate was made.

2.5 Where a fund set up to pay the plan's pension liabilities is not fully covered, explain the strategy, if any, adopted by the employer to work towards full coverage, and the timescale, if any, by which the employer hopes to achieve full coverage.

2.6 Report the percentage of salary contributed by employee or employer.

2.7 Report the level of participation in retirement plans (e.g., participation in mandatory or voluntary schemes, regional or country-based schemes, or those with financial impact).

2.8 Different jurisdictions (e.g., countries) have varying interpretations and guidance regarding calculations used to determine plan coverage. Calculate in accordance with the regulations and methods for relevant jurisdictions, and report aggregated totals. Consolidation techniques should be the same as those applied in preparing the financial accounts of the organization. Note that benefit pension plans are part of the International Accounting Standard (IAS) 19, however, IAS 19 covers more issues.

3. Definitions

Full coverage

Plan assets that meet or exceed plan obligations.

4. Documentation

Finance or accounting departments should have the information required by this Indicator.

5. References

- International Accounting Standard (IAS) 19 on Employee Benefits .



EC4 Significant financial assistance received from government.

1. Relevance

This Indicator provides a measure of host governments' contributions to the reporting organization. The significant financial assistance received from a government, in comparison with taxes paid, can be useful for developing a balanced picture of the transactions between the reporting organization and government.

2. Compilation

2.1 Report significant estimated aggregate financial value on an accruals basis for the following:

- Tax relief/credits;
- Subsidies;
- Investment grants, research and development grants, and other relevant types of grants;
- Awards;
- Royalty holidays;
- Financial assistance from Export Credit Agencies (ECAs);
- Financial incentives; and
- Other financial benefits received or receivable from any government for any operation.

2.2 Report whether the government is present in the shareholding structure.

3. Definitions

Significant financial assistance

Significant direct or indirect financial benefits that do not represent a transaction of goods and services, but which are an incentive or compensation for actions taken, the cost of an asset, or expenses incurred. The provider of financial assistance does not expect a direct financial return from the assistance offered.

4. Documentation

Financial accountants include items of IAS 20 individually but these are not consolidated, as this Indicator requires.

5. References

- International Accounting Standard (IAS) 20 on Accounting for Government Grants and Disclosure of Government Assistance.



EC5 Range of ratios of standard entry level wage by gender compared to local minimum wage at significant locations of operation.

1. Relevance

Economic well-being is one of the ways in which an organization invests in its employees. This Indicator helps demonstrate how an organization contributes to the economic well-being of employees in significant locations of operation. The Indicator also provides an indication of the competitiveness of the organization's wages, and information relevant for assessing the effect of wages on the local labor market. Offering wages above the minimum can be one factor in building strong community relations, employee loyalty, and strengthening an organization's social license to operate. This Indicator is most relevant for organizations in which a substantial portion of their workforce is compensated in a manner or scale that is closely linked to laws or regulations on minimum wage.

2. Compilation

- 2.1 Identify whether a significant proportion of the workforce is compensated based on wages subject to minimum wage rules.
- 2.2 In percentage terms, compare local minimum wage to the reporting organization's entry level wage by gender at significant locations of operation.
- 2.3 Identify the variation in the ratios across significant locations of operation.
- 2.4 Report the distribution of the ratio of the entry level wage by gender to the minimum wage.
- 2.5 Report the definition used for 'significant locations'.
- 2.6 For organizations that only offer salaried employment, the salary should be converted into an hourly estimate.
- 2.7 Indicate whether a local minimum wage is absent or variable in significant locations of operation, by gender. In circumstances in which different minimums could be used as a reference, explain which minimum wage is being used.

3. Definitions

Local minimum wage

Minimum wage refers to compensation per hour or other unit of time for employment allowed under law. Since some countries have numerous minimum wages (e.g., by state/province or by employment category), identify which minimum wage is being used.

Entry level wage

Entry level wage should be defined by the full-time wage offered to an employee in the lowest employment category. Intern or apprentice wages should not be considered.

4. Documentation

Potential sources of information include the payroll department of the organization or finance, treasury, or accounting departments. Pertinent legislation in each country/region of operation may also provide information for this Indicator.

5. References

- Convention on the Elimination of all Forms of Discrimination Against Women (CEDAW), 1979.



EC6 Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation.

1. Relevance

The influence an organization can have on a local economy goes beyond direct jobs and payment of wages and taxes. By supporting local business in the supply chain, an organization can indirectly attract additional investment to the local economy.

Reporting organizations can gain or retain their 'social license to operate' in part by demonstrating positive local economic impacts. Local sourcing can be a strategy to help ensure supply, support a stable local economy, and can prove to be more efficient for remote settings. The proportion of local spending can also be an important factor in contributing to the local economy and maintaining community relations. However, the overall impact of local sourcing will also depend on the sustainability of the supplier over the long term.

2. Compilation

- 2.1 Report the organization's geographic definition of 'local'.
- 2.2 For the following calculations, note that percentages should be based on invoices or commitments made during the reporting period (i.e., accruals accounting).
- 2.3 Report whether the organization has a policy or common practices for preferring locally based suppliers either organization-wide or for specific locations.
- 2.4 If so, state the percentage of the procurement budget used for significant locations of operation that is spent on suppliers local to that operation (e.g., % of goods and supplies purchased locally). Local purchases can be made either from a budget managed at the location of operation or at the organization's headquarters.
- 2.5 Indicate the factors that influence supplier selection (e.g., costs, environmental and social performance) in addition to their geographic location.

3. Definitions

Locally-based suppliers

Providers of materials, products, and services that are based in the same geographic market as the reporting organization (i.e., no trans-national payments to the supplier are made). The geographic definition of 'local' may vary because, in some circumstances, cities, regions within a country, and even small countries could be reasonably viewed as 'local'.

4. Documentation

None.

5. References

None.



EC7 Procedures for local hiring and proportion of senior management (and all direct employees, contractors and sub-contractors) hired from the local community at significant locations of operation.

1. Relevance

Selection of staff and senior management is based on a range of considerations. Ensuring that senior management is populated with local residents can benefit the local community and the organization's ability to understand local needs. Diversity within a management team and the inclusion of members from the local area can enhance human capital, the economic benefit to the local community, and the organization's ability to understand local needs.

This Performance Indicator is particularly relevant because of the labor intensive nature of the sector, particularly with manual and low skilled workers. For this reason, the scope of this Performance Indicator is extended to include all direct employees, contractors and sub-contractors from the local community in significant locations of operation.

2. Compilation

- 2.1** Report whether the organization has a global policy or common practices for granting preference to local residents when hiring in significant locations of operation.

In certain geographical regions, and particularly for the construction industry, hiring of overseas and immigrant labor is common. Reporting on overseas and immigrant labor issues should, however, be addressed in LA1 *Total workforce by employment type, employment contract, and region, broken down by gender*, not in this Performance Indicator.

- 2.2** If so, report the proportion of senior management in significant locations of operation from the local community. Use data on full-time employees to calculate this percentage.

- 2.2a** Report all direct employees, contractors and sub-contractors (as reported in LA1) from the local community in significant locations of operation.

- 2.3** Report the definition of 'senior management' used.

3. Definitions

Local

Local refers to individuals either born in or who have the legal right to reside indefinitely (e.g., naturalized citizens or permanent visa holders) in the same geographic market as the operation. Reporting organizations can choose their own definition of 'local' because, in some cases, cities, regions, and even small countries could be reasonably viewed as local. However, the definition should be clearly disclosed.

Contractors

Groups or individuals that hold the primary contract with another organization or individual (the owner) for the new construction, management, redevelopment or demolition of a real estate or infrastructure asset.

Sub-contractors

Groups or individuals that enter into a subcontract with a primary contractor to perform part or all of the obligations of another's contract for the new construction, management, demolition or redevelopment of a real estate or infrastructure asset.

4. Documentation

Personnel or human resources departments should have the information required by this Indicator.

5. References

None.



EC8 Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro bono engagement.

1. Relevance

As well as generating and distributing economic value, an organization can affect an economy through its investments in infrastructure. The impacts of infrastructure investment can extend beyond the scope of the organization's own business operations and over a longer timescale. This might include transport links, utilities, community social facilities, sports centers, health and welfare centers, etc. Along with investment in its own operations, this is one measure of an organization's capital contribution to the economy.

2. Compilation

- 2.1** Explain the extent of development (e.g., size, cost, duration) of significant investments and support, and the current or expected impacts (positive or negative) on communities and local economies. Indicate whether these investments and services are commercial, in-kind, or pro bono engagement.

Also explain significant infrastructure investments made by the reporting organization in relation to the following:

- Affordable and social housing;
- Preservation and restoration of historic assets;
- Publicly accessible open/recreation space; and
- Community education and health facilities.

Reporting organizations should distinguish between voluntary investment and mandatory investment (i.e., obligations associated with building rights allocation or planning permission).

Useful cross references for this Performance Indicator include:

- EC1 compilation note f) community investment – infrastructure investment; and
- Community Performance Indicators SO1, SO8 and SO9, addressing social legacy impacts from construction and real estate projects.

- 2.2** Report whether the organization conducted a community needs assessment to determine infrastructure and other services needed. If so, briefly explain the results of the assessment.

3. Definitions

Infrastructure

Facilities (e.g., water supply facility, road, school, or hospital) built primarily to provide a public service or good rather than a commercial purpose, and from which the organization does not seek to gain direct economic benefit.

Infrastructure should include social infrastructure. For example:

Affordable housing

Dwelling units whose total housing costs are deemed "affordable" to those that have a modest income. Different countries will define the thresholds of affordability in different ways, often according to median household income.

Social housing

A form of housing tenure in which the property is owned by a government authority (which may be central or local) or community organizations, to assist low income families.

Green spaces

Any piece of land covered with vegetation. It usually refers to parks, sports fields, community gardens and food cultivation areas, and other open land within built-up areas.

Spaces accessible to the public

Public space between private buildings including sidewalks, streets, squares and parks. Also referred to as public domain.

Services supported

Providing a public benefit either through direct payment of operating costs or through staffing the facility/service with the reporting organization's own employees. Public benefit can also include public services.

4. Documentation

Finance, treasury, or accounting departments should have the information required by this Indicator.

5. References

None.

CRE

CRE

CRE



EC9 Understanding and describing significant indirect economic impacts, including the extent of impacts.

1. Relevance

Indirect economic impacts are an important part of an organization's economic influence in the context of sustainable development. Whereas direct economic impacts and market influence tend to focus on the immediate consequences of monetary flows to stakeholders, indirect economic impacts include the additional impacts generated as money circulates through the economy.

Direct economic impacts are often measured as the value of transactions between the reporting organization and its stakeholders, while indirect economic impacts are the results - sometimes non-monetary - of the transaction. Indirect impacts are an important aspect of an organization's role as a participant or agent in socio-economic change, particularly in developing economies. Indirect impacts are particularly important to assess and report in relation to local communities and regional economies.

For management purposes, indirect economic impacts are an important indication of where risks to reputation may develop, or where opportunities may emerge to expand market access or a social license to operate.

2. Compilation

- 2.1 Explain work undertaken to understand the indirect economic impacts the organization has at the national, regional, or local level.
- 2.2 Report examples of indirect economic impacts, both positive and negative, such as:
 - Changing the productivity of organizations, sectors, or the whole economy (e.g., through greater adoption or distribution of information technology);

- Enabling industry-wide innovation and increased productivity in the medium- to long-term, through technology transfer and research and development.

For example: absolute amount spent on research and development and expressed as a percentage of profit; number of patents held in clean/eco-efficient technologies and materials; and opportunities created for new technologies and materials, such as providing access to roof space for wind and solar distributors and manufacturers.



- Economic development in areas of high poverty (e.g., number of dependents supported through income from one job);
- Economic impact of improving or deteriorating social or environmental conditions (e.g., changing job market in an area converted from small family farms to large plantations or the economic impacts of pollution);
- Availability of products and services for those on low incomes (e.g., preferential pricing of pharmaceuticals contributes to a healthier population that can participate more fully in the economy; pricing structures that exceed the economic capacity of those on low incomes);
- Enhancing skills and knowledge amongst a professional community or in a geographical region (e.g., need for a supplier base creates a magnet for companies with skilled workers, which in turn engenders new learning institutes);
- Jobs supported in the supply chain or distribution chain (e.g., assessing the impacts of growth or contraction of the organization on its suppliers)
- Stimulating, enabling, or limiting foreign direct investment (e.g., expansion or closure of an infrastructure service in a developing country can lead to increased or reduced foreign direct investment);
- Economic impact of change in location of operations or activities (e.g., outsourcing of jobs to an overseas location); and
- Economic impact of the use of products and services (e.g., linkage between economic growth patterns and use of particular products and services).

- 2.3 Report the significance of the impacts in the context of external benchmarks and stakeholder priorities, such as national and international standards, protocols, and policy agendas

3. Definitions

Indirect economic impact

An additional consequence of the direct impact of financial transactions and the flow of money between an organization and its stakeholders.



Economic impact

A change in the productive potential of the economy that can have an influence on a community's or stakeholder's well-being and longer-term prospects for development.

4. Documentation

None.

5. References

None.





Indicator Protocols Set
Environment (EN)
Construction and Real Estate
Sector Supplement

**The Construction and Real Estate Sector Supplement is based on the
G3.1 Sustainability Reporting Guidelines**



Environment

Performance Indicators

ASPECT: MATERIALS

- EN1** Materials used by weight, value or volume. (CRE)

Construction and Real Estate
Commentary added (CRE)
- EN2** Percentage of materials used that are recycled and reused input materials. (CRE)

Construction and Real Estate
Commentary added (CRE)

Aspect: Energy

- EN3** Direct energy consumption by primary energy source. (CRE)

Construction and Real Estate
Commentary added (CRE)
- EN4** Indirect energy consumption by primary source. (CRE)

Construction and Real Estate
Commentary added (CRE)
- CRE1** Building energy intensity. (CRE)
- EN5** Energy saved due to conservation and efficiency improvements. (CRE)

Construction and Real Estate
Commentary added to make this a Core Indicator for the sector (CRE)
- EN6** Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives. (CRE)

Construction and Real Estate
Commentary added to make this a Core Indicator for the sector (CRE)
- EN7** Initiatives to reduce indirect energy consumption and reductions achieved. (CRE)

Aspect: Water

- EN8** Total water withdrawal by source. (CRE)

Construction and Real Estate
Commentary added (CRE)
- EN9** Water sources significantly affected by withdrawal of water. (CRE)

Construction and Real Estate
Commentary added (CRE)
- EN10** Percentage and total volume of water recycled and reused. (CRE)

Construction and Real Estate
Commentary added (CRE)
- CRE2** Building water intensity. (CRE)

Aspect: Biodiversity

- EN11** Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas. (CRE)
- EN12** Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas. (CRE)

Construction and Real Estate
Commentary added (CRE)
- EN13** Habitats protected or restored. (CRE)

Construction and Real Estate
Commentary added (CRE)
- EN14** Strategies, current actions, and future plans for managing impacts on biodiversity. (CRE)
- EN15** Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk. (CRE)

Aspect: Emissions, Effluents, and Waste

- EN16** Total direct and indirect greenhouse gas emissions by weight. (CRE)

Construction and Real Estate
Commentary added (CRE)



<p>EN17 Other relevant indirect greenhouse gas emissions by weight.</p> <p>CORE</p> <p>Construction and Real Estate Commentary added</p>	<p>ASPECT: Land Degradation, Contamination and Remediation</p> <p>CRE5 Land and other assets remediated and in need of remediation for the existing or intended land use according to applicable legal designations.</p>
<p>CRE3 Greenhouse gas emissions intensity from buildings.</p> <p>CORE</p>	<p>ASPECT: PRODUCTS AND SERVICES</p> <p>EN26 Initiatives to enhance efficiency and mitigate environmental impacts of products and services, and extent of impact mitigation.</p>
<p>CRE4 Greenhouse gas emissions intensity from new construction and redevelopment activity.</p> <p>CORE</p>	<p>Construction and Real Estate Commentary added</p> <p>EN27 Percentage of products sold and their packaging materials that are reclaimed by category.</p>
<p>EN18 Initiatives to reduce greenhouse gas emissions and reductions achieved.</p> <p>CORE</p> <p>Construction and Real Estate Commentary added to make this a Core Indicator for the sector</p>	<p>ASPECT: COMPLIANCE</p> <p>EN28 Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations.</p>
<p>EN19 Emissions of ozone-depleting substances by weight.</p> <p>CORE</p>	<p>ASPECT: TRANSPORT</p> <p>EN29 Significant environmental impacts of transporting products and other goods and materials used for the organization's operations, and transporting members of the workforce.</p>
<p>EN20 NO, SO, and other significant air emissions by type and weight.</p> <p>CORE</p>	<p>Construction and Real Estate Commentary added</p> <p>EN30 Total environmental protection expenditures and investments by type.</p>
<p>EN21 Total water discharge by quality and destination.</p> <p>CORE</p> <p>Construction and Real Estate Commentary added</p>	<p>ASPECT: OVERALL</p>
<p>EN22 Total weight of waste by type and disposal method.</p> <p>CORE</p> <p>Construction and Real Estate Commentary added</p>	
<p>EN23 Total number and volume of significant spills.</p> <p>CORE</p>	
<p>EN24 Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III, and VIII, and percentage of transported waste shipped internationally.</p> <p>ADD</p>	
<p>EN25 Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the reporting organization's discharges of water and runoff.</p> <p>ADD</p>	



Relevance

The Aspects in the Environment Indicator set are structured to reflect the inputs, outputs, and modes of impact an organization has on the environment. Energy, water, and materials represent three standard types of inputs used by most organizations. These inputs result in outputs of environmental significance, which are captured under the Aspects of Emissions, Effluents, and Waste. Biodiversity is also related to the concepts of inputs to the extent that it can be viewed as a natural resource. However, biodiversity is also directly impacted by outputs such as pollutants.

The Aspects of Transport and Products and Services represent areas in which an organization can further impact the environment, but often through other parties such as customers or suppliers of logistics services.

Compliance and Overall Aspects are specific measures the organization takes to manage environmental performance.

The Aspects of Energy, Water, Emissions, and Biodiversity each contain several Indicators whose relationships are explained in more detail below:

Energy Aspect

The Energy Indicators cover the five most important areas of organizational energy use, which include both direct and indirect energy. Direct energy use is energy consumed by the organization and its products and services. Indirect energy use, on the other hand, is energy that is consumed by others who are serving the organization. The five different areas of energy use are to be reported as follows:

- In EN3, the direct energy consumption of the reporting organization is reported, including energy produced on-site (e.g., through the burning of gas).
- EN4 provides information on energy consumption required to produce energy purchased externally, such as electricity.
- EN5 asks for energy saved due to conservation and efficiency improvements.
- EN6 addresses the development of energy-efficient products and services.
- Finally, EN7 covers the indirect energy consumption of the reporting organization's activities.

Measurement of energy consumption is relevant to greenhouse gas emissions and climate change. The burning of fossil fuels to generate energy creates emissions of carbon dioxide (a greenhouse gas). To meet the aims formulated in the Kyoto Protocol and to reduce the risk of severe climate change, energy demand needs to be lowered. This can be achieved through more efficient energy use (measured under EN5 and EN6) and replacing fossil fuel energy sources with renewable ones (measured under EN3 and EN4). In addition to lowering the direct consumption of energy, designing energy-efficient product and services (EN6) and reducing indirect energy consumption (EN7) (e.g., the selection of low energy-intensive raw materials or the use of services such as travel) are important strategies.

Emissions Aspect

The 'emissions, effluents, and waste' aspect includes Indicators that measure standard releases to the environment considered to be pollutants. These Indicators include different types of pollutants (e.g., air emissions, effluents, solid waste) that are typically recognized in regulatory frameworks (EN20-EN23, EN24). In addition, there are Indicators for two types of emissions that are the subject of international conventions- greenhouse gases (EN16 and EN17) and ozone depleting substances (EN19). EN16 can be calculated using the data reported under EN3 and EN4. EN18 addresses the emissions reductions achieved and initiatives to reduce emissions.

Definitions

Direct energy

Forms of energy that enter the reporting organization's operational boundaries. It can be consumed either by the organization within its boundaries, or it can be exported to another user. Direct energy can appear in either primary (e.g., natural gas for heating) or intermediate (e.g., electricity for lighting) forms. It can be purchased, extracted (e.g., coal, natural gas, oil), harvested (e.g., biomass energy), collected (e.g., solar, wind), or brought into the reporting organization's boundaries by other means.

Greenhouse gas emissions (GHG)

The six main greenhouse gas emissions are:

- Carbon dioxide (CO₂);
- Methane (CH₄);



- Nitrous oxide (N₂O);
- Hydrofluorocarbons (HFCs- a group of several compounds);
- Perfluorocarbons (PFCs- a group of several compounds); and
- Sulphur hexafluoride (SF₆).

Indirect energy

Energy produced outside the reporting organization's organizational boundary that is consumed to supply energy for the organization's intermediate energy needs (e.g., electricity or heating and cooling). The most common example is fuel consumed outside the reporting organization's boundary in order to generate electricity to be used inside the organization's boundary.

Intermediate energy

Forms of energy that are produced by converting primary energy into other forms. For most organizations, electricity will be the only significant form of intermediate energy. For a small percentage of organizations, other intermediate energy products might also be important, such as steam or water provided from a district heating plant or chilled water plant, or refined fuels such as synthetic fuels, biofuels, etc.

Primary source

The initial form of energy consumed to satisfy the reporting organization's energy demand. This energy is used either to provide final energy services (e.g., space heating, transport) or to produce intermediate forms of energy, such as electricity and heat. Examples of primary energy include non-renewable sources such as coal, natural gas, oil, and nuclear energy. It also includes renewable sources such as biomass, solar, wind, geothermal, and hydro energy. Primary energy might be consumed on-site (e.g., natural gas to heat the reporting organization's buildings) or off-site (e.g., natural gas consumed by the power plants that provide electricity to the reporting organization's facilities).

Renewable energy

Renewable energy is derived from natural processes that are replenished constantly. This includes electricity and heat generated from solar, wind, ocean, hydropower, biomass, geothermal resources, biofuels, and hydrogen derived from renewable resources.



EN1 Materials used by weight, value or volume.

1. Relevance

This Indicator describes the reporting organization's contribution to the conservation of the global resource base and efforts to reduce the material intensity and increase the efficiency of the economy. These are expressed goals of the OECD Council and various national sustainability strategies. For internal managers and others interested in the financial state of the organization, material consumption relates directly to overall costs of operation. Tracking this consumption internally, either by product or product category, facilitates the monitoring of material efficiency and cost of material flows.

The construction and real estate sector consumes considerable amounts of materials.

This Performance Indicator refers only to materials purchased by the reporting organization for direct use.

For reporting organizations (in particular those involved in new construction and redevelopment/retrofit activities), this Performance Indicator is intended to measure raw material consumption and connects with Indicator EN2.

2. Compilation

2.1 Identify total materials used, including materials purchased from external suppliers and those obtained from internal sources (captive production and extraction activities). This can include:

- Raw materials (i.e., natural resources used for conversion to products or services such as ores, minerals, wood, etc.);
- Associated process materials (i.e., materials that are needed for the manufacturing process but are not part of the final product, such as lubricants for manufacturing machinery);
- Semi-manufactured goods or parts, including all forms of materials and components other than raw materials that are part of the final product; and
- Materials for packaging purposes.



2.2 Identify non-renewable and direct materials used. Convert any measurements into estimated weight or volume, calculated 'as is' rather than by 'dry substance/weight'.

2.3 Report the total weight or volume of :

- Non-renewable materials used; and
- Direct materials used.

2.4 Report either total weight, volume or value, broken down by significant categories of raw materials used (e.g., aluminum, gypsum, sand), renewable materials used (e.g., timber) and manufactured products used (e.g., brick, cement, concrete, carpet, glass, insulation products, steel).



2.5 Report percentage of these materials procured or used that have been certified by a third party for their sustainability qualities.



3. Definitions

Direct materials

Materials that are present in a final product.

Non-renewable materials

Resources that do not renew in short time periods, such as minerals, metals, oil, gas, coal, etc.

Renewable materials

Resources that renew quickly, such as bamboo, wool and other harvested and natural materials.




4. Documentation

Potential information sources include billing and accounting systems, and the procurement or supply management department.

5. References

- OECD, Recommendation of the Council on Material Flows and Resource Productivity, 2004.



EN2 Percentage of materials used that are recycled (and reused) input materials. 

1. Relevance

This Indicator seeks to identify the reporting organization's ability to use recycled input materials. Using these materials helps to reduce the demand for virgin material and contribute to the conservation of the global resource base. For internal managers and others interested in the financial condition of the reporting organization, substituting recycled materials can contribute to lowering overall costs of operation.

This Performance Indicator refers only to materials purchased by the reporting organization for direct use.

For reporters (in particular those involved in new construction and redevelopment/retrofit activities), this Performance Indicator is intended to measure use of recycled input materials and/or reused input materials.

2. Compilation

- 2.1** Identify the total weight or volume of materials used as reported under EN1.
- 2.2** Identify the total weight or volume of recycled input materials. If estimation is required, state the estimation methods.
- 2.3** Report the percentage of recycled input materials used by applying the following formula:

$$EN2 = \frac{\text{Total recycled input materials used}}{\text{Input materials used}} \times 100$$

The formula stated above should include recycled and reused input materials.

- 2.4.** Report percentage of materials used (estimated volume or mass of raw materials) that are recycled and reused input materials, broken down by significant categories of raw materials (e.g., aluminum, gypsum, sand), renewable materials (e.g., timber) and manufactured products (e.g., brick, cement, concrete, carpet, glass, insulation products, steel).

3. Definitions

Recycled input materials

Materials that replace virgin materials that are purchased or obtained from internal or external sources, and that are not by-products and non-product outputs (NPO) produced by the reporting organization.

Reused input materials

Materials that replace virgin materials and originate from by-products of the reporting organization's operations, and which are subsequently reused by the reporting organization. Examples include window frames, structural elements, aggregates, heating or blended cement. In the case of retrofit or refurbishment, reused input materials include those that would otherwise be disposed.

Non-product outputs (NPO)

All material, energy and water that is used in the production process but does not end up in the final product.

4. Documentation

Potential information sources include billing and accounting systems, the procurement or supply management department, and internal production and waste disposal records.

5. References

- OECD Working Group on Waste Prevention and Recycling.
- ISO 14021: Environmental labels and declarations, 1999.



EN3 Direct energy consumption by primary energy source.

1. Relevance

The ability of the reporting organization to use energy efficiently can be revealed by calculating the amount of energy it consumes. Energy consumption has a direct effect on operational costs and exposure to fluctuations in energy supply and prices. The environmental footprint of the organization is shaped in part by its choice of energy sources. Changes in the balance of these sources can indicate the organization's efforts to minimize its environmental impacts.

Information on the consumption of primary energy sources supports an assessment of how the organization might be affected by emerging environmental regulations such as the Kyoto Protocol. The consumption of fossil fuels is a major source of greenhouse gas emissions, and energy consumption is directly linked to the organization's greenhouse gas emissions.

Replacing fossil fuel energy sources with renewable ones is essential for combating climate change and other environmental impacts created by the extraction and processing of energy. Supporting renewable and efficient energy technology also reduces the reporting organization's current and future dependency on non-renewable energy sources, and its exposure to potential volatility in prices and supply.

This Indicator measures the reporting organization's consumption of direct primary energy sources. The Indicator covers scope 1 of the WRI/WBCSD GHG Protocol. Indicator EN4 measures the consumption of primary energy sources to supply the reporting organization with intermediate energy such as electricity, heating and cooling, etc.

2. Compilation

Reporting organizations involved in new construction and redevelopment should report known or metered energy consumption in addition to listing non-metered sources. These organizations should also identify the reporting boundary – the entities under control or influence – and if that boundary includes elements of their supply chain for which reporting on energy consumption is also material.



2.1 Direct energy sources purchased

Identify primary energy sources purchased by the reporting organization for its own consumption. This includes:

- Direct non-renewable energy sources including:
 - Coal;
 - Natural gas; and
 - Fuel distilled from crude oil, including gasoline, diesel, liquefied petroleum gas (LPG), compressed natural gas (CNG), liquefied natural gas (LNG), butane, propane, ethane, etc.
- Direct renewable energy sources including:
 - Biofuels;
 - Ethanol; and
 - Hydrogen.

Note: Biomass is excluded from direct renewable energy sources for the purpose of reporting to the WRI/WBCSD GHG Protocol. For alignment with the WRI/WBCSD GHG Protocol, direct CO₂ emissions from the combustion of biomass should be reported separately.

The direct energy purchased should be identified by meaningful segmentation, for example by portfolio, fund, geographic location, or asset type, and identify their reporting boundary – the entities under control or influence – and if that boundary includes elements of their supply chain.



Companies involved in new construction and redevelopment should identify known or metered energy consumption in addition to listing non-metered sources.

2.2 Direct energy sources produced

Identify the amount of primary energy the reporting organization acquires by producing, extracting, harvesting, collecting, or converting it from other forms of energy into joules or multiples. This can include the same energy sources listed under 2.1.



The direct energy purchased should be identified by meaningful segmentation, for example by portfolio, fund, geographic location, or asset type and identify their reporting boundary – the entities under control or influence – and if that boundary includes elements of their supply chain.

Companies involved in new construction and redevelopment should identify known or metered energy consumption in addition to listing non-metered sources.

2.2 a Report onsite production of electricity from renewable sources (e.g., fixed photovoltaic panels, wind turbines, solar thermal) as calculated in 2.4, by meaningful segmentation.

An exception to this is when a reporting organization leases space for onsite renewable energy installations but does not own the system. In this case, energy generated by a third party should not be included in the calculation in 2.4. However, initiatives relating to leasing space should be reported under the Energy Aspect of the Disclosure on Management Approach.

Note that differing regulatory frameworks in different regions may affect the approach a reporting organization can take, such as feed-in tariffs and onsite renewables.

Report direct energy in gigajoules (GJ) and kilowatt hours (kWh), using recognized conversion factors.

