

Impact Evaluation for Global Reporting Initiative (GRI)

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Donor: SIDA and SECO

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1. Acronyms

ADB: Asian Development Bank
APINDO: The Employers' Association of Indonesia
ASEA : African Securities Exchanges Association
ASEAN: Association of Southeast Asian Nations
BRSR: Business Responsibility and Sustainability Reporting
BSCI: Business Social Compliance Initiative
CBP: Competitive Business Programme
CDP: Carbon Disclosure Project
CDSB: Climate Disclosure Standards Board
CMA: Capital Markets Authority
CSRD: Corporate Sustainability Reporting Directive
CSE: Colombo Stock Exchange
GRI: Global Reporting Initiative
EEA: European Economic Area
ESG: Environmental, Social, Governance
ESRS: European Sustainability Reporting Standards
EUDR: EU Deforestation Regulation
FDA: Food and Drug Agency
GMP: Good Manufacturing Process
HACCP: Hazard Analysis and Critical Control Points
IIRC: International Integrated Reporting Council
IFRS: International Financial Reporting Standards
IFC: International Finance Corporation
ISAR: International Standards of Accounting and Reporting
ISSB: International Sustainability Standards Board
KEQ: Key Evaluation Questions
MEL: Monitoring, Evaluation and Learning
NSE: Nairobi Stock Exchange
OH: Outcome Harvesting
RBSD: Responsible Business for Sustainable Development
RSPO: Roundtable on Sustainable Palm Oil
SDG: Sustainable Development Goals
SASB: Sustainability Accounting Standards Board
SECO: Swiss State Secretariat for Economic Affairs
SEC: Security Exchange Commission
SHSSEA: Supplier Health, Safety, Security and Environment Assessment
SIDA: Swedish International Development Cooperation Agency
SME: Small-Medium Enterprise
SRRB: Sustainability Reporting for Responsible Business
TCFD: Taskforce Climate-Related Financial Disclosure
TOC: Theory of Change
UNGC: United Nations Global Compact

2. Executive Summary

2.1. Evaluated Projects Snapshot

Table 1: Project General Info

Features	Responsible Business for Sustainable Development (RBSD)	Sustainability Reporting for Responsible Business (SRRB)
Donor	Swedish International Development Cooperation Agency (SIDA)	Swiss State Secretariat for Economic Affairs (SECO)
Timeframe	2018-2023	2021- February 2025
Regions & countries of operation	<ul style="list-style-type: none"> • Latin America: Brazil, Colombia, Mexico & Peru • Africa: Kenya, Nigeria, Eswatini, Botswana, Nigeria, & Eswatini • South Asia: Bangladesh, India & Sri Lanka 	<ul style="list-style-type: none"> • Latin America: Colombia, Peru & Mexico • Africa: Ghana, South Africa, Rwanda • ASEAN: Indonesia & The Philippines
Overall program aim	To promote responsible business conduct among businesses and state actors to support sustainable development.	To have reporting organizations use the information in their GRI sustainability reports to make more sustainable choices.
Anticipated Outcomes	<ul style="list-style-type: none"> • Outcome 1: Increased utilization of disclosed sustainability data into business practices. • Outcome 2: International and national policies and approaches are informed by evidence-based dialogue. • Outcome 3: In at least four countries, national plans on responsible business are being developed and aligned with national strategies for sustainable development. 	<ul style="list-style-type: none"> • Outcome 1: New and existing reporting organizations and other sustainability practitioners have gained capacity on the GRI Standards. • Outcome 2: More regulators are suggesting, mandating and/or enforcing the use of GRI Reporting Standards. • Outcome 3: External stakeholders make more use or insist on the transparency of corporate sustainability disclosure data.

2.2. Main Findings

2.2.1. Introduction

Sustainability reporting is increasingly focused on nonfinancial disclosures considering the cross-cutting consequences brought by climate change, social tensions and other ESG risks. This shift is due to growing interest in sustainable investing, evolving investor attitudes, and dissatisfaction with current social and environmental disclosures. International organizations like the UN and EU, alongside independent bodies such as GRI, are pivotal in developing these standards.

Mandatory disclosure requirements are expanding globally, compelling companies to report on various sustainability aspects, including supply chain due diligence, risk management, and remediation measures. However, this expansion presents challenges, particularly for SMEs, due to the complexity and resource demands of these standards. The need for harmonized and comparable disclosures is crucial to avoid fragmented regulatory requirements. For instance, even if GRI standards promote improvements in human rights and labor conditions within large companies, these benefits are inconsistently applied across value chains, especially among smaller suppliers, and are seen more from a policy development instead of impact perspective. Environmental improvements, such as better resource management and sustainable energy adoption, are evident but uneven.

Achieving global equivalence in sustainability reporting is challenging, with divergent views on materiality between different standards like GRI's concept of impact in materiality, intended by various informants as double materiality, and ISSB's financial materiality focus. In addition, various commentators indicate a Eurocentrism perspective in the ESG debate that tends to exclude voices from the Global South. A more nuanced perspective is critical on power structures within value chains (e.g. pricing) and the balance between equitable sustainability practices vs. the requirements for socio-economic development. This study highlights that effective ESG implementation requires the integration of social and economic dimensions with environmental goals with the support of localised development strategies, strengthened governance systems and more tailored focus downstream. Continued efforts and strategic investments are also necessary to develop systems (practical guidance, data solutions, integrated analytics, etc.) that can embed human rights, labor conditions, and environmental practices more deeply into the business practices within value chains, ensuring tailored strategy to address sustainability considering the features of each region and sector.

2.2.2. Addressing the main questions of the study

The following answers are based solely on informants' perspectives from sampled informants, no quantitative secondary evidence was identified to establish a conclusive trend across all reporting companies using GRI standards. This is due to the fact similar studies have not been conducted at scale in the context of GRI operations in the past. Yet, these findings can be valued as indicative and used to inform deeper engagements at the regional level to examine the extent and depth of GRI standards uptake in each sector and country beyond the issue of sustainability reports.

Main Question 1: What are the business and other benefits to companies related to GRI standards use and reporting?

Among the companies sampled in the study, the use of GRI standards and reporting offers substantial business benefits, including tangible competitive advantage, improved access to regional and international markets, and increased supply chain transparency. All informants from companies involved in the study, particularly larger ones, report increased investor trust and access to sustainable finance due to GRI compliance. GRI standards have also driven cost-saving opportunities through better resource management and waste reduction, fostering both product and process innovations. However, the complexity of GRI standards poses challenges for SMEs and in applying these standards across complex supply chains, highlighting the need for simplified guidelines and guidance for downstream application. While investor decision-making and access to sustainable finance have improved, the impacts on regulatory compliance and public trust are inconsistent and often depend on organizational leadership and government mandates. Additionally, transparency in sustainability practices aids in attracting and retaining talent, underscoring the strategic value of GRI reporting in building a reputable and sustainable business model but potentially also reflecting an increased social awareness about sustainability. Nonetheless, the overall effectiveness and consistency of these benefits require deeper empirical validation to understand how these benefits vary across different regions and sectors over time.

Sub-Questions	General Trend from Sampled Informants
1a. Has it helped companies improve their competitive advantage and access in regional/country markets and supply chains? How so?	The application of GRI standards has moderately helped the companies sampled in this study to improve competitive advantage and market access by enhancing transparency, credibility, and alignment with sustainability goals. The emerging trend is that the application for GRI standards fosters market presence, builds investor confidence, and operational transparency across various regions, thus driving reputation and competitive advantage.
1b. Has it helped them improve upon specific aspects that are directly linked to more sustainable strategies, policies, and practices? e.g., does the reported information inform the enterprise risk management process and the identification of cost-saving opportunities (energy use, waste reduction)?	The application of GRI standards have helped companies enhance sustainable strategies, policies, and practices by informing risk management and identifying cost-saving opportunities. Large companies have reduced costs through waste management, local sourcing, and resource efficiency, illustrating GRI's role in integrating sustainability into core business strategies and improving cost efficiency. This is less evidence among smaller firms because of the high cost of adoption/low incentive and lack of clarity in the application of sustainability practices.
1c. Has it helped support the product and/or process innovation?	GRI reporting standards have supported product and process innovation by fostering sustainability-driven advancements. Companies have improved production methods, developed new products, reduced waste, and evolved service offerings, demonstrating the impact of GRI on innovation and adaptability, although uptake in some sectors remains limited.
1c. Has it improved investor decision-making and company access to investments and sustainable finance?	GRI standards have strongly influenced investor decision-making and access to sustainable finance. The majority of companies informants in the study reported greater attraction from investors through transparent reporting and sustainability initiatives, leading to increased investor confidence and funding opportunities, enhancing reputation, stakeholder trust, and access to sustainable finance globally. However,

	access to sustainable finance is less evidence among smaller firms that are not accessing international finance or banking products that link with sustainability practices.
1d. Has it improved reputations and trust with investors/communities/general public?	The adoption of GRI standards has had mixed effects on reputations and trust with investors, communities, and the general public. GRI reporting has increased trust among stakeholders in some regions, though effectiveness varies. Transparent reporting and ESG benchmarks have boosted investor confidence and improved public perception in various contexts.
1e. Has it supported meeting permitting or other government requirements?	GRI standards have inconsistently supported companies in meeting permitting and government requirements to minimise normative incoherence and reporting fatigue. Structured sustainability reporting has facilitated compliance and government interactions in some regions, while the overall impact varies depending on government mandates and company commitment to integrating these standards into their operations.
1f. In how far does being transparent about your impacts help with the attraction/retention of talent?	Transparency about impacts has supported talent attraction and retention only in large firms. Companies fostering transparency in sustainability practices have experienced increased employee loyalty and satisfaction. Transparent social metrics and policies have enhanced reputations as top employers, linking transparency in social practices to improved employee commitment. The trend was not detected among smaller firms since workers tend to seek for better pay and working conditions in larger firms.

Main Question 2: Are there meaningful contributions to sustainability benefits linked to the use of GRI standards, reporting and data by companies and other stakeholders?

The use of GRI standards and reporting demonstrates both strengths and limitations in contributing to sustainability benefits for companies and stakeholders. Evidence indicates that GRI standards have improved benefits related to human rights and labor conditions within large companies, although this is narrowly understood in terms of inclusive business practices and gender equality without consideration for the broader social context of downstream operations. Therefore, integration across the value chain is inconsistent, with many organizations facing challenges in implementing these standards among smaller suppliers. Environmental benefits are noted, for examples some companies are promoting better resource management through recycling or reducing single-use plastics in other cases they are moving to more sustainable energy sources by solarizing operations. Nonetheless, the impact remains uneven, with some firms reporting no direct influence from GRI standards and attributing their choices to other requirements. The complexity and resource demands of GRI standards pose significant barriers in fulfilling benefits, particularly for SMEs, which prompts for a deeper reflection on application strategies and incentives.

Sub-Question (Area 2)	General Trend from Sampled Informants
2a. What are the contributions of GRI reporting and data usage, if any, on human rights/labor conditions and more inclusive and equitable business practices? This should be explored from the company and throughout the value chain.	The implementation of GRI standards has had a mixed impact on human rights and labor conditions within companies and throughout their value chains. While some large companies have improved policies and practices related to human rights, gender equality, and labor conditions, the integration of these improvements across entire value chains remains inconsistent beyond basic due diligence in procurement policies. Many companies have taken initial steps to engage local suppliers and promote inclusivity, but gaps in understanding about social change and implementation persist, limiting broader impacts downstream.
2b. What are the contributions of GRI reporting, data usage and the knowledge gained towards concrete	GRI reporting has facilitated improvements in environmental practices within companies, such as adopting sustainable agriculture, reducing waste, and lowering carbon footprints. However, the impact across

improvements in the environmental practice and conditions? This should be explored from the company and throughout the value chain	value chains is uneven. While some companies have successfully implemented eco-friendly initiatives and engaged with suppliers to enhance sustainability, others face significant challenges, including high costs and operational priorities that hinder broader environmental improvements. Despite progress, achieving consistent environmental practices across value chains requires further strategic investments and efforts.
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Main Question 3: Are the high-level assumptions in the ToC holding true based on the analysed primary and secondary evidence?

The high-level assumptions in the ToC regarding GRI standards hold partially true based on data collected. GRI reporting has validated assumptions about capital markets, industry associations and investors understanding the value of sustainability, enhancing investor trust and access to sustainable finance, as seen in examples where increased credibility attracts green financing. However, the assumption about inter-operability of standards, strong intermediaries and clarity on social and environmental improvements are not validated. For instance, the complexity of GRI standards poses significant challenges, particularly for SMEs, indicating a need for simplified guidelines, adequate data solution and practical implementation strategies. Further gaps include the need for better integration of ESG metrics into financial decision-making and the uneven engagement with value chain partners. Additionally, the long-term impact on business performance and environmental sustainability requires more empirical data and rigorous testing to validate financial benefits and substantial environmental improvements, highlighting areas for ongoing research and adaptation.

Sub-Question	General Trend from Sampled Informants
3a. Which assumptions have been further validated/evidenced?	The use of GRI reporting has validated that transparency in sustainability practices enhances investor trust and access to sustainable finance. Companies adopting GRI standards have seen improved reputations and talent retention. However, the assumption that GRI reporting leads to comprehensive social and environmental improvements is mixed, with variability in implementation and complexity posing significant barriers.
3b. What is missing or what should be considered for adaptation?	Despite progress, GRI standards' complexity and resource demands challenge especially SMEs. Simplified guidelines and better integration of social and environmental metrics into financial decisions are necessary. There is also a need for more inclusive and enforceable standards throughout the supply chain to address uneven engagement with value chain partners.
3c. What needs further testing and evidence?	Further testing is required to assess the long-term impact of GRI reporting on business performance and environmental sustainability. More empirical data is needed to validate financial benefits and the effectiveness of GRI standards in driving substantial environmental improvements. Additionally, integrating ESG metrics into mainstream financial analysis needs more rigorous testing to ensure GRI reporting effectively drives sustainable practices.

2.3. Main Recommendations at Global Level

Global Advices	Brief Description
Tailor GRI Standards Considering the Perspective of SMEs	Create simplified GRI standards and guidelines tailored for SMEs, including practical examples and targeted training, to make sustainability reporting accessible and manageable, fostering broader participation and better integration into business strategies.
Enhance Integration with IFRS Standards	Enhance interoperability between GRI and IFRS standards by developing joint guidance and mechanisms to harmonize financial and sustainability reporting,

	supporting comprehensive, actionable reporting that aligns with business strategies and regulatory demands.
Address Social Aspects and Human Rights in Sustainability Reporting	Improve integration of social aspects and human rights in GRI standards with detailed guidance and practical examples that are relevant to each context, ensuring comprehensive corporate responsibility reporting that includes labor rights, gender equality, and community impacts while recognising the political economy of every region/country.
Enhance and Diversify Engagement with Regulatory Bodies and Business Associations	Strengthen collaboration with regulatory bodies and business associations to align GRI standards with regulatory requirements, enhancing their credibility, adoption, and support from key stakeholders across sectors.
Improve Case-Study centric Training and Support for Complex Reporting Standards	Enhance training programs for complex standards like the ones related to double materiality and scope 3 emissions by offering updated materials, frequent sessions, and practical post-training support, enabling companies to produce accurate, comprehensive sustainability reports.
Contribute to the Development and roll-out of Sustainability Index/Scoring Across Markets	Collaborate with stock exchanges and financial institutions to develop new or roll-out existing sustainability index/scoring mechanisms that track ESG performance, promoting transparency, accountability, and competition among companies to improve their sustainability practices.
Strengthen the Focus on Macroeconomic Risk Management in Sustainability Reporting	Develop guidelines linking policy changes with macroeconomic risk management in sustainability reporting, helping regulators and businesses anticipate and mitigate systemic risks, ensuring alignment between corporate practices and broader economic and environmental goals.

Global Advices	Brief Description
Improve Programme Management MEL Systems to Evidence Contribution	Enhance GRI's MEL systems for comprehensive data collection and analysis to demonstrate impact, support continuous improvement, and provide evidence of effectiveness, thus making GRI's case for wider adoption compelling.
Decentralize Leadership and Increase Financial Authority Regionally	Empower regional offices with more financial autonomy to develop context-specific strategies, improving operational efficiency, resource allocation, and responsiveness to local challenges, fostering innovation and collaboration.
Discorporate Thought Leadership from Revenue-Generating Arm	Separate thought leadership from revenue activities to maintain integrity, drive unbiased sustainability research, and address conflicts of interest, ensuring GRI's reputation as an impartial and authoritative sustainability voice.
Consider Merging Part of GRI Operations with Other Standards Setters like ISSB	Merge GRI operations with standards setters like ISSB to create a unified reporting framework, enhancing coherence, reducing redundancies, and promoting an integrated approach to sustainability and financial performance, responding to stakeholder demands.
Developing a Structured Partnership Approach with Donors so they Become Partners	Developing a structured partnership approach with donors, focused on co-learning, design thinking, and piloting for impact before scaling-up, enhances collaborative efforts and project effectiveness. This approach moves beyond traditional donor-recipient dynamics, fostering equal partnerships with shared goals. Co-learning allows both parties to gain deeper project insights, while design thinking ensures user-centric and innovative solutions.

3. Introduction

3.1. Background and context of the project

The Global Reporting Initiative (GRI) Standards serve as a universal framework for organizations globally to report both positive and negative impacts on sustainable development, encompassing economic, environmental, and social dimensions. GRI's primary goal is to foster transparency and accountability in organizations, thereby contributing to a sustainable future. As the most extensively utilized sustainability reporting standard globally, GRI has over 10,000 reporters from more than 100 countries.

Marking its 25th anniversary in 2022, GRI has significantly expanded its reach, scope, and ambitions, adapting to the evolving demands of a world increasingly focused on sustainability and equity. This adaptation underscores the critical role of entities and systems in enhancing ESG policies and practices. Recently, GRI has heightened its emphasis on the long-term impacts of its standards on the operational decisions, organizational culture, and subsequent effects on societal and environmental well-being.

In pursuit of this ambition, GRI has funded this external impact evaluation for two specific programs: the Sustainability Reporting for Responsible Business (SRRB) in Africa, Latin America, and Southeast Asia and the Responsible Business for Sustainable Development: Achieving the 2030 Agenda through Business Reporting Program (RBSD) in Africa, Latin America, and South Asia.

3.2. Objectives and scope of the report

This study is looking at both SIDA and SECO programmes: Sustainability Reporting for Responsible Business (SRRB) and Responsible Business for Sustainable Development (RBSD) Program. The evaluation is centred on two primary objectives. The primary goal is to analyse significant changes that relate to the implementation of GRI Standards supported by GRI that can inform specific recommendations. A secondary, albeit indirect, is to enhance Monitoring, Evaluation, and Learning (MEL) capabilities, along with generating relevant evidence and developing tools that can be extrapolated to other GRI programs and organizational initiatives.

The evaluation strategy for the GRI's RBSD and SRRB programs is strategically focused on four regions: Africa, ASEAN, Latin America, and South Asia, encompassing twelve core countries. Given the global nature of some activities, the evaluation targeted areas where obtaining robust evidence was considered as most feasible to access. As such, the analysis is particularly concentrated on specific country-level findings from Indonesia, Sri Lanka, Colombia, and Kenya, which are also instrumental for identifying broader global trends. The selection process for specific countries and focus areas within each region was rigorously based on predefined criteria, informed by initial consultations with GRI and a comprehensive review of existing evidence.

3.3. Methodology of data collection and analysis

The methodology was designed to assess significant changes resulting from the adoption of GRI Standards by organizations involved in these programs across four countries in different regions. The development process included reviewing internal GRI documents, examining pertinent external literature, and consulting with GRI staff who are involved with the programs in various regions and at headquarters. This approach reflects GRI's commitment to methodological rigor and stakeholder engagement in evaluating its impact.

The proposed methodology embeds several aspects that also guide the analysis:

1. **High-Level Changes:** The focus is on higher-level changes, which are inherently more challenging to evidence due to their indirect links to program activities. The aim is to discern the influence of these programs on the following: 1) the behaviours of GRI-reporting organizations, such as business practices, decision-making processes, corporate culture, and governance and, 2) contributions to broader ESG outcomes, including the creation of more sustainable and equitable economies and improvements in environmental and social well-being within the targeted regions and countries.
2. **Methodological Enhancements and Mixed-Methods:** This evaluation involves employing novel methods, including reinforcing the qualitative evidence base by leveraging on external informants. While the focus remains on qualitative evidence, the integration of quantitative metrics is explored by looking at secondary sources and in counting the frequency of relevant accounts across informants to enhance the qualitative insights.
3. **Unified Assessment Framework:** Instead of separate evaluations for each program, a single, comprehensive assessment is proposed. This includes a purposive sampling and qualitative case study

approach, which leverages overlapping areas of focus and stakeholders between the two programs to maximize resource utilization and impact.

4. **Participatory Evaluation:** The evaluation drew extensively on the expertise of GRI staff while respecting their existing commitments and time constraints. This approach sought to balance the realistic expectations of stakeholder engagement with the evaluation team's capacity to collect relevant data and generate high-quality findings.

A focused sampling approach was applied to identify specific case studies, while considering the constraints of available resources and accessible evidence. The approach to selecting samples for the evaluation included several specific criteria:

- **Purposive Sampling:** Selection of countries, stakeholders, and case studies is purposeful rather than random.
- **Evidence-Based Focus:** Emphasis on areas with observable results that are already supported by existing evidence and need further substantiation.
- **Potential for Learning:** Priority to areas offering substantial learning opportunities in relation to the Key Evaluation Questions (KEQs).
- **Program Overlap:** Consideration of regions where both programs are active and where there is a higher density of activities and potential evidence.
- **Resource and Time Constraints:** Recognition of the limitations in resources and time available to the evaluation team for conducting comprehensive data collection, analysis, and reporting.
- **Stakeholder Engagement:** Accessibility to GRI staff and direct stakeholders who can engage meaningfully and contribute evidence.

3.3.1. Combining Outcome Harvesting and Contribution Analysis

The evaluation strategy for GRI's programs has decided against primary quantitative data collection, including surveys. This decision is supported by past experiences and the resource restrictions in place. Additionally, GRI lacks access to and cannot verify the raw reporting data from reporters, making it impractical to directly validate and triangulate performance metrics. Instead, the evaluation primarily relied on qualitative data which were transformed into descriptive and trends analysis. Regarding quantitative data, the evaluation incorporated some secondary supporting data from existing GRI sources and data that some companies involved in interviews were willing to provide, but the size of this information is just for illustrative purposes and cannot be treated as conclusive.

The primary data collection will therefore focus on two primary qualitative methods: Outcome Harvesting (OH) and Contribution Analysis (CA). These methods are outlined systematically below:

1. **Outcome Harvesting (OH):** This method is utilized to identify, verify, and understand outcomes influenced by stakeholders, particularly when cause-effect relationships are unclear. It is especially effective in environments involving multiple stakeholders and complex systems changes, and it does not focus on measuring progress towards pre-determined outcomes but rather gathers evidence of achieved results, analysing the contribution of specific interventions to these changes. OH, is already familiar to some GRI program staff, making it a suitable choice for the evaluation.
2. **Contribution Analysis (CA):** CA is used to explore the extent of a program's contribution to observed results, aiming to verify the Theory of Change (ToC) and consider other influencing factors. This method helps reduce uncertainties about the intervention's role by enhancing understanding of why results occurred and how the intervention and other factors played a part. CA is complementary to OH and both methods are applied together to refine and substantiate the following: 1) detailed analysis of selected outcome cases, 2) their significance to the program's higher-level aims, 3) GRI's specific contributions to outcomes and how these contribute to GRI's ToC and high-level outcomes.

The evaluation leverages OH cases and/or existing evidence as much as possible. The selected samples were developed in more detail with GRI regional and HQ focal points using a facilitated process and template. The combined OH and CA approach increases robustness, allowing for critical assessment and updates with more external evidence and exploration of downstream impacts. The outcome cases are mapped against the GRI ToC pathways and presented in the following sections to illustrate their significance and contributions.

3.3.2. Sample Structure

The data collection took place in 4 countries: Colombia, Kenya, Sri Lanka and Indonesia and it involved direct informants' interviews with 42 different stakeholders overall. An additional 3 global informants were invited to the study, bringing the total number to 45 informants involved in the study. Three main groups of informants were involved in the study from: the private sector, regulators, and academic/training centers. A smaller set of other experts from the consultancy world also fed information to the study. The sample was diversified to ensure sufficient triangulation of views and it exceeded the usual size for these types of study, thanks to the effective coordination of GRI regional teams in establishing links with relevant informants involved in the outcomes to be validated. The break-down structure of the informants that were interviewed is shown in the table below.

Table 1: Sample Structure Table

Country	Regulators	Private Sector	Academia/ Trainers	Others (donors, other experts)	Total
Sri Lanka	3	2	2	1	8
Colombia	3	5	1	4	13
Indonesia	0	7	3	1	11
Kenya	2	3	5	0	10
Global	0	2	1	0	3
Totals	8	19	12	6	45

3.3.3. Limitations of the study

Main Limitation	Explanation	Mitigation
Scope and Sampling	The breadth of the programs covers activities in 4 regions and 12 primary countries with diverse stakeholders. Not all can be accounted for in data collection, leading to limits in representativeness.	Ensure sufficient access to informants and engage regional teams to collect a reliable cross-section of strong examples. Acknowledge limitations in geographic sampling and strive for balanced representation.
Expectations and Trade-offs	GRI staff have high expectations and numerous questions for the evaluation. Past MEL exercises have not always yielded relevant findings, leading to some disappointment.	Manage expectations by clarifying the evaluation's aims, limitations, and trade-offs. Emphasize the need for continued long-term MEL investment to address all questions and priorities over time.
Bias (courtesy, confirmation, evaluator)	The participatory nature of the evaluation can introduce bias, as stakeholders are selected in consultation with GRI staff, which may lead to 'cherry-picking' informants.	Ensure a diversity in the sample structure to mitigate evaluator bias and some snow-ball sampling where applicable. Use triangulation of evidence, including secondary sources, to validate outcomes and ensure well-balanced findings.
Absence of Evidence vs Evidence of Absence	Complex KEQs related to the impact of GRI reporting on ESG conditions may lack observable evidence. Absence of evidence does not imply absence of impact.	Recognize the exploratory nature of the evaluation. Aim to find as much evidence as possible, but transparently report the limitations in obtaining conclusive findings for all KEQs.

3.4. Key Evaluation Questions (KEQs)

Table 2: Key Evaluation Questions

What are the business and other benefits to companies related to GRI standards use and reporting?

- 1a. Has it helped companies improve their competitive advantage and access in regional/country markets and supply chains? How so?
- 1b. Has it helped them improve upon specific aspects that are directly linked to more sustainable strategies, policies, and practices? e.g., does the reported information inform the enterprise risk management process and the identification of cost-saving opportunities (energy use, waste reduction)?
- 1c. Has it helped support the product and/or process innovation?
- 1c. Has it improved investor decision-making and company access to investments and sustainable finance?
- 1d. Has it improved reputations and trust with investors/communities/general public?
- 1e. Has it supported meeting permitting or other government requirements?
- 1f. In how far does being transparent about your impacts help with the attraction/retention of talent?

Are there meaningful contributions to sustainability benefits linked to the use of GRI standards, reporting and data by companies and other stakeholders?

- 2a. What are the contributions of GRI reporting and data usage, if any, on human rights/labor conditions and more inclusive and equitable business practices? This should be explored from the company and throughout the value chain.
- 2b. What are the contributions of GRI reporting, data usage and the knowledge gained towards concrete improvements in the environmental practice and conditions? This should be explored from the company and throughout the value chain

Are the high-level assumptions in the ToC holding true based on the analysed primary and secondary evidence?

- 3a. Which assumptions have been further validated/evidenced?
- 3b. What is missing or what should be considered for adaptation?
- 3c. What needs further testing and evidence?

4. Project Implementation

4.1. Introduction on Sustainability Reporting for Responsible Business (SRRB)

The SRRB program, supported by SECO, continues to build on GRI's established commitment to enhance sustainability reporting globally. This program, operational in Africa, Hispanic America, and Southeast Asia, promotes a demand-driven increase in GRI sustainability reporting and the quality of disclosures, closely following the Corporate Sustainability and Reporting for Competitive Business program's successes.

Global Context and Regulatory Changes:

In 2022, the ESG/sustainability reporting landscape saw significant developments, notably with the European Union adopting the Corporate Sustainability Reporting Directive (CSRD), set to replace the earlier non-financial reporting directive between 2024 and 2028. This directive, affecting the EEA, may also influence similar legislative changes in Switzerland, reflecting the evolving global emphasis on detailed sustainability disclosures.

Objectives and Activities:¹

The SRRB program is structured around three main outcomes:

- **Improving Reporting Capacity:** This includes training, toolkits, and programs delivered by local partners to enhance the skills needed to produce sustainability reports.
- **Enhancing the Reporting Environment:** GRI aims to work with policy actors and market regulators to foster better sustainability reporting policies, making GRI Standards the preferred framework.
- **Increasing Data Utilization:** The program focuses on enabling investors and the media to use sustainability data more effectively for decision-making and accountability.

Key Reported Achievements and Expanded Initiatives:²

- Over 2,600 SMEs received direct training.
- More than 1,600 investors and 1,200 media professionals were engaged.
- GRI conducted 105 workshops and events, emphasizing the growing demand for its standards.
- Academic partnerships with Lagos Business School and Strathmore Business School to embed sustainability reporting in curricula.

¹ SECO Factsheet, [link](#)

² GRI Global Reporting Initiative (2023). SECO Sustainability Reporting for Responsible Business Program Annual Report 2022.

- Collaboration with the African Securities Exchanges Association (ASEA) to enhance ESG disclosure guidelines.
- Training for SMEs in Indonesia, impacting thousands of businesses on sustainability practices.
- Influence on global policy through engagement with the B20 Task Force.
- Recognition of the SDG Corporate Tracker at the ISAR Honors, highlighting effective multi-stakeholder partnerships in promoting sustainability reporting.

4.2. Responsible Business for Sustainable Development (RBSB)³⁴

The "Responsible Business for Sustainable Development" program, a collaborative effort between the Global Reporting Initiative (GRI) and the Swedish International Development Cooperation Agency (SIDA), runs from January 2018 to December 2022. The program, also supported by the Danish Institute for Human Rights, aims to integrate sustainable development disclosures into business strategies and policymaking, thereby advancing the Sustainable Development Goals (SDGs).

Program Objectives and Levels of Action:⁵

1. **Increase Transparency and Openness in Business:** The program strives to enhance sustainability reporting among businesses of all sizes to improve transparency and align with frameworks for sustainable development and human rights.
2. **Promote Responsible Entrepreneurship:** It focuses on fostering responsible entrepreneurship as a catalyst for sustainable development. This involves facilitating evidence-based dialogues and creating tools that encourage responsible decision-making by government and industry stakeholders, including investors.
3. **Boost Data Usage:** Focuses on increasing the use of sustainability data by stakeholders such as investors and the media, enabling informed decision-making.

Strategic Initiative:

The program strengthens partnerships with local companies, government agencies, stock exchanges, and regulators to integrate sustainability into their operational frameworks. It also supports companies in adhering to sustainability guidelines and educates them about benefits beyond compliance, contributing to post-COVID-19 recovery efforts.

