

GRI 205: ANTI-CORRUPTION 2016

GRI 205

Contents

Introduction	3
GRI 205: Anti-corruption	5
1. Management approach disclosures	5
2. Topic-specific disclosures	7
Disclosure 205-1 Operations assessed for risks related to corruption	7
Disclosure 205-2 Communication and training about anti-corruption policies and procedures	8
Disclosure 205-3 Confirmed incidents of corruption and actions taken	9
Glossary	10
References	12

About this Standard

Responsibility	This Standard is issued by the Global Sustainability Standards Board (GSSB) . Any feedback on the GRI Standards can be submitted to standards@globalreporting.org for the consideration of the GSSB.
Scope	<i>GRI 205: Anti-corruption</i> sets out reporting requirements on the topic of anti-corruption. This Standard can be used by an organization of any size, type, sector or geographic location that wants to report on its impacts related to this topic.
Normative references	This Standard is to be used together with the most recent versions of the following documents. GRI 101: Foundation GRI 103: Management Approach GRI Standards Glossary In the text of this Standard, terms defined in the Glossary are <u>underlined</u> .
Effective date	This Standard is effective for reports or other materials published on or after 1 July 2018. Earlier adoption is encouraged.

Note: This document includes hyperlinks to other Standards. In most browsers, using **'ctrl' + click** will open external links in a new browser window. After clicking on a link, use **'alt' + left arrow** to return to the previous view.

Introduction

A. Overview

This Standard is part of the set of GRI Sustainability Reporting Standards (GRI Standards). These Standards are designed to be used by organizations to report about their impacts on the economy, the environment, and society.

The GRI Standards are structured as a set of interrelated, modular standards. The full set can be downloaded at www.globalreporting.org/standards/.

There are three universal Standards that apply to every organization preparing a sustainability report:

[GRI 101: Foundation](#)

[GRI 102: General Disclosures](#)

[GRI 103: Management Approach](#)

GRI 101: Foundation is the starting point for using the GRI Standards. It has essential information on how to use and reference the Standards.

An organization then selects from the set of topic-specific GRI Standards for reporting on its material topics. These Standards are organized into three series: 200 (Economic topics), 300 (Environmental topics) and 400 (Social topics).

Each topic Standard includes disclosures specific to that topic, and is designed to be used together with *GRI 103: Management Approach*, which is used to report the management approach for the topic.

GRI 205: Anti-corruption is a topic-specific GRI Standard in the 200 series (Economic topics).

B. Using the GRI Standards and making claims

There are two basic approaches for using the GRI Standards. For each way of using the Standards there is a corresponding claim, or statement of use, which an organization is required to include in any published materials.

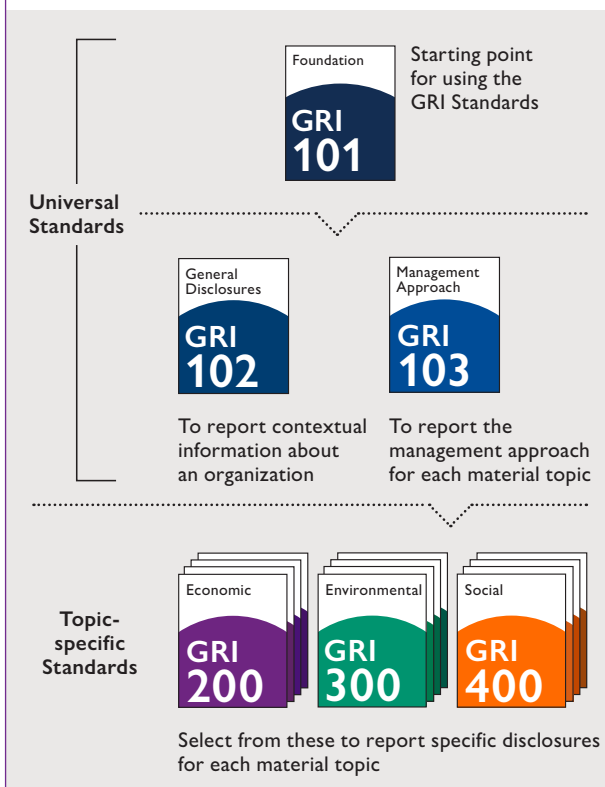
1. The GRI Standards can be used as a set to prepare a sustainability report that is in accordance with the Standards. There are two options for preparing a report in accordance (Core or Comprehensive), depending on the extent of disclosures included in the report.