2.3 Direct energy sources sold

Identify the amount of primary energy exported outside the reporting boundary in joules or multiples.

2.4 Calculate total energy consumption in joules or multiples such as gigajoules (one billion joules or 109 joules) using the following equation:

$$\text{Total direct energy consumption} = \text{direct primary energy purchased} + \text{direct primary energy produced} - \text{direct primary energy sold}$$

Refer to the table below to convert volumes of primary sources to gigajoules.

2.5 Report total direct energy consumption in joules or multiples by renewable primary source.

Report direct energy in gigajoules (GJ) and kilowatt hours (kWh), using recognized conversion factors.

2.6 Report total direct energy consumption in joules or multiples by non-renewable primary source.

Report direct energy in gigajoules (GJ) and kilowatt hours (kWh), using recognized conversion factors.

Coal	GJ	Crude Oil	GJ	Gasoline	GJ	Natural Gas	GJ	Electricity	GJ
tonne (metric)	26,00	barrel	6,22	US gallon	0,125	therm	0,1055	kilowatt-hour	0,0036
ton (short)	23,59	tonne (metric)	44,80	tonne (metric)	44,80	1000 cubic feet	1,1046	megawatt-hour	3,6000
ton (long)	26,42	ton (short)	40,64	liters	0.0331*	1000 cubic meters	39,01	gigawatt-hour	3600,0
		ton (long)	45,52	Diesel		MMBtu	1,055		
				US gallon	0,138				
				tonne (metric)	43,33				
				liters	0.0331*				
				Fuel Oil					
				US gallon	0,144				
				tonne (metric)	40,19				
				liters	0.0384*				

Source where marked with asterix (*): International Energy Agency, Oil Information (2010 Edition)



2.7 Report total direct energy consumption – purchased, produced and sold – consistent with the organization’s reporting boundary for energy in gigajoules (GJ) and kilowatt hours (kWh), using recognized conversion factors. This should cover all energy purchased and produced and should be reported by meaningful segmentation, for example by portfolio, fund, geographic location, or asset type. Reporting organizations may itemize energies reallocated (preferably recharged according to metered consumption) to other parties who are the end users.



Energy consumption reported should be linked to metered or measured data.

3. Definitions

Renewable resources

Resources capable of being replenished within a short time through ecological cycles (as opposed to resources such as minerals, metals, oil, gas, coal that do not renew in short time periods).

4. Documentation

Information can be obtained from invoices, measured (or calculated) heat/fuel accounting, estimations, defaults, etc. Amounts of joules can be taken directly or converted from invoices or delivery notes. Information about the combination of primary sources used to generate intermediate energy can be obtained from suppliers.

5. References

- The Greenhouse Gas Protocol (GHG) Initiative - A corporate accounting and reporting standard (Revised Edition, 2004) of the World Resources Institute (WRI) and the World Business Council for Sustainable Development (WBCSD).

- UNEP SBCI Common Carbon Metric and Protocols – Protocol for Measuring Energy Use and Reporting Greenhouse Gas Emissions from Building Operations, 2010.



- ISO 14064-1:2006 Greenhouse gases – Part 1: Specification with guidance at the organization level for quantification and reporting of greenhouse gas emissions and removals, 2006.



EN4 Indirect energy consumption by primary source.

1. Relevance

The amount and primary source of energy the reporting organization uses indirectly through the purchase of electricity, heat, or steam, can indicate efforts by the organization to manage environmental impacts and reduce its contribution to climate change. The particular effect indirect energy usage has on climate change depends on the type of primary energy used to generate intermediate energy.

Intermediate energy refers to forms of energy that are produced by converting primary energy into other forms. For most organizations, electricity will be the only significant form of intermediate energy. For a small percentage of organizations, other intermediate energy products might also be important, such as steam or water provided from a district heating plant or chilled water plant, or refined fuels such as synthetic fuels, biofuels, etc.

This Indicator measures the energy required to produce and deliver purchased electricity and any other intermediate energy products (such as district heat) that involve significant energy consumption upstream from the organization's reporting boundary. This information also enables calculations of indirect greenhouse gas emissions. It covers Scope 2 of the WRI/WBCSD GHG Protocol.

2. Compilation

2.1 Identify the amount of intermediate energy purchased and consumed from sources external to the reporting organization in joules or multiples, such as gigajoules (one billion joules, or 10^9 joules). This includes:

Intermediate energy purchased and consumed from non-renewable energy sources as listed under EN3, including:

- Electricity;
- Heating and Cooling;
- Steam;
- Nuclear energy; and
- Other forms of imported energy.

Intermediate energy purchased and consumed from renewable energy sources including:

- Solar;
- Wind;
- Geothermal;
- Hydro energy;
- Biomass based intermediate energy; and
- Hydrogen based intermediate energy.

Indirect energy should be reported in gigajoules (GJ) and kilowatt hours (kWh), using recognized conversion factors.

Intermediate energy purchased should be reported by meaningful segmentation, for example portfolio, fund, geographic location or asset type.

Total intermediate energy consumption should be identified consistent with the organization's reporting boundary for energy. This should cover all energy procured, and reporting organizations may itemize energies reallocated (preferably recharged according to metered consumption) to other parties who are the end user.

The energy consumption identified should be linked to metered or measured data.

2.2 Identify the amount of primary fuels consumed to produce intermediate energy based on the total amount of energy purchased from external suppliers (EN3- Energy Purchased). To estimate the fuels consumed to produce purchased energy, use either:

- Fuel consumption data acquired from the electricity provider if these data are available;
- Default data for electricity and heat; or
- Estimations where default figures are not available.



Note that differing regulatory frameworks in different regions may affect the approach a reporting organization can take, such as market deregulation and the procurement of certified sources of renewable electricity.

Intermediate energy purchased should be reported by meaningful segmentation, for example portfolio, fund, geographic location or asset type.

Total intermediate energy consumption should be identified consistent with the organization's reporting boundary for energy. This should cover all energy procured, and reporting organizations may itemize energies reallocated (preferably recharged according to metered consumption) to other parties who are the end user.

The energy consumption identified should be linked to metered or measured data.

2.3 Using data from 2.1, report:

- The total amount of indirect energy used by indirect non-renewable sources and indirect renewable sources in terms of intermediate energy; and
- The corresponding primary energy consumed in its production.

- Total primary energy consumption should be reported by meaningful segmentation, for example portfolio, fund, geographic location or asset type.

Companies involved in new construction and redevelopment should report known or metered energy use in addition to listing non-metered sources.

Total intermediate energy consumption should be reported consistent with the organization's reporting boundary for energy (including elements of the supply chain if relevant). This should cover all energy procured, and reporting organizations may itemize energies reallocated (preferably recharged according to metered consumption) to other parties who are the end user.

The energy consumption reported should be linked to metered or measured data.

Report indirect energy in Gigajoules (GJ) and Kilowatt hours (kWh), using recognized conversion factors.

Note: The sum of primary energy sources (expressed in joules) used to generate intermediate energy will, depending on the primary source used, significantly exceed the amount of intermediate energy purchased (in joules) due to grid and efficiency losses when converting and transporting energy.

3. Definitions

None.

4. Documentation

Suppliers of energy and related services are the most important informational source for this Indicator. Other information can be obtained from invoices, measured (or calculated) heat/fuel accounting, estimations, defaults, etc. Besides default data drawn from the International Energy Agency (IEA), information can be obtained from the annual reports submitted by governments to the United Nations Framework Convention on Climate Change (UNFCCC). These reports will detail country energy use and associated emissions for country specific defaults, etc.

5. References

- International Energy Agency's (IAE) annual publication of Energy Balances for OECD and non-OECD countries.
- The Greenhouse Gas Protocol (GHG) Initiative - A corporate accounting and reporting standard (Revised Edition, 2004) of the World Resources Institute (WRI) and the World Business Council for Sustainable Development (WBCSD).
- Kyoto Protocol, 1997.
- UNEP SBCI Common Carbon Metric and Protocols – Protocol for Measuring Energy Use and Reporting Greenhouse Gas Emissions from Building Operations, 2010.
- ISO 14064-1:2006 Greenhouse gases – Part 1: Specification with guidance at the organization level for quantification and reporting of greenhouse gas emissions and removals, 2006.



CRE1 Building energy intensity.

1. Relevance

Building energy intensity is a useful measure of an asset owner or occupier's aggregated energy consumption during the management and occupation phase of the building lifecycle. This Performance Indicator focuses on groups of buildings and is primarily intended to track changes in reporter's assets over time.

2. Compilation

- 2.1** Identify the number and type of buildings, total annual energy consumption (in kWh) and corresponding floor area (in m²), or number of persons using or visiting the buildings.
- 2.2** Identify the method used to ensure that annual energy consumption and floor area, or numbers of persons, are consistent and accurate, thereby taking account of different landlord and tenant metering scenarios. In particular, where the reporting organization does not have all energy consumption data for a building, it is important to ensure that the result of the calculation of energy intensity by building is consistent and accurate, for example by:

- excluding such properties from the aggregation;
- defining the floor area to cover only the building area serviced by known energy consumption; or
- revising the overall consumption data to take account of unknown data.

- 2.3** Calculate, using data from 2.1:

$$\text{Building Energy Intensity} = \frac{\sum (\text{sum of}) \text{ annual kWh energy consumption}}{\sum (\text{sum of}) \text{ floor area (m}^2\text{) or number of people}}$$

- 2.4** Report energy intensity of buildings in use (on unadjusted basis), based on calculation in 2.3:
- kWh / m² / year; or
 - kWh / person / year.

Energy intensity should be reported by meaningful segmentation, for example by building type, geographic location, portfolio and fund.

Separately, adjustments consistent with a recognized methodology can also be applied to any of the following factors:

- hours of operation or working days per week;
- vacancy;
- occupant density;
- heating and cooling (weather correction); or
- special uses.

- 2.5** Report the methodology used to calculate the energy intensity of the building in use and any adjustments.

3. Definitions

Building types

Categorization based on the function or form of a building, for example: offices, shopping centers, retail warehouses, industrial, multi-family housing, hotels.

Energy intensity

The amount of energy used per unit of an appropriate denominator (e.g., floor area, persons).

Floor area

The extent of a floor surface. Codes for defining floor areas (leasable, salable or occupied) vary by location, building type and landlord-tenant arrangement, for example: common parts area, lettable/leasable area, internal area, usable area, occupied area, conditioned/ treated area.

Heating and cooling (weather correction)

Adjustment to energy consumption to take account of hotter and colder prevailing weather over time and different locations. Degree-days relative to a selected location may be used for such adjustments.

Location

The geographical position of buildings, including climatic zones.



Occupant density

The amount of floor area per person.

Number of persons

The average number of persons using or visiting the building. For example, number of visitors to shopping centers, number of workers in offices and industrial buildings, number of residents in multi-family housing, number of guests in hotels.

Special uses

Extraordinary energy consuming activities within a building. For example, energy-consuming industrial processes, car parks, server rooms, call centers.

Total annual energy consumption

Annual consumption of electricity, fuels and thermal energy (such as steam and chilled water) for the management and occupation of buildings.

Vacancy

The percentage of lettable/leasable area that is unoccupied.

4. Documentation

Metering is the prime source for energy consumption data. Floor area data is measured by surveyors for leasing, taxation, statutory planning and insurance purposes. Architectural plans are a further source of floor area data. Documentation on the numbers of persons may vary, but could include surveys of workstations, HR records for numbers of workers, reception and security gate records, counts of retail visitors.

5. References

- UNEP-SBCI Common Carbon Metric and Protocols – Protocol for Measuring Energy Use and Reporting Greenhouse Gas Emissions from Building Operations, 2010.



EN5 Energy saved due to conservation and efficiency improvements.

This Performance Indicator is CORE for the construction and real estate sector.



1. Relevance

This Indicator demonstrates the results of proactive efforts to improve energy-efficiency through technological improvements of processes and other energy conservation initiatives. Improved energy efficiency can result in cost savings and can lead to competitive advantages and market differentiation. Supporting efficient energy technology has a direct impact on operational costs, and reduces the reporting organization's future dependency on non-renewable energy sources. Efficient energy use is one key strategy in combating climate change and other environmental impacts created by the extraction and processing of energy.

2. Compilation

- 2.1** Identify total energy saved by efforts to reduce energy use and increase energy efficiency. Reduced energy consumption from reduced production capacity or outsourcing should not be included in this Indicator.
- 2.2** Report the total amount of energy saved in joules or multiples, such as gigajoules (one billion joules or 10^9 joules). Take into consideration energy saved due to:
 - Process redesign;
 - Conversion and retrofitting of equipment; and
 - Changes in personnel behavior.

- Report actual energy savings for all assets in gigajoules (GJ) and kilowatt hours (kWh), using recognized conversion factors.
- Calculate energy savings using like-for-like analysis, based on absolute consumption, as reported in EN3 and EN4.
- For construction companies energy savings may be more qualitative than quantitative and should be reported under EN6. Year-on-year comparison of energy savings from some measures may not be appropriate due to the temporary nature of activity on construction



sites, for example site offices and workers' accommodation.

- Reporting organizations involved in redevelopment should use internationally recognized standards, tools, and protocols for measuring and verifying energy savings from retrofit projects. Energy savings (against a defined baseline) that are expected as a result of improved design should be reported separately from savings actually achieved.



- 2.3** Report relevant financial data, actual or estimated, such as money invested in conservation and efficiency improvements, and money saved through energy reduction initiatives. State methodology for calculations and estimations.



3. Definitions

Energy saved

The reduced amount of energy needed to carry out the same processes or tasks. The term does not include overall reduction in energy consumption from reduced organizational activities (e.g., partial outsourcing of production).

Conservation and efficiency improvements

Organizational or technological innovations that allow a defined process or task to be carried out at a reduced level of energy consumption. This includes process redesign, the conversion and retrofitting of equipment (e.g., energy-efficient lighting), or the elimination of unnecessary energy use due to changes in behavior.

Like-for-like

A comparison of attributes and qualities between similar but distinct things.

In this context, like-for-like analysis involves selecting a consistent set of assets between a base and target year, to take account of changes in the size and composition of a portfolio.



4. Documentation

Information can be obtained from internal energy measurements and supplier information (e.g., energy related specification of new machinery, light bulbs, etc.).

Documentation can also be obtained from internal or external project management teams.



5. References

None.



EN6 Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives.

This Performance Indicator is CORE for the construction and real estate sector.



1. Relevance

Energy consumption is a major contributor to climate change since the burning of fossil fuel energy sources ultimately generates carbon dioxide (a greenhouse gas). Using energy more efficiently is essential to combating climate change, which is the aim of the Kyoto Protocol. Providing energy efficient products and services is an important part of product stewardship initiatives. These products and services can be a source of competitive advantage by enhancing product differentiation and reputation. Energy-efficient technologies can also reduce the cost of consumer goods. When initiatives of different organizations in the same sector are compared, it can give an indication of likely trends in the market for a product or service.

2. Compilation

2.1 Report existing initiatives to reduce the energy requirements of major products/product groups or services.

Including:

- Organization-wide energy efficiency initiatives in place to design new assets (buildings and infrastructure), and redevelop/retrofit existing assets (buildings only) to such standards.

For example: procurement and installation of efficient lighting; HVAC; security systems; high efficiency motors; ICT systems.

- Organization-wide energy management initiatives to manage existing buildings and construction sites efficiently.

For example: commissioning and recommissioning plant and equipment; building management system (BMS) optimization; tenant sub-metering.



- Organization-wide end user engagement initiatives (e.g., occupants and visitors) as implemented by design professionals, building or construction personnel and building operators.



For example: employee training and education; green leases; end user manuals (such as occupiers).

2.2 Report quantified reductions in the energy requirements of products and services achieved during the reporting period.

Quantified reductions should refer to the extent to which initiatives to construct, manage and redevelop assets have been successful in improving energy efficiency during the reporting period.



2.3 If use-oriented figures are employed (e.g., energy requirements of a computer), clearly report any assumptions about underlying consumption patterns or normalization factors (e.g., 10% less energy use per average working day, assuming operation for 8 hours with changing processor load). Refer to available industry standards (e.g., fuel consumption of cars for 100 km at 90 km/h).



3. Definitions

None.

4. Documentation

Information can be obtained from internal product testing/measurements, research concerning usage patterns, industry standards, etc.

5. References

- Energy efficiency standards and relevant testing procedures are available from the International Organization for Standardization (ISO).
- Energy efficiency standards and relevant testing procedures are available from the International Electrotechnical Commission (IEC).



EN7 Initiatives to reduce indirect energy consumption and reductions achieved.

1. Relevance

Indirect energy use occurs through purchasing materials and components or services such as travel, commuting, and subcontracted production. When monitored comprehensively, indirect energy use can be reduced effectively (e.g., by carefully selecting energy-efficient materials, services, or production capacities, or substituting phone or video conferences for travel).

Quantifying indirect energy use provides a basis for calculating 'other relevant indirect greenhouse gas emissions' as requested in EN17. Tracking and reducing indirect energy use can improve the overall life-cycle performance of products and services, and serve as part of a comprehensive design-for-environment program.

Finally, this Indicator covers energy savings achieved in the indirect energy consumption of the reporting organization's activities.

2. Compilation

- 2.1** For this Indicator, exclude indirect energy use associated with the purchase of intermediate energy sources as reported in EN4.
- 2.2** Identify relevant upstream/downstream indirect energy use in the following four areas:
 - Use of energy-intensive materials;
 - Subcontracted production;
 - Business-related travel; and
 - Employee commuting.
- 2.3** Report initiatives to reduce indirect energy use.
- 2.4** Report quantitatively the extent to which indirect energy use has been reduced during the reporting period for the four areas listed in 2.2.
- 2.5** Indicate underlying assumptions and methodologies used to calculate other indirect energy use and indicate the source of information.

3. Definitions

None.

4. Documentation

Relevant data can be drawn from supplier information, life-cycle calculations/estimations (carried out internally or by research organizations), etc.

5. References

- International Energy Agency's (IAE) annual publication of Energy Balances for OECD and non-OECD countries.



EN8 Total water withdrawal by source.

1. Relevance

Reporting the total volume of water withdrawn by source contributes to an understanding of the overall scale of potential impacts and risks associated with the reporting organization's water use. The total volume withdrawn provides an indication of the organization's relative size and importance as a user of water, and provides a baseline figure for other calculations relating to efficiency and use.

The systematic effort to monitor and improve the efficient use of water in the reporting organization is directly linked to water consumption costs. Total water use can also indicate the level of risk posed by disruptions to water supplies or increases in the cost of water. Clean freshwater is becoming increasingly scarce, and can impact production processes that rely on large volumes of water. In regions where water sources are highly restricted, the organization's water consumption patterns can also influence relations with other stakeholders.

2. Compilation

- 2.1** Identify the total volume of water withdrawn from any water source that was either withdrawn directly by the reporting organization or through intermediaries such as water utilities. This includes the abstraction of cooling water.

Total water withdrawal (consumption) by source should be consistent with the reporting organization's reporting boundary for water. This should cover all water purchased and sourced, and the reporting organization may itemise water reallocated (preferably metered) to other parties who are the end user.

- 2.2** Report the total volume of water withdrawn in cubic meters per year (m³/year)

- Itemized according to the water sources listed above (whether they originate from external or onsite sources), and broken down by country.
- Linked to metered or measured utility data. Construction companies should disclose known or metered water withdrawal (consumption) in addition to listing non-metered sources (e.g., seepage of ground water in tunnels).

- Include water distributed after withdrawal (consumption).

by the following sources:

- Surface water, including water from wetlands, rivers, lakes, and oceans;
- Ground water;
- Rainwater collected directly and stored by the reporting organization;
- Waste water from another organization; and
- Municipal water supplies or other water utilities.

- Greywater;
- Blackwater;
- Treated waste water;
- Desalination plant; and
- Other water sources.

- 2.3** Report actions to mitigate and reduce water consumption, including reuse and recycling solutions, and quantify water savings as a result of these actions.

- 2.4** Report relevant financial data (actual and estimated), such as money invested in conservation and efficiency improvements, and money saved through energy reduction initiatives. State methodology for calculations and estimations.

3. Definitions

Total water withdrawal

The sum of all water drawn into the boundaries of the reporting organization from all sources (including surface water, ground water, rainwater, and municipal water supply) for any use over the course of the reporting period.

Greywater

Water from hand basins, showers and other water-using devices and equipment.



Blackwater

Water from toilets.

Greywater recycling

Collecting water that was previously supplied from hand basins, showers and other water using devices and equipment. This water is then filtered, treated and re-circulated for reuse, including for toilet flushing and irrigation for watering of plants and flowers. The advantage of recycling greywater is that it replaces potable water use.

**Blackwater recycling**

The treatment of waste water, including water from toilets. Treatment typically involves the construction of a mini on-site waste-water treatment plant. The treated water can then be used for toilet flushing and irrigation for watering of plants and flowers.

4. Documentation

Information on organizational water withdrawal can be drawn from water meters, water bills, calculations derived from other available water data or (if neither water meters nor bills or reference data exist) the organization's own estimates.

5. References

- UNDP. Human Development Report "Beyond Scarcity: Power, poverty and the global water crisis", 2006.
- The United Nations Millennium Development Goals, <http://www.un.org/millenniumgoals/>, 2000.
- United Nations Global Compact CEO Water Mandate, 2011.
- Carbon Disclosure Project (CDP) Water Disclosure, www.cdproject.net, 2010.



EN9 Water sources significantly affected by withdrawal of water.

1. Relevance

Withdrawals from a water system can affect the environment by lowering the water table, reducing volume of water available for use, or otherwise altering the ability of an ecosystem to perform its functions. Such changes have wider impacts on the quality of life in the area, including economic and social consequences.

This Indicator measures the scale of impacts associated with the organization's water use. In terms of relations with other users of the same water sources, this Indicator also enables an assessment of specific areas of risk or improvement, as well as the stability of the organization's own water sources.

2. Compilation

2.1 Identify water sources significantly affected by water withdrawal by the reporting organization. Significant withdrawals meet one or more of the following criteria:

- Withdrawals that account for an average of 5 percent or more of the annual average volume of a given water body;
- Withdrawals from water bodies that are recognized by professionals to be particularly sensitive due to their relative size, function, or status as a rare, threatened, or endangered system (or to their support of a particular endangered species of plant or animal); or
- Any withdrawal from a Ramsar-listed wetland or any other nationally or internationally proclaimed conservation area regardless of the rate of withdrawal.

Note: If the water is provided by a public or private water supplier, the original water body/source should be identified and reported.

Reporting organizations should differentiate withdrawal from groundwater sources that are recharged and non-recharged.



2.2 Report the total number of significantly affected water sources by type according to the criteria above, indicating the following:

- Size of water source in cubic meters (m³);
- Differentiate withdrawal from groundwater sources that are recharged and non-recharged.
- Whether or not the source is designated as a protected area (nationally and/or internationally); and
- Biodiversity value (e.g., species diversity and endemism, number of protected species).
- Value/importance of water source to local communities.



3. Definitions

Groundwater recharge

A hydrologic process where water moves downward from surface water to groundwater, also known as deep drainage or deep percolation. Groundwater recharge is typically supplied by rain, snowmelt, rivers, lakes, and streams. Recharge may be impeded by human activities, including paving and other development.



4. Documentation

Information on the characteristics of a water source or protected area can be obtained from local or national water-related ministries or government departments, or research such as environmental impact assessments.

5. References

- IUCN Red List of Threatened Species.
- Ramsar Convention on Wetlands, 1971.



EN10 Percentage and total volume of water recycled and reused.

1. Relevance

The rate of water reuse and recycling can be a measure of efficiency and can demonstrate the success of the organization in reducing total water withdrawals and discharges. Increased reuse and recycling can result in a reduction of water consumption, treatment, and disposal costs. The reduction of water consumption through reuse and recycling can also contribute to local, national, or regional goals for managing water supplies.

Water is used throughout the asset lifecycle. Reusing and recycling water within organizational boundaries reduces reliance on external potable water sources.



2. Compilation

- 2.1 This Indicator measures both water that was treated prior to reuse and water that was not treated prior to reuse. Grey water (i.e., collected rainwater and wastewater generated by household processes such as washing dishes, laundry, and bathing) is included.
- 2.2 Calculate the volume of recycled/reused water based on the volume of water demand satisfied by recycled/reused water rather than further withdrawals. For example, if the organization has a production cycle that requires 20 cubic meters of water per cycle, the organization withdraws 20 cubic meters of water for one production process cycle and then reuses it for an additional three cycles. The total volume of water recycled/reused for that process is 60 cubic meters.
- 2.3 Report the total volume of water recycled/reused by the organization in cubic meters per year (m³/year) and also as a percentage of the total water withdrawal reported under Indicator EN8.

Examples of water recycling and reuse include rainwater collected directly and stored by the reporting organization, and greywater and blackwater recycling.



Report total volume of water recycled/reused linked to metered utility data.

3. Definitions

Recycling/Reuse

The act of processing used water/wastewater through another cycle before discharge to final treatment and/or discharge to the environment. In general, there are three types of water recycling/re-use:

- Wastewater recycled back in the same process or higher use of recycled water in the process cycle;
- Wastewater recycled/re-used in a different process, but within the same facility; and
- Wastewater re-used at another of the reporting organization's facilities.

4. Documentation

Information can be obtained from water meters, water bills, or (if neither water meters nor bills exist) calculations based on a water audit or inventory, or from water retailer.

5. References

None.



CRE2 Building water intensity.

1. Relevance

Building water intensity is a useful measure of an asset owner or occupier's aggregated water consumption during the management and occupation phase of the building lifecycle. This Performance Indicator focuses on groups of buildings and is primarily intended to track changes in reporters' assets over time.

2. Compilation

2.1 Identify the number and type of buildings, total annual water consumption (in liters or m³) and corresponding floor area (in m²), or number of persons using or visiting the buildings.

2.2 Identify the method used to ensure that annual liters or m³ of water consumption and floor area (m²), or number of persons, are consistent and accurate, thereby taking account of different landlord and tenant metering scenarios. In particular, where the reporting organization does not have all energy consumption data for a building, it is important to ensure that the result of the calculation of water intensity by building indicator is consistent and accurate, for example by:

- excluding such properties from the aggregation;
- defining the floor area to cover only the building area serviced by known energy consumption; or
- revising the overall consumption data to take account of unknown data.

2.3 Calculate, using data from 2.1:

$$\text{Building Water Intensity} = \frac{\sum (\text{sum of}) \text{ annual liters or m}^3 \text{ water consumption}}{\sum (\text{sum of}) \text{ floor area (m}^2\text{) or number of persons}}$$

2.4 Report water intensity of buildings in use (on unadjusted basis), based on calculation in 2.3, by:

- liters / person / year; or
- m³ / m² / year.

Water intensity should be reported by meaningful segmentation, for example by building type, geographic location, portfolio and fund.

Separately, adjustments consistent with a recognized methodology can also be applied to any of the following factors:

- hours of operation or working days per week;
- vacancy;
- occupant density;
- evaporative cooling (weather correction); or
- special uses.

2.5. Report the methodology used to calculate the water intensity of the building in use and adjusted intensity indicator.

3. Definitions

Building types

Categorization based on the function or form of a building, for example: offices, shopping centers, retail warehouses, industrial, multi-family housing, hotels.

Evaporative cooling (weather correction)

Adjustment to water consumption for evaporative cooling to take account of hotter and colder prevailing weather over time and in different locations. Degree-days relative to a selected location may be used for such adjustments.

Floor area

The extent of a floor surface. Codes for defining floor areas (leasable, salable or occupied) vary by location, building type and landlord-tenant arrangement, for example: common parts area, lettable/leasable area, internal area, usable area, occupied area, conditioned/ treated area.

Location

The geographical position of buildings, including climatic zones.



Occupant density

The amount of floor area per person.

Number of persons

The average number of persons using or visiting the building. For example, number of visitors to shopping centers, number of workers in offices and industrial buildings, number of residents in multi-family housing, number of guests in hotels.

Special uses

Extraordinary water consuming activities within a building. For example, water-consuming industrial processes, landscaping irrigation, food courts, hairdressing salons and barber shops, gymnasiums and sports clubs, building showers, swimming pools.

Vacancy

The percentage of lettable/leasable area that is unoccupied.

Water intensity

The amount of water used per unit of an appropriate denominator (e.g., persons, floor area).

3. Definitions

None.

4. Documentation

Metering is the prime source for water consumption data. Documentation on the numbers of persons may vary, but could include surveys of workstations, HR records for numbers of workers, reception and security gate records, counts of retail visitors. Floor area data is measured by surveyors for leasing.

5. References

- See Annex for further regional or country specific references.



EN11 Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas.

1. Relevance

By reporting on the potential impact on land that lies within, contains, or is adjacent to legally protected areas, as well as areas of high biodiversity value outside protected areas, an organization can identify and understand certain risks associated with biodiversity. Monitoring which activities are taking place in both protected areas and areas of high biodiversity value outside protected areas makes it possible for the reporting organization to reduce the risks of impacts. It also makes it possible for the organization to manage impacts on biodiversity or avoid mismanagement. Failure to adequately manage such impacts may result in reputational damage, delays in obtaining planning permission, and the loss of a social license to operate.

2. Compilation

- 2.1** Identify operational sites owned, leased, managed in, located in, adjacent to, or that contain protected areas and areas of high biodiversity value outside protected areas. Include sites for which future operations have been formally announced.
- 2.2** Report the following information for each operational site identified above:
- Geographic location;
 - Subsurface and/or underground land that may be owned, leased, or managed by the organization;
 - Position in relation to protected area (in the area, adjacent to, or containing portions of the protected area) and high biodiversity value area outside protected area;
 - Type of operation (office, manufacturing/production, or extractive);
 - Size of operational site in km²;
 - Biodiversity value characterized by:
 - The attribute of the protected area and high biodiversity value area outside protected area (terrestrial, freshwater, or maritime ecosystem); and
 - Listing of protected status (e.g., IUCN Protected Area Management Category, Ramsar Convention, national legislation, Natura 2000 site, etc.).

3. Definitions

Protected area

A geographically defined area that is designated, regulated, or managed to achieve specific conservation objectives.