A selection of key regional achievements:⁶

- **Africa:** Collaboration with the African Securities Exchanges Association (ASEA) has significantly advanced the inclusion of GRI standards in ESG Disclosures Guidance manuals for stock exchanges, enhancing training for listed companies.
- **Latin America:** The SDG Corporate Tracker initiative, in partnership with UNDP in Colombia, has gained global recognition, receiving the International Standards of Accounting and Reporting (ISAR) Honors in 2022. Additionally, efforts to raise awareness among Latin American public officials about sustainability reporting have shown increased engagement with entities like stock exchange commissions and UNDP.
- **Asia:** Strategic efforts include the launch of a pivotal document that aligns GRI Standards with India's Securities and Exchange Board BRSR Framework, promoting the adoption of GRI Standards beyond regional frameworks.

This program is part of broader efforts by SIDA to deepen the understanding of sustainability issues, particularly those directly linked to poverty, informality, and the integration of small and medium-sized enterprises into sustainability practices. Human rights are a pivotal component of these efforts, and the collaboration between GRI and DIHR is crucial for advancing their respective agendas and enhancing their impact. This cooperation aims not only to support the individual organizations and their programs but also to strengthen their partnership to further develop strategies for sustainability and corporate responsibility.

³ GRI Global Reporting Initiative (2023). SIDA Responsible Business for Sustainable Development Program, Annual Report 2022.

⁴ <https://www.globalreporting.org/public-policy/legislation-and-regulation/sustainability-reporting-for-responsible-business-in-africa-hispanic-america-and-south-east-asia/>

⁵ SIDA Factsheet, [link](#)

⁶ <https://www.globalreporting.org/public-policy/legislation-and-regulation/sustainability-reporting-for-responsible-business-in-africa-hispanic-america-and-south-east-asia/>

4.3. Theory of Change

The most updated Theory of Change by GRI outlines a comprehensive framework for how sustainability reporting, particularly through the adoption of GRI Standards, can contribute to sustainable development marked by shared prosperity and environmental stewardship. This framework establishes a causal pathway from initial actions to ultimate outcomes, emphasizing the interconnections and dependencies at each level. At the heart of this Theory of Change is the hypothesis that by increasing the adoption and quality of sustainability reporting, organizations will provide more relevant, salient, and useful data to all stakeholders. This transparency is crucial for fostering accountability and informed decision-making, which in turn it is assumed to drive sustainable development – although this hypothesis has not been fully tested and evidenced.

High-Level Impact: The ultimate goal of this framework is a world where sustainable development is realized—where economic prosperity is shared, and the environment is protected. This high-level impact hinges on a causal connection between the widespread adoption of robust sustainability reporting standards and sustainable development goals.

Mid-Level Impact: To achieve this, the theory posits that organizations, both public and private, must regularly disclose their sustainability data. This practice of making information publicly available is essential for creating a culture of openness and continuous improvement in sustainability practices.

High-Level Outcomes: Two critical outcomes are identified to drive this mid-level impact:

1. **Mandated or Endorsed Reporting:** Governments and regulators need to mandate or endorse sustainability reporting. When these authorities recognize the value of such reporting, they are more likely to impose regulations that require organizations to report their sustainability data.
2. **Low-Cost Compliance:** For sustainability reporting to be widely adopted, it must be easy and affordable. This means ensuring that the standards are interoperable, clear, and accessible, allowing organizations to comply without incurring prohibitive costs.

The entire framework of the Theory of Change emphasizes the interconnectedness of various actors and the cascading effects of their actions. The main hypothesis stands that by fostering a deep understanding and appreciation of the value of sustainability reporting across different sectors and levels, the framework envisions a future where transparent, high-quality sustainability data drives sustainable development globally. This holistic approach ensures that each step builds on the previous one, creating a robust system that promotes continuous improvement and accountability in sustainability practices.

Figure 1: ToC in a visual format



GRI Theory of Change, as it stands, requires several critical reflections that warrant scrutiny. Key among these is the need to make assumptions explicit, acknowledging that each step's success hinges on underlying, testable hypotheses. The non-linear nature of a Theory of Change with such complexity, where some pathways and target groups yield more effective outcomes, calls for a nuanced exploration and review over time. The theory distinguishes between self-motivated change and change driven by external pressure, recognizing that these differences influence the quality and subsequent actions of reporting organizations, but it does not fully appreciate the context-specific scenarios. Additionally, the timeline for change might vary, with policy and regulatory shifts taking longer than enhancing companies' awareness and capacity regarding GRI Standards. This complexity necessitates a more tailored approach for each target group, as their functions and needs differ. Ultimately, the GRI should transcend the hypothesis of mere adoption of its standards as causally strong in reaching SDGs, seeking to fundamentally alter corporate behaviour and practices also through more explicit partnerships and external leverages, an ambitious objective that demands further investigation and contextualization.

4.4. Contribution Claims and Trend

This evaluation focused on the following contribution claims and main trends, that are presented in the following table. The various claims are from both RBSD and SRRB programmes while the general trend applies to GRI in a broader sense. Through the data collection from each claim, the informants also shared perspectives about the general evaluation questions, notably on how GRI standards benefited business operations and contributed to the wider sustainability benefits, while also considering the causal pathways of the theory of change presented in the earlier section.

Table 3: Main Contribution Claims Analysed

Regions	Initial Contribution Claims and Trends
Global Trend	The sustainability reporting landscape is undergoing significant transformation as organizations like ISSB and GRI adjust to the emergence of global mandatory disclosure standards, such as IFRS 1-2, TCFD Plus and ESRS. These changes require enhanced interoperability and adaptation strategies to manage complexities, including the integration of social aspects and impact materiality, challenging established practices, and prompting a shift towards dual reporting standards to better meet diverse stakeholder needs.

South Asia Sri Lanka– RBSD	<p>Since 2021, a steady rise in the number of sustainability reports using GRI standards has been observed among companies in Sri Lanka (Hayleys, EY, John Keels, financial institutions, textile, plantation sector, and fisheries). The collaboration between GRI, the Colombo Stock Exchange (CSE) and SEC, through the launch of GRI standards guidance and the implementation of the "Shaping the Sustainability Reporting Journey" programme has contributed to this change. The eight companies participating in this program gained an in-depth understanding of the GRI Standards and the principles of sustainability reporting, leading them to improve and demonstrate their sustainability practices.</p>
Africa South Africa – RBSD	<p>Since 2022, the Nairobi Securities Exchange (NSE), backed by ASEA, significantly influenced ESG reporting standardization among its listed companies in Kenya through the launch of a ESG Disclosure Guidance, in response to global economic shifts and growing demands for comprehensive ESG management disclosure. This effort was crucially supported by GRI and Seven Levers LLP in shaping the guidelines and by certified trainers in ensuring companies embedded GRI standards in their sustainability reporting. The combined work of these actors is expected to have enhanced Kenya's capital markets by aligning with investor information needs, and to have pushed a greater number of listed companies to adopt and report on sustainable business practices in light of a global economic landscape where sustainability is increasingly prioritized by investors and stakeholders.</p>
Latin America/ Colombia – SRRB	<p>Since 2019, GRI has been leading the Responsible Investment Taskforce initiative, funded by SECO, promoting the adoption of the responsible investment agenda in Colombia. Since its creation, more than 20 financial and public sector institutions have joined the initiative, including financial sector guilds, the stock exchange, government entities, and other international organizations, academia, and civil society. This initiative represents a fundamental contribution to the number and use of sustainability reports in Colombia in the past 4 years, particularly in the financial sector</p>
ASEAN Indonesia - SRRB	<p>SMEs in Indonesia showed increased capacity, interest, and practice in developing the sustainability report. As of 2023, more than 50 SMEs have developed and submitted their sustainability reports. Most of those reports present companies' profiles, products, and economic performance. Some reports also present their sustainability strategies and performance such as procurement practice, environmental performance such as raw material, energy, emission, water and waste management, and social performance related to employee management and occupational health safety, product safety, supplier capacity building, and community empowerment.</p>

5. Global Trend Analysis

5.1. Main Trends

Sustainability reporting involves preparing and disseminating disclosures also related to "nonfinancial information." This includes climate change, water quality and quantity, ethical business practices, cybersecurity, supply chain management, and discussions on material ESG risks and their management. Recently, nonfinancial information disclosures have expanded in some jurisdictions to include the impact of a company's activities on sustainable development beyond its immediate operations.

There has been a dramatic increase since then, mobilizing regulators and spawning an expansive sustainability reporting ecosystem. Reasons for this transformation include the growth of sustainable, responsible, and impact investing; changing attitudes among investors, analysts, and portfolio managers; significant dissatisfaction with the quantity and quality of social and environmental disclosures; and the greater presence of long-term-oriented institutional investors committed to incorporating sustainable principles into their investment decisions. International organizations, such as the UN, regional organizations like the EU, stock exchanges, and independent organizations such as the GRI, have been instrumental in developing and implementing international sustainability reporting initiatives. These initiatives often take the form of national policies incorporating elements of international frameworks. Adding to the complexity is the emergence of sector-specific performance measurement and reporting frameworks based on recommendations from trade associations.

A clear trend is the increase and expansion of mandatory disclosure requirements imposed by various jurisdictions globally. These requirements are categorized into different types, each with unique consequences for companies. The most prevalent type is "disclosure-only" regulation (e.g., modern slavery legislation), requiring companies to disclose specified topics without mandating compliance policies or remedial measures. This regulation aims to push companies to evaluate and strengthen their processes, by promoting transparency and

comparison with peers. The second type requires disclosure and due diligence within supply chains, incorporating the results into reporting (e.g., conflict materials regulations in the US). A growing number of regulations require disclosure, supply chain due diligence, risk management registers, and proactive steps to remediate adverse impacts on human rights (e.g., child labor) caused by their operations or supply chain actions⁷.

At present, companies and their advisors are bound to juggle between a growing set of sustainability reporting frameworks and instruments, including standards from GRI, the Greenhouse Gas Protocol, CDP, the International Integrated Reporting Framework, the Sustainability Accounting Standards Board, the Climate Disclosure Standards Board, and the International Sustainability Standards Board. These voluntary frameworks are now accompanied by governmental regulations like the EU sustainability reporting requirements, US Securities and Exchange Commission mandates, state and local disclosure requirements, and global securities exchange initiatives on sustainability reporting.

Yet, as progress on sustainability reporting frameworks and standards continues, it is crucial to avoid fragmented regulatory requirements and support harmonized disclosures that are comparable, decision-useful, and cost-effective. Some commentators⁸ urge regulators to follow the principle of “equivalence” from financial reporting, allowing companies to use globally recognized standards to meet jurisdictional requirements and reduce compliance costs. Achieving global equivalence will take time, as differences exist, such as the EU’s Corporate Sustainability Reporting Directive and the GRI Standards’ “double materiality” and “impact” lens compared to the International Sustainability Standards Board’s financial materiality focus. Consensus on reporting standards is needed to facilitate governmental adoption of mandatory disclosures, integrating these standards into new legal requirements.

This disconnect between different conceptualizations of materiality was raised during a high-profile event hosted in 2022 by the Accountability, Sustainability, and Governance Research Group at the University of Bristol. The Academic Roundtable titled “The ISSB and the Materiality Debate,” attended by 115 participants focused on the formation of ISSB and differing views on materiality, contrasting the ISSB’s use of the IASB Conceptual Framework definition with the EU’s proposed CRSD, which advocates a “double-materiality” perspective. Inspired by this debate, the Organizing Committee drafted an open letter urging the ISSB and the EFRAG SRB to recognize the interdependence of financial sustainability with planetary and societal sustainability. The letter emphasized that an entity’s value-creation activities must consider both financial and impact materiality to address negative externalities and transform business models effectively. The letter also called for greater collaboration between the ISSB and EFRAG SRB to create a complementary model that combines a global baseline with progressive jurisdiction-specific requirements building on other long-standing sustainability reporting standards and frameworks established by, among others, the CDP, CDSB, IIRC, GRI, and SASB.

Concerns were raised about the ISSB standards potentially being perceived as a “global ceiling” rather than a “global baseline,” and the risk of developing competing standards. To enhance the effectiveness of sustainability reporting, the letter recommended drawing guidance from leading-edge sustainability and social science research, aligning with the UN’s sustainable development goals, and considering broader socio-economic consequences, encouraging the acquisition of diverse expertise at the board level to support these objectives and ensure the standards’ relevance and effectiveness.

5.2. Critical Reflections on the Risk of Eurocentrism in ESG debate

Various commentators, also among informants argue that the regions contributing least to the climate crisis are likely to suffer the most significant consequences, yet their voices are not being heard in the ESG debate.

As ESG investing has grown exponentially, with global ESG assets expected to exceed \$53 trillion by 2025, the environmental component related to climate change is considered the principal factor by many investors. However, despite the disproportionate impact on low-emission regions, Western voices dominate the ESG conversation, creating a western-centric ESG analysis that neglects the needs and perspectives of the Global South. The overrepresentation of Western voices in sustainability discussions leads to policies that often ignore the impact on low-income countries, particularly in the Global South. For instance, Western governments’ calls to end fossil fuel financing threaten economies like Nigeria, which relies on oil and gas for 40% of its GDP and 95%

⁷ A. Gutterman, “Sustainability Reporting Frameworks, Instruments, and Regulations”, [Link](#)

⁸ V. Poole, “Comment: The case for equivalence—supporting globally consistent sustainability reporting”, Responsible Investor

of its foreign exchange earnings. Additionally, the transition towards a global green economy, touted as the "Greatest commercial opportunity of our time," risks favouring Western investors while developing countries face increased climate finance loans with strict repayment terms⁹.

While ESG is a good idea in theory, it faces significant limitations in practice, mainly because it presumes that capital markets are the primary force shaping the world. This assumption overlooks the serious flaw in the architecture of capital markets and global finance: moral hazard. According to Fancy¹⁰, ESG investments often fail to drive real change, acting instead as non-binding pledges that maintain the status quo without altering the incentives that shape corporate behaviour. So, while ESG aims to align business practices with sustainable goals, it often ends up being a marketing tool rather than a transformative force. Also, it is underlined that ESG investments are hard to define and measure, often involving superficial box-ticking exercises rather than substantive actions. For instance, [a 2017 survey conducted the NYU Stern Center for Business and Human Rights](#) that looked at 12 ratings frameworks devised by organizations, including GRI, found that 92% of social metrics are measured internal company policies and systems, not outcomes or performance in their supply chain.

The siloed approach is also criticized by leading activists that underline issues like environmental justice, human rights, and social development, calling for a more integrated approach considering that climate change exacerbates crises related to food, water, sanitation, and healthcare, disproportionately affecting poorer countries—a phenomenon he termed "climate apartheid." For example, a 2015 study in *Nature* projected that average incomes in the poorest countries could decline by 75% by the end of the century due to climate change. This disconnection between crisis and its socio-economic consequences results in a scenario where businesses can appear to address sustainability issues without making meaningful changes, effectively masking the need for stricter regulations and genuine accountability. So, effective ESG implementation cannot be separated from innovative socioeconomic policies and enhanced governance systems, which must recognize the necessity of redefining growth, prosperity, rights, and freedoms, all of which will require a departure from conventional approaches.¹¹

Considering how developing countries are being affected directly by multi-crisis, a call to decolonise the ESG narrative is emerging. This involves addressing the underrepresentation of non-Western players in ESG standard-setting and ensuring that the Global South has a much greater significant say in these decisions. The current focus on environmental factors often overshadows crucial social issues, such as economic inequality and illicit financial flows facilitated by Western financial institutions. Additionally, governance metrics typically penalize emerging markets while ignoring questionable market practices prevalent in the West. Evening the playfield would require some kind of climate reparation scheme where the Global North compensates the Global South for decarbonising, based on the differential in per capita GDP. This approach would recognize the historical exploitation of the environment by Western countries and the competitive disadvantage faced by developing nations in the transition to a green economy. Without these changes, ESG investing risks becoming a tool to reinforce existing imbalances rather than a force to address sustainability in a multi-crisis environment.¹²

Other critiques extend all the way to point out that SDGs are contradicting each other, for instance Goal 8's push for industrial growth and increased GDP conflicts with sustainability targets. Empirical evidence shows that sustained economic growth leads to unsustainable resource use and insufficient reduction in greenhouse gas emissions. Setting specific per capita resource use targets coupled with emissions reductions, especially for high-income nations, might resolve this conflict. Yet this shift can only be enabled by a more equitable resource distribution coupled with stronger social services to ensure the departure from the growth-centric model assumes a reconciliation between economic growth targets that are necessary to reach sufficient human development goals and ecological sustainability.¹³ This perspective remains controversial since the deep-entrenched market mechanism remains deeply rooted in existing power imbalances within value chains and value distribution.

⁹ A. Olayinka Sule, "Decolonising the ESG Narrative", 2022 - [Link](#)

¹⁰ L. Butterfield, Event Coverage at Stanford Business "Tariq Fancy on Why We Need to Pull the Moral Cloak of Responsibility Away from Business", 2023 - [Link](#)

¹¹ C. Nair, "From America's IRA to China's eco-civilization, a new global consensus is emerging. Globalization and growth are out, redesigning society is in", *Fortune*, 2023 - [Link](#)

¹² A. Olayinka Sule, "Decolonising the ESG Narrative", 2022 - [Link](#)

¹³ J. Hickel, "The contradiction of the sustainable development goals: Growth versus ecology on a finite planet" *Sustainable Development*, 27(6), 2019, 1–12. <https://doi.org/10.1002/sd.1947>

5.3. Trend analysis from the perspective of key informants

In this changing landscape, this evaluation included 4 informants with a global perspective (1 internal and 3 external) to deep dive on this trend and to reflect on GRI role and its evolution within this trend towards sustainability reporting and integration of practices. The table below presents the findings of these interviews to inform the bigger picture.

Table 4: Trend Analysis Table

<p>Description of a Key Trend</p> <p><i>A trend related to a change in behaviour, capacity, policy, budgeting, etc. that is affecting GRI</i></p> <p>The sustainability reporting landscape is undergoing significant transformation as organizations like ISSB and GRI adjust to the emergence of global mandatory disclosure standards, such as TCFD Plus and ESRS. These changes require enhanced interoperability and adaptation strategies to manage complexities, including the integration of social aspects and impact materiality, challenging established practices, and prompting a shift towards dual reporting standards to better meet diverse stakeholder needs.</p>
<p>Significance of Changing Trend</p> <p><i>How significant is the trend in affecting GRI? The reasons why this trend is significant.</i></p> <p>High - This change is crucial as it impacts a wide range of stakeholders globally, from businesses adapting to new reporting frameworks to investors seeking reliable standards for assessing sustainability credentials. The ongoing evolution underscores the need for full interoperability between different sustainability standards, aiming to reduce redundancy and enhance the practical utility of sustainability reports in decision-making. The dynamics of this transformation are pivotal, reflecting broader trends towards integrated financial and impact reporting, with significant implications for regulatory practices and corporate strategies worldwide.</p>
<p>Context of Change</p> <p><i>This is an explanation of the context and key stakeholders that played a role in contributing (or hindering) this trend in terms of their influence and relationship with GRI programme.</i></p> <p>The landscape of sustainability reporting is undergoing significant transformation, marked by the emergence of ISSB and its integration of standards like SASB, CDSB, and TCFD under the IFRS Foundation. This major change signifies a consolidation in the realm of sustainability standards, aiming to streamline the multitude of existing frameworks into a more cohesive structure. However, this shift introduces complexities, particularly around the integration of social aspects and the balancing of environmental concerns with financial reporting. The ISSB's approach, focusing on single materiality, contrasts with the dual materiality approach of the European Sustainability Reporting Standards (ESRS), creating a divergence in global reporting practices. This transition impacts a broad spectrum of stakeholders, from investors requiring clear baseline standards to corporations grappling with the adaptation to new requirements. The need for effective collaboration between major reporting entities like GRI and ISSB is crucial to reduce redundancy and improve the relevance and impact of sustainability reporting globally.</p>
<p>Role of GRI</p> <p><i>GRI position in the global trend</i></p> <p>GRI's contributions to sustainability reporting have been significant yet face challenges due to its unregulated status and the global shift towards integrating with newer standards like ISSB and ESRSD. Despite this, "GRI has successfully facilitated over 9,000 sustainability reports, showcasing its broad adoption and influence" (Academic informant). The organization's emphasis on impact materiality has provided companies with a comprehensive framework to report both financial and non-financial impacts, enhancing transparency and accountability (Academic and Private Sector informants). However, as regulatory landscapes evolve, GRI needs to adapt strategically. This involves producing sector-specific insights and fostering closer collaboration with ISSB, which enjoys regulatory backing.</p> <p>Internal GRI Perspective: The current partnership between GRI and ISSB underscores a strategic alignment aimed at reducing compliance costs and fostering broader adoption of sustainability standards. This alignment, highlighted at the Sustainability Innovation Lab, serves as a critical step towards establishing a global baseline for data comparability, crucial for evaluating corporate performance. GRI's strategy extends to transforming global supply chains by integrating SMEs into sustainability practices, particularly in managing Scope 3 emissions. This support recognises that educating millions of SMEs across regions like Asia and Brazil about sustainability practices, shifting from rule-based to incentive-driven approaches, is a huge challenge and opportunity (GRI executive management informant).</p>
<p>Recommendations at the global level</p>

Explain the key recommendations emerging from global-level work, that could relate to: revenue generating approaches, programme management culture, strategic re-alignment, positioning and influencing, coordination, branding etc.

- 1. Integration and Alignment with Global Standards:** GRI should consider deepening strategic alignment with ISSB and ESRS to ensure its standards remain relevant amid the evolving regulatory landscape. This alignment going beyond inter-operability for materiality, ensuring that GRI standards can seamlessly integrate with ISSB's regulatory-backed frameworks (Academic informant). To maintain its competitive edge and relevance, GRI could also develop sector-specific practical insights that complement application of its standards and of other standard setters, particularly focusing on industries with significant environmental and social impacts. This approach would help GRI maintain its leadership in sustainability reporting by offering standards that are both comprehensive and adaptable to different frameworks emerging as mandated for global compliance demands.
- 2. Capability Building to SMEs and Strategic Partnerships:** To address the challenges posed by its complex standards and the broader adoption among SMEs, GRI should invest in capability building and educational programs tailored for smaller enterprises also by scaling. It is also recommended that GRI better assesses how initiatives such as GANTSch program and CSRCB 2016-2020 positions the organization as a lead service provider to SMEs on the global stage – which was out of scope for this evaluation. Partnerships with consultancy firms and educational institutions could also provide the necessary training and resources to help SMEs understand and implement GRI standards effectively in their operations. Furthermore, GRI should foster collaboration with NGOs to enhance capacity building in emerging markets, ensuring that these entities can support local businesses in adopting and benefiting from GRI standards (PWC informant).
- 3. Enhancing Value Proposition and Regional Adaptation:** GRI needs to articulate a clearer value proposition that demonstrates how adherence to its standards can drive financial value alongside ethical and environmental benefits (Company informant). This involves enabling the quantification of the direct benefits from sustainability reporting, such as risk mitigation, improved investor confidence, and enhanced brand reputation. Additionally, GRI should give a greater voice to leaders in the developing world, particularly in Asia, where economic growth intersects significantly with sustainability challenges. Including diverse regional perspectives in leadership and decision-making processes can enhance the adaptability of GRI standards to different economic and cultural contexts, ensuring broader acceptance and implementation (Company and Academic informants).

6. Outcome Case Study for Sri Lanka

6.1. Contribution Analysis

The following table explains an outcome change examined in the context of Sri Lanka. Based on the conversation with 8 informants from different organizations, the table presents what changed (an updated statement), the significance of the change, the context in terms of endogenous and exogenous forces conditioning the change, and the main contribution of GRI to the change. The analysis also generated a set of recommendations that can apply at the national level.

Table 5: Sri Lanka Contribution Analysis Table

Description of Change	
<i>This is a change area where GRI claimed to have made an important direct contribution. It represents change related to the project and what different activities/actions directly contributed to a change in behaviour, capacity, policy, budgeting, etc.</i>	
The initial outcome statement	The updated outcome statement
<i>This statement explains what changed, who changed their behaviour, when the change took place, and where the change took place based on initial evidence.</i>	<i>This statement explains what changed, who changed their behaviour, when the change took place, and where the change took place based on the evidence collected.</i>
Since 2021, a steady rise in the number of sustainability reports using GRI standards has been observed among companies in Sri Lanka (Hayleys, EY, John Keells, financial institutions, textile, plantation sector, and fisheries). The collaboration between GRI, the Colombo Stock Exchange (CSE) and SEC, through the launch of GRI standards guidance and the implementation of the "Shaping the Sustainability Reporting Journey" programme has contributed to this change. The eight companies participating in this program gained an in-depth understanding of the GRI Standards and the	Since 2021, there has been a significant increase in sustainability reporting among Sri Lankan companies, including major firms like Hayleys, EY, and John Keells, across diverse sectors such as finance, textiles, plantations, and fisheries. This surge is supported by a robust collaboration between GRI, the CES and the SEC, enhancing the adoption of GRI standards through various initiatives. Yet, the emphasis on sustainability has been driven primarily by company's leadership focusing on compliance with the requirement of export markets that value environmental responsibility and

principles of sustainability reporting, leading them to improve and demonstrate their sustainability practices.	sustainability awards such as ECC, CA, and CMA strengthening market visibility of companies. The general trend is bolstered strongly by foreign investments from regions like Europe and the US, where sustainability is a critical criterion, prompting local companies to elevate their sustainability disclosures to attract more business and investments so that Sri Lanka-based companies can better integrate within the supply chains of foreign-based organizations.
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Significance of Change

How significant is the outcome (high, med, low) to achieving the envisioned outcomes in the ToC? The reasons why this outcome is significant.

The adoption of GRI standards in Sri Lanka characterizes an increased shift towards sustainability reporting, driven by a collective recognition of its importance across various sectors. The uptake of this practice is considerable due to its widespread impact, influencing a broad array of industries including finance, textiles, plantations, and fisheries, all of which are integral to Sri Lanka's economy. GRI role goes along the service delivery of major audit firms like EY and KPMG, and the proactive roles of companies like Hayleys and John Keels, highlights a unique approach integrating sustainability deep into corporate strategies. The trend of sustainability reporting is uniquely characterized by the involvement of both private enterprises and the stock exchange leadership in developing sustainability guidelines and an ESG index. This increase not only aligns with a global trend —critical for attracting foreign investment from sustainability-conscious markets like Europe and the US to enable Sri Lanka-based companies to integrate within the supply chains of foreign-based organizations—but also marks a significant example in the region of advancement in corporate accountability.

Context of Change

This is an explanation of the context and key stakeholders that played a role in contributing (or hindering) this outcome in terms of their influence and relationship with GRI programme.

Sri Lanka's embrace of sustainability reporting has been significantly driven by both global and local pressures. External pressures driving greater sustainability reporting encompass various factors such as shareholder demands, regulatory requirements, peer company practices, and customer expectations (SHE Consults). Particularly in multinational corporations, CEO leadership and branding exert significant influence in this regard. The influence of international standards, like GRI, has played an important role as first mover in the country. However, the adoption of these practices extends beyond GRI to include other national and international frameworks such as IFRS and sector-specific standards that address various sustainability and governance aspects. This integration reflects a proactive approach to meet the stringent requirements of foreign clients and investors to align with global best practices.

The role of local regulatory bodies like the CSE and the SEC has been crucial (CSE informants). They have pushed for adoption of these standards and facilitated their implementation through directives and the development of local guidelines, which include sustainability indices and ESG reporting standards. Moreover, the influence of external stakeholders—ranging from international development banks like the ADB and IFC to multinational corporations demanding higher sustainability standards from their suppliers—has been another key driver from a due diligence perspective (JK informants). These entities require rigorous sustainability disclosures, thereby encouraging Sri Lankan companies to adopt comprehensive sustainability practices to maintain their competitive edge in international markets. GRI South Asia Network is also working with the Ministry of Industries in Sri Lanka to develop a National Action Strategy around Inclusive and Sustainable Businesses, focusing on 'Impact Reporting' – this is highlighting a recent effort by GRI to ensure its standards are being used for impact materiality.

Beside CSE and SEC, it is worth to mention that other regulatory bodies play an important role in driving the adoption of ESG. For instance, the Central Bank of Sri Lanka encourages licensed banks to disclose environment and social impact generated from business activities using internationally recognised frameworks such as GRI and the recommendations of the Taskforce on Climate-related Financial Disclosures – (Direction No.5 of 2022, 8.22). These pieces of legislation are still voluntary in nature but indicate an increased attention to ESG as part of the narrative on disclosure.

On the other hand, bodies like SLAAMB and ICCB that oversee compliance efforts, are shaping legislative trends for mandatory disclosure. The Sri Lanka Accounting and Auditing Standards Monitoring Board (SLAASMB) is aiming to enforce IFRS standards started in 2025, is going to ensure comprehensive adherence across entities. As a starting point, the Council of the Institute of Chartered Accountants of Sri Lanka [working closely with ISSB](#), recently approved in March 2024 an internal circular stating the mandatory adoption of the Sustainability Disclosure Standards (SLFRS S1, SLFRS S2). The first 100 listed entities of the Colombo Stock Exchange, based on respective entities' market capitalisation as of the date of 2025, will be required to adopt for annual

reporting periods beginning on or after 1 January 2025. All listed entities in the Main Board of the CSE will be required to adopt for annual periods beginning on or after 1 January 2026.

The key collaborations mapped during this evaluation instrumental to the uptake of sustainability reporting are:

- The partnership between the CSE, GRI and, increasingly, with SEC
- The dialogue/support to professional bodies like ACCA and the Institute of Chartered Accountants
- Training sessions and workshops, facilitated by GRI, with significant contributions from EY in elevating the expertise and understanding of sustainability practices among corporate entities.

Contribution by GRI

Programme's contribution that justifies a rating according to this scale:

- **High** = The outcome could not have happened without your actions.
- **Medium** = You made a substantial contribution to a key part of the outcome, and you believe it would not have happened in the same way without your efforts. Other actors also played a substantial contribution to the outcome.
- **Low** = The outcome would have probably happened anyway.

Medium - GRI contributions in Sri Lanka have been pivotal in enhancing sustainability reporting among local companies since it is recognized as the first mover in the market as standard setter. Through its collaborative efforts with the CSE and partnerships with entities like ACCA, GRI has significantly facilitated specialized knowledge dissemination and improved the integration of sustainability standards across various sectors. GRI's programs, particularly the technical series workshops, have also been instrumental in training corporate stakeholders on the nuances of sustainability reporting, including the complex aspects introduced by the 2021 standards and the concept of double materiality.

Despite these contributions, the work done lacked consistent follow-up and greater interaction to ensure the effectiveness of these initiatives. The engagement has highlighted the necessity for more robust public relations and communication strategies to better support and market the integration of these standards. Additionally, pressing need to increase the capacity of local consultants has not been fulfilled, ensuring that sustainability reports are not only visually appealing but genuinely reflective of honest and substantial sustainability practices. The reduced GRI's presence and engagement in Sri Lanka might limit its credibility and deeper stakeholder acceptance in the long-term.

