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Dear Mr Ligteringen

GRI Second G4 Public Comment Period

I am writing to comment on behalf of Standard Life Investments regarding the Global Reporting Initiatives (GRI) next generation reporting Guidelines (G4).

Standard Life Investments is a leading UK institutional investor, with assets under management of £161 billion as at 31 March 2012. We invest around the world in the securities of a wide range of public and private companies. We welcome the steps that GRI has taken to date in improving the level of reporting on social and environmental issues among those companies. We believe it is particularly important for companies to clearly identify issues material to them, the management approach in place to address those issues and the organisation's overall strategy. We therefore welcome the opportunity to comment on the new guidelines and have outlined our views regarding disclosure on management approach below.

Disclosure on Management Approach

Q 1. Do you consider the proposed Disclosures on Management Approach an improvement over the current approach?

Q 2. Do the requirements for Disclosures on Management Approach offer sufficient flexibility to enable organizations to provide answers that will add value without making the report unduly repetitive and lengthy?

We believe that the new guidelines do represent an improvement over the current approach, particularly the flexibility provided in the guidance on disclosure of management approach. We welcome and encourage the identification of material issues and the varying levels of disclosure relative to applicable, Categories, Aspects and Indicators. We believe that the flexibility to vary the amount of disclosure required for different material issues will allow companies to focus on and provide greater detail on areas which have the most significant impact on their business.

Q 3. Do you consider the proposed disclosures related to Disclosures on Management Approach appropriate/ and or complete?

Q 4. Do you consider the proposed guidance provided to support the Disclosures on Management Approach appropriate and/or complete?

The proposed disclosures and the level of guidance on those disclosures are robust through out the Guidance. However, there are certain areas in which we believe further clarity would be useful and have outlined them below:

Organisational Strategy: We are supportive of areas of guidance that encourage disclosure on the relationship between sustainability and organisational strategy. We believe that the linkage between strategy and practice should be highlighted more thoroughly through out the guidance paper, particularly sections on management approach. This section is currently overly focused on management processes.

Human Rights: We welcome the GRI's reference to other frameworks such as the UN 'Protect, Respect, Remedy' framework. However, greater clarity on how the framework applies to the new Guidelines would be welcome, especially in the section of the guidance, which introduces human rights issues.

Material Topics: It is unclear how companies should disclose information on challenges and dilemmas, where organisations are unable to manage the material topic. If this area of reporting is to include aspects such as global climate change, macro economic impacts and legislative changes, it could create a scope which is unmanageable. Furthermore, it could produce repetition within individual company reports and across specific sectors. We believe that greater consideration should be given to avoiding a requirement that is too burdensome.

Biodiversity: The areas highlighted which can be considered when addressing the management of biodiversity is useful. However, biodiversity is such a broad area to consider that guidance on how to establish reporting boundaries would be useful.

Energy Consumption: Reporting on total direct usage of renewable and non renewable primary sources may be not be measureable on certain grid systems and guidance is unclear regarding, the reporting of indirect energy consumption by primary sources. We suggest this area should be reviewed and revised.

Supply Chain Labour Practice: The materiality of work undertaken within an organisations supply chain which is performed at home remains uncertain. As is a company's ability to monitor and report on the amount of work carried out, within the supply chain, at home, and under legally recognized contracts.

Supplier Inclusion: How companies disclose information on practices that promote economic inclusion when selecting suppliers is unclear, as is, the level of detail companies should report on in this area, particularly regarding prioritisation between economic inclusion and economic benefit.

Q 5. Do you have other general comments about the Management Approach Disclosures?

Further clarity on the disclosure of management approach and how this fits with the scope of the Guidelines would be useful. The introduction to the disclosure of management approach states its intention is to allow organisation's to explain their management of material economic, environmental and social impacts. We welcome reporting of both economic (financial) and environmental and social impacts (non-financial), however have concerns that the guidelines do not fully address material economic impacts.

Furthermore, we believe that the culmination of these three elements may be more suited to an integrated report. This appears to be at odds with the overview of the Guidelines, which states that the Guidelines do not have the capacity to offer an overview on integrated reporting. We would recommend that the GRI framework seeks to integrate more broadly with the International Integrated Reporting Council, and include details of our [submission to the latest IIRC discussion paper](#), for reference.

Yours sincerely



Andy Mason

SRI Analyst

Standard Life Investments