Areas of high biodiversity value

Areas not subject to legal protection but recognized for important biodiversity features by a number of governmental and non-governmental organizations. These include habitats that are a priority for conservation (often defined in National Biodiversity Strategies and Action Plans prepared under the Convention on Biological Diversity). In addition, several international conservation organizations have identified particular areas of high biodiversity value.

4. Documentation

Sources of information for the required data could include purchase contracts, lease contracts, or the national/regional land registry.

On the national level, public agencies responsible for environmental protection and conservation might keep information on internationally and nationally protected areas and areas of high biodiversity value. In addition, National Biodiversity Strategies and Action Plans often include information and registers of protected areas and areas of high biodiversity value.

5. References

- Ramsar Convention on Wetlands, 1971.
- UNESCO World Heritage Sites.
- United Nations Biosphere Reserves.
- National Biodiversity Strategies and Action Plans prepared under the Convention on Biological Diversity.
- Conservation International's Biodiversity Hotspots and Wilderness Areas.
- WWF's Global 200 Ecoregion.
- Bird Life International's Important Bird Areas.
- IUCN's Centres of Plant Diversity.



EN12 Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas.

1. Relevance

This Indicator provides information on the significant direct and indirect impacts of the reporting organization on biodiversity in protected areas and areas of high biodiversity value outside protected areas. It also provides the background for understanding (and developing) an organizational strategy to mitigate these impacts. By asking for structured, qualitative information, the Indicator enables comparison across organizations and over time of the relative size, scale, and nature of impacts.

Including marine and aquatic biodiversity as well as land biodiversity.

2. Compilation

2.1 Identify significant impacts on biodiversity associated with activities, products, and services of the reporting organization, including both direct impacts as well as indirect impacts (e.g., in the supply chain) **including marine and aquatic biodiversity as well as land biodiversity.**

2.2 Report the nature of significant direct and indirect impacts on biodiversity with reference to one or more of the following:

- Construction or use of manufacturing plants, mines, and transport infrastructure;
- Pollution (introduction of substances that do not naturally occur in the habitat from point and non-point sources);

• Light pollution and reflection;
For example, spilled light from construction zones and parking lots which may impact breeding grounds or resting areas; highly reflective towers which may affect bird flight.

- Introduction of invasive species, pests, and pathogens;

- Reduction of species;
- Habitat conversion; and
- Changes in ecological processes outside the natural range of variation (e.g., salinity or changes in groundwater level).

2.3 Report significant direct and indirect positive and negative impacts with reference to the following:

- Species affected;
- Extent of areas impacted (this may not be limited to areas that are formally protected and should include consideration of impacts on buffer zones as well as formally designated areas of special importance or sensitivity);
- Duration of impacts; and
- Reversibility or irreversibility of the impacts.

3. Definitions

Significant impact

Impacts that may adversely affect the integrity of a geographical area/region, either directly or indirectly. This occurs by substantially changing its ecological features, structures, and functions across its whole area and over the long term. This means that the habitat, its population level, and/or the particular species that make that habitat important cannot be sustained.

On a species level, a significant impact causes a population decline and/or change in distribution so that natural recruitment (reproduction or immigration from unaffected areas) cannot return to former levels within a limited number of generations. A significant impact can also affect subsistence or commercial resource use to the degree that the well-being of users is affected over the long term.

Light pollution and reflection

Excessive or obtrusive artificial light, especially in or near urban areas, also known as photopollution or luminous pollution.



4. Documentation

Information for this Indicator can be found in the reporting organization's environmental management system or other internal documentation. If available, information can also be obtained from environmental and social impact assessments and/or lifecycle assessments, and from other organizations upstream/downstream in the supply chain.

5. References

- **GRI Cross-Reference:** GRI Biodiversity Resource Document.

EN13 Habitats protected or restored.**1. Relevance**

A biodiversity strategy contains a combination of elements related to the prevention, management, and remediation of damage to natural habitats resulting from the organization's activities. This Indicator measures the implementation of a specific strategy for preventing or redressing negative impacts associated with activities. Ensuring the integrity of natural habitats can enhance the reputation of the organization, the stability of its surrounding natural environment and resources, and its acceptance by surrounding communities.

2. Compilation

- 2.1** This Indicator refers to areas in which remediation has been completed or the area is actively protected (see Definitions). Areas in which operations are still active can be counted if they conform to the definitions of 'restored' or 'protected'.
- 2.2** Assess the status of the area based on its condition at the close of the reporting period.
- 2.3** Report the size and location of all habitat protected areas and/or restored areas (in hectares), and whether the success of the restoration measure was/is approved by independent external professionals. If the area is larger than one km², report in km².

Protected or restored habitats should also include:

- Habitats that are not owned or controlled by the reporting organization (e.g., adjacent areas of open space or parkland which may be owned by a public authority).
- The enhancement (e.g., reintroduction of species) and creation (e.g., green roofs or replanting vegetation on site) of diverse and biodiversity sensitive habitats.

- 2.4** Report whether partnerships exist with third parties to protect or restore habitat areas distinct from where the organization has overseen and implemented restoration or protection measures.

3. Definitions**Area restored**

Areas that were used during or affected by operational activities, and where remediation measures have either restored the environment to its original state or to a state where it is a healthy and functioning ecosystem.

Area protected

Areas that are protected from any harm during operational activities, and the environment remains in its original state with a healthy functioning ecosystem.

4. Documentation

Information on protected areas can be found in the documentation of the organization's environmental management system, site plans, environmental and social impact assessments, or organizational policies.

Information on land restoration (i.e., requirements for land restoration) can be found in lease, rent, or purchase contracts of the land, or in environmental and social impact assessments or risk registers.

5. References

None.



EN14 Strategies, current actions, and future plans for managing impacts on biodiversity.

1. Relevance

Performance against biodiversity policies, objectives, and commitments depends on having structured programs in place for managing impacts. The presence and structure of programs is particularly important when national regulations do not provide clear reference points for an organization planning its biodiversity management.

Members of local communities often have unique knowledge of biodiverse areas and their value to local communities that is important for managing impacts on biodiversity.

This Indicator enables both internal and external stakeholders to analyze how well the reporting organization's strategies, current actions, and future plans address potential impacts on biodiversity. The quality of the organization's approach to managing impacts on biodiversity (as identified in EN11 and EN12) will affect its exposure to risks such as reputational damage, fines, or rejection of planning or operating permissions. Actions to protect or restore habitats and species are of particular relevance.

2. Compilation

- 2.1 If national regulations have influenced the specific strategies, actions, or plans reported under this Indicator, this should be noted.
- 2.2 Report the organization's strategy for achieving its policy on biodiversity management including:
 - Integration of biodiversity considerations in analytical tools such as environmental site impact assessments;
 - Engagement with relevant stakeholders;
 - Methodology for establishing risk exposure to biodiversity;
 - Setting specific targets and objectives;
 - Monitoring processes; and
 - Public reporting.

- 2.3 Report actions underway to manage biodiversity risks identified in EN11 and EN12, or plans to undertake such activities in the future.

3. Definitions

None.

4. Documentation

Information on programs and targets can be found in management guidelines or obtained from the organization's Environmental Management System, Environmental and Social Impact Assessments, Corporate Social Responsibility policies, or Risk Registers.

5. References

None.

EN15 Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk.

1. Relevance

This Indicator helps the reporting organization to identify where its activities can pose a threat to endangered plant and animal species. By identifying these threats, the organization can initiate appropriate steps to avoid harm and to prevent the extinction of species. The IUCN Red List and national conservation list species can serve as authorities on the sensitivity of habitat in areas affected by operations, and on the relative importance of these habitats from a management perspective.

2. Compilation

- 2.1** Identify the location of habitats affected by the operations of the reporting organization that include species on the IUCN Red List and on national conservation lists.
- 2.2** Report the number of species in habitats identified as affected by the reporting organization, indicating one of the following levels of extinction risk:
 - Critically endangered;
 - Endangered;
 - Vulnerable;
 - Near threatened; and
 - Least concern.

3. Definitions

IUCN Red List species

An inventory of the global conservation status of plant and animal species developed by the International Union for the Conservation of Nature and Natural Resources (IUCN).

4. Documentation

Information on the presence of species on the IUCN Red List and national conservation lists can be obtained from national/regional conservation agencies, local authorities, or environmental NGOs. For organizations operating in or adjacent to protected areas or areas of high-biodiversity value, planning studies or other permit materials may also contain information about the biodiversity within the protected areas.

5. References

- IUCN Red List of Threatened Species.



EN16 Total direct and indirect greenhouse gas emissions by weight.

1. Relevance

Greenhouse gas emissions are the main cause of climate change and are governed by the United Nations Framework Convention on Climate Change (UNFCCC) and the subsequent Kyoto Protocol. As a result, different national and international regulations and incentive systems (such as trading climate certificates) aim to control the volume and reward the reduction of greenhouse gas emissions.

This Indicator can be used in combination with EN17 to explain targets for regulations or trading systems at international or national levels. The combination of direct and indirect emissions also provides insights into the potential cost implications of taxation or trading systems for reporting organizations.

2. Compilation

2.1 Different conversion methodologies are available to calculate the amount of greenhouse gas emissions per source. Indicate the standard used, and indicate the methodology associated with the data with reference to the following categories:

- Direct measurement (e.g., continuous online analyzers, etc.);
- Calculation based on site specific data (e.g., for fuel composition analysis, etc.);
- Calculation based on default data; and
- Estimations. If estimations are used due to a lack of default figures, indicate which basis figures were obtained.

Further details on the compilation of this Indicator are available in the WRI /WBCSD GHG Protocol and in the IPCC document as listed under references.

2.2 Identify direct emissions of greenhouse gases from all sources owned or controlled by the reporting organization, including:

- Generation of electricity, heat, or steam (as reported in EN3);
- Other combustion processes such as flaring;

- Physical or chemical processing;
- Transportation of materials, products, and waste;

Refers only to vehicles that are controlled by the reporting organization.

Greenhouse gas emissions from transport are also reported under EN17 and EN29.

- Venting; and
- Fugitive emissions.

Common fugitive emissions from real estate include refrigerant gas from HVAC equipment, for example R22.

Emissions from combustion processes and sources will correspond to the direct primary energy from non-renewable and renewable sources as reported in EN3. Note that the direct CO₂ emissions from the combustion of biomass shall not be included but reported separately under GHG Protocol Corporate Standard (revised edition).

2.3 Identify indirect emissions of greenhouse gases resulting from the generation of purchased electricity, heat, or steam (this corresponds with energy consumption reported under EN4).

Other indirect emissions (e.g., from organizational travel) are not included since they are accounted for in EN17.

2.4 Report total greenhouse gas emissions as the sum of direct and indirect emissions (as identified in 2.2 and 2.3) in tonnes of CO₂ equivalent.

Breakdown by meaningful segmentation, for example, portfolio, fund, location, asset type.

Report total greenhouse gas emissions consistent with the organization's reporting boundary for energy. This should cover all energy procured, and reporters may itemize energy reallocated (preferably recharged according to metered consumption) to other parties who are the end users. Energy consumption reported should be linked to metered or measured data.



3. Definitions

Direct emissions

Emissions from sources that are owned or controlled by the reporting organization. For example, direct emissions related to combustion would arise from burning fuel for energy within the reporting organization's operational boundaries.

Indirect emissions

Emissions that result from the activities of the reporting organization but are generated at sources owned or controlled by another organization. In the context of this Indicator, indirect emissions refer to greenhouse gas emissions from the generation of electricity, heat, or steam that is imported and consumed by the reporting organization.

Carbon dioxide equivalent

CO₂ (Carbon Dioxide) equivalent is the measure used to compare the emissions from various greenhouse gases based on their global warming potential (GWP). The CO₂ equivalent for a gas is derived by multiplying the tonnes of the gas by the associated GWP.

4. Documentation

Emissions resulting from direct and indirect energy use can be calculated from the data reported in EN3 and EN4.

5. References

- The Greenhouse Gas Protocol (GHG) Initiative - A corporate accounting and reporting standard (Revised Edition, 2004) of the World Resources Institute (WRI) and the World Business Council for Sustainable Development (WBCSD).
- Kyoto Protocol, 1997.
- Intergovernmental Panel on Climate Change (IPCC), Climate Change 2001, Working Group I: The Scientific Basis.
- UNEP SBCI Common Carbon Metric and Protocols – Protocol for Measuring Energy Use and Reporting Greenhouse Gas Emissions from Building Operations, 2010.
- ISO 14064-1:2006 Greenhouse gases - Part 1: Specification with guidance at the organization level for quantification and reporting of greenhouse gas emissions and removals, 2006.



EN17 Other relevant indirect greenhouse gas emissions by weight.

1. Relevance

Greenhouse gas emissions are the main cause of climate change and are governed by the United Nations Framework Convention on Climate Change (UNFCCC) and the subsequent Kyoto Protocol. For some organizations, indirect greenhouse gas emissions are significantly greater than their direct emissions. They are also sufficiently under the influence of the organization that changes in its practices can lead to significant reductions. Measuring and demonstrating efforts to reduce indirect emissions can demonstrate leadership in combating climate change and can enhance the organization's reputation.

2. Compilation

- 2.1 Identify the greenhouse gas emissions resulting from indirect energy use. Exclude indirect emissions from imported electricity, heat, or steam, as these are covered by EN16.
- 2.2 Additionally, identify which of the reporting organization's activities cause indirect emissions and assess their amounts (e.g., employee commuting, business travel, etc).

Emissions arising from the end users of assets (e.g., travel to assets and contractor activities) can often be significant, but difficult to measure accurately on an ongoing basis.

Greenhouse gas emissions from transport are also reported under EN16 and EN29.

When deciding on the relevance of these activities, consider whether emissions of the activity:

- Are large compared to other activities generating direct emissions or energy related indirect emissions (as reported in EN16);
- Are judged to be critical by stakeholders;
- Could be substantially reduced through actions taken by the reporting organization.

- 2.3 Report the sum of indirect GHG emissions identified in tonnes of CO₂ equivalent.

Breakdown by meaningful segmentation, for example portfolio, fund, location, asset type.

3. Definitions

Indirect emissions

Emissions that are consequences of the activities of the reporting organization but are generated at sources owned or controlled by another organization. In the context of this Indicator, indirect emissions do not include those generated from imported electricity, heat, or steam consumed by the reporting organization (e.g., transport, packaging).

Carbon dioxide equivalent

CO₂ (Carbon Dioxide) equivalent is the measure used to compare emissions from various greenhouse gases based on their global warming potential (GWP). The CO₂ equivalent for a gas is derived by multiplying the tonnes of the gas by the associated GWP.

4. Documentation

Information can be obtained from external suppliers of products and services. For certain types of indirect emissions such as business travel, the organization may need to combine its own records with data from external sources to arrive at an estimate.

5. References

- The Greenhouse Gas Protocol (GHG) Initiative - A corporate accounting and reporting standard (Revised Edition, 2004) of the World Resources Institute (WRI) and the World Business Council for Sustainable Development (WBCSD).
- Intergovernmental Panel on Climate Change (IPCC), Climate Change 2001, Working Group I: The Scientific Basis.
- Kyoto Protocol, 1997.
- UNEP SBCI Common Carbon Metric and Protocols – Protocol for Measuring Energy Use and Reporting Greenhouse Gas Emissions from Building Operations, 2010.
- ISO 14064-1:2006 Greenhouse gases – Part 1: Specification with guidance at the organization level for quantification and reporting of greenhouse gas emissions and removals, 2006.
- Other references¹

¹ The Greenhouse Gas Protocol (GHG) Initiative – The Corporate Value Chain (Scope 3) Accounting & Reporting Standard – to be published in 2011.



CRE3 Greenhouse gas emissions intensity from buildings.

1. Relevance

Greenhouse gas emissions intensity is a useful measure of an asset owner or occupier's aggregated greenhouse gas emissions during the management and occupation phase of the building lifecycle. This Performance Indicator focuses on groups of buildings and is primarily intended to track changes in reporters' assets over time.

2. Compilation

2.1 Identify the number and type of buildings, total annual greenhouse gas emissions (kilograms CO₂ equivalent), and corresponding floor area (in m²) or number of people using the building.

Greenhouse gas emissions reported here should include Scope 1 (e.g., fuels, refrigerants), Scope 2 (e.g., electricity, imported heat) and Scope 3 (e.g., waste) of the GHG Protocol. Greenhouse gas emissions reported here should not include organizational Scope 3 emissions that do not relate to buildings (e.g., employee air travel).

2.2 Identify the method used to ensure that the annual kilograms CO₂ equivalent and floor area (m²), or numbers of persons, are consistent and accurate, thereby taking account of different landlord and tenant metering scenarios. In particular, where the reporting organization does not have all energy consumption and associated greenhouse gas emissions data for a building, it is important to ensure that the intensity indicator is consistent and accurate, for example by:

- excluding such properties from the aggregation;
- defining the floor area to cover only the area serviced by known building energy consumption (and associated greenhouse gas emissions); or
- revising the overall consumption data to take account of unknown data.

2.3 Calculate, using data from 2.1:

$$\text{Greenhouse gas emissions intensity} = \frac{\sum (\text{sum of}) \text{ annual kilograms CO}_2 \text{ equivalent}}{\sum (\text{sum of}) \text{ floor area (m}^2\text{) or number of people}}$$

2.4 Report greenhouse gas emissions intensity of buildings in use (on unadjusted basis), based on calculation in 2.3, by:

- kg CO₂e / m² / year; or
- kg CO₂e / person / year.

Greenhouse gas emissions intensity should be reported by meaningful segmentation, for example by building type, location, portfolio, fund.

2.5 Report the methodology used to calculate the greenhouse gas emissions intensity from buildings.

3. Definitions

Building types

Categorization based on the function or form of a building for example: offices, shopping centers, retail warehouses, industrial, multi-family housing, hotels.

Floor area

The extent of a floor surface. Codes for defining floor areas (leasable, salable or occupied) vary by location, building type and landlord-tenant arrangement, for example: common parts area, lettable/leasable area, internal area, usable area, occupied area, conditioned/treated area.

Greenhouse gas emissions intensity

The amount of greenhouse gas emissions per unit of an appropriate denominator (e.g., floor area, persons).

Location

Describes the geographical position of buildings, including climatic zones.

Number of persons

The average number of persons using or visiting the building. For example, number of visitors to shopping centers, number of workers in offices and industrial buildings, number of residents in multi-family housing, number of guests in hotels.



Scope 1

A reporting organization's direct GHG emissions. Direct GHG emissions occur from sources that are owned or controlled by the company. For example: emissions from combustion in owned or controlled boilers, furnaces, vehicles; emissions from chemical production in owned or controlled process equipment.

Scope 2

A reporting organization's emissions associated with the generation of electricity, heating/cooling, or steam purchased for own consumption or otherwise brought into the organizational boundary of the company. Scope 2 emissions physically occur at the facility where electricity, heating/cooling, or steam is generated.

Scope 3

A reporting organization's indirect emissions other than those covered in Scope 2. Scope 3 is an optional reporting category that allows for the treatment of all other indirect emissions. Scope 3 emissions are a consequence of the activities of the company, but occur from sources not owned or controlled by the company. Some examples of Scope 3 activities are extraction and production of purchased materials; transportation of purchased fuels; and use of sold products and services.

4. Documentation

Metering is the prime source for energy consumption data. The greenhouse gas emissions associated with energy consumption can come from: default data from the International Energy Agency (IEA); reports submitted by governments to the United Nations Framework Convention on Climate Change (UNFCCC); official national government databases (e.g., eGRID in the USA); information gathered from each individual energy supplier. Floor area data is measured by surveyors for leasing, taxation and insurance purposes. Architectural plans are a further source of floor area data. Documentation on the numbers of persons may vary, but could include surveys of workstations, HR records for numbers of workers, reception and security gate records, counts of retail visitors.

5. References

- The Greenhouse Gas Protocol (GHG) Initiative – A corporate accounting and reporting standard (Revised Edition, 2004) of the World Resources Institute (WRI) and the World Business Council for Sustainable Development (WBCSD).
- UNEP-SBCI Common Carbon Metric and Protocols – Protocol for Measuring Energy Use and Reporting Greenhouse Gas Emissions from Building Operations, 2010.
- Carbon Disclosure Project, www.cdproject.net, 2010.
- See Annex for further regional or country specific references.
- Additional references².

² The Greenhouse Gas Protocol (GHG) Initiative – The Corporate Value Chain (Scope 3) Accounting & Reporting Standard – to be published in 2011.



CRE4 Greenhouse gas emissions intensity from new construction and redevelopment activity.

1. Relevance

Construction activity contributes to greenhouse gas emissions globally, and increasing attention is being paid to the part the sector can play in helping to reduce emissions.

This Performance Indicator applies to organizations involved in construction projects and is intended to identify greenhouse gas emissions from Scope 1, Scope 2 and Scope 3 of the GHG Protocol.³

2. Compilation

2.1 Identify annual turnover (millions) and total annual greenhouse gas emissions (tonnes CO₂ equivalent).

Greenhouse gas emissions reported here should include Scope 1 (e.g., fuels, refrigerants) and Scope 2 (e.g., electricity, imported heat). Reporting organizations may find it helpful to report Scope 3 emissions (e.g., contractor fuel and electricity, off site material manufacture, emissions from waste). State the extent of Scope 3 emissions reported.

2.2 Calculate, using data from 2.1:

$$\text{Greenhouse gas emissions intensity} = \frac{\sum (\text{sum of}) \text{ annual CO}_2\text{equivalent emissions (tonnes)}}{\sum (\text{sum of}) \text{ annual turnover from the construction activities (millions)}}$$

2.3 Report greenhouse gas emissions intensity of construction activities:

- tonnes CO₂e / monetary value (either by turnover or spend or value / year; and
- other relevant greenhouse gas emissions intensity measures (e.g., per employee hour).

Greenhouse gas emissions intensity should be reported by meaningful segmentation, such as:

- Sector (e.g., infrastructure, construction (non-residential) and construction (residential));
- Project type (e.g., roads, rail, residential, commercial offices, retail, education, healthcare, leisure, public, buildings, utilities, marine projects, refurbishments, new builds); and
- Geographic location (e.g., country, region).

2.4 Report how monetary value was identified.

2.5 Report the methodology used to calculate the greenhouse gas emissions intensity.

3. Definitions

Scope 1

A reporting organization's direct GHG emissions. Direct GHG emissions occur from sources that are owned or controlled by the company. For example: emissions from combustion in owned or controlled boilers, furnaces, vehicles; emissions from chemical production in owned or controlled process equipment.

Scope 2

A reporting organization's emissions associated with the generation of electricity, heating/cooling, or steam purchased for own consumption, or otherwise brought into the organizational boundary of the company. Scope 2 emissions physically occur at the facility where electricity, heating/cooling, or steam is generated.

Scope 3

A reporting organization's indirect emissions other than those covered in Scope 2. Scope 3 is an optional reporting category that allows for the treatment of all other indirect emissions. Scope 3 emissions are a consequence of the activities of the company, but occur from sources not owned or controlled by the company. For example: extraction and production of purchased materials; transportation of purchased fuels; use of sold products and services.

³ This indicator is broadly based on the Construction CO₂ Measurement protocol developed by ENCORD (The European Network of Construction Companies for Research and Development).



4. Documentation

Suppliers of energy and related services are the most important information source for this Performance Indicator. Other information can be obtained from invoices, measured (or calculated) heat/fuel accounting, estimations, defaults, etc. Besides default data drawn from the International Energy Agency (IEA), information can be obtained from the annual reports submitted by governments to the United Nations Framework Convention on Climate Change (UNFCCC). These reports will detail country energy use and associated emissions for country specific defaults, etc.

5. References

- The Greenhouse Gas Protocol (GHG) Initiative – A corporate accounting and reporting standard (Revised Edition, 2004) of the World Resources Institute (WRI) and the World Business Council for Sustainable Development (WBCSD).
- See Annex for further regional or country specific references.
- Additional references⁴



⁴ The Greenhouse Gas Protocol (GHG) Initiative – The Corporate Value Chain (Scope 3) Accounting & Reporting Standard- to be published in 2011.



EN18 Initiatives to reduce greenhouse gas emissions and reductions achieved.

This Performance Indicator is CORE for the construction and real estate sector

CRE

1. Relevance

Greenhouse gas emissions are the main cause of climate change and are governed by the United Nations agreed on the Framework Convention on Climate Change (UNFCCC) and the subsequent Kyoto Protocol. As a result, different national and international regulations and incentive systems (such as trading climate certificates) aim to control the volume and reward the reduction of greenhouse gas emissions. When monitored comprehensively, emissions can be reduced effectively (e.g., by carefully selecting energy-efficient materials, services, or production capacities).

This Indicator can be used in combination with EN16 and EN17 to set and monitor reduction targets with reference to regulations or trading systems at international or national levels.

Tracking and reducing greenhouse gas emissions can improve the overall life cycle performance of products and services, and serve as part of a comprehensive design-for-environment program.

2. Compilation

- 2.1 Identify emissions reductions from all sources owned or controlled by the reporting organization as reported under EN16 and resulting from indirect energy use and activities of the reporting organization as reported under EN17. Distinguish between mandatory and voluntary emissions reductions.
- 2.2 Report initiatives to reduce greenhouse gas emissions, include the areas where the initiatives were implemented.

Report corporate and project initiatives that result in greenhouse gas emissions reductions, including:

- Direct emissions (EN3, EN4 and EN16).

For example, initiatives to improve or reduce: gas and oil consumption; fuel efficiency of generators and construction equipment owned by the reporting organization; owned fleet transport emissions.

CRE

- Indirect emissions (EN4, EN6, EN7, EN16 and EN17).

For example, initiatives to improve or reduce: electricity consumption; embodied carbon in construction materials, such as fly ash and blast furnace slag; fuel efficiency of contractor generator and construction equipment; contractor fleet transport emissions; local sourcing of materials.

CRE

- 2.3 Report quantitatively the extent greenhouse gas emissions reductions achieved during the reporting period as a direct result of the initiative(s) in tonnes of CO₂ equivalent.

Where reporting organizations are generating energy, or working in partnership with electric utilities companies, greenhouse gas emissions reductions from renewable energy generation should also be reported.

CRE

3. Definitions

None.

4. Documentation

Information can be drawn from data reported under EN16 and EN17, from emissions measurements, calculated from accounting data and defaults, or from estimates. Information on initiatives can likely be found in records maintained by departments responsible for environmental management.

5. References

- The Greenhouse Gas Protocol (GHG) Initiative- A corporate accounting and reporting standard (Revised Edition, 2004) of the World Resources Institute (WRI) and the World Business Council for Sustainable Development (WBCSD).
- Kyoto Protocol, 1997.
- Intergovernmental Panel on Climate Change (IPCC), Climate Change 2001, Working Group I: The Scientific Basis.



EN19 Emissions of ozone-depleting substances by weight.

1. Relevance

The ozone layer (O₃) filters out most of the sun's biologically harmful ultraviolet (UV-B) radiation. The Montreal Protocol regulates the phase-out of ozone-depleting substances (ODS) internationally. Measuring ODS emissions enables an assessment of how well the reporting organization complies with current and future legislation, and its likely risks in this area. This is particularly relevant for organizations whose processes, products, and services have used ODS and must transition to new technologies in order to comply with phase-out commitments. The reporting organization's results on ODS phase-out can help indicate its level of technology leadership and competitive position in markets for products and services affected by ODS rules.

2. Compilation

- 2.1 Ozone-depleting substances contained or emitted from products during their usage and disposal are not covered by this Indicator.
- 2.2 Emissions of substances covered in Annexes A, B, C, and E of the Montreal Protocol on Substances that Deplete the Ozone Layer are included.
- 2.3 Identify emissions of ozone-depleting substances using the following formulas:

Emissions = Production + Imports- Exports of Substances

Production = Substances Produced- Substances Destroyed by Technology- Substances used entirely as feedstock in the manufacture of other chemicals

Note: ODS that is recycled and reused is not considered production.

- 2.4 Report the emissions of specific ozone-depleting substances in tonnes and tonnes of CFC-11 equivalent.

3. Definitions

Ozone-depleting substance (ODS)

Any substance with an ozone depletion potential (ODP) greater than 0 that can deplete the stratospheric ozone layer. Most ozone-depleting substances are controlled under the Montreal Protocol and its amendments, and include CFCs, HCFCs, halons, and methyl bromide.

CFC-11 equivalent

CFC-11 is a measure used to compare various substances based on their relative ozone depletion potential. The reference level of 1 is the potential of CFC-11 and CFC-12 to cause ozone depletion.

4. Documentation

Information can be derived from internal measurements and accounting.

5. References

- The Montreal Protocol on substances that deplete the ozone layer.
- United Nations Environment Programme (UNEP) Halon Handbook.

EN20 NO_x, SO_x, and other significant air emissions by type and weight.

1. Relevance

This Indicator measures the scale of the organization's air emissions and can demonstrate the relative size and importance of these emissions compared to other organizations.

Air pollutants have adverse effects on habitats and human and animal health. Deterioration of air quality, acidification, forest degradation, as well as public health concerns has led to local and international regulations to control air emissions. Reductions in regulated pollutants lead to improved health conditions for workers and neighboring communities. Reductions or demonstrated performance beyond compliance can enhance relations with affected communities and workers, and the ability to maintain or expand operations. In regions with emission caps, the volume of emissions also has direct cost implications for the organization.

2. Compilation

2.1 Identify significant air emissions and calculate their weight.

2.2 Since calculating certain air emissions such as NO_x requires complex quantification efforts, indicate the methodology used for calculations, selecting one of the following approaches:

- Direct measurement of emissions (e.g., online analyzers, etc.);
- Calculation based on site specific data;
- Calculation based on default data; or
- Estimation (if estimations are used due to a lack of default figures, indicate on what basis figures were obtained).

2.3 Report the weight of significant air emissions (in kilograms or multiples such as tonnes) for each of the following categories:

- NO_x;
- SO_x;
- Persistent organic pollutants (POP);

- Volatile organic compounds (VOC);
- Hazardous air pollutants (HAP);
- Stack and fugitive emissions;
- Particulate matter (PM); or
- Other standard categories of air emissions identified in regulations.