Evidence of Contribution

This is the evidence that links the change to GRI, for instance references to specific documentation or key informants (name of roles) external to the programme who validated / substantiated the outcome.

- [CSE Guidance Document](#): By 2018, the introduction of a guidance document bolstered confidence in the GRI's practices, with the Colombo Stock Exchange taking ownership. While a mandate for sustainability reporting from regulators on double materiality is still pending, there is continuous engagement with CSE in particular to keep strengthening the adoption and diffusion of GRI standards through the updated guidance.
- [Sustainability Reporting Trends in Sri Lanka 2023](#): Since 2021, a steady rise in the number of sustainability reports using GRI standards has been observed among companies in Sri Lanka, from 59 in 2015 to 77 in 2023. The trend is particularly strong in the financial and banking sector. GRI also confirms this trend by claiming an increase of more than 6.5 times in GRI reports during the 2013-2021 period.
- [KPMG Sri Lanka Survey 2022](#): 54 percent of the largest 100 companies in Sri Lanka report on sustainability or ESG matters, 5 percent higher than the global trend of G250 in the world. The latest findings reveal that businesses are increasingly recognizing that they have a role to play in helping to achieve climate targets, with an impressive 71 percent of the N100 in Sri Lanka.

Theory of Change

This section explains through a critical reflection which pathway(s) of the GRI (ToC) this outcome relates to the most, also considering the key assumptions and key programme component this outcome refers to.

The linkage between the outcome in the statement and GRI Theory of Change pertains to the relationship between the mid-level impact of sustainability reports made available and the high-level outcome related to the endorsement by regulators, especially by the stock market. The causal connection between the disclosure of GRI standards and the endorsement by relevant institutional stakeholders is partially demonstrated – both CSE and the Security Exchange Commission endorse them in Sri Lanka.

Although key regulators in Sri Lanka understand and support sustainability, market forces are more defining in driving the uptake of sustainable reporting, particularly when looking at export markets. The due diligence requirements from importing countries and strong push towards the adoption of IFRS exert a pressure on companies to adapt and comply with requirements outside of GRI. The perception of benefit from compliance is mostly explained from an access to capital/investments perspective. On the other hand, the inter-operability of standards and adequate access to tools/capacities remain weak areas and the majority of informants underlined the need for more support to fully integrate different sets of standards in an operational sense.

Recommendations at the national level

Explain the key recommendations emerging from the national level work, that could relate to: revenue generating approaches, programme management culture, strategic re-alignment, positioning and influencing, coordination, branding etc.

Actionable Advice 1: Implement industry-specific standards, particularly for banking and garments.

Explanation: Different industries have unique sustainability challenges that require customized standards and practical guidelines. In Sri Lanka, the banking and garment sectors are particularly significant and have distinct sustainability issues. For example, the banking sector may need specific guidelines on responsible lending and investment practices, while the garment industry may require standards related to labor rights and environmental impact. Developing industry-specific standards tailored to each context can help these sectors address their unique challenges more effectively (EY informant) and this could build on the work already ongoing at GRI. An approach involving industry experts in the region that can conduct sector-specific research would link to the delivery of training programs based on practical case studies that are contextually relevant. By offering customized standards and support, GRI can help businesses in these sectors improve their sustainability performance, comply with relevant regulations, and meet stakeholder expectations. This targeted approach can also enhance the relevance and applicability of sustainability reporting, encouraging more companies to adopt these practices.

- **Who should action this advice:** The GRI team, in collaboration with local sustainability experts and business associations.
- **What needs to be done:** The GRI team should develop comprehensive standards that include clear, actionable recommendations tailored to the needs of businesses in Sri Lanka. This involves consulting with local stakeholders to understand specific challenges and opportunities, then crafting detailed action plans that companies can follow to improve their sustainability practices. These plans should provide step-by-step guidance on setting sustainability goals, implementing initiatives, and monitoring progress.
- **When it should be done:** This initiative should be started with the goal of having the action plans for new sector standards ready for implementation within the next 12 months. This timeline allows for thorough consultation, development, and testing of the new standards before they are rolled out to businesses.

Actionable Advice 2: Enhance training on complex sustainability concepts such as double materiality.

Explanation: Double materiality, which considers both financial and non-financial impacts of sustainability issues, is a complex concept that many companies struggle to understand and implement. Enhancing training on this and other complex sustainability concepts is crucial for improving the quality and effectiveness of sustainability reporting in Sri Lanka (ACCA and JK informants). This training can involve in-depth workshops, detailed guidance documents, and interactive learning sessions that break down these concepts into more manageable parts. By providing clear explanations, practical examples, and step-by-step guidance, GRI can help companies grasp these concepts better and apply them in their reporting. Improved understanding of double materiality can lead to more comprehensive and meaningful sustainability reports that accurately reflect a company's impact on both the financial and non-financial aspects of its operations. This, in turn, can enhance transparency and stakeholder trust.

- **Who should action this advice:** The GRI team, local business associations, and sustainability consultants.
- **What needs to be done:** GRI should collaborate with local business associations and sustainability consultants to provide ongoing support and resources to SMEs for updating their sustainability profiles. This can include regular workshops, one-on-one coaching sessions, and the development of easy-to-use tools and templates. The goal is to make the process of updating sustainability profiles as straightforward and manageable as possible for SMEs.
- **When it should be done:** This support should be provided on an ongoing basis, with a focus on quarterly updates to sustainability profiles. Setting a regular schedule ensures that SMEs keep their information current and relevant, which is crucial for accurate sustainability reporting and continuous improvement.

Actionable Advice 3: Address reporting fatigue by providing comprehensive support and streamlined processes.

Explanation: Many companies, especially SMEs, experience reporting fatigue due to the complex and time-consuming nature of sustainability reporting. To address this issue, GRI can provide comprehensive support and streamline reporting processes. This support can include simplifying the reporting requirements, providing clear and concise templates, and offering automated tools to assist with data collection and analysis. Additionally, GRI can provide ongoing assistance and guidance to help companies navigate the reporting process more efficiently. By making the reporting process less burdensome, GRI can encourage more companies to engage in sustainability reporting and ensure that they maintain high standards of accuracy and completeness in their reports. This approach can also help prevent overwhelming company personnel responsible for sustainability reporting, leading to more consistent and sustained efforts in this area (Hayleys informant).

- **Who should action this advice:** GRI, universities, business associations, and sustainability consultants in Sri Lanka.
- **What needs to be done:** GRI should establish partnerships with local universities and business associations to provide continuous support to businesses after initial training sessions. This can include follow-up

workshops, mentorship programs, and online resources that businesses can access as they work to implement what they have learned. These institutions can offer the local expertise and contextual insights needed to support businesses effectively.

- **When it should be done:** Post-training assistance should begin after the initial training sessions and continue for at least 12 months to ensure that businesses have the ongoing support they need to successfully implement sustainability practices.

Actionable Advice 4: Foster stronger collaborations with local regulators and business associations.

Explanation: Collaborating with local regulators and business associations can enhance the adoption and implementation of sustainability reporting standards in Sri Lanka. These collaborations can help align sustainability reporting with local regulations and industry practices, making it more relevant and accessible for companies. Local regulators can provide the necessary regulatory support and incentives for companies to adopt sustainability reporting, while business associations can offer industry-specific insights and resources. Joint initiatives such as co-hosted training sessions, collaborative research projects, and shared best practices can further support companies in their sustainability reporting efforts (SEC informant). By fostering these collaborations, GRI can ensure that its standards are effectively integrated into the local business environment, promoting broader adoption and compliance with sustainability reporting practices. This approach can also enhance the credibility and legitimacy of sustainability reports, making them more valuable for stakeholders.

- **Who should action this advice:** The GRI advocacy team, regulatory bodies, and key stakeholders in the business community.
- **What needs to be done:** GRI should keep working to align its standards with IFRS and the SDGs. This involves engaging with regulatory bodies and key stakeholders in Sri Lanka to promote the benefits of integrated reporting. GRI should also provide guidance and tools to help businesses understand how to align their sustainability reporting with these global frameworks.
- **When it should be done:** This advocacy work should be an ongoing effort, with the initial focus on raising awareness and building support among key stakeholders. A detailed plan with specific milestones should be developed within the next six months, with the goal of achieving broader adoption within the next two years.

Actionable Advice 5: Increase the number of certified GRI consultants.

Explanation: Having a greater number of certified GRI consultants in Sri Lanka can provide the necessary support and guidance to companies in implementing sustainability practices (SHE Consult informant). These consultants can offer expert advice on developing sustainability reports, setting sustainability goals, and integrating sustainability into business operations. They can also provide personalized assistance, helping companies address their unique challenges and needs. By increasing the number of certified consultants, GRI can ensure that more companies have access to the expertise required to develop high-quality sustainability reports. This approach can also help build local capacity and knowledge, promoting a culture of sustainability within the business community. Certified consultants can serve as ambassadors for GRI standards, encouraging more companies to adopt these practices and improving overall sustainability performance in Sri Lanka.

- **Who should action this advice:** The GRI development team, in collaboration with local SMEs and business associations.
- **What needs to be done:** GRI should develop and distribute user-friendly tools and resources that simplify the sustainability reporting process for SMEs. This can include templates, software solutions, and practical guides that break down complex concepts into easy-to-understand steps. The development process should involve feedback from SMEs to ensure that the tools meet their needs and are practical to use.
- **When it should be done:** Development of these tools and resources could be in a comprehensive suite within the next 12 months. Regular updates and improvements should be made based on user feedback to ensure continued relevance and usability.

Actionable Advice 6: Promote continuous learning and development through updated training materials and frequent sessions.

Explanation: Continuous learning and development are crucial for keeping companies updated with the latest sustainability standards and practices (CSE informant). GRI should provide regularly updated training materials and frequent training sessions to ensure that companies have access to the most current information. This approach can involve developing new training modules, revising existing materials to reflect changes in standards, and offering a variety of learning formats such as webinars, workshops, and online courses. By promoting continuous learning, GRI can help companies, by also working with regulators, to stay informed about emerging sustainability issues and best practices, enabling them to improve their sustainability reporting and performance. Regular training sessions can also provide opportunities for companies to share their experiences, learn from each other, and build a supportive community of practice. This ongoing engagement can foster a culture of sustainability and drive continuous improvement within the business community.

- **Who should action this advice:** GRI trainers, local sustainability experts, and business associations.
- **What needs to be done:** GRI should offer specialized training sessions focused on complex concepts like double materiality, which considers both financial and non-financial impacts of sustainability issues. These sessions should include detailed explanations, practical examples, and interactive exercises to help

participants understand and apply these concepts. Collaboration with local experts can provide additional insights and relevance.

- **When it should be done:** Training sessions should be scheduled regularly, with the first series of workshops planned within the next three months. Ongoing sessions should be offered at least quarterly to ensure that businesses continue to have access to up-to-date training and support.

Actionable Advice 7: Improve engagement with stakeholders to address sector-specific sustainability issues.

Explanation: Effective engagement with stakeholders is essential for addressing the unique sustainability challenges faced by different sectors. GRI should develop targeted engagement strategies that involve key stakeholders such as industry experts, regulators, business associations, and community representatives (ACCA informant). This engagement can take the form of roundtable discussions, focus groups, and stakeholder forums, where participants can share their perspectives and collaborate on solutions. By involving stakeholders in the sustainability reporting process, GRI can ensure that its standards and guidelines are relevant, practical, and widely accepted. This approach can also help identify and address specific sectoral issues, such as labor rights in the garment industry or responsible lending in the banking sector. Improved stakeholder engagement can lead to more comprehensive and actionable sustainability reports, enhancing transparency and accountability in different sectors.

- **Who should action this advice:** GRI, business associations, and industry leaders.
- **What needs to be done:** GRI should work to build stronger partnerships with business associations in Sri Lanka. This involves collaborating on joint initiatives such as training programs, research projects, and awareness campaigns. Business associations can help disseminate information about GRI standards and provide additional support to their members.
- **When it should be done:** Partnership-building efforts should a focus on establishing formal agreements and launching joint initiatives within the next six months. Ongoing collaboration should be maintained to ensure sustained support and impact.

6.2. KEQs linked to Sri Lanka

The following table presents a set of replied to the main evaluation questions in the context of Sri Lanka. The replies to evaluation question 1 are derived primarily from informants in the private sector while the ones in evaluation question 2 and 3 also integrated perspectives from regulators, GRI trainers/academia and other experts.

Table 6: Replies to Evaluation Questions linked to Sri Lanka

Linking with Evaluation Question 1
<p>What are the business and other benefits to companies related to GRI standards use and reporting?</p> <ul style="list-style-type: none"> ● 1a. Has it helped companies improve their competitive advantage and access in regional/country markets and supply chains? How so? ● 1b. Has it helped them improve upon specific aspects that are directly linked to more sustainable strategies, policies, and practices? e.g., does the reported information inform the enterprise risk management process and the identification of cost-saving opportunities (energy use, waste reduction)? ● 1c. Has it helped support the product and/or process innovation? ● 1d. Has it improved investor decision-making and company access to investments and sustainable finance? ● 1e. Has it improved reputations and trust with investors/communities/general public? ● 1f. Has it supported meeting permitting or other government requirements? ● 1g. In how far does being transparent about your impacts help with the attraction/retention of talent? <p>● 1a: The informants specified the adoption of GRI standards has significantly enhanced competitive advantage and market access for companies by establishing a niche in sustainable reporting. Focusing on areas such as HR management, emission control, and waste management has not only improved operational efficiencies but also bolstered company reputations in regional and international markets. For instance, Hayleys improved local procurement and improving sustainability practices at the grassroots level—including involving 5000 coconut farmers— demonstrating a commitment to sustainable development that appeals to increasingly conscientious consumers and investors. Companies like Ernst & Young, though primarily focused on producing sustainability reports, have recognized that such efforts contribute to financial recognition and enhance credibility, which is crucial for maintaining competitive advantage. Furthermore, adopting GRI standards has enabled companies to align more closely with global sustainability goals, which facilitates access to new markets, attracts foreign investment, and reduces the cost of capital. This strategic alignment also urges supply chain partners to adhere to similar standards, thus extending the impact of GRI standards through the value chain, contributing to overall business prosperity and growth.</p> <ul style="list-style-type: none"> ● 1b: Yes, the adoption of GRI standards has notably enhanced specific aspects of sustainable strategies, policies, and practices within the companies included in this study, particularly in areas that are directly

linked to enterprise risk management and the identification of cost-saving opportunities. For instance, Hayleys' transition from an Excel-based system to a more sophisticated software like Hayleys Cube has significantly facilitated centralized data management and analysis. John Keels is threading technological advancement to more efficient tracking and reporting of sustainability metrics, directly informing the board's strategic assessments, and enabling the identification of cost-saving opportunities in energy use, waste reduction, and resource management. Such integrations exemplify how GRI standards encourage organizations to align sustainability targets with business performance, setting goals and launching projects aimed at reducing energy, water, and waste—demonstrating a commitment to operational efficiency and long-term sustainability.

- 1c. The companies included in the study in Sri Lanka have reported adoption of GRI standards to significantly support product and process innovation in various sectors. For glove manufacturing, GRI reporting on the use of recycled materials has spurred initiatives in Hayleys to use PET bottle recycling for textile production, showcasing a direct influence on sustainable product development. Similarly, in aluminium fabrication, a focus on using recycled materials has led to an impressive 80% waste reduction, demonstrating how sustainability reporting under GRI standards can drive substantial process improvements and resource efficiency. John Keels is increasingly aligning their packaging solutions for markets such as Europe with a focus on minimizing environmental impact, a move facilitated by adherence to GRI standards. The push towards renewable energy sources and the establishment of electric vehicle charging stations highlight how GRI standards foster innovation in operational processes aimed at reducing carbon emissions. However, there remains room for more significant impact, especially in consumer foods and other sectors where environmental considerations must balance with cost and regulatory compliance. Overall, GRI standards have catalysed a shift towards more sustainable business practices by embedding environmental considerations into the core of product and process innovation strategies.
- 1d. The adoption of GRI standards has had a nuanced impact on investor decision-making and company access to investments and sustainable finance in Sri Lanka. For example, banks like Citibank and HSBC are exploring sustainability-linked loans that tie interest rates to the company's sustainability performance, although such financial products are not yet common in Sri Lanka. Companies adopting GRI standards are better equipped to meet the stringent ESG compliance requirements often demanded during mergers and acquisitions, making them more attractive to strategic investors, especially in sectors such as gas and oil. However, the perception of GRI standards as merely a compliance requirement can sometimes undermine their value in the eyes of investors who often have their own specific formats and expectations. Despite these challenges, sustainability reports, guided by GRI standards, can serve existing relationships and potential investment opportunities.
- 1e. Adoption of GRI standards has significantly enhanced the reputations of companies by increasing transparency in their sustainability practices. For example, events such as protests that took place against Hayleys, a specific instance, underscored the critical role of reputation management, where clear and honest sustainability reporting can mitigate reputational risks. Compliance not only facilitates smoother operations in sensitive transactions like mergers and acquisitions but also assures stakeholders, including the public, of the company's commitment to ethical practices. Hence, GRI standards serve as a valuable tool for companies to maintain and enhance their market credibility, ultimately contributing to a stronger, trust-based relationship with all stakeholders from consumers to investors.
- 1f. Adoption of GRI standards has indirectly supported companies in meeting various government and regulatory requirements, especially in contexts where environmental and governance compliance is increasingly scrutinized. The alignment of GRI standards with the new guidance by CSE is a testament to how these standards are being promoted by key regulators. For example, Hayleys has leveraged GRI standards to strengthen its governance mechanisms in response to this guidance. While sustainability reporting through GRI remains voluntary, the movement towards mandatory compliance with IFRS standards highlights a growing regulatory expectation for transparency and accountability. This shift may compel more companies to adopt ESG as part of their broader compliance strategy. However, according to John Keels informants, the presence of overlapping standards between GRI and other requirements, such as those put forward by the CBSL or other investors (IFC), introduces complexities and uncertainties in achieving full compliance. This grey area necessitates a more streamlined approach to ensure that adherence to GRI standards also supports compliance with other regulatory requirements more effectively.
- 1g. Being transparent about a company's impacts significantly enhances its ability to attract and retain talent, particularly among the emerging workforce that prioritizes ethical and sustainable practices. The growing reported interest in sustainability research by university students to Hayleys reflects a broader shift in employment expectations, where potential employees are increasingly drawn to companies that demonstrate a commitment to sustainability and social responsibility. For instance, EY has successfully attracted employees with a deep interest in sustainability, leveraging this alignment to educate and engage local communities on sustainable practices. This not only enhances EY's reputation but also fosters a workplace environment that is attractive to individuals motivated by making a positive impact. The informants from JK,

also underlined the importance of keeping an attitude to openly communicate policies on critical issues like child labor, diversity, and human rights not only build credibility but also create a values-driven culture that resonates with prospective and current employees. This transparency in reporting and commitment to sustainability can lead to higher retention rates, particularly as employees value being part of an organization that aligns with their personal ethics and aspirations, a sentiment especially strong among the younger, purpose-driven generation.

Linking with Evaluation Question 2

Are there meaningful contributions to sustainability benefits linked to the use of GRI standards, reporting and data by companies and other stakeholders?

- *2a. What are the contributions of GRI reporting and data usage, if any, on human rights/labor conditions and more inclusive and equitable business practices? This should be explored from the company and throughout the value chain.*
 - *2b. What are the contributions of GRI reporting, data usage and the knowledge gained towards concrete improvements in the environmental practice and conditions? This should be explored from the company and throughout the value chain*
- 2a. The adoption of GRI reporting standards has partially influenced the enhancement of human rights and labor conditions within companies and across their value chains. By integrating GRI standards, companies like JK have set robust internal policies that often exceed local legal requirements, such as setting the minimum hiring age at 18, and have adopted comprehensive measures to ensure their advertising and operations align with values of diversity and inclusion. These standards have also driven Hayleys in the implementation of diversity programs and stricter supplier screening processes, ensuring that procurement policies not only protect human rights but also promote environmental sustainability. At JK, GRI standards were reported as instrumental in improving the transparency in monitoring and reporting labor conditions, such as safety practices and injury prevention, which are regularly reviewed and addressed at the managerial level to foster safer work environments. Through these initiatives, companies are better able to adhere to global standards and to demonstrate a commitment to ethical practices that resonate deeply with current societal values.
 - 2b. GRI reporting has significantly contributed to concrete improvements in environmental practices across companies targeted in the study and their value chains, particularly in enhancing transparency and accountability in environmental management. The adoption of GRI standards has led Hayleys to initiate environmental screening initiatives, although these faced initial challenges due to minimal guidelines. Over time, these efforts have expanded to include comprehensive strategies aimed at reducing greenhouse gas emissions across Scopes 1, 2, and 3, aligning with the Paris Agreement's objectives to achieve net-zero emissions by 2030. Notable sector-specific advancements include the adoption of biomass boilers by tea smallholders and substantial reductions in single-use plastics in the hotel industry. In JK, the retail and consumer food sectors have innovated in energy-saving measures and alternative packaging solutions to minimize environmental footprints. These measures are systematically audited and reviewed, with findings directly influencing strategic environmental targets. JK collaboration with entities like the UN Global Compact and community-level engagements further embed sustainability within corporate strategies, showcasing a shift from compliance to proactive environmental stewardship. Such comprehensive environmental management efforts underscored by GRI standards improved companies' operational sustainability and positioning in increasingly eco-conscious global markets.
 - **Specific perspective on value chain:** Facilitating the adoption of GRI standards within value chains presents a complex landscape of challenges and successes, characterized by varying levels of engagement and compliance across different supplier tiers. All private sector informants declared that larger suppliers often undergo rigorous scrutiny and are better integrated into sustainability initiatives, smaller suppliers tend to receive less attention, making widespread compliance challenging. This disparity is particularly pronounced in sectors with extensive supply chains, like those involving 3000 suppliers in the context of Hayleys, where resistance to standard compliance and the complexity of integrating sustainability measures are significant obstacles. Strategies to enhance GRI standards integration include targeted training programs to elevate boardroom sustainability awareness and embedding ESG considerations into routine board discussions and reporting. JK collaboration with entities like the Rainforest Alliance is an example of aligning broader segments of the supply chain with standardized sustainability practices. However, incentivizing compliance remains a challenge, especially when addressing the need to offer premiums or develop initiatives like Smart Agri that improve standards and resource efficiency among growers. Addressing these challenges requires a balanced approach of stringent governance, comprehensive stakeholder engagement, and robust training systems to ensure that sustainability permeates the entire value chain, fostering a culture of genuine sustainability beyond mere compliance.

Linking with Evaluation Question 3

Are the high-level assumptions in the ToC holding true based on the analysed primary and secondary evidence?

- 3a. Which assumptions have been further validated/evidenced?
 - 3b. What is missing or what should be considered for adaptation?
 - 3c. What needs further testing and evidence?
- 3a. The assumption that proactive regulatory measures are crucial to mitigating greenwashing and enhancing the integrity of sustainability reporting has been further validated. The ongoing discussions in Sri Lanka to progressively make ESG disclosures mandatory starting with the largest companies underscore the recognized need for stricter regulatory frameworks to ensure transparency and accountability in corporate reporting. This move reflects a broader understanding that voluntary measures alone may not sufficiently drive the adoption of sustainable practices across all sectors. Additionally, the collaboration with organizations like the CFA and effective communication strategies with GRI highlight the critical role of partnerships and open dialogues in reinforcing the adoption and implementation of GRI standards. Such collaborative efforts validate the assumption that enhancing stakeholder engagement and robust regulatory support are pivotal in promoting genuine sustainability practices within organizations.
 - 3b. While the push towards mandatory ESG reporting marks significant progress, the adaptation strategy should consider the potential burden on smaller companies, which may struggle with the complexities and costs associated with such reporting. To address this, it is crucial to develop tiered reporting requirements that consider the varying capabilities and resources of companies based on their size and impact. Additionally, while focusing on high-performing companies through the new ESG tool and sustainability index is strategic, it is essential to ensure that these measures do not inadvertently side-line smaller or less resource-rich companies. Therefore, adaptation strategies should include support mechanisms such as training, subsidies, or simplified reporting tools for these companies. This approach would help level the playing field and encourage comprehensive adoption across all market segments, ensuring that sustainability reporting does not become an exclusive domain of the largest or most financially capable firms.
 - 3c. Both regulators and institutional investors are increasingly valuing sustainability and shaping market development in that direction. Yet, engaging with regulators and listed companies is not sufficient without showcasing win-win situations and best practices for others to follow. Therefore, institutionalization of ESG in value chain processes cannot be assumed only from a due diligence perspective, implementation is needed across all levels in a way to make rewards and benefits more visible through the trickle-down effect. More strategic and structured promotion of GRI standards across sectors can enhance stakeholder engagement and awareness on the benefits from adopting ESG downstream the value chains.

7. Outcome Case Study for Kenya

7.1. Contribution Analysis

The following table explains an outcome change examined in the context of Kenya. Based on the conversation with 10 informants from different organizations, the table presents what changed (an updated statement), the significance of the change, the context in terms of endogenous and exogenous forces conditioning the change, and the main contribution of GRI to the change. The analysis also generated a set of recommendations that can apply at the national level.

Table 7: Kenya Contribution Analysis Table

Description of Change	
<i>This is a change area where GRI claimed to have made an important direct contribution. It represents change related to the project and what different activities/actions directly contributed to a change in behaviour, capacity, policy, budgeting, etc.</i>	
The initial outcome statement	The updated outcome statement
<i>This statement explains what changed, who changed their behaviour, when the change took place, and where the change took place based on initial evidence.</i>	<i>This statement explains what changed, who changed their behaviour, when the change took place, and where the change took place based on the evidence collected.</i>

Since 2022, the Nairobi Securities Exchange (NSE), backed by ASEA, significantly influenced ESG reporting standardization among its listed companies in Kenya through the launch of a ESG Disclosure Guidance, in response to global economic shifts and growing demands for comprehensive ESG management disclosure. This effort was crucially supported by GRI and Seven Levers LLP in shaping the guidelines and by certified trainers in ensuring companies embedded GRI standards in their sustainability reporting. The combined work of these actors is expected to have enhanced Kenya's capital markets by aligning with investor information needs, and to have pushed a greater number of listed companies to adopt and report on sustainable business practices in light of a global economic landscape where sustainability is increasingly prioritized by investors and stakeholders.

Since 2021, the launch of a ESG guidance by NSE guidance, supported by GRI, was accompanied by the Central Bank Guidance on Climate-Related Risk Management requiring institutions to embed climate-related financial risks, which took place almost at the same time. The normative push by the Kenya's Central Bank and the guidance issued by the NSE, that is perceived by some companies as pre-empting mandatory regulation, increased the number of listed companies reporting on sustainability from 11 in 2021 to 15 in full disclosure and 36 in partial disclosure by 2023 out of a total of 61. Other factors like awards by the NSE to the best performing companies in sustainability reporting, media pressure, the academic work by Strathmore University, and increased engagement by international bodies like ISSB with the Capital Markets Authority (CMA) are further increasing awareness about sustainably reporting among listed companies, particularly with regards to IFRS 1 and IFRS 2, that are expected to be made mandatory by 2025.

**Note: This is an updated statement considering external informants involved in the study, there might be other drivers that did not emerge from the key informants' interviews and analysis of key documentation*

Significance of Change

How significant is the outcome (high, med, low) to achieving the envisioned outcomes in the ToC? The reasons why this outcome is significant.

Medium to Low: A significant increase in awareness creation by the issuing of the NSE guidance is a shared view by informants. The document has served as a guideline setting standards and minimum criteria for all listed companies. However, not a significant portion companies have adopted it, and mere awareness about the existence of the guidance is an insufficient metric to establish significance in terms of increased disclosure. According to the perspective shared by a limited sample of companies (KCB and Safaricom), there could be a trend of ESG integration among leading and large listed companies prior to the NSE guidance as this stems out of leadership orientations, market positioning and need to access credit.

Context of Change

This is an explanation of the context and key stakeholders that played a role in contributing (or hindering) this outcome in terms of their influence and relationship with GRI programme.

A key contextual recognize that sustainability reporting is increasingly driven by European standards and mandatory disclosure requirements issued by European Institutions, especially in industries that are export-led like tea plantations and natural resources extraction. This requirement from importing markets have affected suppliers and producers in Kenya and is building increased awareness about this global trend (KCIC informant). European boycotts related to deforestation and environmental degradation, and social issues in tea production chains, exemplify external pressures pushing more strongly towards sustainability practices (ICPAK informant).

Another key driver contributing to increased sustainability reporting it the evolution of Kenya's normative ecosystem. Kenya's Central Bank Guidance on Climate-Related Risk Management (placing governance and reporting responsibilities on institutions regarding impacts of climate-related risks) and updating of the Climate Change Act in 2023 has heavily influenced the financial sector to move more strongly towards the promotion of green finance products (Safaricom informants). The recent update of this Act to also include carbon credit provisions in 2023 serves as a regional model, yet many are unaware of its existence due to low legal literacy but also controversial due to its likely negative effects on indigenous population. In fact, Kenya's minimal 4% contribution to global emissions, opens an avenue to profit through mechanisms like the carbon credits though this might slow down the transition towards renewable energies hampered by limited promotion and perverse incentive mechanisms, plus risk of further endangering indigenous population and their land. Similarly, the NSE intends to influence the Capital Market Authority to deepen the adoption of the guidance on sustainability standards through a mandatory requirement for listed companies and/or sustainability index that could increase the visibility of reporting companies (NSE informants). Yet, NSE also underlined the importance of establishing a baseline for impact to better guide voluntary reporting and to assess trends every two years while incorporating the concept of impact into accounting roles.

The public consciousness about the local effects of unsustainable commercial practices is also a major driver pushing companies to become more accountable. For instance, there is high visibility on water security issues

and community displacements in fragile areas (e.g. Mau Forest) underscoring the urgent need to address environmental protection while also considering societal well-being. According to the source shared by one informant (Impact Africa) over 64% of consumers favouring sustainable products. The Kenyan Association of Manufacturing mapped consumer preference on if they are willing to spend a few more shillings for companies that are adopting sustainability practices and sixty percent said yes (KCIC informant). Both accounts indicate a change in awareness and consumer preferences, urging companies to report on sustainability and be more transparent.

Another critical driver is media coverage that in Kenya plays a pivotal role in shaping the public consciousness on the area of sustainability reporting. The recent BBC stories on Unilever, has heightened awareness, especially in agriculture, with NTV and other media outlets actively promoting ESG topics. News from organizations like Rainforest Alliance on NVIEA and Del Monte flagging damages to forestry and human rights abuses has increased the perception of sustainable practice as a social issue (NSE informants), often communities are informing media outlets to report on possible abuses. Yet, this is still quite controversial since political pressure still heavily influences environmental decisions and some mining plans and infrastructural development projects, despite public and judiciary resistance, still went ahead underlining that the political influence overriding environmental concerns might compromise efforts in mainstreaming sustainability (NTV informant).