An organization preparing a report in accordance with the GRI Standards uses this Standard, *GRI 205: Anti-corruption*, if this is one of its material topics.

2. Selected GRI Standards, or parts of their content, can also be used to report specific information, without preparing a report in accordance with the Standards. Any published materials that use the GRI Standards in this way are to include a 'GRI-referenced' claim.

See Section 3 of *GRI 101: Foundation* for more information on how to use the GRI Standards, and the specific claims that organizations are required to include in any published materials.

Figure 1
Overview of the set of GRI Standards



C. Requirements, recommendations and guidance

The GRI Standards include:

Requirements. These are mandatory instructions. In the text, requirements are presented in **bold font** and indicated with the word 'shall'. Requirements are to be read in the context of recommendations and guidance; however, an organization is not required to comply with recommendations or guidance in order to claim that a report has been prepared in accordance with the Standards.

Recommendations. These are cases where a particular course of action is encouraged, but not required. In the text, the word 'should' indicates a recommendation.

Guidance. These sections include background information, explanations and examples to help organizations better understand the requirements.

An organization is required to comply with all applicable requirements in order to claim that its report has been prepared in accordance with the GRI Standards. See [GRI 101: Foundation](#) for more information.

These concepts are covered in key instruments of the Organisation for Economic Co-operation and Development and the United Nations: see [References](#).

The disclosures in this Standard can provide information about an organization's impacts related to corruption, and how it manages them.

D. Background context

In the context of the GRI Standards, the economic dimension of sustainability concerns an organization's impacts on the economic conditions of its stakeholders, and on economic systems at local, national, and global levels. It does not focus on the financial condition of an organization.

The Standards in the Economic series (200) address the flow of capital among different stakeholders, and the main economic impacts of an organization throughout society.

GRI 205 addresses the topic of anti-corruption. In this Standard, corruption is understood to include practices such as bribery, facilitation payments, fraud, extortion, collusion, and money laundering; the offer or receipt of gifts, loans, fees, rewards, or other advantages as an inducement to do something that is dishonest, illegal, or represents a breach of trust. It can also include practices such as embezzlement, trading in influence, abuse of function, illicit enrichment, concealment, and obstructing justice.

Corruption is broadly linked to negative impacts, such as poverty in transition economies, damage to the environment, abuse of human rights, abuse of democracy, misallocation of investments, and undermining the rule of law. Organizations are expected by the marketplace, international norms, and stakeholders to demonstrate their adherence to integrity, governance, and responsible business practices.

GRI 205: Anti-corruption

This Standard includes disclosures on the management approach and topic-specific disclosures. These are set out in the Standard as follows:

- Management approach disclosures (this section references *GRI 103*)
- Disclosure 205-1 Operations assessed for risks related to corruption
- Disclosure 205-2 Communication and training about anti-corruption policies and procedures
- Disclosure 205-3 Confirmed incidents of corruption and actions taken

In the context of this GRI Standard, the term ‘business partners’ includes, among others, suppliers, agents, lobbyists and other intermediaries, joint venture and consortia partners, governments, customers, and clients.

1. Management approach disclosures

Management approach disclosures are a narrative explanation of how an organization manages a material topic, the associated impacts, and stakeholders’ reasonable expectations and interests. Any organization that claims its report has been prepared in accordance with the GRI Standards is required to report on its management approach for every material topic, as well as reporting topic-specific disclosures for those topics.

Therefore, this topic-specific Standard is designed to be used together with *GRI 103: Management Approach* in order to provide full disclosure of the organization’s impacts. *GRI 103* specifies how to report on the management approach and what information to provide.

Reporting requirements

- 1.1 The reporting organization shall report its management approach for anti-corruption using *GRI 103: Management Approach*.