3. Definitions

Significant air emissions

Air emissions that are regulated under international conventions and/or national laws or regulations, including those listed on environmental permits for the reporting organization's operations.

4. Documentation

Information can be drawn from emissions measurements, calculated from accounting data and defaults, or estimated.

5. References

- Geneva Protocol to the Convention on Long-Range Transboundary Air Pollution, 1979.
- Helsinki Protocol to the Convention on Long-Range Transboundary Air Pollution, 1985.
- Rotterdam Convention on the Prior Informed Consent (PIC) Procedure, 1998.
- Stockholm Convention on Persistent Organic Pollutants (POPs) (Annex A, B, and C), 2001.
- Sofia Protocol to the Convention on Long-Range Transboundary Air Pollution, 1988.
- Gothenburg Protocol to the 1979 Convention on Long-Range Transboundary Air Pollution to abate acidification, eutrophication, and ground-level ozone.



EN21 Total water discharge by quality and destination.

1. Relevance

The amount and quality of the water discharged by the reporting organization is directly linked to ecological impact and operational costs. By progressively improving the quality of discharged water and/or reducing volumes, the reporting organization has the potential to reduce its impact on the surrounding environment. Unmanaged discharge of effluents with a high chemical or nutrient load (principally nitrogen, phosphorous, or potassium) can have a significant impact on receiving waters. This, in turn, can affect the quality of the water supply available to the organization and its relationship with communities and other water users.

Discharging effluents or process water to a facility for treatment not only reduces pollution levels, but can also lower the organization's financial costs and the risk of regulatory action for non-compliance with environmental regulation. All of this enhances the reporting organization's social license to operate.

Construction sites may be the source of pollution from surface runoff. The quality of surface runoff discharges is particularly relevant for users of water who are outside of the reporting boundary (e.g., waters used for irrigation of crops; water that flows to sensitive natural systems such as wetlands).

Discharged water may be treated by means other than a "facility" (which implies mechanical treatment). For example, passing water through naturally vegetated systems can improve heavy metal pollutant loads.

Information reported under this Performance Indicator should correspond with the information reported under EN25 *Identify, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the reporting organization's discharges of water and runoff.*

- 2.3** Reporting organizations that discharge effluents or process water should report water quality in terms of total volumes of effluent using standard effluent parameters such as Biological Oxygen Demand (BOD), Total Suspended Solids (TSS), etc. The specific choice of quality parameters will vary depending on the organization's products/ services/operations. The selection of parameters should be consistent with those used in the organization's sector.

Clean water refers to water that meets national regulations for freshwater quality when leaving the boundaries of the reporting organization. This can be either freshwater whose quality has not been affected by the organization's use, or wastewater that is treated to meet freshwater standards prior to discharge.

2. Compilation

- 2.1** Identify planned and unplanned water discharges (excluding collected rainwater and domestic sewage) by destination and indicate how it is treated. If the reporting organization does not have a meter to measure water discharges, this figure needs to be estimated by subtracting the approximate volume consumed on-site from the volume withdrawn as reported in EN8.
- 2.2** Report the total volume of planned and unplanned water discharges in cubic meters per year (m³/year) by:
- Destination;
 - Treatment method; and
 - Whether it was reused by another organization.

3. Definitions

Total water discharge

The sum of water effluents discharged over the course of the reporting period to subsurface waters, surface waters, sewers that lead to rivers, oceans, lakes, wetlands, treatment facilities, and ground water either through:

- A defined discharge point (point source discharge);
- Over land in a dispersed or undefined manner (non-point source discharge); or
- Wastewater removed from the reporting organization via truck. Discharge of collected rainwater and domestic sewage is not regarded as water discharge.



4. Documentation

Information sources about the volume of water discharged by the reporting organization include flow meters (point-source discharges or when discharges are released through a pipe) and regulatory permits.

5. References

- MARPOL Convention (International Convention for the Prevention of Pollution of Ships), 1973.
- Stockholm Convention on Persistent Organic Pollutants (POPs), 2001.



EN22 Total weight of waste by type and disposal method.

1. Relevance

Data on waste generation figures over several years can indicate the level of progress the organization has made toward waste reduction efforts. It can also indicate potential improvements in process efficiency and productivity. From a financial perspective, the reduction of waste contributes directly to lower costs for materials, processing, and disposal.

Information about the disposal destination reveals the extent to which a reporting organization has managed the balance between disposal options and uneven environmental impacts. For example, land filling and recycling create very different types of environmental impacts and residual effects. Most waste minimization strategies emphasize prioritizing options for reuse, recycling, and then recovery over other disposal options.

2. Compilation

2.1 Identify the amount of waste created by the organization's operations, by:

- Hazardous waste (as defined by national legislation at the point of generation); and
- Non-hazardous waste (all other forms of solid or liquid waste excluding wastewater).

2.2 If no weight data are available, estimate the weight using available information on waste density and volume collected, mass balances, or similar information.

2.3 Report the total amount of waste in tonnes by type as identified in 2.1 for each of the following methods:

- Reuse;
- Recycling;
- Composting;
- Recovery, including Energy Recovery;
- Incineration (mass burn);

- Deep well injection;
- Landfill;
- On-site storage; and
- Other (to be specified by the reporting organization).

Includes waste where final destination is unknown (e.g., Materials Recovery Facility) or where waste is mixed and final destination is not known or cannot be classified.

CRE

2.4 Report how the method of disposal has been determined:

- Disposed directly by the reporting organization or otherwise directly confirmed;
- Information provided by the waste disposal contractor; or
- Organizational defaults of the waste disposal contractor.

2.5 Report percentage of waste by disposal method, significant waste type and waste diverted from landfill. Construction companies should report significant waste types (hazardous and non-hazardous) from construction, demolition and excavation (CD&E) activities.

CRE

CRE

3. Definitions

Disposal method

The method by which waste is treated or disposed, including composting, reuse, recycling, recovery, incineration, landfill, deep well injection, and on-site storage.

Waste types

There are three major types of wastes: solid, liquid and gaseous. Wastes are often broadly categorized as hazardous (waste that poses substantial or potential threats to public health or the environment) or non-hazardous (waste that does not fall within the hazardous waste classification).

CRE

Demolition waste

Unwanted material arising from the demolition or strip-out of an existing structure.



Excavation waste

Unwanted material resulting from excavation activities, such as reduced level dig and site preparation and leveling, and the excavation of foundations, basements, tunnels, and service trenches, typically consisting of soil and stones.

**Construction waste**

Any other unwanted material produced at the construction site, which is not classified as Demolition or Excavation waste.

4. Documentation

Potential information sources include external waste audits by providers of disposal services or waste balance sheets from these providers, as well as internal billing and accounting systems, and the procurement or supply management department.

5. References

- Ban Amendment to the Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and their Disposal, 1989.
- London Dumping Convention, 1972.
- MARPOL Convention (International Convention for the Prevention of Pollution of Ships), 1973.



EN23 Total number and volume of significant spills.

1. Relevance

Spills of chemicals, oils, and fuels can have significant negative impacts on the surrounding environment, potentially affecting soil, water, air, biodiversity, and human health. The systematic effort to avoid spills of hazardous materials is directly linked to the organization's compliance with regulations, its financial risk from the loss of raw materials, remediation costs, the risk of regulatory action, as well as damage to reputation. This Indicator also serves as an indirect measure for evaluating the monitoring skills of the organization.

2. Compilation

- 2.1 Identify all recorded significant spills and the volume of these spills.
- 2.2 Report the total number and total volume of recorded significant spills.
- 2.3 For spills that were reported in the organization's financial statement, report the additional following information for each such spill:
 - Location of spill;
 - Volume of spill; and
 - Material of spill, categorized by:
 - Oil spills (soil or water surfaces);
 - Fuel spills (soil or water surfaces);
 - Spills of wastes (soil or water surfaces);
 - Spills of chemicals (mostly soil or water surfaces); and
 - Other.
- 2.4 Report the impacts of significant spills.

3. Definitions

Spill

Accidental release of a hazardous substance that can affect human health, land, vegetation, water bodies, and ground water.

Significant spill

All spills that are included in the reporting organization's financial statement (e.g., due to resulting liabilities) or recorded as a spill by the reporting organization.

4. Documentation

Potential information sources regarding spills of fuel, oils, and chemicals can be internal records within an existing environmental management system as well as official statements made to/by the relevant environmental regulatory agency.

5. References

None.



EN24 Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III, and VIII, and percentage of transported waste shipped internationally.

1. Relevance

Hazardous waste management is a key area of concern for many stakeholders. Improper transport of dangerous wastes, particularly to countries that lack the infrastructure and national regulations to handle such waste, can pose harm to both human health and the environment. In addition, poor management of hazardous waste creates liabilities associated with non-compliance with national and international regulations, as well as potential damage to reputation.

2. Compilation

- 2.1** Identify hazardous wastes transported by or on behalf of the reporting organization within the reporting period by destination.
- 2.2** Identify the total weight of transported hazardous waste using the following equation:

Total weight of hazardous waste transported by destination

=

Weight of hazardous waste transported to the reporting organization by destination from external sources/suppliers not owned by the reporting organization

+

Weight of hazardous waste transported from the reporting organization by destination to external sources/suppliers not owned by the reporting organization

+

Weight of hazardous waste transported nationally and/or internationally by destination between locations owned, leased, or managed by the reporting organization

- 2.3** Identify the total weight of hazardous waste transported across international borders and which enters the boundaries of the reporting

organization, by destination. Waste transported between different locations of the organization is not counted as imported.

- 2.4** Identify the proportion of the total amount of transported hazardous waste by destination that is transported from the reporting organization to locations abroad. Include all wastes that leave the boundaries of the reporting organization to cross international borders, excluding transportation between different locations of the reporting organization.

- 2.5** Identify the portion of the total amount of transported and exported waste by destination that the organization has treated.

- 2.6** Identify the portion of the total amount of waste by destination that is treated by external sources/suppliers, that has been transported, exported, or imported by the organization.

- 2.7** Convert volumes to an estimate of weight with a brief explanation of the methodology used.

- 2.8** Report the following information in kilograms or tonnes:

- Total weight of hazardous waste transported;
- Total weight of imported hazardous waste;
- Total weight of exported hazardous waste; and
- Total weight of treated hazardous waste.

3. Definitions

None.

4. Documentation

Potential information sources include billing data from logistic or disposal contractors, accounting systems, as well as the procurement or supply management department. Some countries require documentation to accompany hazardous waste shipments that would supply all relevant data for this Indicator.

5. References

- Ban Amendment to the Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and their Disposal, 1989.



EN25 Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the reporting organization's discharges of water and runoff.

1. Relevance

This Indicator is a qualitative counterpart to quantitative Indicators of water discharge that helps to describe the impact of these discharges. Discharges and runoff affecting aquatic habitats can have a significant impact on the availability of water resources. Identifying water bodies affected by discharges provides an opportunity to identify activities in regions of significant concern, or areas where the reporting organization may face specific risks due to community concerns, limited water resources, etc.

2. Compilation

2.1 Identify water bodies significantly affected by the reporting organization's water discharges that meet one of more of the following criteria:

- Discharges account for an average of 5% or more of the annual average volume of the water body;
- Discharges that, on the advice of appropriate professionals (e.g., municipal authorities), are known to have or are highly likely to have significant impacts on the water body and associated habitats;
- Discharges to water bodies that are recognized by professionals to be particularly sensitive due to their relative size, function, or status as a rare, threatened, or endangered system (or support a particular endangered species of plant or animal); or
- Any discharge to a Ramsar-listed wetland or any other nationally or internationally proclaimed conservation area regardless of the rate of discharge.

2.2 Report water bodies significantly affected by water discharges based on the criteria above, adding information on:

- Size of water body in cubic meters (m³);
- Whether the source is designated as a protected area (nationally and/or internationally); and
- Biodiversity value (e.g., number of protected species).

3. Definitions

None.

4. Documentation

Information on the status of a water source or protected area can be obtained from local or national water-related ministries or government departments, or through research initiated by the organization or other institutions, such as environmental impact studies.

5. References

- IUCN Red List of Threatened Species.
- Ramsar Convention on Wetlands.



CRE5 Land remediated and in need of remediation for the existing or intended land use, according to applicable legal designations.

1. Relevance

Land is sometimes adversely affected or made unproductive due to contamination. Contamination may occur as a result of construction and real estate activities, or may have occurred as a result of prior use or activities by an unrelated entity. Contamination may also be of natural origin. Contamination may affect soil quality, water quality, human health or other environmental or ecological receptors. Contamination may be solid, liquid, or gas.

In cases where contamination has occurred as a result of prior activities, entities in this sector frequently conduct assessment, risk management and/or remediation activities, which make the land suitable for existing or new purposes and uses. Sometimes previously uncontaminated land may be judged to be contaminated due to a proposed change to a more sensitive use, or the introduction of more sensitive environmental receptors. Sometimes construction activities can cause sufficient disturbance to render the existing condition of the land contaminative through the introduction of new types of pollution.

When remediation occurs, it is typically to a standard suitable for the existing or nominated end use of the land, for example, residential, industrial or commercial use. The type and extent of contamination reported under this Performance Indicator is influenced by the core business of the reporting organization.

This Performance Indicator allows report readers to assess the stock of potentially contaminated land and that which is currently being assessed, managed and/or remediated to an appropriate standard, and the annual changes in both of these.

2. Compilation

2.1 This Indicator refers to:

- Land contaminated by the company's operations or that of another entity prior to ownership, leasing or management by the reporting organization.

- Land that is owned, leased or managed for construction and real estate activities, or is being held for future development (such as land banks).

- Sea, lakes or river beds.

2.2 Report in square metres or hectares for the current reporting year:

- Total area of land decontaminated and remediated to intended use.
- Total area of land assessed for remediation but not yet remediated.
- Total area of land that is potentially contaminated but level of contamination is not known or assessed.

2.3 Reporting organizations should also disclose if land has become contaminated as a consequence of their own actions or the actions of a third party.

3. Definitions

Remediation

Actions taken to prevent or minimize, or remedy or mitigate, the effects of unacceptable risks associated with contaminated land. This can range from containment to treatment (either in situ or ex-situ), or removal of pollution or contaminants from soil, sediment or from a brownfield site intended for redevelopment, for the general protection of human health and the environment. Remediation may include the long term management and monitoring of existing contamination, sometimes referred to as monitored natural attenuation. Treatment may include chemical, biological, thermal or physical techniques.

Brownfields

Sites that have been potentially contaminated due to historical, industrial, or commercial land use practices, and that are under-utilized, derelict, or vacant, and that may be economically or functionally obsolete.



4. Documentation

Sources of information will include the company's land holdings data (purchases and leases), together with site-level records of land management, and may include reports filed with regulatory authorities on compliance with environmental management plans specified in the regulator's approval for the development.

**5. References**

None.



EN26 Initiatives to enhance efficiency and mitigate environmental impacts of products and services, and extent of impact mitigation.



1. Relevance

For some sectors, the impacts of products and services during their use phase (e.g., water consumption of a washing machine) and at the end of their useful life can be equal to or greater in significance than the production phase. The significance of such impacts is determined by both customer behavior and general product/service design. Organizations are expected to take more proactive approaches to assessing and improving the environmental impacts of their products and services.

This measure assesses the actions the reporting organization has taken to reduce the negative environmental impacts and enhance the positive impacts of its product and service design and delivery. Design for environment can help identify new business opportunities, differentiate products and services, and stimulate innovation in technology. Integrating environmental considerations into product and service design can also decrease the risk of incompatibility with future environmental legislation, as well as enhance reputation.

“Products and services” should be read as “real estate and infrastructure assets”.

Good asset design and redevelopment/retrofit can mitigate environmental and end user human health impacts. The effective management of existing buildings is also fundamental to mitigate impacts on the environment and end users.

This Performance Indicator provides reporting organizations with guidance for new construction, management and development/retrofit initiatives which are not directly captured by other ‘initiative’-focused environmental Indicators.



2. Compilation

2.1 In this Indicator, the following impacts are excluded since they are covered in other Environmental Indicators:

- reclaiming of products and product packaging (EN27); and

- Impacts on biodiversity (EN12).

- Energy saving (EN5, EN6, EN7);
- GHG emissions saving (EN18).



2.2 Report initiatives in the reporting period to mitigate the most significant environmental impacts of products/service groups in relation to:

- Materials use (e.g., use of non-renewable, energy-intensive, toxic materials);
- Water use (e.g., volumes used during production and/or use);
- Emissions (e.g., GHG, toxic, ozone-depleting emissions);

Note: Light pollution and reflection should be reported under EN12.



- Effluents (e.g., quality of water used during production and/or use);
- Noise; and

Note: Noise from vehicle movements should be reported under EN29.



- Waste (e.g., non-reclaimable, toxic materials/compounds).

For the issues listed above, report the following:

- Organization-wide environmental initiatives in place to design new assets (buildings and infrastructure) which minimize environmental and end user human health impacts, and to redevelop/retrofit existing assets (buildings only) to such standards.

For example: new construction or redevelopment/retrofit initiatives to manage occupant health (such as indoor air quality, indoor potable water quality, use of low VOC paints, contaminant management, management and disposal of hazardous substances, mould management, waste management); initiatives focusing on lifecycle impact, analysis and assessment; use of construction manuals; initiatives to adapt buildings for climate change; procurement and installation of efficient water devices.



- Organization-wide environmental management initiatives to manage existing buildings and construction sites efficiently.
For example: commissioning and recommissioning plant and equipment; building management system (BMS) optimization; tenant sub-metering.
- Organization-wide end user engagement initiatives (e.g., occupants and visitors) as implemented by design professionals, building or construction personnel, and building operators.
For example: employee training and education; green leases; end user manuals (such as occupier).



The Disclosure on Management Approach on Customer Health and Safety also addresses management approach related to new construction, management, redevelopment/ retrofit and demolition which may impact end user safety and security.

- 2.3** Report quantitatively the extent to which environmental impacts of products and services have been mitigated during the reporting period. If use-oriented figures are employed (e.g., water use of washing machine), clearly indicate the underlying assumptions regarding consumption patterns or normalization factors (e.g., 10% less water use per 5 kg of laundry).

Quantified reductions should refer to the extent to which initiatives to design, construct, manage and redevelop/retrofit assets have been successful in improving efficiency during the reporting period.



3. Definitions

None.

4. Documentation

Information can be drawn from product Lifecycle Assessments (LCA) or documents related to product design, development, and testing.

5. References

None.



EN27 Percentage of products sold and their packaging materials that are reclaimed by category.

1. Relevance

The disposal of products and packaging materials at the end of a use phase is a steadily growing environmental challenge. Establishing effective recycling and reuse systems to close product cycles can contribute significantly to increased material and resource efficiency. It also mitigates problems and costs related to disposal.

This Indicator provides insight into the extent to which the reporting organization’s products, components, or materials are collected and successfully converted into useful materials for new production processes. It also provides insight into the degree to which the organization has designed products and packages capable of being recycled or reused. This measure can be a particular source of competitive differentiation in sectors facing formal requirements to recycle products and their packaging materials.

2. Compilation

- 2.1** Identify the amount of products and their packaging materials reclaimed (i.e., recycled or reused) at the end of their useful life within the reporting period. Rejects and recalls of products should not be counted. Recycling or reuse of packaging should also be reported separately.
- 2.2** Report the percentage of reclaimed products and their packaging materials for each category of products (i.e., a group of related products sharing a common, managed set of features that satisfy the specific needs of a selected market) using the following formula:

$$\% \text{ of reclaimed products} = \frac{\text{products and their packaging materials reclaimed within the reporting period}}{\text{products sold within the reporting period}} \times 100$$

- 2.3** Given potential variations in data sources, report how the data for this Indicator has been collected (e.g., data is gathered from an internal collection system or data is provided by external collection systems reclaiming products on behalf of the organization).

3. Definitions

Reclaimed

Refers to collecting, reusing, or recycling products and their packaging materials at the end of their useful life. Collection and treatment can be carried out by the manufacturer of the product or by a contractor. This refers to products and their packaging materials that are:

- Collected by or on behalf of the reporting organization;
- Separated into raw materials (e.g., steel, glass, paper, some kinds of plastic, etc.) or components; and
- Used by the reporting organization or other users.

4. Documentation

None.

5. References

None.



EN28 Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations.

1. Relevance

The level of non-compliance within the organization helps indicate the ability of management to ensure that operations conform to certain performance parameters. From an economic perspective, ensuring compliance helps to reduce financial risks that occur either directly through fines or indirectly through impacts on reputation. In some circumstances, non-compliance can lead to clean-up obligations or other costly environmental liabilities. The strength of the organization's compliance record can also affect its ability to expand operations or gain permits.

2. Compilation

- 2.1** Identify administrative or judicial sanctions for failure to comply with environmental laws and regulations, including:
- International declarations/conventions/treaties, and national, sub-national, regional, and local regulations. Include non-compliances related to spills as disclosed under EN23 that meet the criteria for EN28;
 - Voluntary environmental agreements with regulating authorities that are considered binding and developed as a substitute for implementing new regulations. In certain jurisdictions, such agreements are referred to as 'covenants'; and
 - Cases brought against the organization through the use of international dispute mechanisms or national dispute mechanisms supervised by government authorities.
- 2.2** Report significant fines and non-monetary sanctions in terms of:
- Total monetary value of significant fines;
 - Number of non-monetary sanctions; and
 - Cases brought through dispute resolution mechanisms.

- 2.3** Where reporting organizations have not identified any non-compliance with laws or regulations, a brief statement to this fact is sufficient.

3. Definitions

Environmental laws and regulations

Refers to regulations related to all types of environmental issues (i.e., emissions, effluents, and waste, as well as material use, energy, water, and biodiversity) applicable to the reporting organization. This includes binding voluntary agreements that are made with regulatory authorities and developed as a substitute for implementing a new regulation. Voluntary agreements can be applicable if the reporting organization directly joins the agreement or if public agencies make the agreement applicable to organizations in their territory through legislation or regulation.

4. Documentation

Data sources include audit results or regulatory tracking systems operated by the legal department. Information regarding monetary fines can be found in accounting departments.

5. References

None.



EN29 Significant environmental impacts of transporting products and other goods and materials used for the organization's operations, and transporting members of the workforce.

1. Relevance

The environmental impacts of transportation systems have a wide reach, from global warming to local smog and noise. For some companies, particularly those with extensive supply and distribution networks, environmental impacts associated with logistics can represent a major part of their environmental footprint. Assessing the impacts of transporting products, goods, and materials for logistical purposes, and transporting members of the organization's workforce, is part of a comprehensive approach to planning environmental management strategies.

The impacts of transportation occur throughout all lifecycle stages of assets, for example: traffic disruption and management during construction and operation; transportation of materials, workers, occupants and visitors to and from assets.

2. Compilation

- 2.1** Identify the significant environmental impacts of the modes of transportation used by the organization, including:
- Energy use (e.g., oil, kerosene, fuel, electricity);
 - Emissions (e.g., greenhouse gas emissions, ozone-depleting substances, NO_x, SO_x, and other air emissions);

Note: Greenhouse gas emissions from transport are also reported under EN16 and EN17.

- Effluents (e.g., different kinds of chemicals);
- Waste (e.g., different types of packaging material);
- Noise; and
- Spills (e.g., spills of chemicals, oils, and fuels).

- 2.2** Report the significant environmental impacts of transportation used for logistical purposes and for transportation of members of the organization's workforce. Where quantitative data is not stated in the report, disclose the reason.

Significant environmental impact of transportation also includes the transportation of construction materials and equipment, which may, additionally, give rise to community impacts such as traffic disruption and congestion. Such impacts and associated mitigation measures should be reported under SO9.

- 2.3** Indicate the criteria and methodology used to determine which environmental impacts are significant.
- 2.4** Report how the environmental impacts of transporting products, members of the organization's workforce, and other goods and materials are mitigated.

Transportation impact mitigation can include, for example, green travel plans, and tracking modal patterns and modal shifts which result from transport impact mitigation initiatives.

3. Definitions

Transportation

The act of transferring resources and goods from one location to another (between suppliers, production plants, warehouses, and the customer) using different modes of transport, including passenger transportation (e.g., employee commuting and business traveling).

Logistical purposes

The forward or reverse flow and storage of goods and services between the point of origin and the point of consumption.

Transportation of the members of the organization's workforce

Transportation used for commuting to work by members of the workforce or travel for business purposes including air, train, bus, and other forms of motorized and non-motorized travel.

Modal pattern

The current pattern of use of modes of transport for journeys, including but not limited to motor vehicle usage, public transport, walking and cycling.



Modal shift

Changes in the use of modes of transport for journeys, including but not limited to changes in motor vehicle usage, public transport, walking and cycling.

Green travel plans

A package of measures provided by organizations to encourage staff to use alternatives to single-occupancy car use. For example: car sharing schemes; a commitment to improve cycling facilities; a dedicated bus service or restricted car parking allocations; promotion of flexible working practices such as remote access home working and video conferencing.

**4. Documentation**

Potential sources of data include invoices from logistical service providers and suppliers, reports from the logistics department, records of vehicle usage and maintenance, and monitoring/measurement conducted by, for example, the environment department.

5. References

- United Nations Recommendations on the Transport of Dangerous Goods.



EN30 Total environmental protection expenditures and investments by type.

1. Relevance

Measuring environmental mitigation and protection expenditures allows organizations to assess the efficiency of their environmental initiatives. It also provides valuable input for internal cost-benefit analyses. Data on environmental performance measured against environmental mitigation and protection expenditures offers insights into how effectively the organization uses resources to improve performance. When tracked and analyzed in a comprehensive fashion over time, this expenditures data allows the reporting organization to judge the value of complex organizational or technological investments for improving environmental performance.

It is possible to establish a full environmental management accounting system within an organization that tracks multiple categories of information. This Indicator focuses on waste disposal, emissions treatment, remediation costs, as well as prevention and environmental management costs.

2. Compilation

2.1 The compilation of the expenditures in this Indicator should exclude the following categories as defined in the IFAC 'International Guidance Document on Environmental Management Accounting' document:

- Costs of non-product output; and
- Fines for non-compliance with environmental regulation.

2.2 Identify waste disposal, emissions treatment, and remediation costs based on expenditures related to the following items:

- Treatment and disposal of waste;
- Treatment of emissions (e.g., expenditures for filters, agents);
- Expenditures for the purchase and use of emissions certificates;
- Depreciation of related equipment, maintenance, and operating material and services, and related personnel costs;

- Insurance for environmental liability; and
- Clean-up costs, including costs for remediation of spills as reported in EN23.

2.3 Identify prevention and environmental management costs based on expenditures related to the following items:

- Personnel employed for education and training;
- External services for environmental management;
- External certification of management systems;
- Personnel for general environmental management activities;
- Research and development;
- Extra expenditures to install cleaner technologies (e.g., additional cost beyond standard technologies);
- Extra expenditures on green purchases; and
- Other environmental management costs.

2.4 Report total environmental protection expenditures broken down by:

- Waste disposal, emissions treatment, and remediation costs; and
- Prevention and environmental management costs.

3. Definitions

Environmental protection expenditures

All expenditures on environmental protection by the reporting organization, or on its behalf, to prevent, reduce, control, and document environmental aspects, impacts, and hazards. It also includes disposal, treatment, sanitation, and clean-up expenditure.

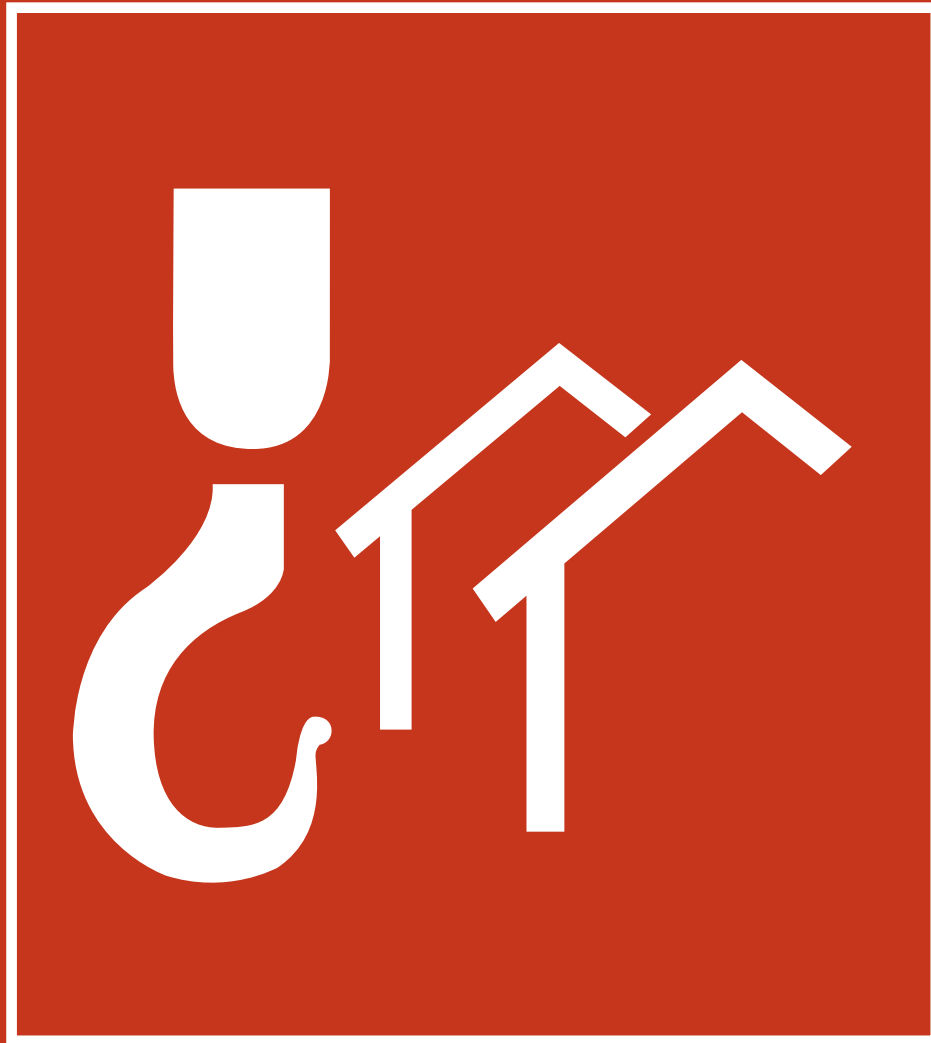
4. Documentation

Potential information sources include billing and accounting systems (e.g., Environmental Management Accounting) as well as procurement, human resource, and legal departments.