The key collaborations mapped during this evaluation instrumental to the uptake of sustainability reporting in Kenya are:

- The support provided by GRI and other leading companies (Safaricom) to NSE in issuing the guidance.
- The engagement of IFRS with the National Treasury and the Capital Market Authority (CMA)
- Between the Kenya Central Bank (KCB) - issuing a Guidance on Climate-Related Risk Management and updating the Climate Change Act in 2023 - and financial institutions developing green finance products
- Media outlets and communities in zones affected by environmental deterioration or human rights abuses.
- Suppliers to importing countries in EU requiring compliance to stringent ESG requirements.

Contribution by GRI

Programme's contribution that justifies a rating according to this scale:

- **High** = The outcome could not have happened without your actions.
- **Medium** = You made a substantial contribution to a key part of the outcome, and you believe it would not have happened in the same way without your efforts. Other actors also played a substantial contribution to the outcome.
- **Low** = The outcome would have probably happened anyway.

Medium to Low - GRI played an important role in shaping the NSE guidance and organized 2 workshops in 2022 to promote the guidance. GRI was also reported to actively participate in forums, focusing on financial and double materiality measurements to assess community impacts. Yet, GRI's engagement is not strong enough to sustain GRI certified trainers in reaching new clients and sharing their services to inform dialogue at the governmental level effectively. Most informants recognize the need for stronger support in reporting and in convening a policy dialogue to further advocacy efforts and intra-governmental coherence.

Lack of continued engagement after the launch of the NSE guidance to sustain a complete knowledge transfer to NSE training department and sufficient socialization of the standards among other key governmental institutions, alongside ISSB increased lobbying produced a widespread confusion between the applicability of IFRS Standards 1 and 2 vs. GRI focus on impact materiality. So, as IFRS 1 and IFRS 2 are progressively being pushed by the Central Bank as an immanent requirement, GRI's more holistic contribution to reporting based on the concept of impact, that is also supported by the stock exchange, is losing traction, leaving space to value single materiality over impact.

Evidence of Contribution

This is the evidence that links the change to GRI, for instance references to specific documentation or key informants (name of roles) external to the programme who validated / substantiated the outcome.

- [NSE ESG Disclosure Guidance](#): The guidance was issued by NSE with the support of Seven Levers LP and GRI. The disclosure guidance explicit GRI standards as benchmark for disclosure. The document is the most significant piece of evidence for this outcome regarding the collaboration between GRI and NSE.
- [GRI support to NSE Guidance](#): Internal press release by GRI highlighting that the Stock Exchange issued a guidance manual for voluntary ESG reporting in collaboration with GRI. The guidance took effect from 2023, with the intention for reporting to become mandatory in due course.
- [Press release](#): External press release from Business Daily Africa, highlighting the role of GRI in issuing the NSE disclosure guidance but also underlining the limited uptake of sustainability reporting among the 61 listed companies.

Theory of Change

This section explains through a critical reflection which pathway(s) of the GRI (ToC) this outcome relates to the most, also considering the key assumptions and key programme component this outcome refers to.

The linkage between the outcome in the statement and GRI Theory of Change pertains to the relationship between the mid-level impact of sustainability reports made available and the high-level outcome related to the endorsement by regulators, especially by the stock market. The causal connection between the disclosure of GRI standards and the endorsement by relevant institutional stakeholders is partially demonstrated. The endorsement is primarily visible by NSE but not by other regulators in Kenya.

Since 2021, various pieces of national legislation for mandatory and voluntarily disclosure of different ESG aspects, indicate a lack of coherence and risks of siloed legislation in the context of sustainable reporting. On the other hand, pressures from the public opinion and importing countries on companies to adapt and comply to requirements seem to play a stronger role in the uptake of improved accountability practices on corporate operations. The perception of benefit from compliance is mostly explained from a reputational and access to markets perspective while a coherent and unified policy positions among key institutional actors (KCB, CMA, NSE, Industry Associations) remain lacking and key informants, especially from NSE, specified the need to increase coordination among regulators on ESG.

Recommendations at the national level

Explain the key recommendations emerging from the national level work, that could relate to: revenue generating approaches, programme management culture, strategic re-alignment, positioning and influencing, coordination, branding etc.

Actionable Advice 1: Develop sector-specific insights and standards in alignment with ISSB standards.

Explanation: As the Central Bank of Kenya aims “to base their reporting primarily on IFRS 1 and IFRS 2 standards”, achieve this “GRI should amplify their narrative to ensure greater visibility and understanding sector-specific insights and standards can help companies address these challenges more effectively” (KCB informant). GRI should therefore work with industry experts and stakeholders to identify the most relevant sustainability issues for each sector in the country and provide specific guidelines and best practices. Additionally, aligning these sector-specific standards with ISSB standards can ensure consistency and comparability in sustainability reporting. This alignment can also help companies meet regulatory requirements and stakeholder expectations more efficiently. By providing clear and practical guidance tailored to each sector, GRI can enhance the relevance and impact of sustainability reporting, encouraging more companies to adopt these practices and improve their sustainability performance. Harmonizing standards also demands more consistent interaction with various institutions, including professional and private sector; GRI was reported as too distant and unable to leverage on its reputational value. The example of the UN Global Compact was provided as an example of effective engagement. Despite its small team UNGC effectively brought together the private sector through a joint declaration and relentless advocacy (Strathmore informant).

- **Who should action this advice:** The GRI standards development team, in collaboration with industry experts and local stakeholders.
- **What needs to be done:** GRI should work with industry experts and local stakeholders to develop sector-specific sustainability standards that address the unique challenges and opportunities in Kenya. These standards need to appear totally inter-operable with ISSB standards to ensure consistency and comparability. This process involves extensive consultation, research, and testing to ensure that the standards are relevant and practical.
- **When it should be done:** Development of these sector-specific standards a goal of completing the initial set of standards within 12 to 18 months. Ongoing updates and revisions should be made based on feedback and changes in the regulatory environment.

Actionable Advice 2: Collaborate more effectively with local regulators to integrate sustainability reporting.

Explanation: Effective collaboration with local regulators like the Central Bank, the Stock Exchange and the Capital Market Authority is essential for promoting and integrating sustainability reporting into the regulatory framework. GRI should work closely with regulatory bodies in Kenya to align sustainability reporting standards with local regulations and policies by fostering intra-agency dialogue. This collaboration can involve joint initiatives such as developing regulatory guidelines, co-hosting training sessions, and providing technical support to regulatory agencies. By working with regulators, GRI can ensure that sustainability reporting requirements are clear, practical, and enforceable. This approach can also help create a supportive regulatory environment that encourages companies to adopt sustainability practices. Enhanced collaboration with regulators can lead to more consistent and comprehensive sustainability reporting, improving transparency and accountability in the business community. (NSE informants)

- **Who should action this advice:** GRI, local regulatory bodies such as CMA, NSE, Central Bank of Kenya, and industry associations developing ESG guidance/positions such as Kenya Association of Manufacturers.
- **What needs to be done:** GRI should establish formal partnerships with local regulators to promote the integration of sustainability reporting into the regulatory framework. This involves joint initiatives such as developing regulatory guidelines, co-hosting training sessions, and providing technical support. By aligning

sustainability reporting with local regulations, GRI can ensure that businesses understand and comply with reporting requirements.

- **When it should be done:** Collaboration efforts should start with the goal of establishing formal agreements and launching joint initiatives. Ongoing collaboration should be maintained to ensure continued alignment and support.

Actionable Advice 3: Enhance involvement in training sessions and update training materials frequently.

Explanation: Regular and updated training sessions are crucial for ensuring that companies have access to the latest information and best practices in sustainability reporting. GRI should enhance its involvement in training sessions and update training materials frequently to keep pace with changes in sustainability standards and emerging issues while also considering different audiences like “focusing on training quality to effectively engage board members too”. This approach can involve “expanding the pool of qualified professionals” (NSE informant) that can deliver new training modules, revising existing materials, and offering a variety of learning formats such as webinars, workshops, and online courses. By providing continuous learning opportunities, GRI can help companies stay informed and improve their sustainability reporting and performance. Frequent updates to training materials can ensure that companies are aware of the latest requirements and best practices, enabling them to meet stakeholder expectations and regulatory requirements more effectively (Impact Africa informant).

- **Who should action this advice:** GRI trainers and curriculum developers.
- **What needs to be done:** GRI should enhance its involvement in training sessions by offering more frequent and updated training opportunities. This involves developing new training modules, revising existing materials to reflect changes in standards, and offering various learning formats such as webinars, workshops, and online courses. By promoting continuous learning, GRI can help companies stay informed about emerging sustainability issues and best practices.
- **When it should be done:** Enhanced training sessions and updated materials should be available within the next three to six months, with regular updates and new sessions offered quarterly.

Actionable Advice 4: Customize programs and partnerships to suit local contexts and challenges.

Explanation: Sustainability challenges and opportunities can vary significantly across different regions and sectors. To address these unique contexts, GRI should customize its programs and partnerships to suit local needs and conditions. This approach can involve working with local stakeholders, including government agencies, business associations, and community groups, to develop tailored solutions that address specific sustainability issues, while also considering trends like carbon credits. Customized programs can provide relevant and practical guidance, making it easier for companies to implement sustainability practices that align with local priorities and constraints. By building strong local partnerships, GRI can enhance its understanding of the local context and provide more effective support. This tailored approach can drive greater adoption of sustainability reporting and improve overall sustainability performance in different regions and sectors (Protos Capital Informant).

- **Who should action this advice:** GRI program developers, local stakeholders, NSE, Strathmore, UNGC, CTPS, and business associations.
- **What needs to be done:** GRI should customize its programs and partnerships to suit the unique contexts and challenges in Kenya. This involves collaborating with local stakeholders to develop tailored solutions that address specific sustainability issues. Customized programs can include contextualized training materials, localized support services, and partnerships with local organizations.
- **When it should be done:** Customization efforts should begin with tailored programs and partnerships established within the course of the next programmatic funding cycle. Ongoing adjustments and improvements should be made based on feedback and changing local conditions.

Actionable Advice 5: Conduct a mapping exercise to identify key stakeholders and focal points within companies.

Explanation: Understanding the landscape of stakeholders and key focal points within companies is essential for effective engagement and support in sustainability reporting. GRI should conduct a mapping exercise to identify the key stakeholders involved in sustainability initiatives, including industry experts, regulatory bodies, business associations, and community representatives (KCIC informant). This exercise can also identify the focal points within companies responsible for sustainability reporting and implementation. By mapping out these stakeholders, GRI can develop targeted engagement strategies that address the specific needs and priorities of different groups. This approach can facilitate more effective collaboration, knowledge sharing, and support, enhancing the overall impact of sustainability initiatives. The mapping exercise can also help identify potential gaps and opportunities for improvement, enabling GRI to provide more tailored and relevant guidance to companies.

- **Who should action this advice:** GRI project managers and local consultants.
- **What needs to be done:** GRI should conduct a comprehensive mapping exercise to identify key stakeholders and focal points within companies in Kenya. This involves gathering information on the roles and responsibilities of different stakeholders, understanding their needs and expectations, and identifying opportunities for engagement. The mapping exercise can help GRI tailor its support and resources to meet the specific needs of different stakeholders.

- **When it should be done:** The mapping exercise should be completed within the next three to six months, with regular updates and reviews to ensure that the information remains current and relevant.

Actionable Advice 6: Evaluate the effectiveness of trainings provided to SMEs and better address training and support needs to ensure SMEs drivers for reporting are fully understood and integrated in the design and delivery of capacity building.

Explanation: SMEs in Africa face significant challenges in sustainability reporting due to limited resources, expertise, and access to information. GRI-certified trainers from various organizations highlight the issue of focusing mainly on large organizations that can afford GRI trainings and materials, which often come at a high cost. SMEs, representing 90% of Africa's market and employment, engage minimally in sustainability efforts, with less than 5% participation (Catapult Africa and KCIC informants). In Kenya, working with SMEs presents a substantial opportunity (KCIC informant). The focus on SMEs, could untap GRI's potential to amplify Africa's narrative, bridging perspectives between continents while acknowledging new emerging industries, like in the tech sector, that is currently booming in Kenya (Protos consultant informant). GRI should offer targeted training and support, including simplified guidelines, practical examples, and step-by-step guidance tailored to SMEs. Specialized training sessions, one-on-one consultations, and online resources can help SMEs understand and implement sustainability practices at a lower cost. Addressing SMEs' needs can enhance sustainability reporting adoption, improve performance, and contribute to a sustainable business environment. Yet, since GRI already has experience in targeting SMEs, there should also be a deeper reflection on what the drivers are for reporting among SMEs and the lessons learned from previous programmes delivered intra and inter-countries at the regional level.

- **Who should action this advice:** GRI project managers and local consultants.
- **What needs to be done:** GRI should develop a SME specific package with simplified reporting guidelines and practical examples tailored for SMEs. Organize specialized training sessions, provide one-on-one consultations, and create accessible online resources to aid SMEs in understanding and implementing sustainability practices.
- **When it should be done:** These initiatives should be started with initial simplified guidelines and online resources available within six months. Specialized training sessions and consultations should follow within the next 12 months, with ongoing updates and support provided regularly.

7.2. KEQs linked to Kenya

The following table presents a set of replied to the main evaluation questions in the context of Kenya. The replies to evaluation question 1 are derived primarily from informants in the private sector while the ones in evaluation question 2 and 3 also integrated perspectives from regulators, GRI trainers/academia and other experts.

Table 8: Replies to Evaluation Questions linked to Kenya

Linking with Evaluation Question 1
<p>What are the business and other benefits to companies related to GRI standards use and reporting?</p> <ul style="list-style-type: none"> ● <i>1a. Has it helped companies improve their competitive advantage and access in regional/country markets and supply chains? How so?</i> ● <i>1b. Has it helped them improve upon specific aspects that are directly linked to more sustainable strategies, policies, and practices? e.g., does the reported information inform the enterprise risk management process and the identification of cost-saving opportunities (energy use, waste reduction)?</i> ● <i>1c. Has it helped support the product and/or process innovation?</i> ● <i>1c. Has it improved investor decision-making and company access to investments and sustainable finance?</i> ● <i>1d. Has it improved reputations and trust with investors/communities/general public?</i> ● <i>1e. Has it supported meeting permitting or other government requirements?</i> ● <i>1f. In how far does being transparent about your impacts help with the attraction/retention of talent?</i> <ul style="list-style-type: none"> ● 1a. For both companies included in the study for Kenya, GRI standards improved their competitive advantage with respect to sustainability. For instance, GRI reporting has facilitated KCB to secure funding to develop products targeting SMEs, women, and youth projects, along with debt financing from DFIs and climate finance accreditation. Increased access to financial assets has positioned the bank as a sustainability leader, catalysing discussions on materiality and enhanced reporting. Safaricom has guided its sustainability endeavours for eight years, with a commitment on SDGs, building on its competitive edge that stems from a purpose-driven approach, ingrained in every operation, with sustainability ownership dispersed across divisions. To increase companies' competitive advantage, the NSE is also contemplating the level of compliance that would be required to advocate for tax incentives in the future. ● 1b. Both companies reported specific areas of direct improvement in their strategies, policies, and practices related to ESG. KCB strategy follows a three-year cycle, prioritizing sustainability for long-term impact, diverging from typical quarterly targets. Their focus is on achieving net zero by 2050 and deeper financial inclusion through digital strategies like the MPSEA alliance and KCB alliance for mobile credit access. In

terms of their footprint, resource consumption is monitored quarterly and each branch report on waste management. From a business operations perspective, KCB aims at providing 25% of green funding to its clients by 2024. Safaricom also reported that GRI standards shaped its strategy, and they embraced a "net zero ambition" since 2017. Policy frameworks were shaped around environmental concerns, greenhouse gas calculations, and climate strategies, all coherent with this vision. The target to reach 90% renewable energy usage by 2025 has become attainable thanks to a recently secured sustainability-linked credit, under the form of green bonds issued by the NSE – a marker of success.

- 1c. According to informants in Safaricom and KCB, GRI Reporting has influenced product and process innovations. KCB advanced with automation to reduce emissions and enhance due diligence efficiency by simplifying records management, adherence to standards and client reporting. The R&D division is also working on initiative to favour solar energy adoption by aligning their mortgage products targeting SMEs. Safaricom signature product "MPESA" has evolved into a marketplace offering financial services, shopping, and public sector access. Along with MPESA for financial inclusion, Safaricom has also developed other platforms: DIGIFARM for agricultural empowerment, and DEVICE FINANCE for smartphone accessibility through instalment plans. These initiatives reduce costs and empower users economically, spreading the benefit of financial inclusion among the unbanked and small enterprises. Interoperability and digitization initiatives drive Safaricom R&D, with focus on education, youth, and gender empowerment for a digital future.
- 1d. Informants from Safaricom and KCB affirmed that investors rate sustainability reporting as important. KCB specified that feedback from entities like IFC, PROBANK, and Kenya RMC are increasingly oriented to evidence sustainability. Reputation and trust have notably improved with 75% of current investors prioritizing sustainability which led KCB in integrating ESG discussions into core business talks. Moreover, KCB Improved investor relations have led to favourable interest rates and to invitations to conferences where the bank brought its thought leadership on ESG. Safaricom also greatly benefited from reporting on GRI standards. By periodically showcasing initiatives through external ESG benchmarks for transparency it attracted new interest by investors. In 2022, Safaricom launched operations in the Ethiopian market with the support of the International Finance Corporation that saw in the company a trusted partner to drive a sustainable business.
- 1e. Although there is no mandatory disclosure requirement for GRI standards, KCB informants explained that the concept of "carrot and stick" is crucial; regulations must be in place to drive compliance. Initially, uptake was slow, reflecting a cautious approach by regulators but this is quickly changing with the latest 2023 update on the Climate Change Act by the Central Bank and stronger prospect to turn IFRS standards into mandatory disclosure. Representatives of Safaricom and KCB believe their companies are well positioned to comply with existing and future regulatory changes. Safaricom informants also reported to have a dedicated Government Engagement Team that is often consulted to support the legislative process, even beyond ESG like in the context of regulating IMF radiation frequency. Unlike KCB position, the interviewees in Safaricom advocated for embracing reporting as an opportunity, beyond compliance, instrumental to foster transparency and to unlock new business opportunities.
- 1f. Informants in KCB emphasized that transparency is highly valued in attracting and retaining talent, appealing to both older and younger generations. For instance, factors like health indices and strong CSR initiatives contribute to the bank's reputation, especially among younger employees. Corporate engagements and social initiatives inspired by GRI standards, such as housing projects and tree planting initiatives (e.g. Shelter Afrique, Triple Lights), significantly influence employee decisions to join or stay with the company. Safaricom is recognized as one of Africa's top employers, the informants also specified that policies such as flexible and remote working have been implemented following comprehensive assessments. Safaricom also promotes diversity in tech through programs like Women in Technology, aiming to build a pipeline of female students in STEM fields that could be employed by the company. Another reason for attracting talent is Safaricom investment in continuous skill development, requiring all employees to complete 30 hours of training annually and providing 230 hours of paid training to ensure proficiency in data analytics, blockchain, and AI.

Linking with Evaluation Question 2

Are there meaningful contributions to sustainability benefits linked to the use of GRI standards, reporting and data by companies and other stakeholders?

- 2a. *What are the contributions of GRI reporting and data usage, if any, on human rights/labor conditions and more inclusive and equitable business practices? This should be explored from the company and throughout the value chain.*
- 2b. *What are the contributions of GRI reporting, data usage and the knowledge gained towards concrete improvements in the environmental practice and conditions? This should be explored from the company and throughout the value chain*

- 2a. Informants in KBC reported that GRI standards shaped robust HR policies aimed at fostering a healthier workplace. From a business perspective, KBC train its customers on labor rights requirements while ensuring adherence through stronger compliance policies on labor conditions and frequent site visits. Internally, KBC also fixed targets for gender equality and inclusivity, aiming at 50% female representation at entry level and 33% at senior management levels, while also appointing gender champions to raise awareness across the organization. Similarly, Safaricom set relevant targets related to gender equality and inclusion. For instance, a target of 5% of the workforce to be Persons with Disabilities (PWDs) and a 50:50 ratio across all levels of the organization by 2025. Currently, Safaricom gender representation is 42% at the board level and 45% across senior roles, which demonstrate significant progress in this area.
- 2b. In KBC, GRI environmental standards shaped procurement and resource management practices, with 80% of organizational policies now supporting sustainability. For instance, the adoption of GRI standards drove automation and a reduction in paper usage while also the execution of a plan to install renewable energy systems in all branches within the next five years (250 branches). KBC also collaborates with NGOs on a tree planting initiative underscoring the bank's commitment to environmental sustainability. Safaricom's sustainability efforts in environmental practices include solarizing 5,000 sites, with solar panels now predicted to be across 90% of all sites, thanks to funding secured in 2024. Safaricom also aims to plant 5 million trees by 2025, focusing on degraded forests, offsetting 26% of their carbon footprint. Until now 1.5 million trees have been planted and monitored by an independent consultant.
- **Specific perspective on value chain:** KBC promotes GRI standards adoption among value chain partners through training initiatives and by appointing full-time sustainability managers in each country. The company further incentivizes GRI standards adoption through country events, showcasing best practices in ESG, and supplier conferences to launch the annual sustainability report to raise awareness. However, challenges exist at both contextual and operational levels. At the country level, political pressures, and lack of coherence across regulatory frameworks, especially in high-risk environments like South Sudan and DRC, present significant obstacles. At the operational level, limited training availability, quality assurance, and a scarcity of local expertise in subjects like green taxonomy and gender slow down the uptake of operational changes among suppliers. Despite these challenges, KBC found that combining procurement, due diligence, and field visits effectively drives sustainability improvements within the value chain (KBC informant). Similarly, Safaricom leverages collaboration with UNGC Kenya to drive sustainability across the value chain through a Sustainable Supplier Impact Programme, prioritizing SMEs. With UNGC support, an 8-week program was conducted, focusing on embedding sustainability practices, and showcasing their business value. Additionally, an annual supplier awards event and ongoing workshops incentivize sustainability integration by recognizing outstanding initiatives and fostering competition among suppliers. Yet, SMEs expressed concerns about resource limitations, prompting participants to advocate for a more incremental adoption of sustainability principles (Safaricom informant).

Linking with Evaluation Question 3

Are the high-level assumptions in the ToC holding true based on the analysed primary and secondary evidence?

- 3a. Which assumptions have been further validated/evidenced?
 - 3b. What is missing or what should be considered for adaptation?
 - 3c. What needs further testing and evidence?
- 3a Organizations like the Kenya Electricity Company and Safaricom Foundation, which serves as intermediary entity, demonstrate how financial and non-financial aspects are interconnected when disclosing future investments in terms of community impacts (ICPAK informant). However, the absence of standardized tools and taxonomies at the company level complicates the measurement of these impacts from a financial perspective. This necessitates greater clarity on benefits and the development of robust evaluation methodologies to assess the value of their adoption. Moreover, expanding GRI's support and platform development for partners, especially for SMEs, is vital. Training packages and coaching should be co-created with training partners to meet specific goals, catering to the 40,000 to 50,000 SMEs in Kenya that present growth and mitigation opportunities across various sectors.
 - 3b. There is a notable leadership gap in convening regulators and fostering intra-agency dialogue. While regulators recognize the benefits of adopting GRI standards, the lack of coordination poses a risk of confusion. Each regulator aims to issue its own ESG guidance, creating competitive tensions. The NSE could play a pivotal role in building consensus, particularly with the CBK and the CMA, which are significantly influenced by external lobbying (NSE informant). Reducing bias and advancing the agenda on double materiality are critical, as is establishing a baseline for ESG reporting to support companies that exceed reporting standards and highlight the practical applications of these guidelines.
 - 3c. The role of carbon credits in promoting sustainable energy investments and ESG reporting requires further assessment, especially when looking at land rights and the role of indigenous population in protecting biodiversity. The carbon credit market's potential to facilitate or hinder the transition away from fossil fuels needs critical examination (NTV informant). Additionally, GRI's engagement with regulators and the

commercial potential of its advisory arm could drive advancements in sustainable practices. However, the complexity of navigating regulatory environments, as seen in Kenya's implementation of green taxonomy without unified oversight, underscores the need for better coordination among financial regulators. This would ensure synchronized reporting schedules and enhance the overall effectiveness of ESG initiatives.

8. Outcome Case Study for Colombia

8.1. Contribution Analysis

The following table explains an outcome change examined in the context of Colombia. Based on the conversation with 13 informants from different organizations, the table presents what changed (an updated statement), the significance of the change, the context in terms of endogenous and exogenous forces conditioning the change, and the main contribution of GRI to the change. The analysis also generated a set of recommendations that can apply at the national level.

Table 9: Colombia Contribution Analysis Table

Description of Change	
<i>This is a change area where GRI claimed to have made an important direct contribution. It represents change related to the project and what different activities/actions directly contributed to a change in behaviour, capacity, policy, budgeting, etc.</i>	
The initial outcome statement	The updated outcome statement
<i>This statement explains what changed, who changed their behaviour, when the change took place, and where the change took place based on initial evidence.</i>	<i>This statement explains what changed, who changed their behaviour, when the change took place, and where the change took place based on the evidence collected.</i>
<p>Since 2019, GRI has been leading the Responsible Investment Taskforce initiative, funded by SECO, promoting the adoption of the responsible investment agenda in Colombia. Since its creation, more than 20 financial and public sector institutions have joined the initiative, including financial sector guilds, the stock exchange, government entities, and other international organizations, academia, and civil society. This initiative represents a fundamental contribution to the number and use of sustainability reports in Colombia in the past 4 years, particularly in the financial sector</p>	<p>Since its inception in 2019, the Responsible Investment Taskforce, led by GRI and funded by SECO, involved key players from the financial sector, PRI, the Financial Superintendency, and Bolsa de Valores. The taskforce has created a space to align local practices and legislative efforts with global sustainability trends such as TCFD and ISSB requirements. Notably, the adoption of Circular 31 has been a landmark in regulatory advancement, enhancing the legal framework to support sustainable investment and triggering extensive discussion among Taskforce members. This initiative has successfully brought together more than 20 diverse stakeholders into a coherent community that actively engages in enhancing sustainability reporting and practices. Regular interactions and the establishment of a common language on ESG have fostered a deeper understanding about sustainability efforts and advanced this agenda across the financial sector.</p>
Significance of Change	
<i>How significant is the outcome (high, med, low) to achieving the envisioned outcomes in the ToC? The reasons why this outcome is significant.</i>	
<p>Medium to High: Since 2019, the Responsible Investment Taskforce, spearheaded by GRI and supported by PRI and SECO, has significantly influenced the financial sector in Colombia, marking a critical space in the region to exchange on sustainable investment. The taskforce's efforts have led to substantial legal and collaborative interactions, with specific focus on the adoption of Circular 31/21, which has set a new benchmark for sustainability reporting in Colombia among listed companies. Despite this notable legal advancement facilitated by Taskforce engagement, there remains a critical gap in the deep, systemic integration of these practices across smaller financial entities and beyond the financial sector. The taskforce initiative has successfully brought together over 20 diverse stakeholders, effectively raising their awareness, and set a precedent in Latin America for sustainable finance; however, the actual implementation of ESG is not harmonized across the board showing variability in compliance and depth of engagement. This change is significant since it sets a precedent for other regions, demonstrating the importance of collaborative, multi-stakeholder approaches in advancing a common understanding of sustainable finance practices.</p>	
Context of Change	
<i>This is an explanation of the context and key stakeholders that played a role in contributing (or hindering) this outcome in terms of their influence and relationship with GRI programme.</i>	

Internally and externally, Colombia is facing considerable pressures from institutions, international investors, and trade partners to prioritize sustainability in the economy. The global push towards climate change mitigation and sustainable practices mandates that Colombian companies adapt to these expectations to maintain access to international markets and key investors like IFC and the World Banks. Challenges such as adapting to green finance norms and integrating ESG metrics is pushing the financial sector to consider externalities in driving investment decisions while also supporting segments downstream the value chain. For instance, the Colombia Stock Exchange recently launched an initiative A2CENSO (100% digital crowdfunding platform) to connect investors with SMEs, reflecting an acknowledgment of the importance to expanding capital access across excluded segments of the economy (Borsa de Valores informant).

In addition, the implementation of regulatory measures such as Circular 031/2022 significantly reshaped the financial sector's approach to sustainability, mandating the integration of ESG standards into corporate reporting and risk management practices for investment decisions. This circular, along [other ones](#) like [06/2020](#), [15/2021](#), represent a push to align domestic financial practices with global sustainability frameworks like TCFD and IFRS, driving a shift in how companies assess and disclose their environmental and social impacts (Superintendency informants). However, the transition has been met with mixed success; larger corporations and financial institutions have embraced these changes, yet smaller firms and the broader supply chain show lagging compliance, revealing a disparity in the capacity and resources available to meet these new standards (Asofiduciarias informant).

Therefore, the role of key financial and governmental actors, including the Financial Superintendency, Financial Associations and the Stock Exchange have been instrumental in advancing these regulatory changes (various Financial Associations informants) is further accommodated by Colombia Development Plan for 2022-2026, finalized in May 2023, underscoring environmental priorities (Financial Superintendency informant). The active participation to the Taskforce underscores a growing recognition of the strategic importance of sustainable finance in this policy context. Colombia's focus on tightening the integration of ESG practices across all business scales and sectors, is described to me more than just a compliance exercise but a push to make it into a core component of business strategy. Yet, the implementation faces challenges, such as the need for more robust frameworks to support smaller enterprises and ensure they are not left behind in the sustainability agenda (CECODES informant), possibly by incentivizing compliance measures to foster broader adoption across all market segments.

The key collaborations mapped during this evaluation instrumental to Taskforce in Colombia are:

- GRI, PRI, and Bolsa de Valores leading the Taskforce, focusing on promoting sustainable investment and aligning financial sector practices with global sustainability standards.
- Intra-governmental roundtables between actors participating to the Taskforce and other governmental bodies like the Ministries of Finance, Ministry of Commerce/Industry and Tourism, Treasury, and the National Planning commission ensure regulatory alignment and shared understanding.
- IFC is advising Financial Superintendency on how to reinforce regulatory frameworks in relation to ESG and it is bridging the gap between theoretical knowledge and practical application of sustainability practices, with specific reference to governance.
- Colombian Climate Asset Disclosure Initiative (CCADI) presented by UK PACT in the taskforce provided courses and initiatives focusing on incorporating climate criteria into corporate governance and enhancing international exposure.

Contribution by GRI

Programme's contribution that justifies a rating according to this scale:

- **High** = The outcome could not have happened without your actions.
- **Medium** = You made a substantial contribution to a key part of the outcome, and you believe it would not have happened in the same way without your efforts. Other actors also played a substantial contribution to the outcome.
- **Low** = The outcome would have probably happened anyway.

High - In Colombia, GRI has significantly contributed to leadership in the task force by effectively mobilizing a diverse array of stakeholders, from financial institutions to regulatory bodies, to advance the sustainable investment agenda. Their efforts have been instrumental in aligning practices in the financial sector with international standards such as the TCFD, ISSB, and EU ETS, demonstrating GRI's crucial role in facilitating knowledge transfer and enhancing the understanding of sustainability issues. Additionally, GRI's involvement has been pivotal in fostering a more structured and consistent approach in managing a multi-stakeholder space on sustainability reporting across the financial sector. This engagement has not only elevated the importance of responsible investment decision within Colombia but is also preparing the market for a forthcoming sustainability index that the Stock Exchange is going to develop, slated for 2025, marking a significant step forward in promoting sustainability efforts.