Management approach disclosures

Continued

Reporting recommendations

- 1.2 The reporting organization should disclose the following information:
 - 1.2.1 The organization's risk assessment procedures for corruption, including the criteria used in the risk assessment, such as location, activity, and sector;
 - 1.2.2 How the organization identifies and manages conflicts of interest that employees or persons linked to the organization's activities, products, or services may have. Conflicts of interest for the highest governance body are covered in [Disclosure 102-25](#) of *GRI 102: General Disclosures*;
 - 1.2.3 How the organization ensures that charitable donations and sponsorships (financial and in-kind) that are made to other organizations are not used as a disguised form of bribery. Recipients of charitable donations and sponsorships (financial and in-kind) can include not-for-profit organizations, religious organizations, private organizations, and events;
 - 1.2.4 The extent to which communication and training on anti-corruption is tailored to those governance body members, employees, business partners, and other persons that have been identified as having a high risk of incidents of corruption;
 - 1.2.5 At which stage the training on anti-corruption for governance body members, employees, business partners and other persons that have been identified as having a high risk of incidents of corruption is provided (e.g. when new employees join the organization or when relationships with new business partners are established); and the frequency of the training (e.g. annually or biannually);
 - 1.2.6 Whether the organization participates in collective action to combat corruption, including:
 - 1.2.6.1 the strategy for the collective action activities;
 - 1.2.6.2 a list of the collective action initiatives in which the organization participates;
 - 1.2.6.3 a description of the main commitments of these initiatives.

2. Topic-specific disclosures

Disclosure 205-1

Operations assessed for risks related to corruption

Reporting requirements

Disclosure
205-1

The reporting organization shall report the following information:

- a. Total number and percentage of operations assessed for risks related to corruption.
- b. Significant risks related to corruption identified through the risk assessment.

Guidance

Guidance for Disclosure 205-1

This disclosure can include a risk assessment focused on corruption or the inclusion of corruption as a risk factor in overall risk assessments.

The term 'operation' refers to a single location used by the organization for the production, storage and/or distribution of its goods and services, or for administrative purposes. Within a single operation, there can be multiple production lines, warehouses, or other activities. For example, a single factory can be used for multiple products or a single retail outlet can contain several different retail operations that are owned or managed by the organization.

Background

This disclosure measures the extent of the risk assessment's implementation across an organization. Risk assessments can help to assess the potential for incidents of corruption within and related to the organization, and help the organization to design policies and procedures to combat corruption.

Disclosure 205-2

Communication and training about anti-corruption policies and procedures

Reporting requirements

The reporting organization shall report the following information:

- a. Total number and percentage of governance body members that the organization's anti-corruption policies and procedures have been communicated to, broken down by region.
- b. Total number and percentage of employees that the organization's anti-corruption policies and procedures have been communicated to, broken down by employee category and region.
- c. Total number and percentage of business partners that the organization's anti-corruption policies and procedures have been communicated to, broken down by type of business partner and region. Describe if the organization's anti-corruption policies and procedures have been communicated to any other persons or organizations.
- d. Total number and percentage of governance body members that have received training on anti-corruption, broken down by region.
- e. Total number and percentage of employees that have received training on anti-corruption, broken down by employee category and region.

Disclosure
205-2

Reporting recommendations

- 2.1 When compiling the information specified in Disclosure 205-2, the reporting organization should:
 - 2.1.1 draw from the information used for [Disclosure 405-1](#) in *GRI 405: Diversity and Equal Opportunity* to identify:
 - 2.1.1.1 the governance bodies that exist within the organization, such as the board of directors, management committee, or similar body for non-corporate organizations;
 - 2.1.1.2 the total number of individuals and/or employees who comprise these governance bodies;
 - 2.1.1.3 the total number of employees in each employee category, excluding governance body members;
 - 2.1.2 estimate the total number of business partners.

Guidance

Background

Communication and training build the internal and external awareness and the necessary capacity to combat corruption.

Disclosure 205-3

Confirmed incidents of corruption and actions taken

Reporting requirements

The reporting organization shall report the following information:

- a. Total number and nature of confirmed incidents of corruption.
- b. Total number of confirmed incidents in which employees were dismissed or disciplined for corruption.
- c. Total number of confirmed incidents when contracts with business partners were terminated or not renewed due to violations related to corruption.
- d. Public legal cases regarding corruption brought against the organization or its employees during the reporting period and the outcomes of such cases.

Disclosure
205-3

Guidance

Guidance for Disclosure 205-3

For stakeholders, there is an interest in both the occurrence of incidents and an organization's response to the incidents. Public legal cases regarding corruption can include current public investigations, prosecutions, or closed cases.

Glossary

This Glossary includes definitions for terms used in this Standard, which apply when using this Standard. These definitions may contain terms that are further defined in the complete [GRI Standards Glossary](#).