5. References

- IFAC- The International Federation of Accountants (2005) 'International Guidance Document on Environmental Management Accounting'.
- UNDSO- United Nations Division for Sustainable Development (2003): Environmental Management Accounting Procedures and Principles (EMARIC Environmental Management Accounting Research and Information Center, 2003).



Indicator Protocols Set
Labor Practices and Decent Work (LA)
Construction and Real Estate
Sector Supplement

**The Construction and Real Estate Sector Supplement is based on the
G3.1 Sustainability Reporting Guidelines**



Labor Practices & Decent Work

Performance Indicators

Aspect: Employment

LA1 Total workforce by employment type, employment contract, and region, broken down by gender.

Construction and Real Estate
Commentary added

LA2 Total number and rate of new employee hires and employee turnover by age group, gender, and region.

LA3 Benefits provided to full-time employees that are not provided to temporary or part-time employees, by significant locations of operation.

Construction and Real Estate
Commentary added

LA15 Return to work and retention rates after parental leave, by gender.

Aspect: Labor/Management Relations

LA4 Percentage of employees covered by collective bargaining agreements.

LA5 Minimum notice period(s) regarding operational changes, including whether it is specified in collective agreements.

Aspect: Occupational Health and Safety

LA6 Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs.

LA7 Rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities, by region and by gender.

Construction and Real Estate
Commentary added

CRE6 Percentage of the organization operating in verified compliance with an internationally recognized health and safety management system.

LA8 Education, training, counseling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases.

Construction and Real Estate
Commentary added

LA9 Health and safety topics covered in formal agreements with trade unions.

Aspect: Training and Education

LA10 Average hours of training per year per employee by gender, and by employee category.

Construction and Real Estate
Commentary added

LA11 Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.

LA12 Percentage of employees receiving regular performance and career development reviews, by gender.

Aspect: Diversity and Equal Opportunity

LA13 Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity.

Construction and Real Estate
Commentary added

Aspect: Equal Remuneration For Women And Men

LA14 Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation.

Construction and Real Estate
Commentary added



Relevance

The ILO Decent Work Agenda is framed within the context of fair globalization, which aims to achieve both economic growth and equity through a combination of social and economic goals. The Agenda has four elements:

- Employment;
- Dialogue;
- Rights; and
- Protection.

The structure of the Labor Indicators is broadly based on the concept of decent work. The set begins with disclosures on the scope and diversity of the reporting organization's workforce, emphasizing aspects of gender and age distribution.

The approach to dialogue between the organization and its employees, and the degree to which employees are organized in representative bodies are covered by Indicators LA4 (which complements Indicator HR5 on Freedom of Association and Collective Bargaining) and LA5.

The physical protection and well-being of people at work is covered by Occupational Health and Safety Indicators (LA6, LA7, LA8, LA9), which address both the scope of programs as well as statistical performance on health and safety.

The scope of employee benefits and contributions toward a broad social goal of diversity and equal treatment is addressed by LA14 (Pay Equity), LA13 (Diversity) and LA3 (Benefits). Indicators in the Economics category also provide relevant information. The support organizations provide to employees to enhance personal skills and potential (which also improves the organization's human capital) is represented in Indicators LA10, LA11, and LA12.

Definitions

Total workforce

The total number of persons working for the reporting organization at the end of the reporting period (i.e., the sum of all employees and supervised workers as defined above).

Worker

Generic term for any person performing work, regardless of the contractual relationship.

Employee

An individual who is, according to national law or practices, recognized as an employee of the reporting organization.

Supervised worker

An individual who performs regular work on-site for, or on behalf of, the reporting organization but is not recognized as an employee under national law or practice.

Supervised workers include contractors and sub-contractors.

CRE

Independent contractor

An individual legally recognized as being self-employed.

Contractors

Groups or individuals that hold the primary contract with another organization or individual (the owner) for the new construction, management, redevelopment or demolition of a real estate or infrastructure asset.

CRE

Sub-contractors

Groups or individuals that enter into a subcontract with a primary contractor to perform part or all of the obligations of another's contract in relation to the new construction, management, redevelopment or demolition of a real estate or infrastructure asset.

Collective bargaining agreements

There are two types of collective bargaining agreements, aimed either at employers or workers. Those aimed at employers are agreements in writing regarding working conditions and terms of employment concluded between an employer, a group of employers, or one or more employers' organizations. Those aimed at workers are agreements between one or more representative workers' organizations, or, in the absence of such organizations, the representatives of the workers duly elected and authorized by them in accordance with national laws and regulations.

Employee categories

Breakdown of employees, by level (e.g., highest governance bodies, senior management, middle management, etc) and function (e.g., technical, administrative, production, etc). Derived from an organization's own human resources system.



General References

- Convention on the Elimination of all Forms of Discrimination Against Women (CEDAW), 1979.
- ILO Convention 135, 'Workers' Representatives Convention', 1971.
- ILO Convention 87, 'Freedom of Association and Protection of the Right to Organise', 1948.
- ILO Convention 98, 'Right to Organise and Collective Bargaining', 1949.
- ILO Declaration on Fundamental Principles and Rights at Work, 1998.
- ILO Decent Work Agenda, 1999.
- ILO Tripartite Declaration Concerning Multinationals and Social Policy, 1977, amended 2000.
- OECD Principles of Corporate Governance, 2004.
- OECD Guidelines for Multinational Enterprises, Revision 2000.
- UNIFEM & UNGC Women's Empowerment Principles, 2010.
- United Nations Millennium Declaration, 2000.

LA1 Total workforce by employment type, employment contract, and region, broken down by gender.

1. Relevance

The size of a workforce provides insight into the scale of impacts created by labor issues. Breaking down the workforce by employment type, employment contract, and region (region refers to 'country' or 'geographical area') demonstrates how the organization structures its human resources to implement its overall strategy. It also provides insight into the organization's business model, and offers an indication of job stability and the level of benefits the organization offers. Breaking down this data by gender enables an understanding of gender representation across an organization, and of the optimal use of available labor and talent. As a basis for calculations in several other Indicators, the size of the workforce is a standard normalizing factor for many integrated Indicators. A rise or fall in net employment, evidenced by data reported over the course of three or more years, is an important element of the organization's contribution to the overall economic development and sustainability of the workforce.¹

This Performance Indicator is particularly relevant for the sector because of its labor intensive nature and because of the dependence on contractors and sub-contractors to deliver projects and building services (and the potential use of vulnerable workers).

In some geographical contexts, there are different practices in employment types and contracts (e.g., use of agents or intermediaries, seasonal employment, gender issues) that may be considered when reporting on this Performance Indicator.

2. Compilation

2.1 Identify the total workforce (employees and supervised workers) broken down by gender working for the reporting organization at the end of the reporting period. Supply chain workers are not included in this Indicator.

Include contractors and sub-contractors that deliver projects and building services (i.e., excluding others in the supply chain such as building materials providers), as part of the total workforce.

2.2 Identify the contract type and full-time and part-time status of employees based on the definitions under the national laws of the country where they are based.

2.3 Combine country statistics to calculate global statistics and disregard differences in legal definitions. Although the definitions of what constitutes types of contract and a full-time or part-time employment relationship may vary between countries, the global figure will still reflect the relationships under law.

2.4 Report the total workforce broken down by employees and supervised workers, and by gender.

Report the total workforce broken down by employees, supervised workers (including contractors and sub-contractors delivering projects and building services), gender and other diversity groups, and contract type (full-time and part-time workers).

2.5 If a substantial portion of the organization's work is performed by workers who are legally recognized as self-employed, or by individuals other than employees or supervised workers, this should be reported.

Include contractors and sub-contractors.

2.6 Report the total number of employees broken down by employment contract and gender.

Construction companies should also break down workforce figures by employment contract for those working on projects in insecure areas.

Note: The relevant Disclosure on Management Approach for the employment of construction workers in insecure areas can be found in the Human Rights Category, under Security Practices.

2.7 Report the total number of permanent employees broken down by employment type and gender.

2.8 Report the total workforce broken down by region and gender, based on the scale of the organization's operations.

2.9 If applicable, explain any significant seasonal variations in employment numbers (e.g., in the tourism or agricultural industries).

¹ See GRI Guidelines on expectations regarding reporting of multiple years' data.



3. Definitions

Employment types

Full time: A 'full-time employee' is defined according to national legislation and practice regarding working time (e.g., national legislation defines that 'full-time' means a minimum of nine months per year and a minimum of 30 hours per week).

Part-time: A 'part-time employee' is an employee whose working hours per week, month, or year are less than 'full time' as defined above.

Employment Contract

An employment contract as recognized under national law or practice that may be written, verbal, or implicit (i.e., when all the characteristics of employment are present but without a written or witnessed verbal contract).

Indefinite or Permanent Contract:

A permanent contract of employment is a contract with an employee for full-time or part-time work for an indeterminate period.

Fixed Term or Temporary Contract:

A fixed term contract is a contract of employment as defined above that ends when a specific time period expires, or when a specific task that has a time estimate attached is completed.

A temporary contract of employment is of limited duration and terminated by a specific event, including the end of a project or work phase, return of replaced personnel, etc.

4. Documentation

Payroll information available at the national or site level should provide data for this Indicator.

5. References

- ILO: International Classification of Status in Employment.
- ILO: Key Indicators of the Labour Market.
- ILO: LABORSTA Internet Indicators.
- United Nations: World Macro Regions and Components.

LA2 Total number and rate of new employee hires and employee turnover by age group, gender, and region.

1. Relevance

A high turnover rate can indicate levels of uncertainty and dissatisfaction among employees, or may signal a fundamental change in the structure of the organization's core operations. An uneven pattern of turnover by age or gender can indicate incompatibility or potential inequity in the workplace. Turnover results in changes to the human and intellectual capital of the organization and can impact productivity. Turnover has direct cost implications either in terms of reduced payroll or greater expenses for recruitment of workers.

The number, age, gender, and region of new employee hires of the reporting organization can indicate the organization's strategy and ability to attract diverse qualified employees. This information can signify the organization's efforts to implement inclusive recruitment practices based on age and gender, and the optimal use of available labor and talent in different regions.

Employment net creation can be estimated using the data reported under Indicator LA1.

2. Compilation

- 2.1 Identify the total number of new employee hires during the reporting period, broken down by age group, gender and region.
- 2.2 Identify the total number of new employee hires leaving employment during the reporting period, broken down by age group, gender and region.
- 2.3 Report the total number and rate of new employee hires entering and employees leaving employment during the reporting period, broken down by age group (e.g., <30;30-50;>50), gender and region.

Rates should be calculated using the total employee numbers at the end of the reporting period.

3. Definitions

Employee Turnover

Number of employees who leave the organization voluntarily or due to dismissal, retirement, or death in service.

New employee hires

New employees joining the organization for the first time.

4. Documentation

Potential sources of information include payroll information available at the national or site level. Operational plans and restatements of the organization's key strategic targets may provide explanations for large variations in this figure.

5. References

None.



LA3 Benefits provided to full-time employees that are not provided to temporary or part-time employees, by significant locations of operation.

1. Relevance

Data reported under this Indicator provides a measure of the organization's investment in human resources and the minimum benefits it offers its full time employees. The quality of benefits for full-time staff is a key factor in retaining employees. The Indicator also measures relative investment in different parts of the workforce.

2. Compilation

- 2.1** Identify benefits offered to all employees.
- 2.2** Report which of the following benefits are standard for full-time employees of the organization but are not provided to temporary or part-time employees, broken down by significant locations of operation:
- Life insurance;
 - Health care;
 - Disability/invalidity coverage;
 - Parental leave;
 - Retirement provision;
 - Stock ownership; and
 - Others.

Report benefits provided to permanent and temporary employees (as opposed to full-time and part-time), on a regional or country basis.

Report benefits provided beyond compliance, including the monetary value of these benefits and the quality of benefits provided.

Benefits reported should also include provisions such as food, housing, fresh drinking water and sanitation.

- 2.3** Standard benefits refer to those typically offered to at least the majority of full-time employees. This should not be interpreted as being offered to every single full-time employee of the organization. The intention of the Indicator is to disclose what full-time employees can reasonably expect.

3. Definitions

Benefits

This refers to either direct benefit provided in the form of financial contributions, care paid for by the reporting organization, or the reimbursement of expenses borne by the employee. Redundancy payments over and above legal minimums, lay-off pay, extra employment injury benefit, survivors' benefits, and extra paid holiday entitlements could also be included under this Indicator. In-kind benefits such as provision of sports or child day care facilities, free meals during working time, and similar general employee welfare programs are excluded from this Indicator.

4. Documentation

Potential sources of information include local or central collective agreements, which may provide examples of benefits paid beyond legal minimums. Other reference tools may include benefits summaries, employee orientation/commencement materials, and employee contracts.

5. References

- ILO Convention 102, 'Social Security (Minimum Standards) Convention', 1952.
- ILO Convention 121, 'Employment Injury Benefits Convention', 1964.
- ILO Convention 128, 'Invalidity, Old-Age and Survivors' Benefits Convention', 1967.
- ILO Convention 130, 'Medical Care and Sickness Benefits Convention', 1969.
- ILO Convention 132, 'Holidays with Pay Convention (Revised)' 1970.
- ILO Convention 140, 'Paid Educational Leave Convention', 1974.
- ILO Convention 156, 'Workers with Family Responsibilities Convention', 1981.
- ILO Convention 157, 'Maintenance of Social Security Rights', 1982.
- ILO Convention 168, 'Employment Promotion and Protection against Unemployment Convention', 1988.



- ILO Convention 183, 'Maternity Protection Convention', 2000.
- OECD Guidelines for Multinational Enterprises, Revision 2000.
- ILO Convention 159, 'Vocational Rehabilitation and Employment (Persons with Disabilities)', 1983.
- IFC & EBRD: Workers' accommodation: processes and standards public guidance note, 2009.



LA15 Return to work and retention rates after parental leave, by gender.

1. Relevance

Many countries have introduced legislation to provide a specific length of parental leave. However, the application of legislation will vary according to interpretation by government, employers and employees.

The aim of the legislation is to allow employees to take leave and return to work to the same or a comparable position. However, many women are discouraged from taking leave and returning to work by employer practices that affect their employment security, remuneration and career path. Many men are not encouraged to take the leave to which they are entitled.

Equitable gender choice for maternity and paternity leave, and other leave entitlements, can lead to the greater recruitment and retention of qualified staff, and boost employee morale and productivity. Men's uptake of paternity leave options can indicate the degree to which an organization encourages fathers to take such leave. More men taking advantage of leave entitlements has a positive effect for women in taking such leave without prejudicing their career path.

2. Compilation

- 2.1 Report the number of employees by gender that were entitled to parental leave.
- 2.2 Report the number of employees by gender that took parental leave.
- 2.3 Report the number of employees who returned to work after parental leave ended, by gender.
- 2.4 Report the number of employees who returned to work after parental leave ended who were still employed twelve months after their return to work, by gender.
- 2.5 Report the return to work and retention rates of employees who returned to work after leave ended, by gender.

3. Definitions

Parental Leave

Leave granted to men and women workers on the grounds of the birth of a child.

4. Documentation

Potential sources of information include the human resources departments.

5. References

- ILO Convention 156, 'Workers with Family Responsibilities Convention', 1981
- ILO Convention 183, 'Maternity Protection Convention', 2000.

LA4 Percentage of employees covered by collective bargaining agreements.

1. Relevance

Freedom of association is a human right as defined by international declarations and conventions, particularly ILO Core Conventions 87 & 98. Collective bargaining is an important form of stakeholder engagement and particularly relevant for reporting guidelines. It is a form of stakeholder engagement that helps build institutional frameworks and is seen by many as contributing to a stable society. Together with corporate governance, collective bargaining is part of an overall framework that contributes to responsible management. It is an instrument used by parties to facilitate collaborative efforts to enhance the positive social impacts of an organization. The percentage of employees covered by collective bargaining agreements is the most direct way to demonstrate an organization's practices in relation to freedom of association.

2. Compilation

- 2.1 Use data from LA1 as the basis for calculating percentages for this Indicator.
- 2.2 Binding collective bargaining agreements include those signed by the reporting organization itself or by employer organizations of which it is a member. These agreements can be at the sector, national, regional, organizational, or workplace level.
- 2.3 Identify the total number of employees covered by collective bargaining agreements.
- 2.4 Report the percentage of total employees covered by collective bargaining agreements.

3. Definitions

None.

4. Documentation

Records of formal recognition agreements and signed collective agreements with independent trade unions will normally be held by the human resources or personnel department of the reporting organization.

5. References

- ILO Convention 87, 'Freedom of Association and Protection of the Right to Organise', 1948.
- ILO Convention 98, 'Right to Organise and Collective Bargaining', 1949.
- ILO Convention 135, 'Workers' Representatives Convention', 1971.
- ILO Convention 154, 'Collective Bargaining Convention', 1981 and Recommendations 91, 'Collective Agreements Recommendation' 1951, and 163, 'Collective Bargaining Recommendation', 1981.
- ILO Declaration on Fundamental Principles and Rights at Work, 86th Session, 1998, Article 2 (a).
- OECD Guidelines for Multinational Enterprises, Section IV, Paragraph 2 (a).



LA5 Minimum notice period(s) regarding significant operational changes, including whether it is specified in collective agreements.

1. Relevance

This Indicator provides insight into an organization's practice of ensuring timely discussion of significant operational changes, and engaging with its employees and their representatives to negotiate and implement these changes (which may have positive or negative implications for workers). Timely and effective consultation with workers and other relevant parties, where practicable (such as with governmental authorities), helps to minimize any adverse impacts from operating changes on workers and related communities.

Minimum notice period(s) are an Indicator of an organization's ability to maintain employee satisfaction and motivation while implementing significant changes to operations. This Indicator also allows an assessment of an organization's consultation practices in relation to expectations expressed in relevant international norms. Consultative practices that result in good industrial relations can help provide positive working environments, reduce turnover, and minimize operational disruptions.

2. Compilation

- 2.1 Report the minimum number of weeks notice typically provided to employees and their elected representatives prior to the implementation of significant operational changes that could substantially affect them.
- 2.2 For organizations with collective bargaining agreements, report whether the notice period and/or provisions for consultation and negotiation are specified in collective agreements.

3. Definitions

Significant operational changes

Alterations to the reporting organization's pattern of operations that will have substantial positive or negative consequences for its employees. Such changes may include, for example, restructuring, outsourcing of operations, closures, expansions, new openings, takeovers, sale of all or part of the organization, or mergers.

4. Documentation

Agreements specific to the organization will provide data for this Indicator.

5. References

- Declaration concerning the aims and purposes of the International Labour Organisation (Declaration of Philadelphia), 1944 - Annex to the ILO Constitution – Articles I (a) and III (e).
- ILO Convention 158, 'Termination of Employment Convention', 1982.
- ILO Tripartite Declaration of Principles Concerning Multinational Enterprises and Social Policy, 1997.
- ILO Recommendation 94, 'Co-operation at the Level of the Undertaking Recommendation', 1952.
- ILO Recommendation 135, 'Workers' Representatives' Convention', 1971.
- OECD Guidelines for Multinational Companies, Revision 2000, Article IV, (2) & (3).
- OECD Principles of Corporate Governance, 2004 (notably Article IV, C, D & E).



LA6 Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs.

1. Relevance

A health and safety committee with joint representation can facilitate a positive health and safety culture. The use of committees is one way to involve workers in driving the improvement of occupational health and safety in the workplace. This Indicator provides one measure of the extent to which the workforce is actively involved in health and safety.

2. Compilation

2.1 Identify formal health and safety committees that help monitor and advise on occupational safety programs at the facility level or higher with joint management/labor representation. 'Formal' refers to committees whose existence and function are integrated in the reporting organization's organizational and authority structure, and that operate according to certain agreed, written rules.

2.2 Report the percentage of the total workforce represented in formal joint management-worker health and safety committees:

- None;
- Up to 25%;
- Between 25% and 50%;
- Between 50% and 75%; and
- Over 75%.

2.3 Report the level(s) at which the committee(s) typically operates (e.g., at facility level and/or at multi-facility, region, group, or company levels). This may either be a result of a formal policy, procedure, or informal practice within the organization.

3. Definitions

None.

4. Documentation

Potential sources of information include organizational procedures and minutes of occupational health & safety committee(s).

5. References

- ILO Convention 155, 'Occupational Safety and Health Convention' and Protocol 155, 1981.
- ILO Convention 161, 'Occupational Health Services Convention', 1985.



LA7 Rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities, by region and by gender.

1. Relevance

Health and safety performance is a key measure of an organization's duty of care. Low injury and absentee rates are generally linked to positive trends in staff morale and productivity. This Indicator will show whether health and safety management practices are resulting in fewer occupational health and safety incidents. An evaluation of trends and patterns may also indicate potential workplace inequity.

This Performance Indicator is of particular relevance to the sector due to the dangerous nature of project construction work, and some building services work, that can lead to high incident, injury, occupational diseases and fatality rates.

For real estate reporting organizations, this Performance Indicator is of particular relevance due to the use of contractors and sub-contractors for potentially hazardous activities such as interior building and façade cleaning, as well as handling potentially hazardous materials.

2. Compilation

2.1 This Indicator should provide a regional breakdown for the following, by gender:

- The total workforce (i.e., total employees plus supervised workers); and
- Independent contractors working on-site to whom the reporting organization is liable for the general safety of the working environment.

- Injuries and fatalities to non-workers on or off a reporting organization's site or assets (including visitors to an asset or site, and members of the public), and relevant non-compliance relating to public health impacts on building users, such as exposure to chemicals and other hazardous substances, should be reported under PR2.

2.2 Since some reporting organizations include minor (first-aid level) injuries in their data, indicate whether such injuries are included or excluded.

2.3 In calculating 'lost days' indicate:

- Whether 'days' means 'calendar days' or 'scheduled work days'; and
- At what point the 'lost days' count begins (e.g., the day after the accident or 3 days after the accident).

2.4 Report regional breakdown and total of injury, occupational diseases, lost days, and absentee rates in the reporting period by gender, using the following formula:

Include a breakdown of injuries, occupational diseases, lost days, and absentee rates by employees, supervised employees, and independent contractors. Report which of these are included and state the reporting boundary in terms of supply chain coverage. Include dangerous occurrences, injuries, occupational diseases and fatalities arising from operations on-site, building maintenance, and worker commuting to and from their workplace(s), if required by law.

- Injury rate (IR)

$$IR = \frac{\text{Total \# of injuries}}{\text{Total hours worked}} \times 200,000$$

Note: The injury rate should capture fatalities.

2.4a. Report for Injury rate and Occupational diseases rate the nature of the injury or diseases by type, and the circumstances of the accident or dangerous occurrence, or circumstances resulting in exposure to a health hazard, as listed in ILO Protocols (see References).

- Occupational diseases rate (ODR)

$$ODR = \frac{\text{Total \# of Occupational diseases cases}}{\text{Total hours worked}} \times 200,000$$

- Lost day rate (LDR)

$$LDR = \frac{\text{Total \# of lost days}}{\text{Total hours worked}} \times 200,000$$

- Absentee rate (AR)

$$AR = \frac{\text{Total \# of missed (absentee) days over the period}}{\text{Total \# of workforce days worked for same period}} \times 200,000$$

Note: The factor 200,000 is derived from 50 working weeks @ 40 hours per 100 employees.



By using this factor, the resulting rate is related to the number of employees, not the number of hours.

- 2.5** Report fatalities in the reporting period by gender, using an absolute number, not a rate.

2.5a Report dangerous occurrences in the reporting period by gender, using an absolute number, not a rate. Dangerous occurrences should also be broken down by employees, supervised employees and independent contractors.

- 2.6** Report the system of rules applied in recording and reporting accident statistics. The 'ILO Code of Practice on Recording and Notification of Occupational Accidents and Diseases' was developed for the reporting, recording, and notification of workplace accidents. Where national law follows the ILO recommendations, it is sufficient to state that fact and that practice follows the law. In situations where national law does not comply, indicate which system of rules it applies and their relationship to the ILO code.

3. Definitions

Dangerous occurrences

A work related event with the potential to cause injury, disability or disease to workers or the public. Sometimes referred to as 'near misses'.

Incidents, injuries or fatalities

Hazardous and harmful events: Dangerous occurrences (including near misses), injuries, occupational diseases, occupational disabilities and fatalities arising from operations on-site, building maintenance, and worker commuting to and from their workplace(s). Include contractors, visitors and members of the public.

Injury

A non-fatal or fatal injury arising out of or in the course of work.

Injury rate

The frequency of injuries relative to the total time worked by the total workforce in the reporting period.

Occupational disease

A disease arising from the work situation or activity (e.g., stress or regular exposure to harmful chemicals), or from a work-related injury.

Disease may also arise from exposure to materials such as asbestos.

CRE

Occupational disease rate

The frequency of occupational diseases relative to the total time worked by the total workforce in the reporting period.

Lost day

Time ('days') that could not be worked (and is thus 'lost') as a consequence of a worker or workers being unable to perform their usual work because of an occupational accident or disease. A return to limited duty or alternative work for the same organization does not count as lost days.

Lost day rate

The impact of occupational accidents and diseases as reflected in time off work by the affected workers. It is expressed by comparing the total lost days to the total number of hours scheduled to be worked by the workforce in the reporting period.

Absentee

An employee absent from work because of incapacity of any kind, not just as the result of work-related injury or disease. Permitted leave absences such as holidays, study, maternity/paternity, and compassionate leave are excluded.

Absentee rate

Refers to a measure of actual absentee days lost as defined above, expressed as a percentage of total days scheduled to be worked by the workforce for the same period.

Fatality

The death of a worker occurring in the current reporting period, arising from an occupational injury or disease sustained or contracted while in the reporting organization's employ.

4. Documentation

Employee records, employee contracts, attendance records, and accident records will provide relevant data for this Indicator.

5. References

- ILO Convention 155, 'Occupational Health & Safety Convention' and Protocol 155, 1981.

CRE

CRE



- ILO Convention 155 'Protocol on recording and notification of occupational accidents and diseases', 1981.
 - ILO Convention 155 'R194 List of Occupational Diseases Recommendation', 2002 (for the internationally recognized list of occupational diseases).
 - ILO Convention 155, 'Occupational Health & Safety Convention' and Protocol 155, 1981 (for details on reporting of commuting accidents).
 - ILO Convention 159, 'Vocational Rehabilitation and Employment (Persons with Disabilities)', 1983.
- ILO Code of Practice on Recording and Notification of Occupational Accidents and Diseases, 1995.
 - ILO Guidelines on Occupational Safety and Health Management Systems, 2001.



CRE6 Percentage of the organization operating in verified compliance with an internationally recognized health and safety management system.

1. Relevance

The construction and real estate sector is increasingly focused on defining how occupational health and safety risks are identified and managed to prevent incidents, injuries or deaths.

The development of forward looking ("lead") indicators requires an organization to establish operational controls and to track the satisfactory implementation of these controls, through internal or external verification processes, to eliminate or mitigate the risks associated with its activity.

The development and implementation of health and safety management systems provides organizations with key processes to mitigate the health and safety risks associated with its operations. Review of the management system, by internal and/or external parties, provides assurances that health and safety risks are adequately identified, as a minimum, and addressed in a consistent manner.

2. Compilation

- 2.1** Identify health and safety management system(s) used, for example OHSAS18001, or equivalent.
- 2.2** Identify the percentage of the organization, by percentage of employees, supervised employees and independent contractors, operating under the health and safety management system(s), for example OHSAS18001, or equivalent.
- 2.3** Identify the percentage of the organization internally, by percentage of employees, supervised employees and independent contractors, and the proportion externally verified to be operating in compliance with the health and safety management system(s), for example OHSAS18001, or equivalent.
- 2.4** Report the percentage of the organization, by percentage of employees, supervised employees and independent contractors, internally verified to be operating in compliance with the health and safety management system(s), for example OHSAS18001, or equivalent.

- 2.5** Report the percentage of the organization, by percentage of employees, supervised employees and independent contractors, externally verified to be operating in compliance with the health and safety management system(s), for example OHSAS18001, or equivalent.

3. Definitions

OH&S Management System

An Occupational Health & Safety (OH&S) management system is a business approach to minimize occupational health and safety risks. The system defines procedures, practices and policies to manage occupational health and safety.

OHSAS18001

OHSAS 18001 is an internationally recognized assessment specification for occupational health and safety management systems. It was developed by a selection of leading trade bodies, international standards and certification bodies to address a gap where no third-party certifiable international standard existed.

4. Documentation

Potential sources of information include internal audit reports, external audit reports, and records of certification.

5. References

None



LA8 Education, training, counseling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases.

1. Relevance


As part of a preventative strategy for managing the health and safety of its workforce, this Indicator is relevant for any organization. It also has specific relevance for organizations working in countries with a high risk or incidence of communicable diseases, and those in professions that have a high incidence of specific diseases. The Indicator helps demonstrate the extent to which such issues have been addressed in organizational programs and the degree to which best practices are applied. Preventing serious diseases contributes to the health, satisfaction, and stability of the workforce, and helps maintain the organization’s social license to operate in a community or region.

For construction companies, this Performance Indicator is of particular relevance due to the reliance on migrant and moveable labor in the industry, and the need to engage migrant workers on relevant health and safety issues. It is also of particular relevance because construction companies’ activities are more hazardous than those of the real estate sector.


2. Compilation


2.1 Report the programs related to assisting workforce members, their families, or community members regarding serious diseases using the table below:

Assistance Programs								
	Education/ Training		Counseling		Prevention/ Risk Control		Treatment	
	Yes	No	Yes	No	Yes	No	Yes	No
Program recipients								
Workers								
Workers’ families								
Com- munity members								

Report whether education and training is provided in a manner which is understood by all program recipients, for example in appropriate languages or pictorial format. 