Evidence of Contribution

This is the evidence that links the change to GRI, for instance references to specific documentation or key informants (name of roles) external to the programme who validated / substantiated the outcome.

- **Declaration of Responsible Investment in Colombia:** The institutions that are part of the Taskforce and signing this declaration are entities committed to the promotion of responsible investment in Colombia. They recognize the need to integrate sustainability criteria in investment, reflecting global trends towards a resilient and low-carbon economy, respectful of Human Rights and aligned with the Sustainable Development Goals and the Paris Agreement. These include public entities such as the Financial Superintendency of Colombia, the Ministry of Finance and Public Credit, and Procolombia; trade associations such as Asobancaria and ColCapital; and international cooperation actors such as the Swiss and UK embassies.
- **Stock Exchange Document on the Taskforce:** The partnership between the Colombian Stock Exchange, PRI and ConectASG reflects a collective commitment to the continuous improvement and strategic use of sustainability information. The guided methodology on the taskforce underlines the intent and mechanisms to improve quality of information disclosed by issuers to investors and to enhance analysis and conversations around sustainability, leading to richer dialogues and deeper analysis of risks and investment opportunities.
- **Operating and Internal Governance Document:** An internal document explaining the objectives of the initiative, the governance structure, the role of the technical secretary and of all participants, how decisions are taken and the modalities to express interest in joining the initiative.
- **Principles for Responsible Investing:** A document that explains the mission of PRI emphasizing that standardized reporting on ESG-related issues relies on tools such as the Global Reporting Initiative standards.
- **Inversión responsable en Colombia: una mirada a las experiencias en el país:** The report reveals significant progress in sustainable investment, including a 2,400% increase in green bond issuance since 2016, now exceeding \$7 billion pesos. It highlights the advancements in structuring processes, policy creation, and the implementation of ESG criteria by various organizations. The document underscores the need for continued efforts in standardization and tool development to overcome barriers in responsible investment. The Task Force aims to integrate ESG criteria into financial analyses and business strategies, promoting sustainable development in Colombia.

Theory of Change

This section explains through a critical reflection which pathway(s) of the GRI (ToC) this outcome relates to the most, also considering the key assumptions and key programme component this outcome refers to.

The linkage between the outcome in the statement and GRI Theory of Change pertains to the relationship between the mid-level impact of sustainability reports made available and the high-level outcome related to the endorsement by regulators, especially from financial associations and regulators. The causal connection between the disclosure of GRI standards and the endorsement by relevant institutional stakeholders is too weak to demonstrate in the context of the Taskforce.

Since 2022, various pieces of national legislation are further regulating mandatory disclosure and in the case of the Financial Superintendency, the normative approach does not make any explicit reference to GRI standards but only to SASB and TCFD. The perception by financial associations and investors participating in the Taskforce follows the same line of principle and the appreciation of double materiality and concept of impact is side-lined compared to pressure in complying to financial materiality requirements, especially in terms of risk management and investment decisions.

Recommendations at the national level

Explain the key recommendations emerging from the national level work, that could relate to: revenue generating approaches, programme management culture, strategic re-alignment, positioning and influencing, coordination, branding etc.

Actionable Advice 1: Deepen Integration of Human Rights and Social Aspects in Sustainability Reporting

Explanation: GRI's current approach to integrating human rights and social aspects in sustainability reporting is insufficiently detailed, leading to gaps in understanding and implementation. The push to advance financial responsibility and regulation highlights the need for a more robust framework that clearly explains these social dimensions (Asobancarias, Asofiduciarias informants). GRI should provide more tailored guidelines and training materials that offer in-depth practical applications to explain human rights and social issues, including their economic implications. Such guidance should speak to multiple typologies of functions and sectors, like the financial one, based on their needs and requirements. This will help organizations understand the broader impact of their practices and encourage more meaningful engagement with these critical areas. Addressing these gaps is essential for ensuring that sustainability reporting is not just a compliance exercise but a transformative practice that drives real change (University de las Andes informant). By furthering these aspects, reports should align with both social and company strategies, moving beyond mere documentation to drive tangible action (CECODES informant).

- **Who should action this advice:** GRI standards development team, social sustainability experts, and macroeconomic analysts.
- **What needs to be done:** Develop detailed guidelines and training materials on integrating human rights and social aspects into sustainability reporting. Include practical examples, step-by-step guidance, and analysis

of the macroeconomic impacts of these practices. Conduct workshops and training sessions to educate organizations on these topics. Also, facilitating roundtable discussions and leveraging its influential role to foster dialogue among regulators, industry associations, and investors is seen as crucial to shape investment practices.

- **When it should be done:** Begin development with guidelines and training materials ready within the next 9 to 12 months, followed by regular training sessions.

Actionable Advice 2: Translate Circular 31 into Actionable Investment Strategies

Explanation: GRI has laid the groundwork for awareness about sustainability and regulatory changes like Circular 31 also followed, but the critical next step is translating this into actionable investment strategies (Asofondos informants). This involves analysing how issuers report their practices and integrating this information into investment decision-making processes. Developing scoring mechanisms and fostering dialogue through roundtable discussions and task force collaboration will deepen insights and drive practical implementation. This approach can help investors understand the financial implications of sustainability practices and make informed decisions that support long-term value creation (financial associations informants). By enhancing the strategic depth of sustainability reporting, GRI can improve stakeholder engagement and ensure that sustainability efforts are aligned with broader economic goals.

- **Who should action this advice:** GRI (as a facilitator), GRI task force, financial analysts, and investment managers.
- **What needs to be done:** Develop scoring mechanisms to evaluate sustainability reports, conduct roundtable discussions to foster dialogue among stakeholders, and provide training on integrating sustainability information into investment strategies. Use these insights to create actionable investment guidelines.
- **When it should be done:** Initiate this process within the next 3 to 6 months, with scoring mechanisms and guidelines ready within 12 months, and ongoing roundtable discussions.

Actionable Advice 3: Enhance Training and Support for SMEs and Unlisted Companies

Explanation: SMEs and unlisted companies often struggle with the complexities of sustainability reporting due to limited resources and expertise. GRI's efforts to support these entities must be significantly expanded. This includes providing tailored training that addresses the specific needs of SMEs and unlisted companies, such as simplified reporting guidelines and practical examples (University de las Andes informants). Enhancing collaboration with business associations and regulatory bodies can also help disseminate this information more effectively. By focusing on these smaller entities, GRI can drive broader adoption of sustainability practices, ensuring that sustainability reporting is inclusive and accessible. This approach not only supports economic resilience but also helps bridge the gap between large and small enterprises in sustainability efforts.

- **Who should action this advice:** GRI training coordinators, local business associations, and regulatory bodies.
- **What needs to be done:** Provide tailored training for SMEs and unlisted companies, including simplified guidelines and practical examples. Enhance collaboration with business associations to increase outreach and support. Conduct regular workshops and one-on-one consultations to address specific challenges faced by these entities.
- **When it should be done:** Start with new training programs and collaborations in place within the next 6 to 9 months.

Actionable Advice 4: Develop a Sustainability Index for the Colombian Market

Explanation: The taskforce's role in facilitating GRI's objectives showcases both progress and areas needing enhancement. Despite fostering significant discussions and alignment among financial entities, the task force's impact on tangible ESG integration is limited by sensitivities within financial associations and a lack of cohesive action. To advance further, GRI must address these collaborative challenges by formalizing its mandate and fostering a unified strategy that moves beyond discussions to convene consensus on common positions relating key pieces of legislation (e.g. the pension reform). There is also a pressing need to improve transparency and funding visibility for GRI's engagements, ensuring that its initiatives are not only opportunistic but also strategically focused and tailored to meet alignment with donors' position (SECO informants).

- **Who should action this advice:** GRI, local stock exchanges, regulatory bodies, and financial institutions.
- **What needs to be done:** Collaborate with local stock exchanges and regulatory bodies to develop a sustainability index. Conduct extensive stakeholder consultations to ensure the index is relevant and useful. Launch the index with a comprehensive marketing strategy to promote its adoption.
- **When it should be done:** Start a collaboration in developing an Index to launch within the next 18 to 24 months, with regular updates based on stakeholder feedback.

Actionable Advice 5: Strengthen the Focus on Macroeconomic Risk Management in Sustainability Reporting

Explanation: Current sustainability reports often lack strategic depth, focusing more on activities than overarching objectives. This limits their effectiveness in driving real change. Integrating a macroeconomic perspective into the taskforce and discussion on sustainability reporting can help organizations understand the

broader economic implications of their practices and make more informed decisions (AMV and Asofondos informants). This involves prioritizing macroeconomic risk management, such as ecosystem risk management of long-term savings and the financial requirements to cope with the impacts of climate change on the economy. By providing clear guidelines and brokering a common position in the taskforce, GRI can help companies to better shape policies and sustainability practices. This approach not only enhances the relevance of sustainability reporting but also supports broader economic resilience and stability.

- **Who should action this advice:** GRI standards development team, macroeconomic analysts, and sustainability experts.
- **What needs to be done:** Develop guidelines and training materials that incorporate macroeconomic risk management into sustainability reporting. Conduct workshops and training sessions to educate organizations on these topics. Provide practical examples and case studies to illustrate the macroeconomic impacts of sustainability practices.
- **When it should be done:** Start the development of guidelines and training materials ready within the next 9 to 12 months, followed by regular training sessions.

Actionable Advice 6: Provide Clearer Guidance on Integrating IFRS with Double Materiality

Explanation: The integration of IFRS standards with GRI's concept of impact leading to a double materiality approach poses significant challenges due to the fragmented global consensus on their application (Superintendencia financiera informant). GRI needs to address these challenges by evolving its role to provide clearer, more actionable guidance on how companies can effectively integrate these standards into their reporting processes. This includes developing mechanisms to assess and score sustainability practices, which would help companies embed their sustainability efforts into core business strategies (UNPRI informant). By doing so, GRI can enhance the practical implementation of regulations like Circular 31, ensuring that sustainability reporting is not just a compliance exercise but a strategic business practice.

- **Who should action this advice:** GRI task force, in collaboration with corporate finance teams and sustainability consultants.
- **What needs to be done:** Develop detailed guidelines and assessment mechanisms for integrating IFRS and double materiality into corporate reporting. Provide training sessions and workshops to educate companies on these processes.
- **When it should be done:** Initiate the development of draft guidelines and initial training sessions available within the next 12 months, with full implementation and widespread training within the next 24 months.

Actionable Advice 7: Disseminate a Local Inclusive Development Approach to Drive Sustainability Initiatives and Inform ESG

Explanation: The Local Inclusive Development (Desarrollo Territorial Inclusivo (DTI)) approach emphasizes a strategy for development that considers the integration of environmental, productive, economic, social, and organizational dimensions. Drawing from the fieldwork of organizations like CECODES, GRI could identify lessons learned that enhance sustainability practices. These examples could offer inform sustainability initiatives that companies could implemented and reporting as part of their ESG requirements. By embedding a DTI-based approach to showcase practical examples on how to apply GRI standards, companies could ensure their sustainability reports are more practical and action-oriented, avoiding greenwashing and focusing on systemic change. Such model requires engaging various stakeholders—commercial allies, public sector entities, and local communities—in a collaborative effort to address regional challenges like climate change, resource scarcity, and socio-economic disparities. The key to such integration lies in aligning sustainability reporting with local contexts and stakeholder needs beyond the business requirements to unlock global equity. GRI can enhance push these standards downstream by incorporating guidelines, which focus on actionable insights and real-world impact that are contextually relevant and established on the political economy of each context. This alignment ensures that sustainability efforts contribute to regional development, moving beyond mere documentation to drive tangible actions that support environmental sustainability, socio-economic development, and community empowerment in a more tangible way. A collaborative model in implementing GRI standards can leverage on market opportunities from a downstream perspective while aligning sustainability efforts with both social goals within the strategies of companies across the whole value chain. A comprehensive integration of DTI principles could drive better outcomes, building resilience and promoting sustainable development at the local level.

- **Who should action this advice:** GRI standards development team and sustainability officers in collaboration with local stakeholders at the regional/provincial level, SMEs executives, and industry experts.
- **What needs to be done:** Develop and integrate DTI-based guidelines into GRI standards, ensuring that reports reflect local contexts and actionable sustainability practices. Facilitate stakeholder collaboration to align sustainability efforts with regional development goals.
- **When it should be done:** Initiate the development of DTI-based guidelines with a goal to integrate these into GRI standards within 12 to 18 months. Continuous updates and stakeholder engagement should follow to adapt to evolving challenges and feedback.

8.2. KEQs linked to Colombia

The following table presents a set of replied to the main evaluation questions in the context of Colombia. The replies to evaluation question 1 are derived primarily from informants in the private sector (financial associations)

while the ones in evaluation question 2 and 3 also integrated perspectives from regulators, GRI trainers/ academia and other experts.

Table 10: Replies to Evaluation Questions linked to Colombia

Linking with Evaluation Question 1
<p>What are the business and other benefits to companies related to GRI standards use and reporting?</p> <ul style="list-style-type: none"> ● 1a. Has it helped companies improve their competitive advantage and access in regional/country markets and supply chains? How so? ● 1b. Has it helped them improve upon specific aspects that are directly linked to more sustainable strategies, policies, and practices? e.g., does the reported information inform the enterprise risk management process and the identification of cost-saving opportunities (energy use, waste reduction)? ● 1c. Has it helped support the product and/or process innovation? ● 1c. Has it improved investor decision-making and company access to investments and sustainable finance? ● 1d. Has it improved reputations and trust with investors/communities/general public? ● 1e. Has it supported meeting permitting or other government requirements? ● 1f. In how far does being transparent about your impacts help with the attraction/retention of talent? <ul style="list-style-type: none"> ● 1a. The adoption of GRI ESG standards has significantly enhanced competitive advantage and market access for companies. Some more mature associations in the sustainable space rely on GRI to various degrees for their sustainability reporting because of market access requirement (Asobancarias informant). Other associations, like Asofiduciarias, used GRI standards to baseline the readiness of the fiduciary sector in integrating sustainability. The identification of thematic gaps and maturity levels promoted greater coherence in internal strategy formulation among its affiliates (Asofiduciarias informant). These examples explain how financial associations navigate an evolving regulatory landscape and meet the requirements of sustainability-conscious investors, particularly from regions with stringent ESG criteria like Europe. Thus, the application of GRI standards were reported as instrumental in exploring new investment avenues and improving the sustainability profile of financial associations to access regional and global markets and to quality for green bonds with interest reduction benefits. The same benefits would not apply to smaller and medium-sized companies in the financial and other sectors. ● 1b. The adoption of GRI standards has notably fostered advancements in integrating sustainability within corporate risk management frameworks, yet the translation into concrete, actionable strategies remain uneven across sectors. Entities like Banco Colombia, Da Vivienda have utilized GRI reporting to identify thematic gaps and enhance their internal sustainability strategies, illustrating a proactive approach towards embedding ESG considerations into broader business practices (Asobancarias). This strategic alignment facilitated better risk management, with a focus on areas like climate change and financial education, suggesting a shift towards more sustainable operational practices. However, challenges persist in wider adoption, as evidenced by the struggles following the implementation of Circular 15/2023, which highlighted many firms' unpreparedness for comprehensive sustainability integration. This scenario underscores a critical gap in awareness and engagement at the board level, indicating that while regulatory pressures increase, practical adoption and the identification of cost-saving opportunities through sustainability practices remain limited (University de las Andes informant). Thus, while GRI standards have catalysed some strategic enhancements, significant work remains to translate these into widespread and effective implementations across Colombia's financial landscape. ● 1c. The integration of ESG standards has somewhat supported product and process innovation among financial entities in Colombia, though progress varies significantly across different sectors. Banco de Colombia exemplifies a more mature adoption, enhancing its product offerings to maintain carbon neutrality and leveraging its involvement with task forces to comply with GHG standards (Asobancarias informant). However, affiliates associated to Asofiduciarias are still in the preliminary stages of incorporating ESG information into their product development, indicating a lag in innovation directly linked to ESG criteria (Asofiduciarias informant). In Asofondos, some pension funds are starting to align their portfolios with ESG objectives, but despite a growing interest, sustainability products constitute a mere 10% of the market, indicating a prevalent insensitivity to sustainability concerns among most investors (Asofondos informant). Furthermore, innovative approaches such as the development of specialized IT platforms for streamlining ESG compliance and project management illustrate potential for enhancing operational efficiency by consultancy firms (Deloitte informant). Yet, the overall landscape suggests that while there are emerging innovations driven by ESG integration, comprehensive and widespread adoption that significantly impacts product offerings and processes is still developing. This indicates a need for a more robust, sector-wide approach to fully leverage ESG for innovation. ● 1d. The impact of ESG and GRI standards on reputational trust with investors, communities, and the public has been mixed, revealing both strengths and challenges within Colombia's financial sector. While Asobancarias' focus on European compliance indicates an awareness of stringent international standards, potentially enhancing reputational trust among European investors, internal challenges persist (Asobancaria

informant). The divergence of agendas among financial guilds and dependence on external contractors for coordination highlight a fragmented approach to sustainability, which could undermine collective reputational gains. Moreover, limited linkage between pivotal roundtables and task forces suggests a lack of integrated strategy, which is crucial for building trust and credibility in sustainable finance initiatives (Asofiduciarías informant). The anticipated pension reform, discussed insufficiently within strategic the ESG agendas, underscores a missed opportunity to align the interest of financial association with broader societal expectations, potentially jeopardizing trust among stakeholders and investors concerned with long-term investment sustainability (Asofondos and AMV informants). Thus, while there are efforts to improve reputation through compliance and training initiatives, new products targeted to more sustainability-conscious demographic (Asofondos), the overall effectiveness is tempered by a lack of cohesion and proactive engagement among financial associations in crucial policy discussions.

- 1e. The integration of GRI standards into Colombian regulatory frameworks has been strategic but faced significant challenges, particularly in aligning with government requirements like those specified in Circular 31 and other mandates. While these standards have facilitated some compliance, such as supporting the adoption of uniform reporting practices under [Circular 5/2024](#), critical gaps remain in the practical analysis and uniform application of ESG risk assessments (Asofiduciarías informant). Large consultancy firms are supporting the private sector to comply with regulations like Circular 31, highlighting the increased integration of ESG considerations into financial decision-making through technical expertise to operationalize the sustainability standards (Deloitte informant). The flexibility allowed in selecting standards and the ongoing concerns about greenwashing highlight the need for stronger enforcement and clearer guidelines to ensure genuine impact rather than superficial compliance. Additionally, while there are efforts like the Governance Code of Conduct to harmonize practices with OECD standards (Asofondos informant), the overall effectiveness is hindered by weak supervision and inconsistent implementation across different sizes of firms (most informants). Large companies may show readiness, but mid-sized firms often lack the necessary knowledge and resources, pointing to an urgent need for comprehensive support systems to enhance ESG integration across the board.
- 1f. Being transparent about impacts significantly enhances a company's ability to attract and retain talent, particularly in regions like Colombia where social issues such as gender equality are prominent. For instance, Asobancarias' introduction of a social protocol focusing on value offerings and internal culture, including initiatives for financial inclusion and gender equality, showcases a proactive approach to addressing workforce disparities (Asobancarias informant). This transparency not only aligns with broader societal values but also appeals to prospective employees who prioritize equitable practices and corporate responsibility. However, despite these efforts, the adoption rate among affiliates and other financial associations shows variability, indicating that while some entities rapidly integrate these measures, others lag behind (Asofondos and Asofiduciarías informants). This inconsistency could potentially hinder the overall effectiveness of attracting and retaining talent committed to these values in the financial sector, underscoring the need for more uniform implementation and communication of such initiatives across the board.

Linking with Evaluation Question 2

Are there meaningful contributions to sustainability benefits linked to the use of GRI standards, reporting and data by companies and other stakeholders?

- 2a. *What are the contributions of GRI reporting and data usage, if any, on human rights/labor conditions and more inclusive and equitable business practices? This should be explored from the company and throughout the value chain.*
- 2b. *What are the contributions of GRI reporting, data usage and the knowledge gained towards concrete improvements in the environmental practice and conditions? This should be explored from the company and throughout the value chain*
- 2a. Reporting on GRI standards led to the enhancement of human rights and labor conditions, alongside fostering more inclusive and equitable business practices, although the implementation remains uneven across sectors and entities. The integration of social aspects into business operations, especially within the Colombian context, underscores a significant shift towards recognizing and addressing qualitative and often less tangible social concerns. Asobancarias introduced a social protocol focusing on value offerings, risk management, internal culture, and financial inclusion, with rapid adoption by 11 out of 38 entities. Asofiduciarías increased focus on gender equality and the inclusion of other pressing social issues like child labor within corporate governance demonstrates a growing commitment to social equity (Asofiduciarías informant). However, the actual impact of these policies among all affiliates and across value chain is less discernible, partly due to the absence of a robust and commonly agreed social taxonomy comparable to the established green taxonomy (Asobancarias, Asofondos, Asofiduciarías informants). This gap indicates a critical area where GRI could enhance its frameworks to provide clearer guidelines and measurement tools that help companies better integrate and report on social risks and achievements. Challenges such as integrating these social aspects into risk management, particularly for smaller firms or in sectors like forestry where community opposition is notable (Asofondos informant), highlight the complex interplay between social implications and investments.

- 2b. GRI reporting and growing environmental awareness have notably influenced the enhancement of environmental practices within companies and throughout the value chain in Colombia, particularly through initiatives led by Asobancarias that has implemented a long-standing initiatives such as the Green Environmental Protocol and a comprehensive five-strategy approach that emphasize disclosure, the management of environmental impacts, and the development of green products (Asobancaria informant). These efforts expanded into a more structured commitment to environmental sustainability within the financial sector in a broader sense (Asofiduciarias informant). However, despite these advancements, challenges persist in fully integrating and implementing these practices across all organizational levels and the broader industry, notably in sectors requiring environmental licensing and those exposed to complex project-related environmental risks. Additionally, while there is a developed taxonomy for environmental considerations, the application and operationalization of these frameworks often lag, indicating a need for better integration strategies and more effective execution (various informants of financial associations). This gap underscores the necessity for continuous improvement in environmental governance and the critical role of GRI in driving these advancements by providing clearer guidelines and fostering broader industry collaboration.
- **Specific perspective on value chain:** Adopting GRI standards within the value chain presents multifaceted challenges, primarily due to the reduced scale and readiness of suppliers and SMEs, and the complexity of incentivizing their compliance (Deloitte informant/Former PRI Director). While larger companies have established policies on responsible sourcing and human rights, there is a notable gap in the effective implementation of these policies, with social risks often managed at the minimum just to access credit rather than to demonstrate sustainable practices across the whole value chain. This indicates a significant integration challenge, as GRI standards are not fully incorporated or understood downstream in the value chain, particularly among indigenous communities and in sectors dealing with armed conflict reintegration that require SARLAFT compliance, which complicates due diligence processes (Asobancarias informant). Furthermore, the focus on TCFD for emissions assessment shows a skewed prioritization towards environmental factors, side-lining comprehensive social risk management. The current strategies lack robust mechanisms to educate and motivate a large network of suppliers about the importance of sustainability reporting, which is crucial for enhancing transparency and accountability across the entire value chain. Addressing these challenges requires a concerted effort to build knowledge and capacity, particularly among smaller companies, and to develop effective methodologies that can manage the social tensions arising from critical transitions like decarbonization (Asofondos informant).

Linking with Evaluation Question 3

Are the high-level assumptions in the ToC holding true based on the analysed primary and secondary evidence?

- 3a. Which assumptions have been further validated/evidenced?
- 3b. What is missing or what should be considered for adaptation?
- 3c. What needs further testing and evidence?
- 3a. The critical role of standardizing indicators and norms in advancing ESG practices has been further validated through ongoing discussions on the implementation of regulatory changes. The standardization entails the need to continue enhancing skills of regulatory bodies. This support has taken place more often within Colombia, which is known for its proactive enforcement, compared to other regional counterparts like Chile and Peru (Bolsa de Valores informant). Moreover, the assumption that active enforcement and skilled superintendents are pivotal has been evidenced by the engagement levels and the effectiveness of initiatives and dialogue facilitated through the Taskforce. This underscores the importance of a well-structured regulatory framework and skilled oversight in fostering ESG integration within the financial sector.
- 3b There is a significant variance in engagement by institutional actors, particularly from the Ministry of Finance and the National Department of Management, which hinders meaningful dialogue and effective ESG integration across the board across the regulatory space (AMV informant). This disengagement poses a barrier to advancing ESG practices cohesively across sectors. Additionally, there is a need for more profound involvement of boards of directors in developing and implementing social and environmental policies (Financial superintendency informant). Currently, the homogeneous approach to policy development does not sufficiently account for the diverse needs and contexts of different sectors, particularly in areas like mining where informal exchanges remain prevalent. Adapting initiatives to meet these sector-specific demands and enhancing board involvement could lead to more tailored and effective ESG practices. Furthermore, the integration of ESG into organizational culture and beyond superficial checklist compliance remains challenging (UNPRI informant). This requires a more nuanced and embedded approach, possibly through enhanced training and awareness programs, to ensure that ESG principles are fundamentally integrated into business operations and strategic decision-making.
- Further testing and evidence are needed in several critical areas to enhance the integration and effectiveness of ESG practices within Colombia's regulatory and financial framework. Despite ongoing engagements, the supervisory strength of various governmental bodies, such as the Superintendencia de

Sociedades compared to the Superintendencia Financiera, reveals inconsistencies in enforcement and capacity, necessitating a closer examination of their roles and effectiveness. Additionally, the development and implementation of a financial sector taxonomy to better categorize and understand data for innovative products and insurance projects with social returns require rigorous testing to ensure its practical applicability and impact. The effectiveness of supervisory tasks and the integration efforts led by the Ministry of Commerce also need further empirical support to validate their outcomes. Testing these aspects through more granular data analysis and case studies could provide the necessary evidence to refine strategies and enhance compliance and reporting standards.

9. Outcome Case Study for Indonesia

9.1. Contribution Analysis

The following table explains an outcome change examined in the context of Indonesia. Based on the conversation with 11 informants from different organizations, the table presents what changed (an updated statement), the significance of the change, the context in terms of endogenous and exogenous forces conditioning the change, and the main contribution of GRI to the change. The analysis also generated a set of recommendations that can apply at the national level.

Table 11: Indonesia Contribution Analysis Table

Description of Change	
This is a change area where GRI claimed to have made an important direct contribution. It represents change related to the project and what different activities/actions directly contributed to a change in behaviour, capacity, policy, budgeting, etc.	
The initial outcome statement	The updated outcome statement
This statement explains what changed, who changed their behaviour, when the change took place, and where the change took place based on initial evidence.	This statement explains what changed, who changed their behaviour, when the change took place, and where the change took place based on the evidence collected.
SMEs in Indonesia showed increased capacity, interest and practice in developing the sustainability report. As of 2023, more than 50 SMEs have developed and submitted their sustainability reports. Most of those reports present companies' profiles, products, and economic performance. Some reports also present their sustainability strategies and performance such as procurement practice, environmental performance such as raw material, energy, emission, water and waste management, and social performance related to employee management and occupational health safety, product safety, supplier capacity building, and community empowerment.	Small and medium enterprises (SMEs) in Indonesia showed increased capacity, interest and practice in developing the sustainability report across diverse sectors such as food, handicraft, fashion, toiletries and cosmetics. As of 2023, more than 50 SMEs have developed and submitted their sustainability reports. The adoption is supported by a collaboration between GRI, national and local business associations (e.g., APINDO or The Employers' Association of Indonesia, WomenPreneur Community Semarang), capacity building organization for SMEs (e.g., BeDo) and universities (e.g., Bina Nusantara University, University of Parahyangan). Some SMEs participating in this program gained understanding of the GRI Standards and the principles of sustainability reporting, leading them to improve and demonstrate their sustainability practices such as reducing waste and carbon footprint. GRI standards help SMEs to document, communicate and improve their sustainability practices in a more structured approach. Sustainability reports are also used by SMEs as a branding and marketing tool. The emphasis on sustainability has been driven primarily by SMEs owner/director's leadership to improve the enterprise's social and environmental impact and its access to the international market.
Significance of Change	
How significant is the outcome (high, med, low) to achieving the envisioned outcomes in the ToC? The reasons why this outcome is significant.	

Medium: Micro, small and medium enterprises contributed 61% of Indonesia's gross domestic product in 2022. The adoption of GRI standards by SMEs in Indonesia characterizes an increased interest towards sustainability reporting and practices among SMEs, driven by the enterprise founder's commitment to improve social and environmental impact, access to international markets and grow the business. SMEs with those driving factors have better knowledge on why and how to prepare and GRI report and improve their sustainability practices. However, some SMEs who have attended sustainability reporting did not have sufficient understanding on the purpose of sustainability reporting development. They also do not have sufficient capacity to develop or update the report by themselves and improve their sustainability practices based on the report findings. Respondents mentioned that the earlier approach of one day sustainability reporting training facilitated by GRI in 2018 was not enough to build their capacity in developing sustainability reports. In addition, GRI did not provide continued post-training follow ups due to limited GRI personnel in Indonesia. Assistance on the sustainability report development and update was provided by undergraduate university students despite SMEs considering the report has limited quality. GRI has changed its approach from facilitating direct training to SMEs to facilitating training of trainers (ToT) so it can reach more SMEs with the existing number of GRI personnel in Indonesia. A ToT participant from SME association who previously attended the one day training mentioned that the three days ToT equipped her with better capacity to prepare sustainability report.

On the other hand, SMEs have limited resources to hire professional consultants. SMEs with limited commitment and capacity to develop and update sustainability reports by themselves also have limited improvement in sustainability practices. GRI also built Bina Nusantara university lecturers and BeDo trainers' capacity to train their students, members and SMEs on sustainability reporting. In Bina Nusantara University, sustainability reporting is integrated in the Business Sustainability course and students are required to assist companies in SR development during their internship. GRI also advocated sustainability reporting among SMEs to APINDO that resulted in the integration of sustainability reporting in APINDO's self-paced e-learning platform (UKM Academy) that reach 800 - 1,000 SMEs every week, Bisnis Lestari (Sustainable Business) project that assisted 1,650 entrepreneurs and MELATI Nusantara project that assisted 7,000 women entrepreneurs and entrepreneurs with disability. In total, 10,000 SMEs were reached by APINDO on sustainability practice and reporting. APINDO and GRI also assisted the Ministry of Investment to produce the Sustainable Investment Guideline which was enacted with the Minister of Investment decree.

Context of Change

This is an explanation of the context and key stakeholders that played a role in contributing (or hindering) this outcome in terms of their influence and relationship with the GRI programme.

Indonesia SMEs' embrace of sustainability reporting has been significantly driven by global pressures and SME owners' commitment to sustainability. External pressures driving greater sustainability reporting encompass various factors such as international market demand and peer company practices. Some international buyers, especially in Europe and Australia, require sustainability practice and reporting. Banyan tree, a hotel chain from Singapore, specifically requires a respondent to submit sustainability report using GRI standards. Therefore, implementing and reporting sustainability practices is important to overcome non-tariff entry barriers to the international market and having sustainability report supports SMEs capacity to export. After completing the sustainability report, a BeDo member took Business Social Compliance Initiative (BSCI) certification because its buyer required a social compliance audit. The development of sustainability report facilitates audit compliance because most of the audit components are covered in the GRI standard.