All defined terms are underlined. If a term is not defined in this Glossary or in the complete *GRI Standards Glossary*, definitions that are commonly used and understood apply.

collective action to combat corruption

voluntary engagement with initiatives and stakeholders to improve the broader operating environment and culture, in order to combat corruption

Note: Collective action to combat corruption can include proactive collaboration with peers, governments and the wider public sector, trade unions and civil society organizations.

confirmed incident of corruption

incident of corruption that has been found to be substantiated

Note: Confirmed incidents of corruption do not include incidents of corruption that are still under investigation in the reporting period.

conflict of interest

situation where an individual is confronted with choosing between the requirements of his or her function and his or her own private interests

corruption

'abuse of entrusted power for private gain',¹ which can be instigated by individuals or organizations

Note: In the GRI Standards, corruption includes practices such as bribery, facilitation payments, fraud, extortion, collusion, and money laundering. It also includes an offer or receipt of any gift, loan, fee, reward, or other advantage to or from any person as an inducement to do something that is dishonest, illegal, or a breach of trust in the conduct of the enterprise's business.² This can include cash or in-kind benefits, such as free goods, gifts, and holidays, or special personal services provided for the purpose of an improper advantage, or that can result in moral pressure to receive such an advantage.

employee

individual who is in an employment relationship with the organization, according to national law or its application

employee category

breakdown of employees by level (such as senior management, middle management) and function (such as technical, administrative, production)

Note: This information is derived from the organization's own human resources system.

¹ Transparency International

² These definitions are based on Transparency International, 'Business Principles for Countering Bribery', 2011.

impact

In the GRI Standards, unless otherwise stated, 'impact' refers to the effect an organization has on the economy, the environment, and/or society, which in turn can indicate its contribution (positive or negative) to sustainable development.

Note 1: In the GRI Standards, the term 'impact' can refer to positive, negative, actual, potential, direct, indirect, short-term, long-term, intended, or unintended impacts.

Note 2: Impacts on the economy, environment, and/or society can also be related to consequences for the organization itself. For example, an impact on the economy, environment, and/or society can lead to consequences for the organization's business model, reputation, or ability to achieve its objectives.

material topic

topic that reflects a reporting organization's significant economic, environmental and social impacts; or that substantively influences the assessments and decisions of stakeholders

Note 1: For more information on identifying a material topic, see the [Reporting Principles for defining report content](#) in *GRI 101: Foundation*.

Note 2: To prepare a report in accordance with the GRI Standards, an organization is required to report on its material topics.

Note 3: Material topics can include, but are not limited to, the topics covered by the GRI Standards in the 200, 300, and 400 series.

sector

subdivision of an economy, society or sphere of activity, defined on the basis of some common characteristic

Note: Sector types can include classifications such as the public or private sector, and industry specific categories such as the education, technology, or financial sectors.

References

The following documents informed the development of this Standard and can be helpful for understanding and applying it.

Authoritative intergovernmental instruments:

1. Organisation for Economic Co-operation and Development (OECD) Convention, 'Convention on Combating Bribery of Foreign Public Officials in International Business Transactions', 1997.
2. Organisation for Economic Co-operation and Development (OECD), *Good Practice Guidance on Internal Controls, Ethics, and Compliance*, 2010.
3. Organisation for Economic Co-operation and Development (OECD), *OECD Guidelines for Multinational Enterprises*, 2011.
4. United Nations (UN) Convention, 'Convention against Corruption', 2003.

Other relevant references:

5. British Ministry of Justice, *The Bribery Act 2010 Guidance*, 2011.
6. Criminal Division of the U.S. Department of Justice and Enforcement Division of the U.S. Security and Exchange Commission, *A Resource Guide to the U.S. Foreign Corrupt Practices Act*, 2012.
7. Transparency International, 'Business Principles for Countering Bribery', 2011.
8. Transparency International, Corruption Perceptions Index, <http://www.transparency.org/research/cpi/overview>, accessed on 1 September 2016.
9. United Nations Global Compact and Transparency International, *Reporting Guidance on the 10th Principle Against Corruption*, 2009.
10. World Bank, Worldwide Governance Indicators (WGI), Control of Corruption, <http://info.worldbank.org/governance/wgi/index.aspx#home>, accessed on 1 September 2016.

standards@globalreporting.org
www.globalreporting.org

GRI
PO Box 10039
1001 EA
Amsterdam
The Netherlands

Legal liability

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

Copyright and trademark notice

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

Global Reporting Initiative, GRI and logo, GSSB and logo, and GRI Sustainability Reporting Standards (GRI Standards) are trademarks of Stichting Global Reporting Initiative.

© 2018 GRI
All rights reserved.

ISBN: 978-90-8866-102-0