2.2 Report whether there are workers who are involved in occupational activities who have a high incidence or high risk of specific diseases.

For workers who are involved in occupational activities with a high incidence or high risk of specific diseases, breakdown by direct employees, supervised employees (contractors and subcontractors) and independent contractor. 


2.3 Report preventative measures in place where there is high incidence or high risk of specific diseases. 

3. Definitions

Risk control

Practices that seek to limit exposure and transmission of diseases.

Serious diseases

Occupational or non-occupational related impairment of health with serious consequences for employees, their families, and communities, such as HIV/AIDS, diabetes, RSI, and stress. 

4. Documentation

Potential sources of information include organizational policies and operating procedures, minutes of internal occupational health committee(s), and human resource and health center records.

5. References

- GRI Cross-Reference: Reporting Guidance on HIV/AIDS: A GRI Resource Document. LA8 is a standard Indicator relevant for HIV/AIDS. Reporting organizations operating in areas with high prevalence should consider expanding their reporting on this issue and can view the GRI Resource Document for examples.



LA9 Health and safety topics covered in formal agreements with trade unions.

1. Relevance

This Indicator demonstrates one of the ways in which the health and safety of the workforce is ensured. Formal agreements can promote the acceptance of responsibilities by both parties and the development of a positive health and safety culture. This Indicator will reveal the extent to which the workforce is actively involved in formal, labor-management agreements that determine health and safety management arrangements.

2. Compilation

- 2.1 Report whether formal agreements (either local or global) with trade unions cover health and safety. (Yes/No)
- 2.2 If yes, report the extent to which various health and safety topics are covered by local and global agreements signed by the organization.

Agreements at the local level typically address topics such as:

- Personal protective equipment;
- Joint management-employee health and safety committees;
- Participation of worker representatives in health and safety inspections, audits, and accident investigations;
- Training and education;
- Complaints mechanism;
- Right to refuse unsafe work; and
- Periodic inspections.

Agreements at the global level typically address topics such as:

- Compliance with the ILO;
- Arrangements or structures for resolving problems; and
- Commitments regarding target performance standards or level of practice to apply.

3. Definitions

Formal agreements

Written documents signed by both parties declaring a mutual intention to abide by what is contained in the documents. These can include, for example, local collective bargaining agreements as well as national and international framework agreements.

4. Documentation

Potential sources of information include collective agreements with trade unions.

5. References

- ILO Convention 155, 'Occupational Safety and Health Convention' and its Protocol 155, 1981.



LA10 Average hours of training per year per employee, by gender, and by employee category.

1. Relevance

Maintaining and improving human capital, particularly through training that expands the knowledge base of employees, is a key element in organizational development. This Indicator provides insight into the scale of the organization's investment in this area and the degree to which the investment is made across the entire employee base. Access to training opportunities can also support progress in other areas of social performance, such as ensuring equal opportunity in the workplace. It also contributes to motivating improvement at the personal and organizational level.

2. Compilation

- 2.1 Identify the total number of employees, by gender in each employee category across the organization's operations at the end of the reporting year.
- 2.2 Identify total hours devoted to training personnel within each employee category.
- 2.3 Report the average number of hours of training per year per employee by employee category using the following formula:

$$\frac{\text{Total number of hours per employee category}}{\text{Total number of employees per employee category}}$$

- 2.3a Report relevant categories of training, including vocational training, apprenticeships and occupational health and safety training provided to workers (especially site management), either within or additional to a health and safety management system (see also CRE6).

- 2.4 Identify total hours devoted to training personnel per gender.
- 2.5 Report the average number of training per year per gender using the following formula:

$$\frac{\text{Total number of hours by gender}}{\text{Total number of employees by gender}}$$

3. Definitions

Training

Refers to:

- All types of vocational training and instruction;
 - Vocational training includes apprenticeships (with on-the-job training).
- Paid educational leave provided by the reporting organization for its employees;
- Training or education pursued externally and paid for in whole or in part by the reporting organization; and
- Training on specific topics such as health and safety.

Training does not include on-site coaching by supervisors.

Employee Category

Breakdown of employees by level (e.g., highest governance bodies, senior management, middle management, etc) and function (e.g., technical, administrative, production, etc). Derived from an organization's own human resources system.

4. Documentation

Potential sources of information include employee records and training schedules.

5. References

- ILO Convention 142, 'Human Resources Development Convention', 1975.
- ILO Convention 140, 'Paid Educational Leave Convention', 1974.
- ILO Convention 155, 'Occupational Safety and Health Convention', 1981.
- OECD Guidelines for Multinational Enterprises, Revision 2000, Articles II, 4 & IV, 2 (c), 3 & 5.



LA11 Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.

1. Relevance

Programs for skills management allow organizations to plan skills acquisitions that will equip employees to meet strategic targets in a changing work environment. A more skilled and aware workforce enhances the organization's human capital and contributes to employee satisfaction, which correlates strongly with improved performance. For those facing retirement, confidence and quality of work relations is improved by the knowledge that they will be supported in their transition from work to retirement. The goal of lifelong learning is to promote the development of knowledge and competencies that will enable each citizen to adapt to a rapidly-changing labor market and to participate actively in all spheres of economic life.

2. Compilation

2.1 Do employee training or assistance programs to upgrade skills provide any of the following?

- Internal training courses;
- Funding support for external training or education; and
- The provision of sabbatical periods with guaranteed return to employment.

2.2 Do transition assistance programs to support employees who are retiring or who have been terminated provide any of the following:

- Pre-retirement planning for intended retirees;
- Retraining for those intending to continue working;
- Severance pay;
- If severance pay is provided, does it take into account employee age and years of service;
- Job placement services; and
- Assistance (e.g., training, counseling) on transitioning to a non-working life.

3. Definitions

Continued employability

Adaptation to the changing demands of the workplace through the acquisition of new skills.

Career endings

Retirement by reaching statutory national retiring age or termination in the face of restructuring.

Skills management

Policies and programs that focus on developing employees' skills to meet the evolving strategic needs of the organization and/or the industry.

Lifelong learning

Acquiring and updating abilities, knowledge, qualifications, and interests throughout life, from pre-school years to post-retirement.

4. Documentation

Potential sources of information include organizational procedures for termination and employee records.

5. References

- ILO Convention 142, 'Human Resources Development Convention', 1975.
- ILO Convention 168, 'Employment Promotion and Protection against Unemployment Convention', 1988.



LA12 Percentage of employees receiving regular performance and career development reviews, by gender.

1. Relevance

Appraising employee performance against common targets aids the personal development of individual employees and contributes to both skills management and the development of human capital within the organization. Employee satisfaction can also be enhanced, which correlates with improved organizational performance. This Indicator indirectly demonstrates how the reporting organization works to monitor and maintain the skill sets of its employees. When reported in conjunction with LA12, the Indicator helps illustrate how the organization approaches skills enhancement. The percentage of employees receiving regular performance and career development reviews broken down by gender demonstrates the extent to which this system is applied throughout the organization and if there is inequity of access to these opportunities.

2. Compilation

- 2.1 Identify the total number of employees broken down by gender. The total number of employees should match that reported under LA1.
- 2.2 Report the percentage of total employees by gender who received a formal performance appraisal and review during the reporting period.

3. Definitions

Regular performance and career development review

Performance targets and reviews are based on criteria known to the employee and his/her superior. This review is undertaken with the knowledge of the employee at least once per year. It can include an evaluation by the employee's direct superior, peers, or a wider range of employees. The review may also involve personnel from the human resources department.

4. Documentation

Potential sources of information include personnel records.

5. References

- ILO Convention 142, 'Human Resources Development', 1975.



LA13 Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity.

1. Relevance

This Indicator provides a quantitative measure of diversity within an organization and can be used in conjunction with sectoral or regional benchmarks. The level of diversity within an organization provides insights into the human capital of the organization. Comparisons between broad workforce diversity and management team diversity also offer information on equal opportunity. Detailed information on the composition of the workforce can also help in assessing which issues may be of particular relevance to certain segments of the workforce.

This Performance Indicator is of particular relevance due to cultural norms and workforce participation rates that feature lower levels of women and members of minority groups in decision-making roles across a variety of functions, and on governance bodies.



2. Compilation

- 2.1 Identify the diversity Indicators used by the reporting organization in its own monitoring and recording that may be relevant for reporting.
- 2.2 Identify the total number of employees in each employee category. The total number of employees should match that reported in LA1.
- 2.3 Report the percentage of employees per employee category in each of the following diversity categories: (% of employees)
 - **Gender;**
 - **Minority groups;** and
 - **Age groups:** Under 30 years old, 30-50 years old, over 50 years old.
- 2.4 Report the percentage of employees by gender for the minority and age groups identified in 2.3.

The categories should be broken down by gender as per the diversity categories above.

- 2.5 Report the percentage of individuals within the organization's governance bodies (e.g., the board of directors, management committee, or similar body for non-corporate reporting organizations) in each of the following diversity categories: (% of Individuals within Governance Bodies)
 - **Gender;**
 - **Minority groups;** and
 - **Age groups:** Under 30 years old, 30-50 years old, over 50 years old.

3. Definitions

Employee Category

Breakdown of employees by level (e.g., highest governance bodies, senior management, middle management, etc) and function (e.g., technical, administrative, production, etc). Derived from an organization's own human resources system.

Governance bodies

The committees or boards responsible for the strategic guidance of the organization, the effective monitoring of management, and the accountability of management to the broader organization and its stakeholders.

Indicators of diversity

Indicators for which the reporting organization gathers data may include, for example, citizenship, ancestry and ethnic origin, creed, and disability.

4. Documentation

Potential sources of information include employee records and minutes of equal opportunity committees.

5. References

- Convention on the Elimination of All Forms of Discrimination Against Women: UN GA: Resolution 34/180 of 18 December 1979.
- Declaration on the Elimination of All Forms of Intolerance and of Discrimination based on Religion or Belief: UN GA: Resolution 36/55 of 26 November 1981.
- Declaration on Race and Racial Prejudice: General Conference UNESCO 20th session on 27 November 1978.



- Declaration on the Rights of Persons Belonging to National or Ethnic, Religious and Linguistic Minorities: UN GA Resolution 47/135 of 18 December 1992.
 - ILO Tripartite Declaration of Principles Concerning Multinational Enterprises and Social Policy: Art. 21, 22, 23, 1977.
 - ILO Declaration on Fundamental Principles and Rights at Work, 1998.
 - ILO Convention concerning Discrimination in Respect of Employment and Occupation, 1958 (No.111).
 - International Convention on the Elimination of All Forms of Racial Discrimination of 4 January 1969.
 - OECD Guidelines for Multinational Enterprises, Revision 2000 (Employment and Industrial Relations Section).
 - United Nations Global Compact: Principle 6, 26 July 2000.
 - United Nations Declaration on the Elimination of All Forms of Racial Discrimination: UN GA Resolution 1904 (XVIII) of 20 November 1963.
- Embedding Gender into Sustainability Reporting: A Practitioners' Guide, GRI & IFC, 2009.



LA14 Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation.

1. Relevance

Many countries have introduced legislation to enforce the principle of equal pay for work of equal value. This issue is supported by ILO Convention 100 on 'Equal Remuneration for Men and Women Workers for Work of Equal Value'. Equality of remuneration is a factor in retaining qualified employees in the workforce. Where imbalances exist, an organization runs a risk to its reputation and legal challenges on the basis of discrimination.

Due to differences in cultural norms and workforce participation by gender, wage gaps in the sector by gender are particularly relevant.

CRE

2. Compilation

- 2.1 Identify the total number of employees in each employee category across the reporting organization's operations, broken down by gender using the information from LA13. Employee categories should be defined based on the reporting organization's own human resources system. The total number of employees should match that reported in LA1.
- 2.2 Identify the basic salary for women and for men in each employee category.
- 2.3 Identify the remuneration for women and men in each employee category.
- 2.4 Report the ratio of the basic salary and remuneration of women to men for each employee category, by significant locations of operation.

3. Definitions

Basic Salary

A fixed, minimum amount paid to an employee for performing his/her duties. This does not include any additional remuneration.

Employee category

Breakdown of employees by level (e.g., highest governance bodies, senior management, middle management, etc) and function (e.g., technical, administrative, production, etc). Derived from an organization's own human resources system.

Remuneration

Basic salary plus additional amounts such as those based on years of service, bonuses including cash and/or equity such as stocks and shares, benefit payments, overtime, time owed, and any additional allowances (e.g., transportation, living and childcare allowances).

4. Documentation

Sources of information for this Indicator include employee and payment records.

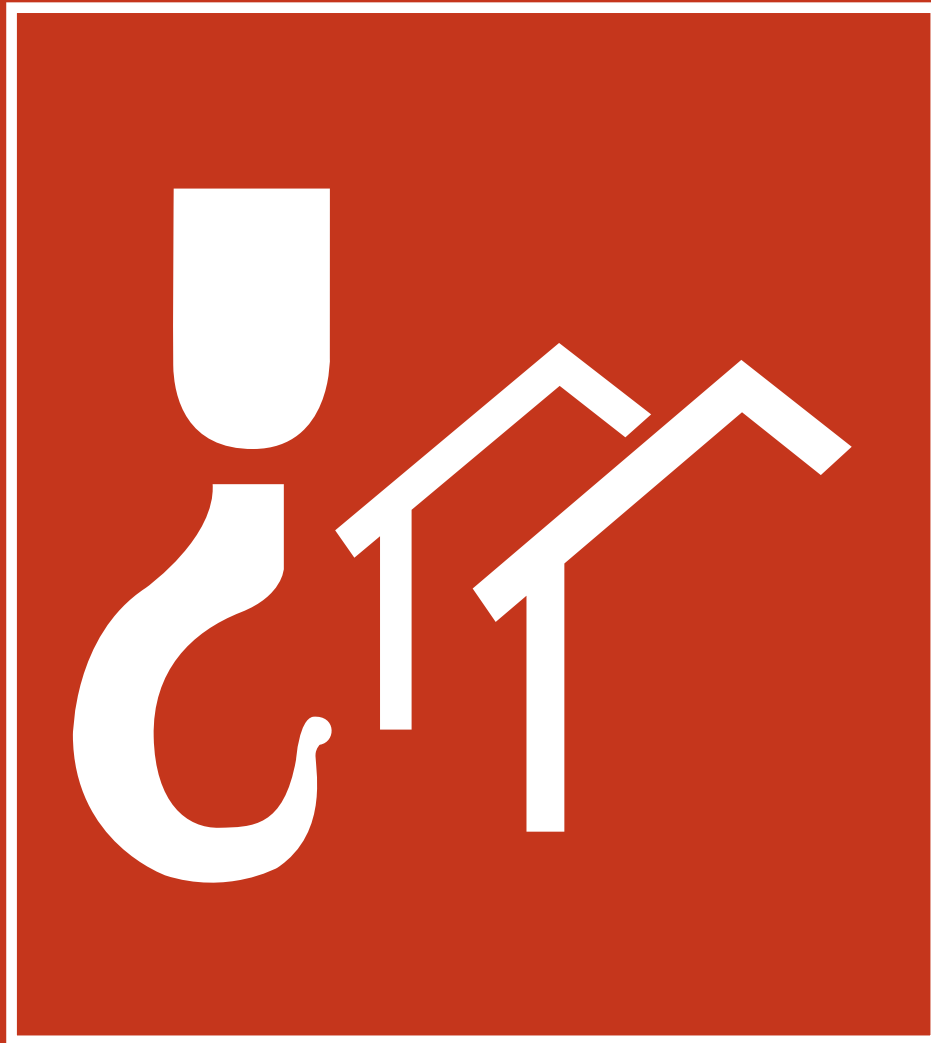
5. References

- ILO Convention 100, 'Equal Remuneration for Men and Women Workers for Work of Equal Value', 1951.
- ILO Convention 111, 'Discrimination in Respect of Employment and Occupation', 1958.
- ILO Declaration on Fundamental Principles and Rights at Work, 1998.
- Embedding Gender into Sustainability Reporting: A Practitioners' Guide, GRI & IFC, 2009.

CRE

CRE





Indicator Protocols Set
Human Rights (HR)
Construction and Real Estate
Sector Supplement

**The Construction and Real Estate Sector Supplement is based on the
G3.1 Sustainability Reporting Guidelines**



Human Rights

Performance Indicators

Aspect: Investment and Procurement Practices

- HR1** Percentage and total number of significant investment agreements and contracts that include clauses incorporating human rights concerns, or that have undergone human rights screening. CORE
- HR2** Percentage of significant suppliers, contractors, and other business partners that have undergone human rights screening, and actions taken. CORE
- HR3** Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained. CORE

Aspect: Non-discrimination

- HR4** Total number of incidents of discrimination and corrective actions taken. CORE

Construction and Real Estate
Commentary added



Aspect: Freedom of Association and Collective Bargaining

- HR5** Operations and significant suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk, and actions taken to support these rights. CORE

Aspect: Child Labor

- HR6** Operations and significant suppliers identified as having significant risk for incidents of child labor, and measures taken to contribute to the effective abolition of child labor. CORE

Construction and Real Estate
Commentary added



Aspect: Forced and Compulsory Labor

- HR7** Operations and significant suppliers identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of all forms of forced or compulsory labor. CORE

Aspect: Security Practices

- HR8** Percentage of security personnel trained in the organization's policies or procedures concerning aspects of human rights that are relevant to operations. ADD

Aspect: Indigenous Rights

- HR9** Total number of incidents of violations involving rights of indigenous people and actions taken. ADD

Aspect: Assessment

- HR10** Percentage and total number of operations that have been subject to human rights reviews and/or impact assessments. CORE

Aspect: Remediation

- HR11** Number of grievances related to human rights filed, addressed and resolved through formal grievance mechanisms. CORE



Relevance

Human Rights Performance Indicators elicit disclosures on the impacts and activities an organization has on the civil, political, economic, social and cultural human rights of its stakeholders. The Aspects within these Performance Indicators are based on internationally recognized standards, primarily the United Nations Universal Declaration of Human Rights and the ILO Declaration on the Fundamental Principles and Rights at Work of 1998 (in particular the eight core Conventions of the ILO). Although closely related, the categories of Human Rights and Labor Practices serve different purposes. Human Rights Indicators focus on how the reporting organization maintains and respects the basic rights of a human being, whereas the Indicators on Labor Practices reflect the quality of the work conditions and the working environment.

The Performance Indicators seek to provide comparable measures of results or outcomes, and therefore focus primarily on incidents relating to core human rights. Incidents typically include 'points of impact' on stakeholder groups as well as risks for the organization where violations have occurred. The Indicator set addresses three general areas:

- Basic aspects of human rights (HR4, HR5, HR6, HR7 and HR9);
- The capacity and knowledge enabling the organization to effectively address human rights, including training and internal procedures (HR3, HR8, HR10, and HR 11); and
- The organization's integration of human rights into its external business relationships either through investments or suppliers (HR1 and HR2).

Definitions

Human rights

Generally recognized human rights are defined by the International Bill of Human Rights, which is composed of three instruments:

1. Universal Declaration of Human Rights, 1948;
2. International Covenant on Civil and Political Rights, 1966; and
3. International Covenant on Economic, Social and Cultural Rights, 1966.

In addition to the International Bill of Human Rights, the corpus of human rights is further defined by numerous other declarations, treaties and conventions at international, regional and sub-regional levels. Of particular relevance to business among these additional instruments are:

1. ILO Declaration on Fundamental Principles and Rights at Work, 1998 (in particular the eight core conventions of the ILO consisting of Conventions 100, 111, 87, 98, 138, 182, 29, 105);
2. Convention on the Elimination of All Forms of Racial Discrimination, 1966;
3. Convention on the Elimination of All Forms of Discrimination Against Women (CEDAW), 1979;
4. Convention on the Rights of the Child, 1989;
5. International Convention on the Protection of the Rights of All Migrant Workers and Members of Their Families, 1990; and
6. ILO Convention (107) Indigenous and Tribal Populations Convention, 1957, ILO Convention (169) Concerning Indigenous and Tribal Peoples in Independent Countries, 1991 and United Nations Declaration on the Rights of Indigenous Peoples, 2007.

Contractors

Groups or individuals that hold the primary contract with another organization or individual (the owner) for the new construction, management, redevelopment or demolition of a real estate or infrastructure asset.

Sub-contractors

Groups or individuals that enter into a subcontract with a primary contractor to perform part or all of the obligations of another's contract in relation to the new construction, management, redevelopment or demolition of a real estate or infrastructure asset.

General References

- ILO Tripartite Declaration Concerning Multinational Enterprises and Social Policy, 2001, Third Edition.
- OECD Guidelines for Multinational Enterprises, Revision 2000.
- Vienna Declaration and Programme of Action, 1993.



HR1 Percentage and total number of significant investment agreements and contracts that include human rights clauses or that have undergone human rights screening.

1. Relevance

This measure is one indication of the extent to which human rights are integrated in an organization's economic decisions. This is particularly relevant for organizations that operate within or are partners in ventures in regions where the protection of human rights is of significant concern. Integrating human rights criteria in screening or including human rights in performance requirements can be part of a strategy to reduce the risks of investment. Problems with an organization's human rights record can result in reputational damage for the investing organization and can affect the stability of investments.

2. Compilation

- 2.1** Count only the agreements and contracts that are significant in terms of size or strategic importance. The significance may be determined by the level of approval required within the organization for the investment or other criteria that can be consistently applied to agreements. The reporting organization should disclose their definition of "significant agreements".
- 2.2** Identify the total number of significant investment agreements and contracts finalized during the reporting period that either moved the organization into a position of ownership in another entity or initiated a capital investment project that was material to financial accounts.
- 2.3** If multiple significant investment agreements are undertaken and contracts signed with the same partner, the number of the agreements should reflect the number of separate projects undertaken or entities created.
- 2.4** Report the total number and percentage of significant investment agreements and contracts that include human rights clauses or that underwent human rights screening.

3. Definitions

Human rights clauses

Specific terms in a written agreement that define minimum expectations of performance with respect to human rights as a requirement for investment.

Human rights screening

A formal or documented process that applies a set of human rights performance criteria as one of the factors in determining whether to proceed with a business relationship.

4. Documentation

Potential information sources include the reporting organization's legal, investor relations, and financial departments, as well as documentation collected through quality management systems.

5. References

None.



HR2 Percentage of significant suppliers, contractors, and other business partners that have undergone human rights screening, and actions taken.

1. Relevance

The development of extensive networks of suppliers and contractors to produce products and services has generated interest in how reporting organizations apply their human rights policies to their supply networks. This is particularly relevant for organizations in sectors that rely heavily on outsourcing and global networks.

Processes that screen and monitor human rights performance within the supply chain, contractors and other business partners can provide evidence of an organization's positive and/or negative impact on the wider business community. Issues with human rights performance on the part of significant suppliers, contractors and other business partners can result in reputational damage for their business partners and/or create instability in the suppliers' operations. Screening is part of risk management, and the percentage indicated here indicates how regularly an organization takes this particular risk into consideration.

2. Compilation

- 2.1 Identify the total number of the reporting organization's significant suppliers, contractors and other business partners.
- 2.2 Report the percentage of contracts with significant suppliers and contractors that included clauses or screening on human rights. See HR1 for definitions of 'clauses'.
- 2.3 Report the percentage of contracts with significant suppliers, contractors and other business partners that were either declined or imposed performance conditions, or were subject to other actions as a result of human rights screening.

3. Definitions

Significant suppliers, contractors and other business partners

External parties from whom products or services are obtained or with whom contracts are concluded for the provision of such products and services. In the context of this Indicator, 'significant' refers to suppliers and contractors who are:

- The primary providers of a given type of good or service and overall comprise the majority of the organization's purchases; or
- Identified as having the highest risk of incidents of violations related to human rights.

Human rights screening

A formal or documented process that applies a set of human rights performance criteria as one of the factors in determining whether to proceed with a business relationship.

5. Documentation

Potential information sources include the reporting organization's procurement or purchasing and legal departments.

5. References

None.



HR3 Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained.

1. Relevance

Information generated from this Indicator offers insight into an organization's capacity to implement its human rights policies and procedures. Human rights have become well-established in international standards and laws, and this has obligated organizations to implement specialized training that equips employees to address human rights in the course of their regular work. The number of employees trained and the amount of training they receive both contribute to an assessment of an organization's depth of knowledge about human rights.

2. Compilation

- 2.1** Identify the total number of hours devoted to employee training, using data from LA10.
- 2.2** Identify the total number of employees, using data from LA1.
- 2.3** Identify employees who have received formal training in the organization's policies and procedures on human rights issues and their applicability to the employees' work. This can refer either to training dedicated to the topic of human rights or to a human rights module within a general training program.
- 2.4** Report the total number of hours in the reporting period devoted to training on policies and procedures concerning aspects of human rights that are relevant to operations.
- 2.5** Report the percentage of employees in the reporting period trained in policies and procedures concerning aspects of human rights that are relevant to operations.

3. Definitions

None

4. Documentation

Potential sources of information include employee records of training and training schedules.

5. References

None.



HR4 Total number of incidents of discrimination and corrective actions taken.

1. Relevance

Human rights extend beyond the rights of employees in the workplace. Anti-discrimination policy is a key requirement of international conventions and social legislation and guidelines. The issue of discrimination is also addressed by ILO Core Conventions 100 & 111. An effective monitoring system is necessary to ensure compliance throughout the reporting organization's operations. Stakeholders will seek assurance that such policies and monitoring are effective.

There is a risk of gender discrimination in the sector. This Performance Indicator can demonstrate the effectiveness of policies, training and awareness, and grievance mechanisms aimed to combat discrimination.



2. Compilation

- 2.1** Identify incidents of discrimination on grounds of race, color, sex, religion, political opinion, national extraction, or social origin as defined by the ILO, or other relevant forms of discrimination involving internal and/or external stakeholders across operations in the reporting period.

'Incidents' refer to legal actions, complaints registered with the organization or competent authorities through a formal process, or instances of non-compliance identified by the organization through established procedures such as management system audits or formal monitoring programs.

Incidents of discrimination should also be identified by gender, disability, age and sexual orientation.



- 2.2** Report the total number of incidents of discrimination broken down by gender, disability, age and sexual orientation during the reporting period.
- 2.3** Report the status of the incidents and the actions taken with reference to the following:
- Organization has reviewed the incident;
 - Remediation plan is being implemented;



- Remediation plan has been implemented and results reviewed through routine internal management review processes; and
- Incident is no longer subject to action (i.e., resolved, case completed, no further by action by company, etc).

3. Definitions

Discrimination

The act and the result of treating a person unequally by imposing unequal burdens or denying benefits rather than treating the person fairly on the basis of individual merit. Discrimination can also include harassment, defined as a course of comments or actions that are unwelcome, or should reasonably be known to be unwelcome, to the person towards whom they are addressed.

4. Documentation

Potential information sources include the reporting organization's legal and compliance departments.

5. References

- Declaration on the Elimination of All Forms of Intolerance and of Discrimination based on Religion or Belief, UN General Assembly Resolution 36/55 of 26 November 1981.
- Declaration on Race and Racial Prejudice: General Conference UNESCO 20th session on 27 November 1978.
- Declaration on the Rights of Persons Belonging to National or Ethnic, Religious and Linguistic Minorities: UN GA Resolution 47/135 of 18 December 1992.
- ILO Convention 100, 'Equal Remuneration Convention', 1951.
- ILO Convention 111, 'Discrimination in Respect of Employment and Occupation Convention', 1958.
- International Convention on Civil and Political Rights: GA Resolution 2200 A XX1 of 16 December 1966.
- International Convention on the Elimination of All Forms of Racial Discrimination GA Resolution 1904 (XV111) of 20 November 1963.



- United Nations Convention on the Elimination of all forms of Discrimination Against Women: UN, GA: Resolution 34/180 of 18 December 1979.
- United Nations Declaration on the Elimination of All Forms of Racial Discrimination: GA Resolution 1904 (XVIII) of 20 November 1963.



HR5 Operations and significant suppliers identified in which the right to exercise freedom of association or collective bargaining may be violated or at significant risk, and actions taken to support these rights.

1. Relevance

Inherent in the right to freedom of association and collective bargaining is the protection of the right of workers (and employers) to organize collectively in organizations of their own choice. The Right to Freedom of Association is a fundamental provision of the UN Universal Declaration of Human Rights and is defined by ILO Core Conventions 87 & 98.

This Indicator aims to reveal actions that the reporting organization has taken to evaluate whether opportunities exist for workers to exercise their rights to freedom of association and collective bargaining. It also aims to reveal actions that have been taken to support these rights across the organization's range of operations. This Indicator does not require the reporting organization to express a specific opinion on the quality of national legal systems.

2. Compilation

- 2.1** Identify operations and significant suppliers in which employee rights to exercise freedom of association or collective bargaining may be violated or at risk. The process of identification should reflect the organization's approach to risk assessment on this issue and can draw from recognized international data sources such as ILO reports (yearly report of ILO Committee of Experts on the implementation of ratified conventions and recommendations, as well as the Governing Body's reports on freedom of association).
- 2.2** Report operations and significant suppliers identified in which employee rights to exercise freedom of association or collective bargaining may be violated or at risk either in terms of:
- Type of operations (e.g., manufacturing plant); or
 - Countries or geographical areas with operations considered at risk.

- 2.3** Report on any measures taken by the organization in the reporting period intended to support rights to freedom of association and collective bargaining. See the ILO Tripartite Declaration and OECD Guidelines for further guidance.

3. Definitions

Freedom of association

Workers and employers may establish and join organizations of their own choosing without the need for prior authorization.

Significant suppliers

External parties from whom products or services are obtained or with whom contracts are concluded for the provision of such products and services. In the context of this Indicator, 'significant' refers to suppliers who are:

- The primary providers of a given type of good or service and overall comprise the majority of the organization's purchases; or
- Identified as having the highest risk of incidents of violations related to human rights.

4. Documentation

Potential information sources include the reporting organization's legal, compliance, and human resources departments.

5. References

- ILO Convention 87, 'Freedom of Association and Protection of the Right to Organise Convention', 1948.
- ILO Convention 98, 'Right to Organise and Collective Bargaining Convention', 1949
- United Nations Universal Declaration of Human Rights, 1948.
- International Covenant on Economic, Social and Cultural Rights, 1966.