Peer support on sustainability reporting was found among Womenpreneur Community and BeDo members. Womenpreneur Community and BeDo engaged its members to participate in the sustainability reporting training. Womenpreneur Community members also inspire and motivate other members to grow their business by implementing and reporting sustainability practices. BeDo motivates its members to be export ready SMEs by developing sustainability reports.

SME owner and director's awareness and commitment to sustainability practices is a strong driver for sustainability practices and reporting. For example, the founders of Spa Factory Bali and Roro Kenes had been implementing environmentally sustainable practices and contributed to their community. Learning GRI standards helped them to better analyze, structure, report and improve their sustainability practices. The founder of Bakmi Sundoro saw that implementing and reporting sustainable practices is an important factor to grow the company.

The government requires public companies and financial service companies to develop sustainability reports annually to inform the public on their economic, financial, social and environmental performances, as regulated by Financial Service Regulation Number 51/POJK.03/2017. However, there is no similar requirement for SMEs. Requirement on sustainability practice among SME manufacturers is on waste management, but there is no comprehensive requirement on sustainability practice. The evaluator was not able to meet Ministry of Trade thus insights on the GRI support to the ministry and its view on SMEs are quite limited. SMEs mentioned that financial service institutions also did not support easier financial access for SMEs implementing sustainability practices. National ministry personnel do not have similar understanding on sustainable practices and local government personnel level have less awareness on sustainability. On the other hand, the Ministry

of Trade supports the University of Parahyangan to facilitate three batches of training on sustainability reporting for 100 SMEs to help them to be more export ready companies. The Ministry of Investment and Indonesia Chambers of Commerce, with GRI support, developed the [Guideline on sustainable investment](#) that can be referred to by SMEs in its investment in Indonesia. The government's concern with sustainability practices also has been increasing as shown by the inclusion of sustainability criteria in SMEs competition held by the government. Some SMEs use sustainability report to support their participation in a competition.

The majority of local consumers and markets have limited awareness and demand for sustainable practices and reporting. They are more concerned with low prices. For example, a respondent company introduced less water and less waste amenities but local hotels were not interested in it. However, some niche markets such as millennial consumers and those with higher education and income have more awareness and support for sustainability practices. Therefore, SMEs used sustainability for its branding and targeting the niche market. In addition, having a sustainability report may convince potential buyers on the SMEs' product quality, safety and continuity.

The key collaborations mapped during this evaluation instrumental to the uptake of sustainability reporting are:

- The partnership between the GRI, national business association (e.g., APINDO) and local business association (e.g., Womenpreneur Community in Semarang city) to train SMEs on sustainability reporting;
- Training sessions facilitated GRI to BeDo members, Bina Nusantara University lecturers and SMEs;
- GRI personnel became a resource person on Sustainability Accounting course in University of Parahyangan and the university uses GRI standard as a reference in the course;
- The training and technical assistance on sustainability reporting provided to SMEs by university lecturers and students (e.g., University of Parahyangan and Bina Nusantara University) and organization providing capacity building for SMEs (e.g., BeDo);
- Collaboration between GRI, BeDo and University of Parahyangan to simplify sustainability reporting format for SMEs;
- GRI linking Bina Nusantara University to APINDO so it can assist SMEs in sustainability reporting;
- The Ministry of Trade funding to University of Parahyangan and Bina Nusantara University to train >100 SMEs on sustainability reporting to facilitate them to be more export ready;
- GRI supported APINDO to integrate sustainability reporting into its online and offline training for SMEs.

Contribution by GRI

Programme's contribution that justifies a rating according to this scale:

- **High** = The outcome could not have happened without your actions.
- **Medium** = You made a substantial contribution to a key part of the outcome, and you believe it would not have happened in the same way without your efforts. Other actors also played a substantial contribution to the outcome.
- **Low** = The outcome would have probably happened anyway.

Medium - GRI contributions in Indonesia have been pivotal in enhancing sustainability reporting among SMEs as it introduced sustainability standard to them. In addition, the GRI standards are perceived by the respondents as the most comprehensive and easy to understand sustainability standards. Self-assessment and self-reporting method used by GRI is affordable for SMEs while other certifications are too expensive for SMEs. GRI helps SMEs to identify new sustainable practices in a structured way. Sustainability reporting also facilitates SMEs to document implemented sustainability practices and communicate it with employees, buyers, and potential investors.

Through its collaborative efforts with the business association (e.g., APINDO, Womenpreneur Community), business capacity building organization (e.g., BeDo) and universities (e.g., Bina Nusantara University), GRI has significantly facilitated capacity building among SMEs, universities and business capacity building organization. For most of the respondents, including Bina Nusantara University lecturers, sustainability reporting training by GRI was the first exposure on sustainability reporting. However, a respondent at University of Parahyangan had started teaching sustainability reporting in the Sustainability Accounting course before her personal encounter with GRI personnel. She learned sustainability reporting, including GRI standards, during her doctoral education in sustainability accounting.

Despite these contributions, the work done lacked consistent follow-up to ensure SMEs disseminate and update their reports and improve their sustainability practices. A respondent did not understand the potential use of sustainability report, nor he remembered that his company had developed a sustainability report. SMEs mentioned their limited personnel, time, financial resource and capacity so continuous follow-up is needed from GRI to help them update their sustainability report regularly. Reduced number of staff in GRI Indonesia may pose an additional challenge in providing continuous assistance to SMEs.

Finally, BeDo members also learned about implementing sustainable practices and reducing waste from the SCORE project facilitated by BeDo with International Labor Organization funding. Combined learning from SCORE and GRI sustainability reporting standards facilitate Spa Factory Bali to improve its sustainability practices by reducing waste, developing innovation to produce waterless products, joining Roundtable on Sustainable Palm Oil (RSPO), and reducing footprint by developing local traceable materials. Prior to meeting GRI, Roro Kenes founder believed that a business should have a positive impact on its social and physical environment. Roro Kenes tried to create a positive impact, but the initiative was conducted randomly without specific guidance and indicators. GRI standards help Roro Kenes to assess and plan its social and environmental impacts in a more structured approach. In addition to being used as a guidance in sustainability practice assessment, implementation, and improvement, SR is also used as branding and marketing tool.

Evidence of Contribution

This is the evidence that links the change to GRI, for instance references to specific documentation or key informants (name of roles) external to the programme who validated / substantiated the outcome.

- [SMEs Sustainability Reports](#): Since 2019, GRI has assisted SMEs to develop sustainability reports or sustainability profiles. Some of those SMEs shared their reports to GRI.
- [Youtube record of APINDO SME Academy on line talk on SMEs' sustainability reporting and practices](#): Director of Bakmi Sundoro and Roro Kenes presented their experiences in developing sustainability reports and implementing sustainable practices, including GRI support on their capacity building.
- [Guideline on sustainable investment](#): GRI was one of main contributors in the development of the guideline released by the Ministry of Investment in 2022. The guideline is developed as a guideline in planning and conducting sustainable investment in Indonesia for small, medium and large enterprises. It also mentioned the necessity of budgeting sustainability reporting development as part of an enterprise's funding for good governance activity.

Theory of Change

This section explains through a critical reflection which pathway(s) of the GRI (ToC) this outcome relates to the most, also considering the key assumptions and key programme component this outcome refers to.

The linkage between the outcome in the statement and GRI Theory of Change pertains to the relationship between the mid-level impact of sustainability reports made available and the high-level impact of using the information in the reports to make more sustainable choices. The causal connection between the development of sustainability reports and more-structured sustainability practice improvement is partially demonstrated by some evaluation respondents who attended three days of ToT. However, there were also respondents who did not know why or how to develop a sustainability report. They had the sustainability report because university students prepared it for them. They did not know how to use the sustainability report information to improve their sustainability practices. The assumption that trained SMEs will have gained knowledge and capacity on how to do sustainability reporting does not apply for those participants who only attended one day or introductory training in 2018. It does apply for participants with high education and knowledge on sustainability and those who attended three days of ToT, but other participants mentioned they had difficulty to gain capacity in sustainability report development and use in a one-day training in 2018 thus they did not use the report to improve their business and sustainability practices.

There is no regulation that requires SMEs to develop sustainability report in Indonesia. The majority of local markets and consumers also do not demand sustainability practices and report. SMEs mentioned that financial service institutions also did not support easier financial access for SMEs implementing sustainability practices. A respondent from a listed pharmaceutical company mentioned the company's requirement to its vendors to report sustainability practices yet most of the company vendors are also big companies. Therefore, SMEs with strong internal motivation for sustainability, as shown by their conscious implementation of sustainability reports before meeting GRI, eager to develop their business and target the international market are more inclined to update their sustainability reports and improve their sustainability practice. The condition supports the assumption to impact that mentions stronger impact on improved sustainable practices among companies deciding themselves to use the GRI reporting. The missing assumptions relevant to SMEs are related to the resource availability to improve sustainable practices. Some SMEs are still in the business survival stage and it is difficult for them to improve sustainability practices.

Recommendations at the national level

Explain the key recommendations emerging from the national level work, that could relate to: revenue generating approaches, programme management culture, strategic re-alignment, positioning and influencing, coordination, branding etc.

Actionable Advice 1: Continue supporting SMEs to develop and update sustainability report

Explanation: All respondents mentioned the importance of GRI to continue supporting SMEs to develop sustainability reports. Respondents acknowledge that it is not an easy task but micro, small and medium

enterprises contribute 61% to Indonesia GDP in 2022 that indicates its huge economic power and employee absorption. [There were 193,959 small enterprises and 44,728 medium enterprises in Indonesia in 2021.](#) The support can be provided through training on sustainability reporting and post-training assistance in developing and updating the report. The current evaluation found that the adoption of sustainability reporting and updating is higher among those who had high motivation to grow their business, high awareness on sustainability practices, target international market and receive peer support in the report development. Therefore, those criteria shall be considered in the selection of potential participants. Topic on the importance of sustainable practices and sustainable practices among SMEs should be discussed in the training. The local business association should be engaged in selecting and providing continuous peer support to SMEs. Being a member of the entrepreneur community (e.g., Womenpreneur Community) facilitates its members to learn sustainable practices and optimize them for the SMEs' growth. In addition to writing and updating sustainability reports, SMEs also need assistance to use the report's information in planning and implementing their sustainability practice improvement. They also need capacity in using their sustainability report as branding and marketing tool to grow their business, including niche markets that can be identified and targeted by their sustainability report and practice.

- **Who should action this advice:** The GRI team, local business associations, local universities and implementing SMEs as champions.
- **What needs to be done:** GRI should collaborate with local business associations to identify potential SMEs to participate in GRI sustainability reporting training. The local business associations and local universities can be trained in sustainability reporting ToT and then they can be engaged to facilitate training, provide post training report writing or updating assistance and provide peer support. In addition, SMEs that have implemented significant improvement in sustainability reporting and practices shall be recruited as sustainability champions and facilitated to disseminate their experience to other SMEs. GRI may facilitate a refresher training for previously training of trainer participants, e.g., BeDo trainer and Womenpreneur Community members and sustainability champion SMEs to enable them to train other SMEs. In addition to facilitating ToT to its partners and supporting them to train SMEs, GRI shall work with its partners to develop post-training assistance mechanisms for SMEs. To facilitate continuous support to SMEs, GRI shall consider adding its personnel in Indonesia.
- **When it should be done:** This support should be provided on an ongoing basis, with a focus on training, post-training writing assistance and annual updates to sustainability profiles. Quarterly communication with SMEs should be facilitated to update information on sustainability practice and its improvement.

Actionable Advice 2: Simplify Sustainability reporting standards for SMEs

Explanation: Full version of sustainability standards and reporting is considered difficult by SMEs. GRI should develop simpler sustainability reporting standards for SMEs that consider SMEs capacity to write it. Some SMEs have difficulty to plan sustainability practice improvement based on the existing format. Therefore, the sustainability report for SMEs should include a section on planned actions to improve sustainability practices. SMEs may use the additional section but not disseminate it to other stakeholders. Finally, some SMEs also mentioned their difficulty to update their sustainability report annually due to their limited personnel, time and sustainability change within one year. Information on importance and strategies to update the sustainability report should be disseminated to the SMEs.

- **Who should action this advice:** The GRI team, business associations, and partner universities.
- **What needs to be done:** GRI should facilitate discussion with SMEs who have written their sustainability plan to review the existing reporting standard and develop a simpler one. The discussion shall also address strategies to overcome challenges in updating sustainability report annually.
- **When it should be done:** The sustainability and reporting standards for SMEs should be developed in the next 12 months.

Actionable Advice 3: Conduct advocacy to increase benefits for SMEs in developing sustainable report

Explanation: SMEs reported limited benefits received from government, financial institution and local market from sustainability report development. More benefits come from the international market and conscious consumer niche. Advocacy is needed to increase government, financial institution and local market support to SMEs that develop sustainability reports and improve their sustainability practices. Potential support from the government can be training, technical assistance and capital support to grow SME business. Financial institutions shall use sustainability report and sustainability practices as supporting criteria in financing SMEs. Developing sustainability report can be used as an indication that a SME has a long term vision to grow and run their business sustainably. In addition to building SMEs capacity to assess and engage niche consumers relevant to their sustainability practices, a public campaign for consumers to support SMEs implementing sustainable practices and developing sustainability reporting is also needed. Modern retail stores have an obligation to source some of its goods from SMEs. GRI should lobby and advocate modern retail stores, particularly those owned by listed companies, to prioritize SMEs with good sustainability practice and reporting as their suppliers. The efforts can be conducted directly by GRI or through the government.

- **Who should action this advice:** The GRI team, business associations, government and non-profit organizations working on sustainability issues.
- **What needs to be done:** GRI should conduct a lobby and advocacy to the government, financial institution and local market on the importance of supporting SMEs implementing sustainability practices. GRI shall engage business associations and non-profit organizations working on sustainability issues to support the lobby and advocacy activities.
- **When it should be done:** This lobby and advocacy should be conducted on an ongoing basis.

Actionable Advice 4: Conduct awareness raising on sustainability reporting to local stakeholders

Explanation: SMEs usually interact with local government agencies, bank branches and business associations. Local government agencies usually provide capacity building, technical support, business capital and access to marketing events like exhibitions to SMEs. Bank branches or local banks take decisions on SMEs financing proposals. Local business associations or local branches of national business associations facilitate capacity building, business access and peer support to its members, including SMEs. However, SMEs mentioned that those local stakeholders have limited awareness and support on sustainability practices and reporting. More awareness raising targeting local stakeholders are needed to increase their awareness and support to SMEs implementing sustainability practices.

- **Who should action this advice:** The GRI team, national business associations, national ministries and head office of national banks.
- **What needs to be done:** GRI should conduct lobbying and advocacy to national ministries, national business associations, and head office of national banks to build local government agencies and their branches' awareness on sustainability practices and report. GRI may work with the national ministries and national business associations to select some provinces and municipalities/districts as target areas to pilot a joint initiative to build local stakeholders' awareness and support to sustainability practices and reporting.
- **When it should be done:** This lobby, advocacy and awareness raising should be conducted on an ongoing basis. Piloting in specific provinces and municipalities/districts can be implemented in the upcoming project financial year.

9.2. KEQs linked to Indonesia

The following table presents a set of replies to the main evaluation questions in the context of Indonesia. The replies to evaluation question 1 are derived primarily from informants in the private sector while the ones in evaluation question 2 and 3 also integrated perspectives from GRI trainers/academia and other experts.

Table 12: Replies to Evaluation Questions linked to Indonesia

Linking with Evaluation Question 1

What are the business and other benefits to companies related to GRI standards use and reporting?

- 1a. Has it helped companies improve their competitive advantage and access in regional/country markets and supply chains? How so?
- 1b. Has it helped them improve upon specific aspects that are directly linked to more sustainable strategies, policies and practices? e.g., does the reported information inform the enterprise risk management process and the identification of cost-saving opportunities (energy use, waste reduction)?
- 1c. Has it helped support the product and/or process innovation?
- 1d. Has it improved investor decision-making and company access to investments and sustainable finance?
- 1e. Has it improved reputations and trust with investors/communities/general public?
- 1f. Has it supported meeting permitting or other government requirements?
- 1g. In how far does being transparent about your impacts help with the attraction/retention of talent?

- 1a: Most informants specified the adoption of sustainability reporting has enhanced SMEs' competitive advantage, local and international market access and winning SMEs competition. Sustainability practices and reporting is the differentiation used by the companies such as Roro Kenes, Bakmi Sundoro and Soto Pandaran in their marketing. They present their good practices such as women and local community empowerment, zero waste and healthier packaging practices to target niche local buyers. Sustainability report helped Bakmi Sundoro to show the safety and continuity of its products that attracts modern retail stores to purchase and a potential investor to invest. Sustainability reporting and practices increased Spa Factory Bali access to South East Asia, Europe and Middle East markets. A client, Banyan tree, even asked Spa Factory Bali to submit its sustainability reporting using GRI standards. The sustainability report also increased the chance to get support or win competition held by government agencies or government owned enterprises. For example, Roro Kenes won the following awards: BNI One Hero, Gender Award Entrepreneur from Semarang City, Circular Economy Award from Tempo Group, SDG Champion from National Development Planning Agency, 10 R implementation and empowerment of local crafters from Swasembada Magazine. Among large enterprises, sustainability practice and reporting facilitated Kalbe Farma to be included in the Sustainable and Responsible Investment (SRI) Kehati list that consists of 25 listed companies with best ESG practices out of 900 listed companies in Indonesia Stock Exchange. It increases the interest of conscious investors to the company stock. On the other hand, some respondents did not use their sustainability reports to improve their sustainability practices and marketing thus the report did not increase their competitive advantages.
- 1b: Yes, the adoption of GRI standards has notably enhanced specific aspects of sustainable strategies, policies, and practices within the companies included in this study, particularly in areas that are directly linked to enterprise risk management and the identification of cost-saving opportunities. For instance, the production of waterless toiletries products decreases export cargo cost for Spa Factory Bali. Reducing waste (e.g., by reducing overproduction), upcycling waste and purchasing from local producers also decreases cost and increases profitability. Bakmi Sundoro found that a locally produced flour is more efficient for its noodle production, has longer consumption durability and with almost zero sugar which is safer for people with diabetic, cancer and ulcer problems. Large companies such as Kalbe Farma implements energy saving in green manufacturing initiatives and optimizing trucking distribution routes. Sustainability practices also prevent risks that may disrupt the company production and sales, decrease company's reputation, and force companies to allocate resources to alleviate them. Such integrations show how GRI standards encourage organizations to align sustainability targets with business performance, setting goals and launching projects aimed at reducing energy, water, and waste—demonstrating a commitment to operational efficiency and long-term sustainability.
- 1c. The companies included in the study in Indonesia have reported adoption of GRI standards to significantly support product and process innovations to reduce their carbon footprint and increase their sales. For example, Spa Factory Bali produces waterless toiletries and local traceable oil from moringa and papaya seeds to decrease carbon footprint from importing traceable oil from Europe or exporting heavier toiletries. Roro Kenes innovates in producing slow moving fashion, rather fast moving that creates a lot of waste, by ensuring its product will last more than 2 years and has enduring design. It provides guarantee of free repair or replacement if its products are broken before two years. In addition to ensuring its product quality, it also educates its buyers on slow moving fashion. Bakmi Sundoro innovated and tried several methods to dehydrate noodles to seek the most efficient method in terms of energy and time use. Soto Pandanaran created new products for those conducting self-isolation during COVID-19 pandemic to maintain its sales and employees. Larger company like Kalbe Farma assesses and implements new innovations every year to reduce environmental impact such as using renewable energy and identifying more efficient routing and trucking to reduce fuel use in its production and distribution. However, a SME respondent did not use its sustainability report to create innovation because it faced decreased selling and activities due to COVID-19.
- 1d. While the government recommended financial institutions to provide more financial support to companies implementing sustainable practices, interviewed SMEs mentioned that they did not get better financial access due to implementing sustainability practices. At branch level, financial institutions have not considered sustainability implementation and reporting as important aspects in financing provision to SMEs. They do not ask about SMEs' sustainability practice and reporting. On the other hand, sustainability reporting attracts potential investors. In addition to its financial report, Bakmi Sundoro always presents sustainability report to potential investors, particularly on zero waste, local sourcing and local empowerment. An investor was interested in building a factory because the company's production process does not create waste that reduces potential problems. For large companies, as mentioned by Kalbe Farma, sustainability practices and report drive national and international banks to offer green financing to Kalbe Farma and increase the stock investors interest in the company. Citibank also invited Kalbe to provide inputs on green financing products. The aforementioned discussion shows the different impact of sustainability practices on financial access among SME and large companies.

- 1e. Adoption of GRI standards has significantly enhanced the reputations of SMEs by increasing transparency in their sustainability practices. SMEs, such as Roro Kenes, Bakmi Sundoro and Soto Pandaran, use sustainability profiles as their branding and marketing tools. Due to its sustainability practices, Roro Kenes was covered in a half page profile section by Kompas, the most reputable printed newspaper in Indonesia. Sustainability report developed by Bakmi Sundoro also attracted modern retail stores to purchase its product and an investor is interested to fund its production facility. Organized information in sustainability report can be retrieved easily. It helped Lawe Indonesia to fill forms required by the Bank of Indonesia that provides assistance to small businesses and forms required by local government agencies to support its participation in handicraft exhibitions. Sustainability reports also supported Pia Manna and Malra Abon in Bali to win the SME competitions. Start-ups also use sustainability reports to legitimize its sustainable or impact investment and attract investors.
- 1f. Adoption of GRI standards has indirectly supported SMEs in meeting various government and regulatory requirements, especially among those who produce food. GRI reporting educates SMEs to document their activities. With the documentation, it is easier for SMEs to show their fulfillment of government requirements. For example, documentation on product processing safety and proper waste management facilitates Bakmi Sundoro to get a license from Indonesia Food and Drug Authority. Sustainability practices also facilitated Bakmi Sundoro to be the first traditional noodle (*bakmi*) producer to get a national standard certificate in 2021. High quality ingredients and packaging complying to United States Food and Drug Agency (FDA) standards made it easier for the company to get Hazard Analysis and Critical Control Points (HACCP) certification in 2023. Developing sustainability report also helps SMEs to apply certifications such as Business Social Compliance Initiative (BSCI) and B Corp certifications because most of those audits' components are covered in the GRI standards. For public companies, like Kalbe Farma, the sustainability report development fulfills the listed company's obligation to submit an annual sustainability report.
- 1g. Being transparent about a SME's impacts has mixed results in attracting and retaining talent. It does not have a significant impact in smaller companies whose staff have limited education and their main concern is high payment. It also does not have a significant impact on SMEs that are still struggling to pay its staff with minimum salary and provide required health and employment insurance. In some SMEs, sustainability reporting does not have an effect on attraction and retention of talent because it is developed by their directors and it is not disseminated to other personnel. In bigger SMEs, e.g., Bali Spa Foundation, the transparency on the impact attracts and retains generation Z with tertiary education to do internship and work in the company. The transparency makes employees understand the sustainability requirements and are willing to implement high company standards, such as in maintaining the production cleanliness as part of the good manufacturing process (GMP). The GMP implementation opens European market access that brings more profit to the company that will also benefit the employees. In Roro Kenes, the human resource management that protects employee rights, including rights to be free from sexual exploitation through cat calling, creates happy employees. Those happy employees turn out to be loyal employees. There has been no staff turnover in the company.

Linking with Evaluation Question 2

Are there meaningful contributions to sustainability benefits linked to the use of GRI standards, reporting and data by companies and other stakeholders?

- 2a. What are the contributions of GRI reporting and data usage, if any, on human rights/labor conditions and more inclusive and equitable business practices? This should be explored from the company and throughout the value chain.
- 2b. What are the contributions of GRI reporting, data usage and the knowledge gained towards concrete improvements in the environmental practice and conditions? This should be explored from the company and throughout the value chain
- 2a. The adoption of GRI reporting standards has partially influenced the enhancement of human rights and labor conditions within SMEs. GRI standards increased SMEs' understanding and implementation of minimum working age, prevention of forced labor, and provision of better wages, including overtime payment. Bali Spa Foundation had been implementing human right protection and female inclusion in its labor practices before its encounter with GRI. After the GRI report development, the company is more aware about the inclusion of the youth generation. It recruits the z generation as its interns and employees. For Roro Kenes, GRI reporting helped the company to dig deeper on its employment practice. It has been empowering women by assisting poor females to establish a group as its supplier and training them on financial and social literacy to prevent them from loan shark. Roro Kenes then assessed its gender issue in its own office and developed a standard operating procedure to prevent cat calling in the office. It also provides its male employees mandatory paid fraternity leave. However, some SMEs are still struggling in providing minimum wage and required health and employment insurance due to their financial conditions. SMEs usually do not explicitly require their value chains, mostly consisting of micro and small business or individual suppliers, to undertake human rights in their labor management. On the other hand, bigger company like Kalbe Farma requires its suppliers to fill in supplier health, safety, security and

environment assessment (SHSSEA) to review their compliance to regulation related to environment, social impact and employee management, including the prevention of child worker and forced labor employment.

- 2b. GRI reporting has significantly contributed to concrete improvements in environmental practices among most companies targeted in the study, particularly in enhancing transparency and accountability in environmental management. The adoption of GRI standards has led SMEs, particularly those who export, to reduce or upcycle waste, use less environmental damaging material (e.g., dye for textile), reduce plastic or styrofoam use, produce and campaign durable slow fashion products. For example, Roro Kenes collects its leather waste and provides it to necklace, bracelet and key chain producers for up cycling. Soto Pandaran changes its package from styrofoam or plastic to recyclable paper box or reusable glassware and bamboo-based package. It also processes its waste into organic fertilizer. Soto Pandaran and Bakmi Sundoro also source their production material from local producers to reduce carbon footprint from material transportation. In large companies, Kalbe Farma assesses and implements new innovations every year to reduce environmental impact such as using renewable energy and reducing fuel use for more efficient trucking in its distribution. However, a SME respondent mentioned that there was no direct influence from the report on improved environmental practice because the company faced decreased sales and activities COVID-19.

- **Specific perspective on value chain:** Facilitating the adoption of GRI standards within value chains is challenging for SMEs because they have limited bargaining power and capacity to assess their suppliers' compliance to sustainability standards. In addition, a significant portion of their suppliers are micro and small businesses or individual suppliers that have limited capacity and resources. However, some interviewed companies select or support their vendors to implement sustainable practices. Roro Kenes sources its leather from big suppliers with verified good waste management, but it faces difficulty to require small suppliers on sustainable practice and reporting. Bakmi Sundoro assesses that its detrimental environmental impact comes from plastic use for noodle packages. To reduce the impact, it sources and uses degradable plastic from an FDA certified producer. Spa Factory Bali uses sustainable palm oil for its products and joined Roundtable on Sustainable Palm Oil (RSPO) in 2023. Due to its traceable sourcing implementation, Spa Factory Bali had to import specific oils from Europe producers who had traceability certificates. However, it increased its products' carbon footprint due to far transportation. To address the issue, it engages local companies to produce traceable local moringa, sacha inchi and papaya oils. Spa Factory Bali also engages buyers to purchase waterless products to reduce cargo that contributes carbon footprint. Big companies like Kalbe Farma require sustainable practices among suppliers and ask them to submit supplier health, safety, security and environment assessment (SHSSEA) to review their compliance to regulations related to environment, social impact and employee management. After receiving the filled questionnaires, Kalbe conducts random physical checks to some of its 300 suppliers to verify the accuracy of the provided information. GRI standards were referred to by Kalbe in developing the SHSSEA form. Kalbe Farma also developed their supplier awareness and capacity in sustainable practices and reporting by inviting GRI to facilitate a workshop with its suppliers for two days in 2020. However, Kalbe does not require its suppliers to develop sustainability reports because it considers the suppliers do not have capacity on it. In addition to facilitating training, Kalbe also educates its vendors by establishing a vendor forum and providing awards to vendors with cost and energy efficiency practice. Kalbe has not involved SME vendors that supply stationery, catering, and security and cleaning services in the SHSSEA due to their limited capacity.

Linking with Evaluation Question 3

Are the high-level assumptions in the ToC holding true based on the analyzed primary and secondary evidence?

- 3a. Which assumptions have been further validated/evidenced?
- 3b. What is missing or what should be considered for adaptation?
- 3c. What needs further testing and evidence?

- 3a. The assumption that companies that have more relevant, salient and useful information on how sustainable their business is will be more inclined to improve their sustainable practices and the effect to be stronger when companies decided themselves to use the GRI reporting standard has been further validated among SMEs who have strong internal motivation to use the GRI reporting standard. Those SMEs had been concerned with sustainability practices before their encounter with GRI. The GRI standards help them to assess, document and implement sustainable practices in a more structured way. Roro Kenes director mentioned that "Without GRI, frankly, I would be blind in doing (sustainability practices) because I don't have the map."
- 3b. SMEs that have limited personnel or are struggling to maintain their business face difficulty to update their sustainability report. Some SMEs also have limited resources to improve their sustainability practices based on the findings in their sustainability report. To address this, SMEs' minimum capacity as prerequisite for sustainability report development and sustainability practice improvement should be

identified. In addition, SMEs have difficulty to fulfill full GRI reporting standards thus it is crucial to develop simpler standards for SMEs. GRI Indonesia and its partners have simplified the reporting format and combined it with SMEs' need to have company profiles in a sustainable company profile format. In addition, accessing international markets is a strong reward for sustainability report development and sustainable practice improvement among SMEs. Therefore, an assumption related to international market pressure should be added in the ToC. Furthermore, another challenge for SMEs in developing sustainability reports is their reluctance to open their data on profitability due to tax evasion practice. The economic performance in the sustainability report discloses SMEs' sales and income. On the other hand, the Tax Bureau in Indonesia does not have a good system to track SMEs' sale and profit and the report can be used by the Tax Bureau. Therefore, commitment for transparency is an important prerequisite for sustainability report development.

- 3c. The assumption of trained SMEs will have gained knowledge and capacity on how to do sustainability reporting applies for SMEs with high writing capacity and sufficient knowledge on sustainability. However, other training alumni mentioned their difficulty to write sustainability report. Participants also mentioned their limited understanding on its use thus they did not use the report to improve their business and sustainability practices. Some SMEs also have difficulty inferring sustainable practices that should be improved based on the existing format. Therefore, some SMEs may need longer or more intensive training and post-training assistance to develop their sustainability report and the report should include a section on planned actions to improve sustainability practices. SMEs may use the additional section but not disseminate it to other stakeholders.