HR6 Operations and significant suppliers identified as having significant risk for incidents of child labor, and measures taken to contribute to the effective abolition of child labor.

1. Relevance

The abolition of child labor is a key principle and objective of major human rights declarations and legislation, and is subject to ILO Conventions 138 and 182. The presence and effective implementation of policies on child labor are a basic expectation of socially responsible conduct.

There is risk of child labor in the manufacture of building materials (e.g., brick kilns and quarry mines), and in the building services industry.



2. Compilation

2.1 Identify operations considered to have significant risk for incidents of:

- Child labor; and/or
- Young workers exposed to hazardous work.

The process of identification should reflect the organization's approach to risk assessment on this issue and can draw from recognized international data sources such as ILO reports.

2.2 Report operations considered to have significant risk for incidents of child labor either in terms of:

- Type of operations (e.g., manufacturing plant); or
- Countries or geographical areas with operations considered at risk.

2.3 Report on any measures taken by the organization in the reporting period intended to contribute to the elimination of child labor. See the ILO Tripartite Declaration and OECD Guidelines for further guidance.

3. Definitions

Child

This term applies to all persons under the age of 15 years or under the age of completion of compulsory schooling

(whichever is higher), except in certain countries where economies and educational facilities are insufficiently developed and a minimum age of 14 years might apply. These countries of exception are specified by the ILO in response to special application by the country concerned and consultation with representative organizations of employers and workers.

Note: ILO Convention 138 refers to both child labor and young workers. See below for the definition of 'young worker'.

Significant suppliers

External parties from whom products or services are obtained or with whom contracts are concluded for the provision of such products and services. In the context of this Indicator, 'significant' refers to suppliers who are:

- The primary providers of a given type of good or service and overall comprise the majority of the organization's purchases; or
- Identified as having the highest risk of incidents of violations related to human rights.

Young worker

A person who is above the applicable minimum working age and younger than 18 years of age.

4. Documentation

Potential information sources include the reporting organization's legal, compliance, and human resources departments.

5. References

- ILO Convention 138, 'Minimum Age Convention', 1973.
- ILO Convention 182, 'Worst Forms of Child Labour Convention', 1999.
- ILO Declaration on Fundamental Principles and Rights at Work, 86th Session, 1998.
- United Nations Convention on the Rights of the Child, 1989.

- Global report under the follow up to the ILO Declaration on the Fundamental Principles and Rights at Work, ILO Conference 90th Session, 2002, Report I (B).



HR7 Operations and significant suppliers identified as having significant risk for incidents of forced or compulsory labor, and measures taken to contribute to the elimination of all forms of forced or compulsory labor.

1. Relevance

Not to be subjected to forced or compulsory labor is considered a fundamental human right and is a provision of the UN Universal Declaration of Human Rights and subject to ILO Core Conventions 29 & 105. This type of labor can exist in a variety of forms and the data provided will indicate the reporting organization's challenges in contributing to the abolition of forced and compulsory labor.

2. Compilation

2.1 Identify operations considered to have significant risk for incidents of forced or compulsory labor. The process of identification should reflect the organization's approach to risk assessment on this issue and can draw from recognized international data sources such as ILO reports.

2.2 Report operations considered to have significant risk for incidents of compulsory labor either in terms of:

- Type of operations (e.g. manufacturing plant); or
- Countries or geographical areas with operations considered at risk.

2.3 Report on any measures taken by the organization in the reporting period intended to contribute to the elimination of all forms of forced or compulsory labor. See the ILO Tripartite Declaration and OECD Guidelines for further guidance.

3. Definitions

Forced or compulsory labor

All work and service which is exacted from any person under the menace of any penalty and for which the said person has not offered her/himself voluntarily (ILO Convention 29, Forced Labour Convention, 1930). The most extreme examples are slave labor and

bonded labor, but debts can also be used as a means of maintaining workers in a state of forced labor. Withholding identity papers, requiring compulsory deposits, or compelling workers, under threat of firing, to work extra hours to which they have not previously agreed, are all examples of forced labor.

Significant suppliers

External parties from whom products or services are obtained or with whom contracts are concluded for the provision of such products and services. In the context of this Indicator, 'significant' refers to suppliers who are:

- The primary providers of a given type of good or service and overall comprise the majority of the organization's purchases; or
- Identified as having the highest risk of incidents of violations related to human rights.

4. Documentation

Potential information sources include the reporting organization's legal, compliance, and human resources departments.

5. References

- ILO Conventions 29, 'Forced Labour Convention', 1930.
- ILO Convention 105, 'Abolition of Forced Labour', 1957.
- League of Nations (later UN) Slavery Convention, 1927.
- United Nations Supplementary Convention on the Abolition of Slavery, the Slave Trade, and Institutions and Practices Similar to Slavery, 226 U.N.T.S.3, 1957.
- Universal Declaration of Human Rights (United Nations General Assembly Resolution 217 A (III) of 10 December 1948), Articles 4 & 5.
- ILO Declaration on Fundamental Principles and Rights at Work, 86th Session, 1998.



HR8 Percentage of security personnel trained in the organization's policies or procedures concerning aspects of human rights that are relevant to operations.

1. Relevance

The conduct of security personnel towards third parties is underpinned by their training in human rights issues, particularly regarding the use of force. Training security personnel can help prevent reputational and litigation risks that arise from inappropriate actions or approaches not condoned by the reporting organization. Information provided under this Indicator helps to demonstrate the extent to which management systems pertaining to human rights are implemented. This measure indicates the proportion of the security force that can reasonably be assumed to be aware of the organization's expectations of human rights performance.

2. Compilation

- 2.1 Identify the total number of security personnel the reporting organization employs directly.
- 2.2 Report the percentage of security personnel who have received formal training in the organization's policies on, or specific procedures for, human rights issues and their application to security. This can refer either to training dedicated to the topic or a module within a more general training program.
- 2.3 Report whether training requirements also apply to third party organizations providing security personnel.

3. Definitions

Security personnel

Individuals employed for the purposes of guarding property of the organization, crowd control, loss prevention, and escorting persons, goods, and valuables.

4. Documentation

Potential information sources include the reporting organization's human resources department and training records received by internal security personnel. Contractors may hold similar information with respect to their employees.

5. References

- ILO Convention 29, 'Forced Labour Convention', 1930.
- ILO Convention 105, 'Abolition of Forced Labour Convention', 1957.
- The Voluntary Principles on Security and Human Rights, 2000.



HR9 Total number of incidents of violations involving rights of indigenous people and actions taken.

1. Relevance

The number of recorded incidents involving the rights of indigenous peoples provides information about the implementation of an organization's policies relating to indigenous peoples. This information will help indicate the state of relations with these stakeholder communities, particularly in regions where indigenous people reside or have interests near operations of the reporting organization. The information also provides an additional entry point for support groups. ILO Conventions 107 and 169 address the rights of indigenous peoples.

2. Compilation

- 2.1** Identify incidents involving indigenous rights among the organization's own employees, and in communities near existing operations that are likely to be affected by planned or proposed future operations of the reporting organization.

'Incidents' refer to legal actions, complaints registered with the organization or competent authorities through a formal process, or instances of non-compliance identified by the organization through established procedures such as management system audits or formal monitoring programs.

- 2.2** Report the total number of identified incidents involving indigenous rights during the reporting period.
- 2.3** Report the status of the incidents and actions taken with reference to the following:
- Organization has reviewed the incident;
 - Remediation plan is being implemented;
 - Remediation plan has been implemented and results reviewed through routine internal management review processes; and
 - Incident is no longer subject to action (i.e., resolved, case completed, no further by action by company, etc).

3. Definitions

Indigenous peoples

Indigenous peoples are those whose social, cultural, political, and economic conditions distinguish them from other sections of the dominant national community, or who are regarded as indigenous on account of their descent from the populations which inhabited the country, or a geographical region to which the country belongs, at the time of conquest or colonization or the establishment of present state boundaries and who, irrespective of their legal status, retain some or all of their own social, economic, cultural, and political institutions.

4. Documentation

Potential information sources include the reporting organization's operating procedures and guidelines on the issue. Other information may be supplied by country managers and by legal specialists of the reporting organization. Data on indigenous people within the workforce may be obtainable from employee records.

5. References

- Charter of the United Nations, Preamble, San Francisco, 1945.
- International Finance Corporation's Performance Standards on Social & Environmental Sustainability, 2006.
- ILO Convention (107) Indigenous and Tribal Populations Convention, 1957.
- ILO Convention (169) Concerning Indigenous and Tribal Peoples in Independent Countries, 1991.
- United Nations Declaration on the Rights of Indigenous Peoples, 2007.



HR10 Percentage and total number of operations that have been subject to human rights reviews and/or impact assessments.

1. Relevance

Reporting organizations need to be aware of their special responsibility to respect human rights. The presence of the reporting organization's operations can have positive and negative effects in relation to respecting on the protection of human rights. Organizations can affect human rights directly, through their own actions and operations, and indirectly, through their interaction and relationships with others, including governments, local communities and suppliers.

Information reported for this Indicator will provide insight into how far the reporting organization takes human rights considerations into account when making decisions on their locations of operations. It will also evaluate the potential of its being associated with, or considered complicit in, human rights abuse.

2. Compilation

- 2.1 Identify countries in which the reporting organization operates.
- 2.2 Report the total number of operations, by country.
- 2.3 Report the total number and percentage of operations that have undergone human rights reviews or human rights impact assessments, by country.

3. Definitions

Human rights reviews

A formal or documented assessment process that applies a set of human rights performance criteria.

4. Documentation

Potential information sources include the reporting organization's legal, compliance, and human resources departments, information supplied by country managers and the risk management office.

5. References

- Global Compact Business Guide for Conflict Impact Assessment and Risk Management, 2002.
- Guidance on Responsible Business in Conflict-Affected and High-Risk Areas: A Resource for Companies and Investors, UNGC/PRI, 2010.
- OECD Guidelines for Multinational Enterprises, Revision 2000.
- OECD Risk Awareness Tool for Multinational Enterprises in Weak Governance Zones (in particular ch. 2, 4 & 7), 2006.
- Multinational Enterprises in Situations of Violent Conflict and Widespread Human Rights Abuses, OECD, Working Papers on International Investment, number 2002/1, 2002.

HR11 Number of grievances related to human rights filed, addressed, and resolved through formal grievance mechanisms.

1. Relevance

Disputes over the human rights impact of an organization's operations and decisions may occur. Effective grievance mechanisms play an important role in the successful protection of human rights.

2. Compilation

- 2.1 Identify existing formal organizational grievance mechanisms.
- 2.2 Report the total number of grievances related to human rights filed through formal organizational grievance mechanisms during the reporting period.
- 2.3 Report the total number of addressed grievances related to human rights from those filed in the reporting period, broken down by:
 - Internal Stakeholders;
 - External stakeholders; and
 - Gender, minority group membership and other indicators of diversity (for grievances filed by an individual or group of people and not an organization).
- 2.4 Report the total number of resolved grievances related to human rights from those filed in the reporting period, broken down by:
 - Internal Stakeholders;
 - External stakeholders; and
 - Gender, minority group membership and other indicators of diversity (for grievances filed by an individual or group of people and not an organization).
- 2.5 Report the total number of grievances related to human rights addressed and resolved during the reporting period that were filed before the reporting period, broken down by:

- Internal Stakeholders;
- External stakeholders; and
- Gender, minority group membership and other indicators of diversity (for grievances filed by an individual or group of people and not an organization).

3. Definitions

Grievance mechanisms

A system consisting of specified procedures, roles and rules for methodically addressing complaints as well as resolving disputes. Grievance mechanisms are expected to be legitimate, accessible, predictable, equitable, rights-compatible, clear and transparent and based on dialogue and mediation.

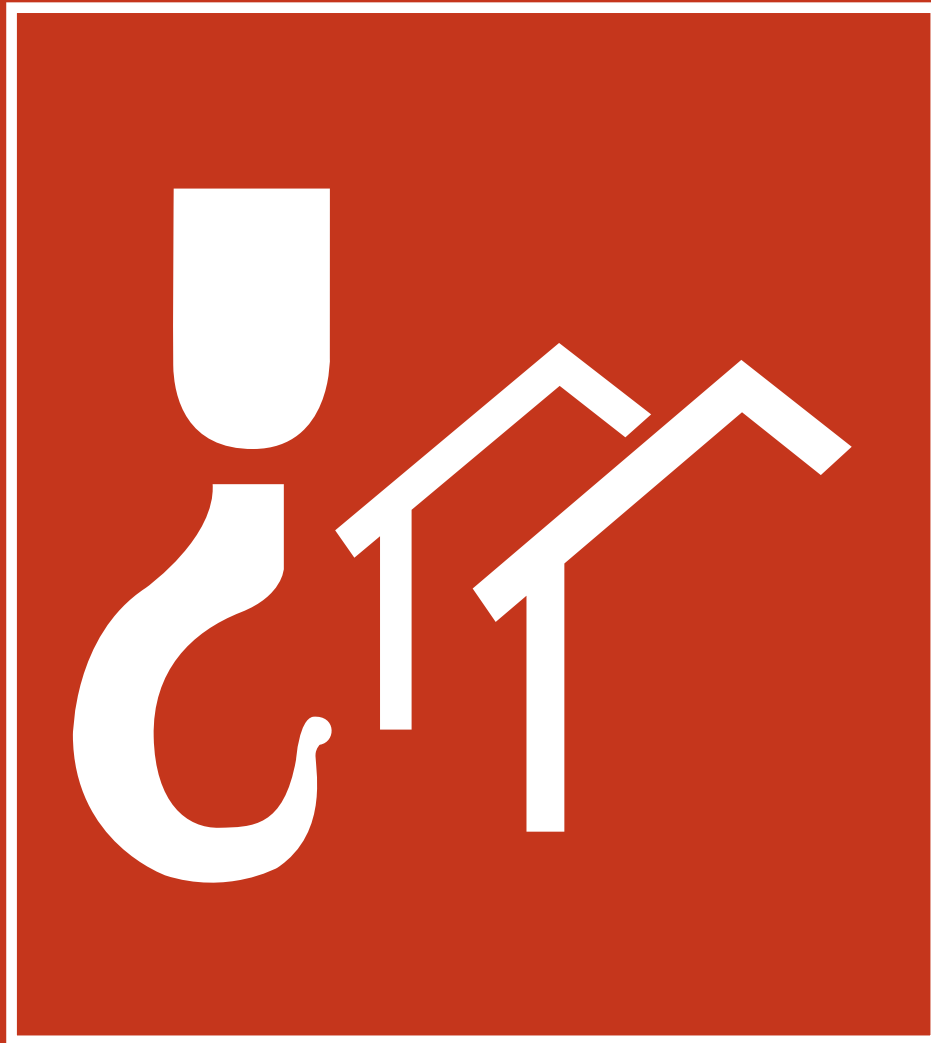
4. Documentation

Potential information sources include the reporting organization's legal, compliance, and human resources departments.

5. References

None.





Indicator Protocols Set
Society (SO)
Construction and Real Estate
Sector Supplement

**The Construction and Real Estate Sector Supplement is based on the
G3.1 Sustainability Reporting Guidelines**



Society

Performance Indicators

Aspect: Local Communities

501 Percentage of operations with implemented local community engagement, impact assessments, and development programs.

CORE

Construction and Real Estate
Commentary added



ADD

Aspect: Anti-Competitive Behavior

507 Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes.

509 Operations with significant potential or actual negative **and positive** impacts on local communities.

CORE

Construction and Real Estate
Commentary added



CORE

Aspect: Compliance

508 Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations.

5010 Prevention and mitigation measures implemented in operations with significant potential or actual negative impacts on local communities.

CORE

CRE7 Number of persons voluntarily and involuntarily displaced and/or resettled by development, broken down by project.

CORE



Aspect: Corruption

502 Percentage and total number of business units analyzed for risks related to corruption.

CORE

503 Percentage of employees trained in organization's anti-corruption policies and procedures.

CORE

504 Actions taken in response to incidents of corruption.

CORE

Aspect: Public Policy

505 Public policy positions and participation in public policy development and lobbying.

CORE

Construction and Real Estate
Commentary added



506 Total value of financial and in-kind contributions to political parties, politicians, and related institutions by country.

CORE

Construction and Real Estate
Commentary added to make this a Core Indicator for the sector



Relevance

The categories of Labor, Human Rights, and Product Responsibility address social impacts associated with specific stakeholder groups (such as employees or customers). However, the social impacts of organizations are also linked to interactions with market structures and social institutions that establish the social environment within which stakeholder groups interact. These interactions, as well as the organization's approach to dealing with social groups such as communities, represent an important component of sustainability performance. The Society Performance Indicators therefore focus on the impacts organizations have on the communities in which they operate, and how the organization's interactions with other social institutions are managed and mediated. In particular, information is sought on bribery and corruption, involvement in public policy-making, monopoly practices, and compliance with laws and regulations other than labor and environmental.

Definitions

Corruption

Corruption is 'the abuse of entrusted power for private gain'¹ and can be instigated by individuals in the public or private sector. It is interpreted here to include such corrupt practices as bribery, fraud, extortion, collusion, conflict of interest, and money laundering. In this context, it includes an offer or receipt of any gift, loan, fee, reward, or other advantage to or from any person as an inducement to do something that is dishonest, illegal, or a breach of trust in the conduct of the enterprise's business.² This may include gifts other than money, such as free goods and holidays, or special personal services provided for the purpose of, or liable to result in, an improper advantage or that may result in moral pressure to receive such an advantage.

Local Community

Persons or groups of people living and/or working in any areas that are economically, socially or environmentally impacted (positively or negatively) by the organization's operations. The local community can range from people living adjacent to operations through to isolated settlements at a distance from operations that may experience the impacts of these operations.

Operation

A single location used by an organization for the production, storage and/or distribution of its goods and services, or for administrative purposes (e.g., office). Within a single operation, there may be multiple production lines, warehouses, or other activities. For example, a single factory may be used for multiple products or a single retail outlet may contain several different retail operations that are owned or managed by the reporting organization.

Vulnerable Groups

A vulnerable group is a set or subset of people with some specific physical, social, political, or economic condition or characteristic that places the group at a higher risk of suffering a burden, or at a risk of suffering a disproportionate burden of the social, economic or environmental impacts of an organization's operations. Vulnerable groups may include, but are not limited to, children and youth, the elderly, people with disabilities, ex-combatants, the internally displaced, refugees or returning refugees, HIV/AIDS-affected households, indigenous peoples, and ethnic minorities. Vulnerabilities and impacts may differ by gender.

General References

- Inter-American Convention Against Corruption, 1996.
- OECD Guidelines for Multinational Enterprises, Revision 2000.
- OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions, 1997.
- OECD Principles of Corporate Governance, 2004.
- Stakeholder Engagement: A Good Practice Handbook For Companies Doing Business In Emerging Markets, IFC, 2007.
- United Nations Convention Against Corruption, 2003.

¹ Transparency International

² These definitions are based on 'Business Principles for Countering Bribery' which have been developed through a project managed by Transparency International.



SO1 Percentage of operations with implemented local community engagement, impact assessments, and development programs.

1. Relevance

A key element in managing impacts on women and men in local communities is assessment and planning in order to understand the potential and actual impacts, and strong engagement with local communities in order to understand their expectations and needs. There are many elements that can be incorporated into engagement, impact assessments, and development programs. This Indicator seeks to identify which elements have been consistently applied, organization-wide.

Engagement, impact assessments, and development programs, combined with the consistency of their application, provide insight into the overall quality of an organization's efforts, as well as its degree of follow-up on policy or policies.

2. Compilation

- 2.1 Identify the total number of operations. (The total number of operations should match that reported under Profile Disclosure 2.8.)
- 2.2 Identify organization-wide local community engagement, impact assessments, and development programs.
- 2.3 Report the percentage of operations with implemented local community engagement, impact assessments, and development programs including, but not limited to, the use of:
 - Social impact assessments, including gender impact assessments, based on participatory processes;
 - Environmental impact assessments and ongoing monitoring;
 - Public disclosure of results of environmental and social impact assessments;
 - Local community development programs based on local communities' needs;

- Stakeholder engagement plans based on stakeholder mapping;
- Broad based local community consultation committees and processes that include vulnerable groups;
- Works councils, occupational health and safety committees and other employee representation bodies to deal with impacts; and
- Formal local community grievance processes.

2.4 Report the engagement approach throughout lifecycle stages to ensure successful project delivery and community acceptance and/or satisfaction. Outcomes of legacy studies and surveys should be reported under PR5.



3. Definitions

Community Development Programs

Plan that details actions to minimize, mitigate, and compensate for adverse social and economic impacts, and to identify opportunities and actions to enhance positive impacts of the project on the community.

4. Documentation

Potential information sources for this Indicator may include:

- Public consultation and consultation plans;
- Agenda and meeting reports of works councils, occupational health and safety committees and other employee representation bodies;
- Baseline studies – socio-economic, health, environment, cultural, etc;
- Social impact assessments;
- Gender impact assessments;
- Health impact assessments;
- Environmental impact assessments;
- Social action plans;
- Resettlement action plans;



- Community development plans;
- Grievance or complaints mechanisms; and
- Documents held in community information centers.

5. References

- International Finance Corporation's Performance Standards on Social & Environmental Sustainability, 2006.
- OECD Guidelines For Multinational Enterprises (in particular Ch ii.3 & v.2.b).
- OECD Risk Awareness Tool for Multinational Enterprises in Weak Governance Zones (in particular ch. 2, 4 & 7).



SO9 Operations with significant potential or actual negative (and positive) impacts on local communities.


1. Relevance

Organizational operations related to entering, operating, and exiting can have a number of significant negative impacts on local communities. Indicators in the GRI Framework, such as environmental emissions or economic data, will offer an overall picture of positive and negative impacts, but may not be able to present them in relation to local communities.

This Indicator is focused on significant potential and actual negative impacts related to operations and not on community investments or donations (which are addressed under EC1).

The Indicator informs stakeholders about an organization's awareness of its impacts. It also enables an organization to better prioritize and improve its organization-wide attention to local communities.

Understanding operations with specific challenges, combined with information about organization-wide processes, enables stakeholders to better assess an organization's overall community performance. An analysis of negative impacts enables an organization to reflect its approach in management systems and consequently enhance the brand and reputation of the organization as a potential partner. It simultaneously strengthens the ability of an organization to maintain existing operations, and to initiate new ones.

The activities of construction and real estate organizations can also result in a variety of positive impacts, including: economic improvement for the community and the region; environmental benefits; individual, organizational and cultural changes in attitudes and behaviors; market transformation; contribution to new knowledge and understanding; maintaining heritage; and cultural impacts. 

2. Compilation

2.1 Identify internal sources of information about potential and actual negative impacts, including sources such as:

- Actual performance data;
- Internal investment plans and associated risk assessments;


- All data collected with GRI indicators (e.g., EC9, EN1, EN3, EN8, EN12, EN14-15, EN19-26, EN29, LA8, HR6-9, PR1-2) as relates to individual communities.

2.2 Identify significant potential negative impacts, including but not limited to consideration of:


- Vulnerability and risk to local communities from potential impacts due to factors such as:
 - Degree of physical or economic isolation of the local community;
 - Level of socio-economic development including the degree of gender equality within the community ;
 - State of socio-economic infrastructure (health, education);
 - Proximity to operations;
 - Level of social organization; and
 - Strength and quality of the governance of local and national institutions around local communities.

2.3 Identify the exposure of the local community to operations due to higher than average use of/ impact on shared resources through:

- Use of hazardous substances that impact on the environment and human health in general, and specifically reproductive health;
- Volume and type of pollution released;
- Status as major employer in the local community;
- Land conversion and resettlement; and
- Natural resource consumption.

- Land degradation, contamination and remediation (see also CRE5). 

- Traffic disruption and congestion.

2.4 Identify the significant potential and actual negative (and positive) economic, social, cultural, and environmental impacts on local communities and their rights, considering: 

- Intensity/severity of the impact;



- Likely duration of the impact;
- Reversibility of the impact; and
- Scale of the impact.

- Identify positive legacy impacts from all significant activities.

CRE

Legacy impacts

Long-term positive and negative economic, environmental and social outcomes and impacts from construction and real estate activities. Such outcomes and impacts may be temporary or prolonged. In some circumstances, the reporting organization may have relinquished control or ownership of the asset or project.

CRE

2.5 Report:

- Operations and associated communities with significant potential or actual negative impacts;
- Location of the operations with significant potential or negative impacts; and
- Potential or actual negative impacts of operations.

- 2.6. Report quantifiable positive legacy impacts and quantifiable impacts from a pre-development benchmark, and disclose improvements over time. Examples of quantifiable legacy impacts are measures of community wellbeing, accessibility improvements, and indicators of crime reduction.

CRE

4. Documentation

Potential information sources include organizational policies and risk assessment procedures, results of data collection from local community programs, and analysis results of external stakeholder forums, joint community committees, stakeholder reports, and other inputs.

Both internal and external sources and references should be used.

5. References

- OECD Risk Awareness Tool for Multinational Enterprises in Weak Governance Zones, 2006.
- International Finance Corporation's Performance Standards on Social & Environmental Sustainability, 2006.

3. Definitions

Operations with significant potential or actual negative impacts on local communities.

This refers primarily to operations, considered alone or in combination with the characteristics of local communities, that have higher than average potential of negative impacts, or actual negative impacts, on the social, economic or environmental wellbeing of local communities (for example, local community health and safety).

Land Degradation

The reduction or loss of economic or biological productivity, diversity and complexity of land, topsoil, vegetation and/or water resources through natural processes, land uses or other human activities, and habitation patterns (e.g. land contamination, soil erosion, and destruction of vegetation cover).

CRE

CRE



SO10 Prevention and mitigation measures implemented in operations with significant potential or actual negative impacts on local communities.

1. Relevance

This Indicator demonstrates the measures implemented in response to the significant potential and actual negative impacts identified in Indicator SO9.

The quality and extent of prevention and mitigation measures is important in understanding the potential and actual impacts of organization-wide operations. The information also provides insight into the ability of the organization to respond appropriately to potential problems, and therefore the potential risks that impacts pose to the organization's reputation or ability to operate. The approach to prevention and mitigation measures can also provide insight into how an organization implements its mission, values, and commitments.

2. Compilation

- 2.1** Use the information on potential and actual negative impacts reported in SO9.
- 2.2** Report whether, for the significant potential and actual negative impacts reported in SO9:
 - Prevention and mitigation measures were implemented;
 - Prevention and mitigation measures were implemented in order to:
 - i. Remediate non-compliance with laws or regulations;
 - ii. Maintain compliance with laws or regulations;
 - iii. Achieve a standard beyond legal compliance;
 - Prevention and mitigation objectives were achieved or not.

3. Definitions

None.

4. Documentation

Potential information sources include:

- Baseline studies – socio-economic, health, environment, cultural, etc;
- Agenda and meeting reports of works councils, occupational health and safety committees and other employee representation bodies;
- Social impact assessments;
- Gender impact assessments;
- Health impact assessments;
- Environmental impact assessments;
- Social action plans; and
- Resettlement action plans.

5. References

- OECD Guidelines for Multinational Enterprises (in particular Ch ii.3 & v.2.b), 2000.
- OECD Risk Awareness Tool for Multinational Enterprises in Weak Governance Zones, 2006.
- International Finance Corporation's Performance Standards on Social & Environmental Sustainability, 2006.

CRE7 Number of persons voluntarily and involuntarily displaced and/or resettled by development, broken down by project.

1. Relevance

Construction and real estate activities can result in the displacement and resettlement of people. Whether voluntary or involuntary, potential impacts may include loss of productive land, loss of employment and income, loss of housing, loss of access to common resources and public services, and social fragmentation.

In addition to construction companies and developers, other players such as governments and banks can be responsible for displacement and resettlement; this Performance Indicator can nevertheless indicate the social impact of a construction and real estate company.

2. Compilation

- 2.1** Identify project sites where displacement and resettlement of people occurred and how responsibilities relating to this displacement and resettlement are shared with other organizations (e.g., governments, banks).
- 2.2** Identify the actual number, or if unavailable an informed estimate, of people voluntarily or involuntarily resettled, for each project. For the purposes of this Performance Indicator, "persons voluntarily or involuntarily resettled" includes all the classifications of Displaced Persons identified in the definition below.
- 2.3** Report total number of people resettled, broken down by those who were voluntarily or involuntarily resettled. Women and other vulnerable groups can be disproportionately affected by displacement and resettlement. Therefore, include breakdown of those displaced by characteristics such as gender, or membership of vulnerable groups (such as disabled people).
- 2.4** Report the number of people involuntarily resettled and break this number down by membership of vulnerable groups.

3. Definitions

Displaced Persons

Displaced persons may be classified as persons: (i) who have formal legal rights to the land that they occupy; (ii) who do not have formal legal rights to land that is recognized or is recognizable under the national laws; or (iii) who have no recognizable legal right or claim to the land that they occupy.

Involuntary Resettlement

Involuntary resettlement refers both to physical displacement (relocation or loss of shelter) and to economic displacement (loss of assets or access to assets that leads to loss of income sources or means of livelihood as a result of project related land acquisition). Land acquisition includes both outright purchases and/or expropriation of property and purchases of access rights such as rights of way.

Resettlement is considered involuntary when affected individuals or communities do not have the right to refuse land acquisition that results in their displacement. This occurs in cases of (i) lawful expropriation or restrictions on land use based on eminent domain, and (ii) negotiated settlements in which the buyer can resort to expropriation or impose legal restrictions on land use if negotiations with the seller fail.

Voluntary Resettlement

Voluntary resettlement refers both to physical displacement (relocation or loss of shelter) and to economic displacement (loss of assets or access to assets that leads to loss of income sources or means of livelihood as a result of project related land acquisition).

Resettlement is considered voluntary when affected individuals or communities have the right to refuse land acquisition that results in their displacement.

Compensation

Compensation could include cash compensation, replacement housing, land, or commercial sites (e.g., shops), and additional support such as infrastructure in new resettled sites, training, credit and job opportunities.