10. Cross-country Synthesis

10.1. Summary of achievements in relation to each claim

Table 13: Summaries for each country

Country	Summaries
Indonesia	In Indonesia, sustainability reporting has seen a varied impact largely driven by initiatives from non-profits and capacity building institutions like BeDo and universities such as Parahyangan and Bina Nusantara. These organizations have been crucial in assisting SMEs on sustainability reporting since 2019. Before assisting SMEs on the sustainability reporting, BeDO and Bina Nusantara University were trained by GRI. While some companies, such as Spa Factory Bali and Roro Kenes, have adopted GRI standards to structure their sustainability practices, others have struggled, especially during the COVID-19 pandemic. For instance, some businesses reported no direct influence from sustainability reports on their practices and experienced decreased sales and activity during the pandemic. The inconsistency in sustainability adoption highlights a significant challenge in maintaining momentum and ensuring that all companies understand and implement these practices effectively. GRI in Indonesia is essential but needs more robust support mechanisms to ensure widespread and sustained adoption of its standards across diverse company sizes, including small and medium enterprises.
Sri Lanka	Sri Lanka showcases an advanced commitment to sustainability reporting, led by major companies like Hayleys and John Keels. Regulatory bodies such as the SEC and CSE, in collaboration with GRI, have been instrumental in guiding these companies and many other listed ones. The country's focus on integrated reporting, supported by firms like KPMG, highlights its alignment with international standards and a mature approach to sustainability. However, the engagement of GRI has appeared to be sporadic in the past 4 years, with noted lapses in continuous involvement post-initial interactions. This intermittent commitment suggests a need for more consistent regulatory pressure and support to maintain momentum. Furthermore, while leading companies have set an example, the broader industry still faces challenges in standardizing and scaling these practices – especially among non-listed companies. The role of GRI in Sri Lanka is clear, but there is a pressing need for deeper and more continuous engagement to ensure that sustainability reporting becomes a persistent and integral part of corporate governance.
Kenya	Kenya presents a dynamic but challenging landscape for sustainability reporting. Guidelines from the Central Bank and NSE have significantly influenced corporate strategies, particularly in the banking sector. Companies like KCB and Safaricom have made notable progress, driven by robust frameworks and training from GRI. Despite this, the high cost of training and the necessity for deeper executive understanding remain significant barriers. There is a notable discrepancy in compliance, with only partial adherence by many companies. This highlights a gap between awareness and effective implementation. The critical role of the media in scrutinizing and

	ensuring accurate reporting has been pivotal, but the lack of cohesive standards hinders uniform assessment and a general confusion between competing frameworks was reported. GRI's efforts in Kenya have been noticeable during the development of the guidance by the NSE, yet the journey towards consistent sustainability reporting across all sectors remains incomplete, especially among SMEs, requiring intensified support in convening regulatory coherence to bridge existing gaps.
Colombia	Colombia stands out in Latin America for its leadership in sustainability reporting, driven by initiatives like the Taskforce, Bolsa de Valores and active involvement from regulators like the Superintendencia Financiera. Collaboration with GRI and PRI has pushed for a greater exchange on responsible finance, significantly advancing the reflection on sustainability practices in the financial sector. However, challenges remain in achieving cohesive standards and full integration of sustainability into business operations. The regulatory environment has evolved to support alignment with global standards, but there is a noticeable lag in consistent application across different size of companies, particularly among non-listed companies and SMEs. Efforts by GRI to promote sustainability reporting has been critical, widely recognized as the first mover in the region, yet the real challenge lies in maintaining this momentum and ensuring that all companies, regardless of size, fully embrace sustainability practices. The need for concerted effort to bridge regulations with practice and for a more widespread adoption of sustainability beyond the financial sector remain.

10.2. Main contextual factors affecting the achievement of outcomes

Table 14: Main contextual aspects related to regulations and business environment

Market forces

Interplay between Market Expectations and Regulatory Frameworks Driving Corporate Sustainability

Practices: Investor expectations interplay with evolving regulatory landscape and are pivotal in driving corporate sustainability practices. Investors, especially from Europe and the US, demand comprehensive ESG profiles, pushing regulators to acknowledge sustainability reporting to attract foreign investment and reduce capital costs. In Kenya, the Nairobi Securities Exchange and the Central Bank of Kenya have introduced guidelines emphasizing ESG reporting, urging companies to align with these standards. Similarly, in Indonesia, the lack of formal government mandates for SMEs (listed companies are mandated to report as per Service Regulation Number 51/POJK.03/2017) is offset by international market pressure, compelling companies to adopt and report on sustainability practices to remain attractive to foreign market. According to the regulator, ESG guidelines from the Colombo Stock Exchange, are expected to be made mandatory soon to ensure coherence but existing financial investors are already pushing specific disclosure requirements related to sustainability to access capital like IFC. In Colombia, regulatory frameworks such as Circulars 031/2021 is already enforced, requiring companies in the financial sector to integrate ESG into their risk management practices, reflecting the significant impact of access to capital on advancing sustainability agenda.

Stringent International Market Demands as Catalysts for Sustainability Reporting: International market demands significantly shape sustainability reporting standards; compelling companies that are export oriented to adhere to rigorous practices to maintain access to global markets. In Indonesia, companies are driven by the need to comply with European and Australian market requirements, which mandate stringent sustainability certifications like the Business Social Compliance Initiative (BSCI) that align with GRI standards. These international pressures ensure that Indonesian companies not only meet legal compliance but also enhance their sustainability profiles to remain competitive globally. Similarly, in Kenya, informants highlighted some scandals, like in the tea plantation industry, led to European market boycotts over deforestation concerns, illustrating the critical need for robust sustainability practices to secure global market access. This dynamic is echoed in Sri Lanka, where large companies like Hayleys and John Keels are influenced by investor expectations in accessing export markets. In Colombia, global standards are also increasingly seen as essential for attracting foreign investment, particularly in sectors like mining and agriculture, where environmental and social impacts are increasingly scrutinized by international buyers.

Contextual forces

Local and International Collaboration in Advancing Sustainability Reporting: Local and international collaboration plays a pivotal role in advancing sustainability reporting, providing a comprehensive approach to addressing the multifaceted challenges of ESG practices. In Indonesia, national I organizations like APINDO have partnered with the GRI to develop sustainability training material tailored to SMEs, enhancing their ability

to compete internationally. Sri Lanka's Colombo Stock Exchange has collaborated with GRI and UNDP to introduce sustainability reporting frameworks and an ESG index, ensuring compliance with global standards. Kenya's Nairobi Securities Exchange and the Central Bank of Kenya have worked with international bodies to develop guidelines aligning with TCFD and IFRS standards, raising awareness and capacity among local companies. In Colombia, partnerships with IFC and PRI have facilitated the implementation of sustainability reporting standards, driving regulatory reforms through the Financial Superintendency. These collaborations show the exchange of global expertise and local adaptation, to shape frameworks that enhance transparency and accountability and attract international investment in these countries.

Rising Consumer Awareness and Demand for Sustainable Products Driving Corporate Responsibility:

Rising consumer awareness and demand for sustainable products are significant external pressures driving enhanced sustainability reporting. Educated and higher-income consumers increasingly prioritize environmental and social impacts, pushing companies to adopt and transparently report sustainable practices. In Indonesia, while local market awareness remains limited, a growing segment of consumers demands sustainability, compelling companies to respond by improving their reporting and practices. Various informants indicated the same trend in Kenya, where a substantial percentage of consumers are willing to pay a premium for sustainably produced goods, indicating a shift in market preferences. In Sri Lanka, consumer demand for ethical and environmentally friendly products is influencing companies to integrate sustainability into their core business strategies. In Colombia, consumer expectation for corporate transparency and responsibility is also rising, particularly among younger demographics, driving companies to enhance their sustainability reporting and practices to meet these new demands.

Peer Influence and Competitive Benchmarking Driving ESG Practices: Peer influence and competitive benchmarking are powerful drivers of sustainability reporting. Companies often emulate industry leaders and peers who have successfully integrated sustainability into their operations. In Sri Lanka, companies like Hayleys and John Keels have set high standards for sustainability reporting, winning relevant awards like the one launched by ACCA, influencing others in the region to follow suit. These leading firms actively participate in sustainability indices and awards, not only enhancing their market reputation but also setting a competitive benchmark for others. This peer pressure fosters a culture of continuous improvement and accountability in sustainability practices. In Kenya, the influence of prominent companies such as Safaricom and KCB, which have made substantial strides in sustainability, underscores the critical role of peer benchmarking in promoting ESG initiatives – that are regularly cited as best practices also by regulators.

Regulatory Forces

Challenges Posed by the Absence of Cohesive Global ESG Standards: The lack of uniform global standards poses significant challenges for achieving consistent ESG assessment and adoption across different regions. In Kenya, despite progress in sustainability reporting, the absence of cohesive criteria leads to varied implementation across sectors, impeding comprehensive evaluation. This issue is mirrored in Colombia, where stringent regulatory mandates like Circulars 031/2021 and 15/2023 drive ESG reporting, yet the need for a unified approach remains critical to streamline practices and enhance overall transparency. These disparities underscore the necessity for cohesive global standards to ensure uniformity and comparability in sustainability reporting. While some Indonesian companies, such as Kalbe Farma, adhere to detailed regulations and produce annual sustainability reports, the broader market also in Indonesia lacks a unified standard, complicating efforts to achieve consistent ESG reporting.

Integration of Global Standards and Frameworks into Local Regulatory Practices: The integration of global sustainability standards and frameworks such as GRI, IFRS, and TCFD into local regulatory and business practices is a critical trend driven by external pressures. These frameworks provide structured guidelines for companies to report on their sustainability practices, ensuring consistency and comparability across regions. In Sri Lanka, the CSE has adopted GRI guidelines, establishing a framework for listed companies that ensures regulatory compliance and promotes sustainability. Similarly, in Kenya, regulatory bodies are aligning local reporting requirements with global standards, reflecting a broader trend of integrating international frameworks to enhance sustainability reporting. This alignment fosters a culture of transparency and accountability, crucial for sustainable business practices. In Indonesia, companies increasingly recognize the value of adopting global standards to meet international market and investor expectations and enhance their competitive edge. In Colombia, the adoption of international standards like IFRS and TCFD is driven by both regulatory mandates and

the need to meet the expectations of international investors and markets, reinforcing the importance of global frameworks in shaping local practices.

Evolving Regulatory Landscape and Its Transformative Impact on ESG Reporting: The evolving regulatory landscape continuously shapes ESG reporting practices, reflecting the dynamic nature of sustainability standards. In Sri Lanka, the prospects from trading carbon credits (although possibly controversial for indigenous population) and the national commitment to achieving net-zero emissions within the next decade highlight proactive measures to integrate sustainability into corporate strategies. Similarly, in Kenya, ongoing regulatory discussions about making ESG compliance mandatory underscore the growing recognition of sustainability metrics' importance in advancing national and corporate objectives. These regulatory developments emphasize the need for continuous adaptation to emerging standards and expectations, driving transformative change in ESG reporting. Indonesia, although currently lacking mandatory government requirements for ESG reporting for SMEs, shows promise through initiatives led by organizations like APINDO and collaborative efforts with the Ministry of Trade. These evolving efforts suggest a potential future shift towards more structured and mandatory ESG reporting frameworks, driving transformative change in sustainability practices.

10.3. Summary Replies to Key Evaluation Questions

What are the business and other benefits to companies related to GRI standards use and reporting?

<p>a. Has it helped companies improve their competitive advantage and access in regional/country markets and supply chains? How so?</p>	<p>Moderate evidence</p>
<p>The application of GRI standards has indeed helped companies improve their competitive advantage and access in regional and country markets, as well as in supply chains, by fostering transparency, credibility, and alignment with sustainability goals. For example, in Indonesia, "Sustainability reporting helped BeDO members to get access to international buyers and win SME competition held by government-owned companies." This demonstrates the strategic value of sustainability reporting in enhancing market presence. Similarly, the perception is shared by other informants "Sustainability report increases the SMEs' access to export to Europe and Australia," highlighting how sustainability reporting facilitates entry into new markets in Indonesia. In Kenya, KCB's experience underscores this advantage: "Improved investor relations have led to favourable interest rates," showing the financial benefits of transparent reporting. Furthermore, in Colombia, Asofondos underlines that "managing numerous pension funds, holds a significant reputational implication, ESG is vital in combating negative perceptions associated with such funds" underlining the concept of competitive advantage with reputation. Similarly, JK in Sri Lanka reported that "Competitive advantage is intertwined with transparency and integrity, contributing to credibility within the framework of sustainability. This credibility enhances the company's overall image and forms a crucial aspect of its journey" illustrating the reputation and trust-building effects of sustainability practices. These examples collectively highlight how GRI standards drive reputation that is seen as pre-conditional to competitive advantage in market access, building investor confidence, and operational transparency across different regions.</p>	
<p>b. Has it helped them improve upon specific aspects that are directly linked to more sustainable strategies, policies, and practices? e.g., does the reported information inform the enterprise risk management process and the identification of cost-saving opportunities (energy use, waste reduction)?</p>	<p>Moderate evidence</p>
<p>The implementation of GRI standards has significantly helped companies improve upon sustainable strategies, policies, and practices, particularly in informing enterprise risk management and identifying cost-saving</p>	

opportunities. In Indonesia a SME informant specified that "GRI is the cheapest, most efficient and easy to understand tool for SMEs. Without GRI, frankly, I would be blind in doing (sustainability practices) because I don't have the map" For the SME, GRI standards are guidelines to assess, plan and implement sustainable practices in a structured way. Similarly, another informant shared that "Zero waste strategy and purchasing from local suppliers reduce production cost" for companies. In Sri Lanka, "Hayleys Cube software enabled centralized data management and analysis, overseen by an ESG steering committee," which facilitated strategic assessments for cost-saving. KCB in Kenya also noted that "Resource consumption is monitored quarterly, with retrofitting for efficiency and branch education on reporting and waste management," demonstrating a structured approach to sustainability that integrates with risk management. In Colombia, Asofiduciarias informant reported "The report's baseline facilitated improvement pathways despite initial challenges," leading to coordinated action plans that address thematic gaps. These examples from various countries illustrate a trend where GRI standards drive the integration of sustainability into core business strategies, relating to both risk management and cost efficiency.

c. Has it helped support the product and/or process innovation?	Mixed evidence
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The integration of GRI reporting standards, among informants in the sample, has indeed supported product and process innovation across various companies, fostering sustainability-driven advancements. For instance, in Indonesia, "Bakmi Sundoro innovated and tried several methods to dehydrate noodle to seek the most efficient method in terms of energy and time use," illustrating a direct impact on process improvement and showcasing adaptability in product offerings. In Sri Lanka, companies like Hayleys have reported a concrete example "achieved an 80% reduction in waste in aluminium production now that approximately 60% of the input material now consists of recycled or scrapped aluminium" reflecting significant process innovations. In Kenya, MPESA has "evolved into a marketplace offering financial services, shopping, and public sector access," demonstrating an innovative approach to service delivery and financial inclusion. Meanwhile, in Colombia, "Banco de Colombia stands out globally, having developed its financial issuers and maintained carbon neutrality for seven years," reflecting how sustainability initiatives drive product innovation and market differentiation. On the other hand, for some financial associations like Asofondos the uptake of some of these products is still quite limited "each pension fund may offer sustainability products, but they currently constitute only 10% of the market".

d. Has it improved investor decision-making and company access to investments and sustainable finance?	Strong evidence
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Informants confirmed that the adoption of GRI standards has affected investor decision-making and access to investments and sustainable finance across various companies and regions. In Indonesia, "Bakmi Sundoro always presents its sustainability report to potential investors, particularly emphasizing zero waste, local sourcing, and local empowerment," which has attracted investor interest in building production facilities. Kalbe Farma reported that sustainability reporting "increases stock investors' interest in the company" and has led to national and international banks offering green financing options. In Kenya, KCB noted that "investors rate sustainability reporting as important," with entities like IFC and Kenya RMC highlighting the significance of funding sustainability initiatives. Safaricom's commitment to transparency through "external ESG benchmarks" has boosted investor confidence and led the company to secure IFC support in entering the Ethiopian market. Additionally, banks in Sri Lanka, such as Citibank and HSBC, are exploring "sustainability-linked loans," where interest rates are tied to sustainability performance, though this practice is not yet widespread (Hayleys informant). This emphasis on sustainability is also reflected in Colombia, where "Recent years have seen a rise in impact investors, focusing on gender equality and digital inclusion." Additionally, the integration of ESG discussions into core business talks has improved "reputation and trust," enhancing investor confidence. Overall, GRI is instrumental in enhancing reputation, stakeholder trust, and access to sustainable finance, driving more informed investor decisions globally.

e. Has it improved reputations and trust with investors/communities/general public?	Mixed evidence
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The adoption of GRI standards has critically impacted reputations and trust with investors, communities, and the general public, though the effectiveness varies. In Indonesia, an informant from Bakmi Sundoro noted, "It increased trust from consumers with high education and income," yet there is limited evidence of this translating into broader financial support and in various cases SME informants in Indonesia reported that financial institutions do not consider sustainability as important in credit provision and do not offer green financing for SMEs. In Sri Lanka, Hayleys faced "false accusations and protests," highlighting the precarious nature of reputational management and the importance of transparent reporting to improve public perception. Always in Sri Lanka, EY reported that "sustainability reporting enhances reputation and stakeholder trust, especially during merger and acquisition" even if this appears more reactive than proactive. In Kenya, the focus on sustainability has been noted by KCB "notably improve reputation and trust with current 75% focus on sustainability". Safaricom's use of "external ESG benchmarks for transparency" underscores efforts to boost investor confidence, but the reliance on external validation suggests a gap in intrinsic trust and comparability. These varied experiences suggest that while GRI standards can enhance reputation, the depth and consistency of this improvement are uneven and often dependent on other external factors.

f. Has it supported meeting permitting or other government requirements?	Mixed evidence
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The adoption of GRI standards has critically supported companies in meeting permitting and government requirements, albeit inconsistently across regions. In Indonesia, Lawe Indonesia noted that "GRI reporting requires Lawe to organize its data on sustainability practices," facilitating interactions with government agencies and participation in national competitions. Similarly, Bakmi Sundoro highlighted that "product safety and proper waste management facilitated licenses from the Food and Drug Authority," underscoring the practical benefits of structured sustainability reporting. However, other companies in Indonesia, such as Soto Pandanaran, reported no significant impact, indicating a gap in understanding and application. In Sri Lanka, Hayleys experienced strengthened mechanisms due to GRI, especially "in response to the new CSE listing rules" but it remains clear this is still voluntary, and the requirement comes primarily from export markets. Conversely, in Colombia, Asofondos informant revealed that "Circular 31 has played a crucial role in overcoming resistance for affiliates," helping establish common ground and standards for reporting. In the context of Kenya, Safaricom's informed that they hold a tight relationship with the government "our Government Engagement Team digitizes government practices and initiated the HASLA fund," showcasing how collaboration can exceed compliance and foster broader efforts. Despite these successes, the overall impact remains uneven, with some sectors lagging due to "uncertainty regarding compliance due to overlapping standards," as noted JK in Sri Lanka. This variability suggests that while GRI reporting can support regulatory compliance, its effectiveness is contingent on the clarity of government mandates and the companies' commitment to integrating these standards into their operational frameworks.

1g. In how far does being transparent about your impacts help with the attraction/retention of talent?	Mixed Evidence
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Being transparent about impacts has supported the attraction and retention of talent across various organizations in all sampled countries. However, this trend has mixed results among SMEs in Indonesia. In smaller companies, where staff have limited education and prioritize high payment, transparency has little impact. Similarly, SMEs struggling to meet minimum salary and provide necessary health and employment insurance see minimal benefits from transparency. Additionally, in some SMEs, sustainability reporting developed by directors is not disseminated to other personnel, diminishing its effect on talent attraction and retention. Conversely, in larger SMEs like Bali Spa Foundation, transparency attracts and retains Generation Z employees with tertiary education for internships and employment. These employees appreciate understanding sustainability requirements and are willing to implement high company standards. In Indonesia, Kalbe Farma's transparency "increases stock investors' interest" and fosters trust and commitment among employees. Soto Pandanaran's approach to understanding employees better, knowing that "most employees were their family breadwinners," led to greater loyalty and retention during challenging times. EY in Sri Lanka recruited individuals passionate about sustainability, with employees staying because "everyone shares a desire to make a positive difference for Sri Lanka as a whole." This trend is also evident in Kenya, where Safaricom's commitment to ESG has helped them retain talent by addressing social metrics and implementing policies like flexible and remote working, enhancing

their reputation as "Africa's top employer." Additionally, Asobancarias in Colombia introduced a social protocol focusing on internal culture and financial inclusion, rapidly adopted by multiple entities, indicating a strong link between transparency in social practices and employee satisfaction. Overall, transparency in sustainability practices fosters a sense of purpose and belonging and is recognized as crucial for attracting and retaining talent, especially in larger organizations.

Are there meaningful contributions to sustainability benefits linked to the use of GRI standards, reporting and data by companies and other stakeholders?

2a. What are the contributions of GRI reporting and data usage if any on human rights/labor conditions and more inclusive and equitable business practices? This should be explored from the company and throughout the value chain.

Weak evidence

The implementation of GRI standards within large companies has led to improvements in policies and practices related to human rights and labor conditions according to the majority of informants across the countries under study. In Indonesia, Roro Kenes used GRI reporting to "develop a standard operating procedure to prevent catcalling in the office" and to provide "more than minimum wage salary, health insurance, lunch, religious festive allowance, annual bonus, free lunch, and mandatory fraternity leave." Similarly, in Sri Lanka, Hayleys launched "policies and programs to address gender disparity, targeting over 30% representation of women in leadership" and introduced financial assistance for childcare to support female employees. This trend extends to Kenya, where Safaricom promotes "gender equality and inclusivity, aiming for 50% female representation at entry level and 33% at senior management levels." In Colombia, the introduction of social protocols by Asobancarias, focusing on internal culture and financial inclusion, has seen rapid adoption by 11 out of 38 entities. These examples illustrate a broader shift towards more inclusive and equitable business practices, driven by GRI reporting.

From a value chain perspective, the integration of human rights and labor conditions through GRI reporting remains inconsistent and varies significantly across organizations. In Indonesia, companies like Spa Factory Bali "engage local suppliers to develop traceable products," indicating initial steps towards value chain inclusivity. However, other companies, such as Lawe Indonesia, reported "no direct influence from the report," highlighting gaps in understanding and implementation. In Sri Lanka, JK performs "annual supplier forums covering various initiatives across 25 staff categories" and "annual audits from a sample of sectors including retail, hotels, logistics, and plantations, ensuring adherence to standards across 133 companies". In Kenya, Safaricom facilitates social initiatives "access to credit for women in business" through initiatives that address gender equality within the value chain. However, challenges remain, as noted by an informant in Colombia, where "barriers to full integration include cost implications and a prioritization of sustaining core business operations amidst market fluctuations" and other informants from large conglomerates are still at the beginning of integrating the social dimension downstream, as Hayleys informant reported. Despite these obstacles, there is increasingly an effort to reflect on value chain practices with GRI standards, as evidenced by various informants from large companies, although primarily from a compliance perspective. These examples underscore the need for continued efforts and strategic investments to embed human rights and labor conditions more deeply into the value chain.

b. What are the contributions of GRI reporting data usage and the knowledge gained towards concrete improvements in the environmental practice and conditions? This should be explored from the company and throughout the value chain.

Mixed evidence

GRI reporting has facilitated substantial improvements in environmental practices and conditions across various regions. In Indonesia, Kalbe Farma has used GRI standards to use renewable energy and identify more efficient routing and trucking to reduce fuel use in its production and distribution incorporating sustainable practices. Similarly, Soto Pandaran's shift to "more environmentally friendly packaging and waste processing into organic fertilizer" demonstrates a tangible commitment to environmental stewardship. In Sri Lanka, companies like Hayleys have implemented biomass boilers, resulting in a "reduction in carbon footprint," while the retail

sector has seen "80% reduction in single-use plastic in guest areas." In Kenya, Safaricom's initiatives to "solarize 5,000 sites" and plant millions of trees indicate a strategic focus on reducing carbon emissions and promoting sustainability. However, the impact is uneven, with some companies like Lawe Indonesia reporting "no direct influence from the report" due to challenges such as decreased sales during the pandemic. This highlights the need for consistent and widespread adoption of GRI standards to achieve more uniform environmental improvements.

From a value chain perspective, GRI standards have encouraged more sustainable practices, though challenges remain. In Indonesia, an example is provided by Roro Kenes informant that explained the source of leather comes from suppliers with "verified good waste management," although enforcing sustainable practices among smaller suppliers proves difficult as reported by another informant from Soto Pandanaran. In Sri Lanka, Hayley's engagement with plantation and rubber producers has led to community-level projects like the development of "activated carbon production from coconut shells." JK in Sri Lanka also engages through initiatives to prevent plastic waste from entering oceans by partnering with recycling companies and conducting awareness campaigns although "the company faces measurement challenges in tracking ESG due to its size, especially regarding compliance and audit processes, which incur significant costs". Safaricom in Kenya plans to "solarize 5,000 sites, with solar panels now expected to be on 90% of sites by 2024, thanks to funding secured". However, despite these efforts, all informants reported barriers in going downstream in the application of ESG such as cost implications and prioritization of core business operations. This indicates that while progress is being made, significant work remains to fully integrate environmental practices into the value chain, necessitating continued efforts and strategic investments.

Are the high-level assumptions in the ToC holding true based on the analysed primary and secondary evidence?

3a. Which assumptions have been further validated/evidenced?

The use of GRI reporting has validated several key assumptions about its benefits and challenges. Notably, the data has evidenced that transparency in sustainability practices enhances investor trust and access to sustainable finance. For instance, in Indonesia, Kalbe Farma's "national and international banks also offer green financing" demonstrates increased investor interest due to GRI compliance. Similarly, the enhanced credibility of companies adopting GRI standards, such as Safaricom in Kenya, which "retains talents by addressing social metrics," underscores the positive impact on reputation and trust. However, the assumption that GRI reporting automatically leads to comprehensive social and environmental improvements in the wider operational space has been mixed. While some companies like Roro Kenes in Indonesia "source leather from suppliers with verified good waste management," others, such as Lawe Indonesia, report "no direct influence from the report" on their sustainability practices. This variability highlights the uneven implementation and the need for stronger enforcement and support mechanisms to ensure consistent outcomes across different regions and sectors. Moreover, the complexity of GRI standards remains a significant barrier, especially for SMEs and when looking downstream, as multiple informants from Indonesia noted that "full version GRI standards are too complex for SMEs," or are hard to grasp in operational terms and "integration remains a challenge" according to various informants in Colombia (SECO, UNPRI, Universidad de las Andes) highlighting the need for "enhanced practical implementation" and simplified and practice-centred guidelines.

3b. What is missing or what should be considered for adaptation?

Despite the progress evidenced, several gaps and areas for adaptation remain. The complexity and resource demands of GRI standards pose significant challenges, especially for SMEs. Multiple informants from Indonesia noted that "full version GRI standards are too complex for SMEs," underscoring the need for simplified guidelines and support tailored to smaller enterprises. Additionally, there is a critical need for better integration of social and environmental metrics into financial decision-making processes. In Colombia, Asobancarias emphasized the necessity of "integrating ESG into lending," reflecting the broader challenge of aligning sustainability reporting with financial performance. Moreover, the uneven engagement with value chain partners, as noted by multiple sources, indicates a gap in comprehensive sustainability practices. For instance, while some companies engage in traceable sourcing, others find it "difficult to require small suppliers on sustainable practice and reporting," highlighting the need for more inclusive and enforceable standards throughout the supply chain.

3c. What needs further testing and evidence?

Further testing and evidence are required to assess the long-term impact of GRI reporting on business performance and environmental sustainability. Specifically, more empirical data is needed to validate the assumed financial benefits of GRI compliance. While some companies report enabling outcomes, such as Bakmi Sundoro in Indonesia, which noted "an investor is interested to build a producing facility because it is a zero-waste facility," others have yet to see significant financial returns. Additionally, the effectiveness of GRI standards in driving substantial environmental improvements remains inconsistent. For instance, while Kalbe Farma has implemented initiatives like "empowering farmer groups to plant and supply red ginger," other companies like Lawe Indonesia struggled to "use sustainability profile to improve its business and sustainability practices." Finally, the integration of ESG metrics into mainstream financial analysis and decision-making processes needs more rigorous testing. In Colombia, discussions around "IFRS and TCFD compliance" completely excludes GRI, highlighting the need for standardized methodologies to link sustainability with financial performance more robustly. These areas require ongoing research and adaptation to ensure GRI reporting can effectively drive sustainable business practices and environmental stewardship.

11. Recommendations for Future Actions

11.1. Global-level Programmatic Recommendations

Table 15: Main programmatic recommendations and planning suggestions

Area	Actionable Advices	Who, what and when
Develop GRI Standards for SMEs	SMEs often struggle with sustainability reporting due to limited resources, expertise, and capacity. GRI should develop specific standards tailored for SMEs, simplifying the process while maintaining the integrity of the reporting. This can include creating easy-to-follow guidelines, providing practical examples, and offering step-by-step instructions. Additionally, GRI should offer targeted training and post-training support to help SMEs understand and implement these standards effectively. Regular updates to these guidelines will ensure they remain relevant and practical. By focusing on the unique needs of SMEs, GRI can make sustainability reporting more accessible and manageable for these organizations, encouraging broader participation in sustainability practices. This targeted support will help SMEs integrate sustainability into their core business strategies, enhancing their overall sustainability performance and contributing to a more sustainable business environment. This approach aligns with the feedback that SMEs often do not update their sustainability reports annually and need more support to develop and use their sustainability profiles effectively.	<p>Who should action this advice: GRI task force in collaboration with local business associations and SMEs.</p> <p>What needs to be done: Diagnostic of SME landscape in each country. Develop simplified GRI standards and guidelines for SMEs, provide training and post-training support, and create practical examples and tools tailored for SMEs.</p> <p>When it should be done: Start the development process and pilot guidelines ready within 12 months, followed by a service package and support programs targeted to SMEs within the next 18 months</p>
Enhance Integration with IFRS Standards	To streamline sustainability reporting, GRI should work towards enhancing the interoperability, all the way down to unit of measures, in application between its standards and those of the IFRS, especially unpacking the concept of impact and double materiality. Some informants even suggested a full merge between GRI and IFRS to ease this process. The creation of joint guidance on how to integrate standards into corporate reporting would support companies in making their sustainability efforts part of core business strategies while reducing confusion across standards. This involves developing mechanisms to assess sustainability practices in a harmonized way, ensuring that they align with both financial and sustainability objectives. By providing companies with the tools and guidance needed to navigate these integrated standards, GRI can help ensuring that sustainability reporting is not only comprehensive but also actionable, inter-operable, and instrumental to better decision-making	<p>Who should action this advice: GRI in collaboration with IFRS Foundation and corporate finance teams.</p> <p>What needs to be done: Develop guidelines for integrating GRI and IFRS standards, conduct training sessions, and provide ongoing support to companies.</p> <p>When it should be done: Initiate with integrated practical guidelines ready within 12 months, and full implementation with training and support within 24 months.</p>

	and the credibility of sustainability efforts. This approach is critical given the increasing regulatory demands and the need for more coherent and efficient reporting frameworks.	
Address Social Aspects and Human Rights in Sustainability Reporting	GRI should improve its integration of social aspects and human rights within its sustainability reporting standards. This includes providing more detailed guidance and practical examples to help companies address these issues comprehensively. By focusing on social aspects such as labor rights, gender equality, and community impacts, GRI can ensure that sustainability reporting encompasses a holistic view of corporate responsibilities. Enhanced training and support in these areas will help companies better understand and implement social sustainability practices, leading to more comprehensive and meaningful sustainability reports. This approach is essential to address the growing demand for transparency and accountability in social issues, ensuring that companies not only focus on environmental and economic sustainability but also on the social dimensions of their operations.	Who should action this advice: GRI technical teams at HQ and regional level, in collaboration with human rights organizations and social impact experts. What needs to be done: Develop detailed guidelines and practical examples for integrating social aspects and human rights into sustainability reporting, conduct training sessions, and provide ongoing support. When it should be done: Initiate the development of practical guidelines and training sessions available within 12 months and ongoing support for implementation.
Enhance and Diversify Engagement with Regulatory Bodies and Business Associations	GRI should strengthen its engagement with regulatory bodies and professional associations to improve the adoption and implementation of sustainability reporting standards. This includes working closely with these entities to align GRI standards with regulatory requirements and industry needs. By collaborating with other regulatory bodies outside of the financial sector, GRI can ensure that its standards are recognized and supported by key stakeholders, enhancing their credibility and adoption. Business associations can also play a crucial role in disseminating information about GRI standards and providing support to their members in implementing sustainability reporting. This collaborative approach will help create a more supportive and coherent framework for sustainability reporting, encouraging broader participation and compliance across different sectors.	Who should action this advice: GRI teams at the regional level, in collaboration with regulatory bodies and professional associations. What needs to be done: Develop strategic partnerships with regulatory bodies and professional/business associations, provide joint training sessions, and align GRI standards with regulatory and industry requirements. When it should be done: Begin with initial partnerships formalization and with the planning of training/working sessions over the course of the next 12 months together with formalised partners
Improve Case-Study centric Training and Support for Complex Reporting Standards	GRI should enhance its training and support programs to help companies navigate complex reporting standards such as double materiality required by the EU and scope 3 emissions. This involves updating training materials, offering more frequent training sessions, and providing practical examples post-training to improve reporting quality. Companies often find it challenging to keep up with evolving standards and requirements; thus, GRI should provide continuous learning opportunities to ensure that they remain informed and capable of meeting these challenges. This support will enable companies to produce more accurate and comprehensive sustainability reports, enhancing their transparency and accountability. Moreover, by addressing the complexities of these standards, GRI can help companies integrate sustainability into their core business strategies more effectively.	Who should action this advice: GRI technical team and programme managers, in collaboration with sustainability consultants and training organizations. What needs to be done: Update training materials, develop new training modules for complex reporting standards, and offer frequent training sessions and support tools. When it should be done: Initiate with updated training materials and initial sessions available within 6 months and ongoing updates and sessions.
Contribute to the Development of a Sustainability Index/Scoring Across Markets	GRI should collaborate with local stock exchanges, regulatory bodies, and financial institutions towards ongoing or new efforts in developing a sustainability index or scoring mechanism for across markets that embeds multiple dimensions of ESG. This index/scoring would track the sustainability performance of listed companies, providing a benchmark for investors and encouraging companies to improve their sustainability practices. An index could also serve as a powerful tool for promoting	Who should action this advice: GRI technical team, in collaboration with local stock exchanges, regulatory bodies, and financial institutions. What needs to be done: Develop the sustainability index, conduct consultations with stakeholders, and provide training and support to

	transparency and accountability in corporate sustainability efforts, helping investors make informed decisions based on standardized sustainability metrics. Additionally, the index can drive competition among companies to improve their sustainability performance, contributing to broader sustainability goals. This initiative aligns with the ongoing efforts to promote sustainability reporting among listed companies through precise measurement of sustainability impacts across taxonomies.	companies for implementing the index. When it should be done: Begin with the analysis on in which country there is ongoing work to launch and devise an engagement strategy within 18 to 24 months so GRI can feed inputs based on feedback and market changes.
Strengthen the Focus on Macroeconomic Risk Management in Sustainability Reporting	GRI should enhance its focus and facilitate linking policy change with macroeconomic analysis management within sustainability reporting and risk management practices when engaging with policy makers. This involves policy discussion about public funding mechanisms that address the requirements of transition to system level change, considering long-term implications of ESG risks, emphasizing ecosystem risk management over, for instance, increased natural resource exploration. By developing guidelines and tools that help regulators to identify and manage macroeconomic risks, GRI can also support businesses in making more informed and strategic decisions about their contribution to a wider picture. This approach will help both companies and regulators to anticipate and mitigate potential systemic risks, thereby enhancing their resilience and sustainability. This focus can drive better alignment between corporate sustainability practices and broader economic and environmental goals, ensuring that sustainability efforts contribute to long-term economic stability and growth.	Who should action this advice: GRI policy team, in collaboration with corporate risk management teams, policy advisors, and sustainability experts. What needs to be done: Develop guidelines and tools for macroeconomic risk management in sustainability reporting, provide training, and support companies in integrating these practices. When it should be done: Start with guidelines and training programs available within the next 12 months and ongoing support for implementation.

11.2. Global-level Management Recommendations

Table 16: Main management recommendations and planning suggestions

Actionable Advices	Who, what and when
<p>Improve programme management MEL systems to evidence contribution and position more effectively. Enhancing GRI's Monitoring, Evaluation, and Learning (MEL) systems is crucial to better demonstrate the impact and effectiveness of its initiatives. A more sophisticated MEL system would allow for more comprehensive and accurate data collection and analysis, capturing both the quantitative and qualitative impacts of GRI standards. This improvement would help illustrate the tangible benefits of sustainability reporting, such as improved environmental practices, social equity, and economic performance. It would also provide the necessary evidence to support claims about GRI's effectiveness, making the case for wider adoption more compelling to stakeholders. Additionally, a robust MEL system supports continuous improvement by identifying areas where GRI standards are effectively implemented and areas needing adjustment. This approach not only strengthens GRI's credibility but also ensures that its standards evolve in response to real-world challenges and opportunities. Implementing advanced data analytics and regular feedback mechanisms would further enhance the system's effectiveness, ensuring that the evidence gathered is both actionable and relevant.</p>	<p>Who should action this advice: Senior Management Team, Programme Management Office, and MEL focal points</p> <p>What needs to be done: The first step involves conducting a thorough review of the current MEL systems to identify gaps and areas for improvement. This should be followed by the development of an enhanced MEL framework that incorporates best practices in data collection, analysis, and reporting. The framework should include clear indicators and metrics that align with GRI's strategic objectives. Training sessions should be organized for staff to ensure they are proficient in using the new MEL systems. Furthermore, regular evaluations should be scheduled to assess the effectiveness of the MEL systems and make necessary adjustments.</p> <p>When it should be done: This initiative should commence with the review and development phase, which should be completed within the first six months. The implementation of the enhanced MEL systems, including staff training, should occur in the subsequent six months. Regular audits and evaluations should be conducted on an ongoing basis to ensure continuous improvement and adaptation.</p>
<p>Decentralize leadership and increase financial authority and responsibility at the regional level</p>	<p>Who should action this advice:</p>

<p>Decentralizing leadership and enhancing financial responsibility at the regional level will significantly increase GRI's operational effectiveness and responsiveness. Empowering regional offices with more financial autonomy could allow for development of strategies that are tailored to specific socio-economic and environmental contexts. This localized approach enables regional leaders to address challenges more efficiently and implement initiatives that are directly relevant to their areas. Additionally, decentralizing financial responsibility ensures that resources are allocated in alignment with local priorities, promoting better financial management and accountability in setting goals or targets that can be achievable within the available resources. This strategy not only fosters innovation but also builds a culture of trust and collaboration within the organization. Decentralization also enhances GRI's ability to respond quickly to emerging issues and opportunities, making the organization more agile and adaptable. By granting regional offices greater authority and financial control, GRI can ensure that its sustainability standards are effectively implemented across diverse contexts, while also reducing the risk of Eurocentrism, enhancing overall impact, representativeness of multiple perspectives, and tailored stakeholder engagement.</p>	<p>The decentralization process should be led by the Chief Executive Officer and the Senior Management Team, in collaboration with regional directors and financial officers. The Board of Directors should provide strategic oversight and ensure that the decentralization aligns with GRI's overall mission and goals. Regional leaders should be empowered and equipped with the necessary resources and authority to take on increased responsibilities.</p> <p>What needs to be done: Firstly, a comprehensive decentralization plan must be developed, outlining specific roles, responsibilities, and financial controls to be delegated to regional offices. This plan should include capacity-building initiatives to ensure regional leaders are equipped to manage their new responsibilities effectively. Establishing legal entities in key markets and setting up localized operations will be crucial also to extend and grow country-level operations. Therefore, updating financial systems and reporting mechanisms to support decentralized operations is necessary. A communication strategy should also be developed to explain the rationale and benefits of decentralization to all stakeholders. Piloting the decentralization strategy in selected regions will help identify potential challenges and refine the approach. Continuous support, monitoring, and adjustments will be essential to address issues and ensure success.</p> <p>When it should be done: The planning and development phase could be completed within the first six months from the start of the process. Pilot projects should be launched in selected regions in the following six months, with a full rollout of the decentralized model in the next twelve to eighteen months. Ongoing support and evaluation should continue to ensure the successful implementation and refinement of the decentralized leadership and financial responsibility model.</p>
<p>Discorporate thought leadership from a revenue generating arm Separating thought leadership from revenue-generating activities is crucial to maintain the integrity and credibility of GRI's intellectual contributions. This distinction ensures that the development of sustainability standards and best practices remains unbiased and is driven purely by a commitment to advancing sustainability, rather than financial motives. By establishing a distinct entity or division focused solely on thought leadership, GRI can foster innovation, conduct cutting-edge research, and contribute to the global discourse on sustainability without the influence of revenue considerations. This separation also addresses stakeholder concerns about potential conflicts of interest, enhancing GRI's reputation as an impartial and authoritative voice in sustainability. Additionally, it allows the revenue-generating arm to focus on the practical implementation of standards, client services, and other commercial activities, ensuring a clear and effective operational focus.</p>	<p>Who should action this advice: The initiative to discorporate thought leadership should be led by the Chief Executive Officer and the Senior Management Team, with strategic oversight from the Board of Directors. This team should include key individuals from both the existing thought leadership and revenue-generating departments to ensure a seamless transition and collaboration. Engaging external consultants with expertise in organizational restructuring can also provide valuable insights and guidance.</p> <p>What needs to be done: The first step involves developing a detailed plan for the separation, including the establishment of a new entity or division dedicated to thought leadership. This plan should outline the governance structure, funding mechanisms, and operational processes for the new entity. Ensuring that the thought leadership entity has adequate resources and independence to operate effectively is crucial. Communication strategies must be developed to explain the rationale and benefits of this separation to all stakeholders, including staff, partners, and the broader sustainability community.</p> <p>When it should be done: The planning phase could be completed within the first six months. The establishment of the new entity or division should occur in the subsequent six to twelve months. Regular reviews and adjustments should be conducted to ensure the new entity operates effectively and achieves its intended objectives, with ongoing monitoring and support provided as needed.</p>

<p>Consider merging part of GRI operations with other standards setters like ISSB</p> <p>Merging part of GRI operations with other standards setters such as ISSB would significantly enhance the coherence and comprehensiveness of sustainability reporting. Integrating financial and non-financial reporting provides a unified framework that simplifies the reporting process for organizations and ensures a holistic view of their performance. This strategic merger could position GRI as a pivotal player in the global landscape of reporting standards, increasing its focus on influence and adoption. The merger could streamline efforts, reduce redundancies, and promote a more integrated approach to sustainability and financial performance. It also responds to the widespread demand from informants to stick with a single, authoritative set of standards, thereby reducing confusion and increasing efficiency. This alignment could drive greater consistency and comparability across reports, facilitating better decision-making for investors and other stakeholders.</p>	<p>Who should action this advice: The merger initiative should be driven by the Chief Executive Officer and the Senior Management Team, in close collaboration with the Board of Directors and strategic partnerships team. Involving key stakeholders from both GRI and ISSB early in the process is essential to build consensus and support for the merger. External advisors with expertise in mergers and acquisitions within the non-profit and standards-setting sectors can provide critical guidance and support.</p> <p>What needs to be done: The first step involves initiating high-level discussions and negotiations with ISSB and other relevant standards setters to explore the feasibility and strategic benefits of a merger. Developing a detailed merger plan that includes stakeholder engagement strategies, communication plans, and operational integration steps is crucial. Establishing a joint task force to oversee the merger process and ensure effective coordination between the organizations is necessary. Creating a roadmap for aligning reporting standards and guidelines, including clear timelines and milestones, will facilitate a smooth transition and integration.</p> <p>When it should be done: The initial discussions and planning phase should begin once there is an agreement in principle between both boards and be completed within the first six months. The implementation phase, including the establishment of the joint task force and the development of the alignment roadmap, should take place in the following six to twelve months. Full integration and alignment of reporting standards should be achieved within eighteen to twenty-four months, with continuous monitoring and refinement to ensure the success of the merger.</p>
<p>Developing a Structured Partnership Approach with Donors so they Become Partners</p> <p>Developing a structured partnership approach with donors, centered on co-learning, design thinking, and piloting for impact before scaling-up, would significantly enhance collaborative efforts and project effectiveness. This approach moves beyond traditional donor-recipient dynamics, fostering equal partnerships that emphasize shared goals and mutual benefits. By embedding co-learning processes, both the organization and donors can share insights and develop a deeper understanding of project contexts, leading to more innovative solutions. Design thinking can be utilized to iteratively refine project strategies and interventions, ensuring they are user-centric and effective. Piloting initiatives on a smaller scale before scaling them up allows for testing and refining approaches, reducing risks, and increasing the likelihood of success. Structured MEL processes should be implemented to inform programmatic decisions, allowing for real-time adjustments and improvements. This will not only enhance project outcomes but also reduce clientelistic tendencies, ensuring more transparent and equitable relationships. This shift will enable both parties to better understand the complexities of their initiatives, leading to more sustainable and impactful outcomes that transcend only the adoption of standards but their full application.</p>	<p>Who should action this advice: This initiative should be led by the Chief Executive Officer and the Senior Management Team, in close collaboration with the Board of Directors and the strategic partnerships team. Engaging key stakeholders from within the organization and the donor community early in the process is essential to build consensus and support for the partnership approach. External advisors with expertise in partnership development and design thinking can provide critical guidance and support.</p> <p>What needs to be done: The first step involves initiating high-level discussions with key donors to explore the feasibility and strategic benefits of a structured partnership approach. Developing a comprehensive partnership plan that includes stakeholder engagement strategies, communication plans, and pilot project outlines is crucial. Establishing a joint task force to oversee the partnership process and ensure effective coordination, programme management and MEL is necessary. Creating a roadmap for implementing design thinking and piloting strategies for impact, including clear timelines and milestones, will facilitate a smooth transition and integration.</p> <p>When it should be done: The initial discussions and agreement in principle at the management level to identify the gaps to reach a more equal partnership within the first six months. The implementation phase, including the establishment of a taskforce and the development of the partnership roadmap/plus capacity integration, should take place in the following six to twelve months. Full integration and alignment of the partnership approach should be</p>

	achieved within eighteen to twenty-four months, with continuous monitoring and refinement to ensure the success of the initiative.
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12. Annexes and Supporting Documents

Tools for data collection

Tool A: Data Collection Tool for Companies

Introduction: This survey aims to understand the multi-faceted impact of using and reporting on GRI standards in companies.

General Information

1. Company Name: _____
2. Industry Sector: _____
3. Number of Years Reporting on GRI Standards: _____
4. Primary Contact (for follow-up queries, if any): _____

Section A: Change observed: ...

Change and Contribution

1.1. Is this accurate, what are the missing elements from this observed change?

1.1.1. Who were the primary champions within your company that advocated for and drove the shift towards increased sustainability reporting?

- Open-ended: _____

1.2 Post the GRI programme, how did your work change w.r.t sustainability reporting?

- Open-ended: _____

Contextual Understanding

2.1 Since when has your company been actively involved in sustainability reporting?

2.2 How did the broader business and regulatory environment, prior to and during 2022, influence your company's decision to engage with ESG?

2.3 Were there external pressures or motivations that pushed for greater sustainability reporting? If so, please specify.

- Shareholder demands
- Regulatory requirements
- Peer company practices
- Customer demands
- Other: _____ (please specify)

Collaborative Dynamics

3.1 During the "Shaping the Sustainability Reporting Journey" programme, did your company collaborate or interact with any other stakeholders?

- GRI
- Other regulators (specify which one, for example: Capital Markets Authority, ASEA etc.)
- Other companies
- Others (specify)
- None

3.2 Can you describe the nature of these interactions and how they influenced the outcomes and the crafting of your sustainability reports?

Feedback for GRI

a. Assessment of GRI's work conducted so far

How do you evaluate the impact of GRI's engagement in your specific context, and what changes did you witness because of its work?

b. Identifying Needs for Support and Focus Areas:

In your view, what are the critical areas or types of support where GRI should concentrate more of its efforts in the near future to better align with the evolving sustainability challenges in your region?

c. Adapting to Changing Global Sustainability Trends:

Considering the rapidly changing global sustainability landscape, what strategic shifts or new approaches do you suggest GRI should adopt to remain relevant and impactful in the longer-term?

Section B: Competitive Advantage & Market Access

4.1. How did the application of GRI standards impact your competitive advantage in your company?

4.2. Did GRI reporting change your position in supply chains? If yes, how?

4.3. Share instances where GRI standards influenced business deals or market expansion decisions.

Section C: Strategies & Policies

5.1. Share an instance where sustainability reporting informed a key business decision or strategy.

- 5.2. Has GRI reporting led to any cost-saving opportunities in energy use, water usage or waste reduction for your company? Comment on each.
- Yes/No
- 5.3. If yes, detail the impact of these cost-saving strategies on your company's finances and operations.

Section D: Innovation & Product Development

- 6.1. Has GRI reporting influenced your company's product or process innovations?
- Yes/No
 - If yes, please provide examples and describe the influence of GRI on the innovation process.
- 6.2. Has GRI reporting contributed to your Research & Development decisions or outcomes?
- Yes/No
 - If yes, please share a case study or example.

Section E: Investment, Finance & Stakeholder Relations

- 7.1. How would you rate the importance given by investors on sustainability reporting in their decisions related to your company? (1 = No Influence, 5 = Significant Influence)
- 7.2. Describe any specific feedback from investors or financial institutions linking GRI standards to their decisions.
- 7.3. Has there been a noticeable change in company reputation or trustworthiness among stakeholders while adopting GRI standards for sustainability reporting?
- Yes/No
 - If yes, provide examples or specific feedback received from stakeholders (e.g., consumers, investors, communities, partners).

Section F: Regulatory Compliance & Government Relations

- 8.1. Have GRI standards facilitated your company in meeting any specific government or regulatory requirements?
- Yes/No
 - If yes, please elaborate on the requirement and the role of GRI reporting.
- 8.2. Has your company ever utilized GRI reporting as a clarification tool in a regulatory inquiry?
- Yes/No
 - If yes, please share the context and outcome.

Section G: Talent Management & Employee Relations

- 9.1. How would you rate the importance of GRI transparency in attracting and retaining talent in your company? (1 = Not Important, 5 = Extremely Important)
- 9.2. Share feedback or instances where GRI reporting has influenced an employee's decision to join, stay, or leave the company.

Section H: Contributions to Human Rights/Labor Conditions

- 10.1. In your company's experience, how have GRI standards influenced policies, practices, or operations related to human rights and labor conditions?
- 10.2. Has the use of GRI standards led to the identification and mitigation of any significant human rights or labor risks in your operations or supply chain?
- Yes
 - No
 - Uncertain
 - If "Yes", please provide a brief description of the measures implemented as a result.
- 10.3. Describe any initiatives or changes introduced to promote more inclusive and equitable business practices in alignment with GRI standards.
- 10.4. To what extent do you engage your value chain (e.g., suppliers, distributors) in discussions or training on GRI standards and human rights/labor conditions?
- Extensively
 - Moderately
 - Minimally
 - Not at All
- 10.4.1. Please provide reasons or examples for your response.

Section I: Contributions to Environmental Practices

- 11.1. How has your company's procurement and resource management practices been shaped or influenced by the GRI environmental standards?
- 11.2. Has the application of GRI standards provided insights into other areas related to the reduction of a company's environmental impact?
- Yes

- No
 - Uncertain
 - If "Yes", highlight some key environmental practices or projects implemented as a result.
- 11.3. Describe any collaborations or partnerships undertaken with external stakeholders (e.g., NGOs, local communities) for environmental initiatives guided by GRI standards.
- Community level:
 - Value chain partners:
- 11.4. How often is evidence from GRI standards utilized to inform and update the company's environmental goals or practices?
- Regularly incorporated
 - Occasionally considered
 - Rarely used
 - Never used
- 11.4.1. Please share examples or explanations for your selection

Section J: Value Chain Engagement on Sustainability

- 12.1. How is the company facilitating or promoting the adoption of GRI standards among its value chain partners for sustainability benefits?
- 12.2. Has there been resistance or challenges in engaging the value chain partners on GRI standards and sustainability practices?
- Yes
 - No
 - Uncertain
 - If "Yes", please specify the challenges faced.
- 12.3. Share any success stories or best practices related to GRI standards adoption and sustainability improvements within the value chain.

Section K: Value chain engagement and incentivization of GRI standards

We are interested in understanding the strategies or initiatives you have implemented to encourage suppliers, distributors, and other value chain partners to adopt GRI standards.

- 13.1. As your company continues to adopt and report on GRI standards, could you elaborate on how you are incentivizing and integrating these standards within your value chain?
- 13.2. What challenges have you encountered in this process, and how have you addressed them to ensure a cohesive approach to sustainability across your value chain?

Section L: Any Additional Comments

Please share any additional insights, stories, challenges, or suggestions related to the adoption of GRI standards/sustainability reporting in your company.

Are there any other contacts that I can reach out to discuss any of these areas more in-depth?

Tool B: Data Collection Tool for Regulators/Governmental Stakeholders

Introduction: This survey aims to understand the motivations, challenges, and outcomes related to regulatory incentives for companies using and reporting on GRI standards.

General Information

1. Regulatory Body Name: _____
2. Country/Region of Operation: _____
3. Primary Contact (for follow-up queries, if any): _____

Section A: Change observed: ...

Change and Contribution

- 1.1. Is this accurate, what are the missing elements from this observed change?
- 1.1.1 Who were the champions within your institution that advocated for and drove the shift towards incentivizing GRI standards and sustainability reporting, how?
- Open-ended: _____
- 1.1.2 How did your role in the organization evolved to support this change?
- Open-ended: _____

Contextual Understanding

- 2.1 Since when has your institution been actively involved in promoting sustainability reporting?
- 2.1.1. How did your institution first learn about GRI standards?
- Workshops/Conferences

- Academic Literature
- Regulatory Directives
- Peer Institutions
- Other: _____

2.2 Were there external pressures or motivations that pushed to support the uptake of sustainability reporting? If so, please specify.

- Shareholder demands
- Regulatory requirements
- Peer company practices
- Customer demands
- Environmental factors
- Other: _____ (please specify)

Collaborative Dynamics

3.1 How did you collaborate or interact with the following stakeholders to contribute to this change?

- GRI
- Other regulators (specify which one, for example: Capital Markets Authority, ASEA etc.)
- Other participating companies
- Others (specify)
- None

3.2 Which interaction most influenced the observed outcome?

Feedback for GRI

3.3. How do you evaluate the impact of GRI's engagement in your specific context, and what changes did you witness because of its work?

3.4. In your view, what are the critical areas or types of support where GRI should concentrate more of its efforts in the future to better align with the evolving sustainability challenges in your region and/or organizational priorities?

Section B: Incentives & Motivations

4.1. What are the main incentives offered to companies for adopting GRI standards?

4.2 Elaborate on any international or national mandates/trends that influenced this decision.

Section C: Perceived Benefits & Outcomes

5.1. Based on your observations, how have companies benefited from adopting GRI standards?

5.2. Has the adoption of GRI standards helped improve companies' competitive advantage in regional/country markets?

- Yes/No/ Do not know
- If yes, please explain the perceived benefits.

5.3. From a regulatory perspective, do you believe GRI standards have influenced companies to adopt more sustainable strategies and practices?

- Yes/No/ Do not know
- If yes, please provide examples or insights.

Section D: Contribution to ESG

7.1. From a regulatory standpoint, have you observed any impact from GRI adoption on human rights and labor conditions across reporting firms?

7.2. Has the adoption of GRI standards by companies led to noticeable improvements in environmental practices?

- Yes/No/ Do not know
- If yes, please provide examples.

Section E: Regulatory Challenges & Solutions

6.1. Describe any challenges in regulating the uptake of GRI standards across all sectors.

- How have these challenges been addressed?

6.2. Are there any unintended consequences observed from incentivizing GRI standards?

- Yes/No/ Do not know
- If yes, please detail these consequences.

Section F: Assumptions & Adaptations for GRI incentivization

8.1. What were the initial assumptions made regarding the context of incentivizing GRI standards (such as social, economic or environmental factors)?

8.2. Given the evolving business, policy and environmental landscape, what aspects of the incentives or the GRI standards do you believe need adaptation, prioritization or reconsideration?

- 8.3. As we look to the future, could you outline your institution's strategy or plans regarding the ongoing promotion and incentivization of GRI standards and how do you envision these efforts evolving to meet emerging sustainability challenges?
- 8.4. Based on your experiences, what advice or recommendations would you offer to other regulatory bodies, both in the public and private sectors, who are contemplating the adoption and incentivization of GRI standards? Are there specific strategies or approaches that you have found particularly effective or beneficial in this regard?

Section G: Any Additional Comments

- 9.1. Please share any additional insights, stories, challenges, or suggestions related to incentivizing GRI standards.

Are there any other contacts that I can reach out to discuss any of these areas more in-depth?

Tool C: Data Collection Tool for Accountancy & Cost Management Training Institutes

Introduction: This survey seeks to comprehend how accountancy and cost management institutes are acquainting themselves with GRI standards and assimilating it into their professional endeavors.

General Information

1. Institute Name: _____
2. Country/Region of Operation: _____
3. Primary Contact (for follow-up queries, if any): _____

Section A: Change observed: ...

Change and Contribution

- 1.1. Is this accurate, what are the missing elements from this observed change?
- 1.2 Who were the primary champions within your Institute that advocated for and drove the shift towards enhanced sustainability reporting, and how?
 - Open-ended: _____
- 1.2 How did the role of your organization evolved to support this change?
 - Open-ended: _____

Contextual Understanding

- 2.2. Since when has your institution been actively involved in supporting sustainability reporting?
 - 2.2.1. How did your institute first learn about GRI standards?
 - Workshops/Conferences
 - Academic Literature
 - Regulatory Directives
 - Peer Institutions
 - Other: _____
 - 2.3. Were there external pressures or motivations that pushed to support sustainability reporting? If so, please specify.
 - Shareholder demands
 - Regulatory requirements
 - Peer company practices
 - Customer demands
 - Environmental factors
 - Other: _____ (please specify)

Collaborative Dynamics

- 3.1 How did you collaborate or interact with the following stakeholders to contribute to this change?
 - GRI
 - NSE
 - Other regulators (specify which one, for example: Capital Markets Authority, ASEA etc.)
 - Other participating companies
 - Others (specify)
 - None
- 3.2 Which interaction most influenced the observed outcome?

Feedback for GRI

a. Assessment of GRI's work conducted so far:

How do you evaluate the impact of GRI's engagement in your specific context, and what changes did you witness because of its work?

b. Identifying Needs for Support and Focus Areas:

In your view, what are the critical areas or types of support where GRI should concentrate more of its efforts in the near future to better align with the evolving sustainability challenges in your region?

c. Adapting to Changing Global Sustainability Trends:

Considering the rapidly changing global sustainability landscape, what strategic shifts or new approaches do you suggest GRI should adopt to remain relevant and impactful in the longer-term?

Section C: Content Integration and Relevance

- 4.1. How do you see the relevance of GRI standards for accountancy and cost management professionals?
- 4.2. Describe the current extent of GRI standards integration into your institute's curriculum or training modules.
 - 4.2.1. How frequently are GRI-focused training sessions or workshops conducted?
 - 4.3. Who are the primary trainers or educators for GRI sessions? (e.g., internal faculty, external experts, etc.)
 - 4.4. Are there case studies or real-world examples integrated into the curriculum that demonstrate the application of GRI standards in accountancy?
 - Yes/No/Maybe
 - If yes, please share a brief overview of such examples.
- 4.5. How do the students or trainees respond to the GRI standards segment of the curriculum?
 - Highly Engaged
 - Moderately Engaged
 - Neutral
 - Disengaged
 - Please provide reasons or observations for your response.

Section E: Collaborations & Networking

- 5.1. Has the institute collaborated with other organizations or bodies for GRI training or knowledge sharing?
- 5.2. How valuable have these collaborations been in enhancing the understanding of GRI standards?
 - Highly Valuable
 - Moderately Valuable
 - Slightly Valuable
 - Not Valuable
- 5.3. Are there any specific challenges faced in building collaborations for GRI-focused initiatives?

Section F: Feedback & Adaptations

- 6.1. What feedback has been received from alumni or practitioners about the integration of GRI standards into their professional work?
- 6.2. Based on feedback and evolving industry needs, how often is the curriculum in your Institute updated?
- 6.3. What are the future plans of the institute concerning GRI standards training and integration in the work of your Institute?

Section G: Additional Insights

- 7.1. Please share any additional observations, stories, challenges, or recommendations related to the learning and integration of GRI standards within the accountancy and cost management context.

List of reference documents (in addition to the ones listed in each country section)

1. A. Gutterman. "Sustainability Reporting Frameworks, Instruments, and Regulations." Link
2. A. Olayinka Sule. "Decolonising the ESG Narrative," 2022. Link
3. C. Nair. "From America's IRA to China's Eco-Civilization, a New Global Consensus is Emerging. Globalization and Growth are Out, Redesigning Society is In." Fortune, 2023. Link
4. GRI Global Reporting Initiative (2023). SECO Sustainability Reporting for Responsible Business Program Annual Report 2022.
5. GRI Global Reporting Initiative (2023). SIDA Responsible Business for Sustainable Development Program, Annual Report 2022.
6. GRI Global Reporting Initiative. "Sustainability Reporting for Responsible Business in Africa, Hispanic America, and South-East Asia." Available at: [GRI Global Reporting](#)
7. Indonesia Financial Services Authority Regulation Number 51/ POJK.03/ 2017 on Sustainable Finance Implementation for Financial Services Institutions and Public Companies.
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9. J. Hickel. "The Contradiction of the Sustainable Development Goals: Growth versus Ecology on a Finite Planet." Sustainable Development, 27(6), 2019, 1–12. <https://doi.org/10.1002/sd.1947>
10. L. Butterfield. "Event Coverage at Stanford Business: Tariq Fancy on Why We Need to Pull the Moral Cloak of Responsibility Away from Business," 2023. Link
11. SECO Factsheet. Link
12. SIDA Factsheet. Link
13. Sustainability Reporting for Responsible Business Program 2021 - 2024: Annual Report 2022.
14. V. Poole. "Comment: The Case for Equivalence—Supporting Globally Consistent Sustainability Reporting." Responsible Investor.