4. Documentation

Legal department or planning department.

**5. References**

- IFC Performance Standard 5: Land Acquisition and Involuntary Resettlement, February 2006.



SO2 Percentage and total number of business units analyzed for risks related to corruption.

1. Relevance

Efforts to manage reputational risks arising from corrupt practices by employees or business partners require a system that has supporting procedures in place. This measure identifies two specific actions for ensuring the effective deployment of the reporting organization's policies and procedures by its own employees and its intermediaries or business partners. Risk analysis is an important and necessary management approach that helps to assess the potential for incidents of corruption within the organization.

2. Compilation

- 2.1** Identify business units analyzed for organizational risks related to corruption during the reporting period. This refers to either a formal risk assessment focused on corruption or the inclusion of corruption as a risk factor in overall risk assessments.
- 2.2** Report the total number and percentage of business units analyzed for risks related to corruption.

3. Definitions

None.

4. Documentation

Potential information sources include monitoring reports.

5. References

- OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions, 1997.
- OECD Guidelines for Multinational Enterprises, Revision 2000.
- Inter-American Convention Against Corruption, 1996.
- United Nations Convention Against Corruption, 2003.
- Business Principles for Countering Bribery, 2003.



SO3 Percentage of employees trained in organization's anti-corruption policies and procedures.

1. Relevance

Efforts to manage reputational risks arising from corrupt practices by employees or business partners require a system that has supporting procedures in place. Training is an important element of such a system as it builds internal awareness and capacity necessary to prevent incidents of corruption. This measure reveals the proportion of the organization's employees that can reasonably be assumed to be aware of the anti-corruption issues.

2. Compilation

- 2.1** Identify the total number of employees, distinguishing between management and non-management employees, using the data from LA1.
- 2.2** Report separately the percentage of total number of management and non-management employees who have received anti-corruption training during the reporting period.

3. Definitions

None.

4. Documentation

Potential information sources include training records.

5. References

- OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions, 1997.
- OECD Guidelines for Multinational Enterprises, Revision 2000.
- Inter-American Convention Against Corruption, 1996.
- United Nations Convention Against Corruption, 2003.
- Business Principles for Countering Bribery, 2003.



SO4 Actions taken in response to incidents of corruption.

1. Relevance

Corruption can be a significant risk to an organization's reputation and business. It is broadly linked to contributing to poverty in transition economies, damage to the environment, abuse of human rights, abuse of democracy, misallocation of investments, and undermining the rule of law. Organizations are increasingly expected by the marketplace, international norms, and stakeholders to demonstrate their adherence to integrity, governance, and good business practices. This Indicator demonstrates specific actions taken to limit exposure to sources of corruption and reduce the risk of new instances of corruption. For stakeholders, there is an interest in both the occurrence of incidents, but also how the organization chooses to respond.

2. Compilation

2.1 Report actions taken in response to incidents of corruption, including:

- The total number of incidents in which employees were dismissed or disciplined for corruption; and
- The total number of incidents when contracts with business partners were not renewed due to violations related to corruption.

2.2 Report any concluded legal cases regarding corrupt practices brought against the reporting organization or its employees during the reporting period and the outcomes of such cases.

3. Definitions

None.

4. Documentation

Potential information sources include legal department records of cases brought against the reporting organization, its employees, business partners, or contractors; minutes of the proceedings of internal disciplinary hearings; and contracts with business partners.

5. References

- United Nations Convention Against Corruption, 2003.
- OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions, 1997.
- Inter-American Convention Against Corruption, 1996.
- OECD Guidelines for Multinational Enterprises, Revision 2000.
- Anti-Corruption Instruments and the OECD Guidelines for Multinational Enterprises, 2003.
- Business Principles for Countering Bribery, 2003.



S05 Public policy positions and participation in public policy development and lobbying.

1. Relevance

This Indicator provides information that allows organizations to compare public policy positions with formal sustainability policies and objectives. This information provides insight into the extent to which publicly-expressed positions on sustainability are consistently embedded across the organization and aligned across different units. This allows a comparison of organizational priorities (particularly when making comparisons within the same sector) at the same time as the particular policy positions help to clarify the strategic relevance of sustainability issues for the organization. It also helps to provide transparency for lobbying activities for those concerned with the integrity of the practices and potential impacts on stakeholders.

2. Compilation

- 2.1 Participation refers to efforts where the organization has taken a formal position or activities where participation has been formally recognized. While this could include activities through trade associations, roundtables, task forces, and other forms of lobbying with public policymakers, the disclosure relates to the position of the organization and not that of the bodies in which it is involved.
- 2.2 Report the significant issues that are the focus of the reporting organization's participation in public policy development and lobbying. This refers to participation at the level of the organization rather than individual operations.
- 2.3 Report the core positions held on each of the reported issues above and explain any significant differences between lobbying positions and stated policies, sustainability goals, or other public positions.

- 2.4 Report public policy participation that results in positive contribution to public policy development, and risks related to conflict of interest on regulatory and/or advisory organizations (e.g., those that approve planning and land use applications).



3. Definitions

Public policy development

Organized or coordinated activities to effect government policy formulation.

Lobbying

Refers to efforts to persuade or influence persons holding political office, or candidates for such office, to sponsor policies, and/or to influence the development of legislation or political decisions. In this Indicator, this can relate to lobbying governments at any level or international institutions.

4. Documentation

Potential information sources include the public policy statements of the reporting organization; internal minutes of government relations committees or departments; statements of positions adopted by the reporting organization in relevant trade associations; and records of interactions with public policy-makers.

5. References

- OECD Guidelines for Multinational Enterprises, Revision 2000.
- OECD Principles of Corporate Governance, 2004.

SO6 Total value of financial and in-kind contributions to political parties, politicians, and related institutions by country.

This Performance Indicator is CORE for the construction and real estate sector.



1. Relevance

The purpose of this Indicator is to reflect the scale of the reporters' engagement in political funding and to ensure transparency in political dealings and relationships with the reporting organization. Many countries have legislation that sets limits on official expenditure by parties and political candidates for campaigning purposes.

2. Compilation

- 2.1 Identify the total monetary value of financial and in-kind contributions committed by the reporting organization during the reporting period to political parties, politicians, and related institutions. The value of in-kind contributions should be estimated.
- 2.2 Calculate contributions in accordance with national accounting rules (where these exist).
- 2.3 Report the total monetary value broken down by country for those countries where:
 - The organization has major operations and/or sales;
 - The organization holds a significant share of the market in comparison to other organizations; or
 - The sums contributed are significant compared to the total amount contributed globally.

3. Definitions

Contributions

Contributions can include donations, loans, sponsorships, purchase of tickets for fundraising events, advertising, use of facilities, design and printing, donation of equipment, retainers or jobs for elected politicians or candidates for office, etc.

Related institutions

Any bodies established with the primary purpose of arranging official or unofficial funding support for political parties, their elected representatives, or persons seeking political office. This definition also includes think-tanks, policy organs, trade associations, and other support organizations that are linked to the creation of support for political parties, their representatives, or candidates for office.

4. Documentation

Potential information sources include the accounting records of external payments and public disclosure statements.

5. References

- OECD Guidelines for Multinational Enterprises, Revision 2000.



SO7 Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes.

1. Relevance

Mergers and acquisitions can affect consumer choice, pricing, and other factors that are essential to efficient markets. Legislation has been introduced in many countries that seeks to control or prevent monopolies, with the underlying assumption that competition between enterprises also promotes economic efficiency and sustainable growth. Legal action indicates a situation in which the market actions or status of the organization have reached a sufficient scale to merit concern by a third party. Legal decisions arising from these situations can carry the risk of significant disruption of market activities for the organization and/or punitive measures.

2. Compilation

- 2.1** This Indicator pertains to legal actions initiated under national or international laws designed primarily for the purpose of regulating anti-competitive behavior, anti-trust, or monopoly practices.
- 2.2** Identify legal actions pending or completed during the reporting period regarding anti-competitive behavior and violations of anti-trust and monopoly legislation in which the reporting organization has been identified as a participant.
- 2.3** Report the total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices.
- 2.4** Report the main outcomes of such actions, including any decisions or judgements.

3. Definitions

Anti-competitive behavior

Actions of the reporting organization and/or employees that may result in collusion with potential competitors to fix prices, coordinate bids, create market or output restrictions, impose geographic quotas, or allocate customers, suppliers, geographic areas, and product lines with the purpose of limiting the effects of market competition.

Anti-trust and monopoly practices

Actions of the reporting organization that may result in collusion to erect barriers to entry to the sector, unfair business practices, abuse of market position, cartels, anti-competitive mergers, price-fixing, and other collusive actions which prevent competition.

4. Documentation

Potential information sources include the legal department records and public records.

5. References

- OECD Guidelines for Multinational Enterprises, Revision 2000.

SO8 Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations.

1. Relevance

The level of non-compliance within the organization helps to indicate the ability of management to ensure that operations conform to certain performance parameters. From an economic perspective, ensuring compliance helps to reduce financial risks that occur either directly through fines or indirectly through impacts on reputation. The strength of an organization's compliance record can also affect its ability to expand operations or gain permits.

Indicators EN28 and PR9 address compliance with specific aspects of law. An organization's overall record of compliance with the range of laws under which it must operate is equally of interest. This Indicator is intended to reflect significant fines and non-monetary sanctions under laws or regulations not covered by EN28 and PR9, such as laws and regulations related to accounting fraud, workplace discrimination, corruption, etc.

2. Compilation

- 2.1** Identify administrative or judicial sanctions levied against the organization for failure to comply with laws or regulations, including:
- International declarations/conventions/treaties, and national, sub-national, regional, and local regulations, and.
 - Cases brought against the organization through the use of international dispute mechanisms or national dispute mechanisms supervised by government authorities.
- 2.2** Report significant fines and non-monetary sanctions in terms of:
- Total monetary value of significant fines;
 - Number of non-monetary sanctions; and
 - Cases brought through dispute resolution mechanisms.

2.3 Where the reporting organization has not identified any non-compliance with laws or regulations, a brief statement to this fact is sufficient.

2.4 Organizations are encouraged to report fines and non-monetary sanctions in terms of the focus of laws.

3. Definitions

None.

4. Documentation

Data sources include audit results or regulatory tracking systems operated by the legal department. Information regarding monetary fines can be found in accounting departments.

5. References

None.





Indicator Protocols Set
Product Responsibility (PR)
Construction and Real Estate
Sector Supplement

**The Construction and Real Estate Sector Supplement is based on the
G3.1 Sustainability Reporting Guidelines**



Product Responsibility

Performance Indicators

Aspect: Customer Health and Safety

PR1 Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures.

CORE

Construction and Real Estate
Commentary added

CRE

PR2 Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services during their life cycle, by type of outcomes.

ADD

Construction and Real Estate
Commentary added

CRE

Aspect: Product and Service Labeling

PR3 Type of product and service information required by procedures, and percentage of significant products and services subject to such information requirements.

CORE

Construction and Real Estate
Commentary added

CRE

CRE8 Type and number of sustainability certification, rating and labeling schemes for new construction, management, occupation and redevelopment.

CORE

CRE

PR4 Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes.

ADD

Construction and Real Estate
Commentary added

CRE

PR5 Practices related to customer satisfaction, including results of surveys measuring customer satisfaction.

ADD

Construction and Real Estate
Commentary added

CRE

Aspect: Marketing Communications

PR6 Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship.

CORE

PR7 Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship by type of outcomes.

ADD

Aspect: Customer Privacy

PR8 Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data.

ADD

Aspect: Compliance

PR9 Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services.

CORE



Relevance

The Product Responsibility Indicator set addresses the effects of products and services management on customers and users. Organizations are expected to exercise due care in the design of their products and services to ensure they are fit for their intended use and do not pose unintended hazards to health and safety. In addition, communications related to both products and services and users need to take into consideration the information needs of customers and their rights to privacy. The Indicators are primarily structured in pairs, with a Core Indicator seeking disclosure on the processes in place to address the aspect, and an additional Indicator to report on degree of compliance.

Definitions

Type of non-compliance

Court judgment on failure to act in accordance with regulations or laws, categorized by the nature of the laws or regulations breached.

Product and service information/labeling

Information and labeling are used synonymously and describe communication delivered with the product or service describing its characteristics.

Product and service information/labeling relates to voluntary and mandatory asset labels and certificates (including sustainable building certification, rating and labeling schemes) and health and safety certificates.

Customer privacy

The right of the customer to privacy and personal refuge, including matters such as the protection of data, the use of information/data only for its original intended purpose (unless specifically agreed otherwise), the obligation to observe confidentiality, and protection from misuse or theft. A customer is understood to include end-customers (consumer) as well as business-to-business customers.

Marketing communication

The combination of strategies, systems, methods, and activities used by an organization to promote its reputation, brands, products, and services to target audiences. Marketing communications can include activities such as advertising, personal selling, promotion, public relations, and sponsorship.

General References

- OECD Guidelines for Multinational Enterprises, Revision 2000.



PR1 Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures.

1. Relevance

This measure helps to identify the existence and scope of systematic efforts to address health and safety across the life cycle of a product and/or service. Customers expect products and services to perform their intended functions satisfactorily, and not pose a risk to health and safety. This responsibility is not only subject to laws and regulations, but is also addressed in voluntary codes such as the OECD Guidelines for Multinational Enterprises.

Efforts made to protect the health and safety of those who use or deliver the product/service have direct impacts on an organization’s reputation, the organization’s legal and financial risk due to recall, market differentiation in relation to quality, and employee motivation.

2. Compilation

2.1 In each of the following life cycle stages, report whether the health and safety impacts of products and services are assessed for improvement:

	yes	no
Development of product concept		
R & D		
Certification		
Manufacturing and production		
Marketing and promotion		
Storage distribution and supply		
Use and service		
Disposal, reuse, or recycling		

‘Products and services’ should be read as real estate and infrastructure assets. This Performance Indicator relates to end user impacts for all stages of the lifecycle.

For construction and real estate, the table in 2.1 should be read as follows to reflect the lifecycle:

	yes	no
New Construction		
Management		
Development/ Redevelopment		

Reporting organizations should consider the health and safety impacts of procurement under each of the lifecycle stages stated above, including other relevant activities (e.g., acquisition and disposal, design and planning/regulatory approvals).

2.2 Report the percentage of significant product or service categories that are covered by and assessed for compliance with such procedures.

Assessing for compliance should include mandatory and voluntary assessments, as well as internal and external audits/re-assessments.

3. Definitions

None.

4. Documentation

Potential information sources include the reporting organization’s legal and sales departments as well as the documentation collected through quality management systems.

5. References

- OECD Guidelines for Multinational Enterprises, Revision 2000.



PR2 Total number of incidents of non-compliance with regulations and voluntary codes concerning the health and safety impacts of products and services during their life cycle, by type of outcomes.

1. Relevance

Protection of health and safety is a recognized goal of many national and international regulations. Failing to comply with legal requirements indicates either inadequate internal management systems and procedures, or lack of implementation. In addition to direct financial consequences, ongoing compliance failure poses increased financial risk due to damage to both reputation and employee motivation. For an organization, the number of incidents of non-compliance should remain as low as possible. The trends revealed by this Indicator will indicate improvements or deterioration in the effectiveness of internal controls.

2. Compilation

2.1 This Indicator addresses the life cycle of the product or service once it is available for use and therefore subject to regulations concerning the health and safety of products and services.

'Products and services' should be read as real estate and infrastructure assets. This Performance Indicator relates only to operation, refurbishment and demolition of assets.

2.2 Where the reporting organization has not identified any non-compliance with regulations and voluntary codes, a brief statement to this fact is sufficient.

2.3 Identify the total number of incidents of non-compliance with regulations and voluntary codes concerning the health and safety of products and services during the reporting period.

2.4 This Indicator refers to incidents of non-compliance within the reporting period. If a substantial number of incidents relate to events in preceding years, this should be indicated.

2.5 Incidents of non-compliance in which the organization was determined not to be at fault are not counted in this Indicator.

2.6 Report the total number of incidents of non-compliance with the health and safety of products and services, broken down by:

- Incidents of non-compliance with regulations resulting in a fine or penalty;
- Incidents of non-compliance with regulations resulting in a warning; and
- Incidents of non-compliance with voluntary codes.

2.7 Report incidents of non-compliance with regulations and voluntary codes.

For example: fire codes and standards; mechanical systems (such as elevator and escalator maintenance and prevention of bacterial infections including Legionnaire's disease); pest, insect and rodent control; accessibility standards (including during normal operation, and in the case of emergency); indoor air quality standards, including Volatile Organic Compounds (VOC) and mold; indoor water quality standards; hazardous substances and contaminants, including asbestos, PCBs, pesticides, herbicides, formaldehyde; disease control and pandemic management; materials standards.

2.8. Report the total number of dangerous occurrences, reportable injuries and fatalities to non-workers on or off a site or assets (including visitors to an asset or site, and members of the public) as a result of non-compliance with regulation and voluntary codes.

3. Definitions

Dangerous occurrences

An event with the potential to cause an injury, disability or disease to non-workers, or the public. Sometimes referred to as 'near misses'.

Reportable injuries

Injuries and accidents, as defined by national laws, which must be reported to relevant government agencies in a timely manner. Such incidents and injuries may include, for example:

- Fracture other than to fingers, thumbs or toes.
- Amputation.



- Dislocation of the shoulder, hip, knee or spine.
- Loss of sight (temporary or permanent).
- Chemical or hot metal burn to the eye or any penetrating injury to the eye.
- Injury resulting from an electric shock or electrical burn leading to unconsciousness or requiring resuscitation or admittance to hospital for more than 24 hours.
- Any other injury: leading to hypothermia, heat-induced illness or unconsciousness; or requiring resuscitation; or requiring admittance to hospital for more than 24 hours.
- Unconsciousness caused by asphyxia or exposure to harmful substance or biological agent.
- Acute illness requiring medical treatment, or loss of consciousness arising from absorption of any substance by inhalation, ingestion or through the skin.
- Acute illness requiring medical treatment where there is reason to believe that this resulted from exposure to a biological agent or its toxins or infected material.



Members of the public

Non-workers who may be involved in a dangerous occurrence or incident resulting in a reportable injury, as a result of the reporting organizations activities on or off site, or assets.

4. Documentation

Potential information sources include the reporting organization's legal and R&D departments as well as documentation collected through quality management systems.

5. References

None.



PR3 Type of product and service information required by procedures, and percentage of significant products and services subject to such information requirements.

1. Relevance

Accessible and adequate information on the sustainability impacts of products and services (positive and negative) is necessary for customers and end users to make informed purchasing choices, and for these preferences to be reflected in the market. Providing appropriate information and labeling with respect to sustainability impacts is directly linked to compliance with certain types of regulations and codes (such as national laws or the OECD Guidelines for Multinational Enterprises) and, potentially, with strategies for brand and market differentiation. This measure provides an indication of the degree to which information and labeling addresses a product’s or a service’s impact on sustainability.

This Performance Indicator covers product and service information (e.g., building and infrastructure components and materials). CRE8 specifically covers labeling and certification for new construction, management and redevelopment of assets.

If CRE8 covers all of a reporting organization’s disclosure requirements on product information, it is possible that PR3 may be considered not material.

2. Compilation

2.1 Report whether the following product and service information is required by the organization’s procedures for product and service information and labeling:

	yes	no
The sourcing of components of the product or service		
Content, particularly with regard to substances that might produce an environmental or social impact		
Safe use of the product or service		
Disposal of the product and environmental/social impacts		
Other (explain)		

2.2 Report the percentage of significant product or service categories covered by and assessed for compliance with such procedures.

3. Definitions

None.

4. Documentation

Potential information sources include legal and sales departments and the documentation collected through quality management systems.

5. References

- OECD Guidelines for Multinational Enterprises, Revision 2000.



CRE8 Type and number of sustainability certification, rating and labeling schemes for new construction, management, occupation and redevelopment.

1. Relevance

Sustainable construction, management and redevelopment certification and labeling schemes exist worldwide for building and infrastructure assets, and vary from market to market. Each scheme usually provides a consensus-based framework, tailored to individual markets, to rate a particular building on its overall level of sustainability. Schemes often look at issues regarding energy and water use, indoor air quality, materials use, and accessibility, among other factors.

Certificates, ratings and labels can be mandatory, as in the case of Energy Performance Certification labeling currently required in Europe, and the Building Energy Efficiency Certificate in Australia. The labels can also be voluntary labels, certified by private organizations or governments through voluntary programs.

The voluntary and mandated use of certification schemes has reached sufficient levels that many actors now use them as one approach to interpret the sustainability of a particular asset or company. Thus, provision of certification information may be of relevance to some report readers.

2. Compilation

2.1 Report the type and number of mandatory and voluntary sustainability certification, rating or labeling schemes in at least one of the following ways:

- Total number of assets that have achieved a certification, rating or labeling within a portfolio (buildings and construction projects), and level of certification attained; or
- Percentage of assets certifications, ratings or labels achieved within a portfolio.

2.2 Report building operational performance improvements that result from the introduction of the certification, rating or labeling schemes compared to the design specification using any of the criteria of the certification, rating or labeling schemes.

3. Definitions

None.

4. Documentation

Potential information sources include certificates issued by certification organizations (government and commercial), and internal management or consultant reports detailing achievement of certification, rating or label standards at various stages of the lifecycle (namely new construction, management, occupation and redevelopment).

5. References

None.



PR4 Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes.

1. Relevance

The display and provision of information and labeling for products and services are subject to many regulations and laws. Non-compliance indicates either inadequate internal management systems and procedures or ineffective implementation. In addition to direct financial consequences, such as penalties and fines, non-compliance poses a risk to reputation and customer loyalty and satisfaction. An organization's incidents of non-compliance should remain as low as possible. The trends revealed by this Indicator can indicate improvements or deterioration in the effectiveness of internal controls.

2. Compilation

- 2.1 This Indicator refers to incidents of non-compliance decided within the reporting period. If a substantial number of incidents relate to events in preceding years, this should be indicated.
- 2.2 Where the reporting organization has not identified any non-compliance with regulations and voluntary codes, a brief statement to this fact is sufficient.
- 2.3 Identify the total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling during the reporting period.

In this context voluntary products and service information means widely accepted and adopted national and international codes of conduct, or specification regarding display or provision of product or service information, as opposed to the actual certification, rating or labeling attained, which should be reported according to CRE8.

- 2.4 Incidents of non-compliance in which the organization was determined not to be at fault are not counted in this Indicator.

- 2.5 Report the total number of incidents of non-compliance with regulations concerning product and service information and labeling, broken down by:

- Incidents of non-compliance with regulations resulting in a fine or penalty;
- Incidents of non-compliance with regulations resulting in a warning; and
- Incidents of non-compliance with voluntary codes.

3. Definitions

None.

4. Documentation

Potential information sources include the reporting organization's legal and technical departments as well as documentation collected through quality management systems.

5. References

None.

PR5 Practices related to customer satisfaction, including results of surveys measuring customer satisfaction.

1. Relevance

Customer satisfaction is one measure of an organization's sensitivity to its customers' needs and, from an organizational perspective, is essential for long-term success. In the context of sustainability, customer satisfaction provides insight into how the organization approaches its relationship with one stakeholder group (customers). It can also be used in combination with other sustainability measures. Customers' needs and preferences may differ by gender and other diversity factors. Used in combination, customer satisfaction can provide insights into the degree to which an organization considers the needs of other stakeholders.

Customer satisfaction is an important issue for the sector, given the complexity of the value chain and the number of actors involved in the delivery of construction and real estate projects.

'Customers' should be read as clients and end users (including occupants and visitors) who may have an interest in all stages of the lifecycle.



2. Compilation

2.1a Report who the reporting organization's customers are (referencing 'clients' and 'end users' as described above).



2.1 Report on organization-wide practices in place to assess and maintain customer satisfaction, such as:

- Frequency of measuring customer satisfaction;
- Standard requirements regarding methodologies of surveys; and
- Mechanisms for customers to provide feedback.

2.2 Report the results or key conclusions of surveys (based on statistically relevant sample sizes) conducted in the reporting period that were related to information about:

- The organization as a whole;

- A major product/service category; or
- Significant locations of operation.

- Customer satisfaction trends over time

Include conclusions from legacy studies and surveys, specifically client and end user's long-term satisfaction with construction or real estate projects.



Process and outcomes of public consultation should be covered under community Performance Indicators (SO1, SO8 and SO9).

2.3 For any survey results reported, identify the product/service category or locations of operations to which they apply.

3. Definitions

None.

4. Documentation

Potential information sources include the reporting organization's customer relations and R&D departments.

5. References

- UNIFEM & UNGC Women's Empowerment Principles: Principles 5 & 7, 2010.



PR6 Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship.

1. Relevance

Marketing communications are designed to influence opinions and purchasing decisions. The growth of consumer activism shows that stakeholders consider marketing communications a significant issue when they:

- Do not conform to generally accepted ethical or cultural standards;
- Are irresponsible in relation to privacy intrusion and dual standards;
- Are irresponsible in their attempts to influence vulnerable audiences such as children; and
- Are irresponsible in portraying gender roles in ways that are not respectful.

Marketing approaches that are seen as inappropriate can incur risks for organizations, including alienation of customers and other stakeholders, damage to reputation, financial costs, and legislative action.

In addition to frameworks of national or international law, voluntary and self-regulatory codes (such as the ICC International Code of Advertising Practice or the OECD Guidelines for Multinational Enterprises) seek to express concepts of responsibility in marketing communications. The adoption of such self-disciplinary codes or rules can assist organizations in ensuring that their marketing communications practices conform to generally accepted standards.

2. Compilation

- 2.1** Report any codes or voluntary standards relating to marketing communications applied across the organization.
- 2.2** Report the frequency with which the organization reviews its compliance with these standards or codes.
- 2.3** Report whether the organization sells products that are:
 - Banned in certain markets; or

- The subject of stakeholder questions or public debate.

- 2.4** Report how the organization has responded to questions or concerns regarding these products.

3. Definitions

None.

4. Documentation

Potential information sources include the reporting organization's legal, sales, and marketing departments.

5. References

- International Chamber of Commerce recommendations (i.e., the ICC International Code of Advertising Practice) and related codes of conduct.
- OECD Guidelines for Multinational Enterprises, Revision 2000.
- Section J of The UN Beijing Platform For Action, 1995.



PR7 Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship, by type of outcomes.

1. Relevance

Non-compliance indicates either inadequate internal management systems and procedures or ineffective implementation. In addition to direct financial consequences such as penalties and fines, non-compliance poses a risk to reputation and customer loyalty and satisfaction. An organization's incidents of non-compliance should remain as low as possible. The trends revealed by this Indicator can indicate improvements or deterioration in the effectiveness of internal controls

2. Compilation

- 2.1** This Indicator refers to incidents of non-compliance within the reporting period. If a substantial number of incidents relate to events in preceding years, this should be indicated.
- 2.2** Where the reporting organization has not identified any non-compliance with regulations and voluntary codes, a brief statement to this fact is sufficient.
- 2.3** Identify the total number of incidents of non-compliance with regulations concerning marketing communications during the reporting period.
- 2.4** Incidents of non-compliance in which the organization was determined not to be at fault are not counted in this Indicator.
- 2.5** Report the total number of incidents of non-compliance with regulations concerning marketing communications, broken down by:
 - Incidents of non-compliance with regulations resulting in a fine or penalty;
 - Incidents of non-compliance with regulations resulting in a warning; and
 - Incidents of non-compliance with voluntary codes.

3. Definitions

None.

4. Documentation

Potential information sources include the reporting organization's legal, sales, and marketing departments.

5. References

None.

PR8 Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data.

1. Relevance

Protection of customer privacy is a generally recognized goal in national regulations and organizational policies. Non-compliance indicates either inadequate internal management systems and procedures or ineffective implementation. This Indicator provides an evaluation of the success of management systems and procedures relating to customer privacy protection. In addition to direct financial consequences such as penalties and fines, non-compliance poses a risk to reputation and customer loyalty and satisfaction. An organization's incidents of non-compliance should remain as low as possible. The trends revealed by this Indicator can indicate improvements or deterioration in the effectiveness of internal controls.

2. Compilation

- 2.1** Identify the total number of complaints regarding breaches of customer privacy during the reporting period.
- 2.2** If a substantial number of these breaches relate to events in preceding years, this should be indicated.
- 2.3** Report the total number of substantiated complaints received concerning breaches of customer privacy, categorized by:
 - Complaints received from outside parties and substantiated by the organization; and
 - Complaints from regulatory bodies.
- 2.4** Report the total number of identified leaks, thefts, or losses of customer data.
- 2.5** Where the reporting organization has not identified any substantiated complaints, a brief statement to this fact is sufficient.

3. Definitions

Breach of customer privacy

Covers any non-compliance with existing legal regulations and (voluntary) standards of which the reporting organization is a member regarding the protection of customer privacy.

Substantiated complaint

Written statement by regulatory or similar official body addressed to the reporting organization that identifies breaches of customer privacy, or a complaint lodged with the organization that has been recognized as legitimate by the organization.

4. Documentation

Information can be drawn from departments responsible for customer service, public relations, and/or legal concerns.

5. References

None.



PR9 Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services.

1. Relevance

The level of non-compliance within an organization is an indicator of the ability of management to ensure that operations conform to certain performance parameters. From an economic perspective, ensuring compliance helps to reduce financial risks that occur either directly through fines or indirectly through impacts on reputation. The strength of an organization's compliance record can also affect its ability to expand operations or gain permits.

2. Compilation

- 2.1** Identify administrative or judicial sanctions levied against the organization for failure to comply with laws or regulations, including international declarations/conventions/ treaties, and national, sub-national, regional, and local regulations concerning the provision and use of the reporting organization's products and services. Relevant information for this Indicator includes but is not limited to data from PR2, PR4, and PR7.
- 2.2** Report total monetary value of significant fines.
- 2.3** Where the reporting organization has not identified any non-compliance with laws or regulations, a brief statement to this fact is sufficient.

3. Definitions

None.

4. Documentation

Data sources include audit results or regulatory tracking systems operated by the legal department. Information regarding monetary fines can be found in accounting departments.

5. References

None.

