

**GRI G4 indicators handbook**  
**GUIDELINES FOR RAILWAY**  
**COMPANIES**



INTERNATIONAL UNION  
OF RAILWAYS

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# 1. INTRODUCTION

This report is the final output of the project developed by the International Union of Railways (UIC) and commissioned to ESG Matters Ltd to update the UIC Reporting Guidelines and related material, with reference to the Global Reporting Initiative (GRI) G4 Standard issued in May 2013.

The project included a one-day kick-off Workshop held at UIC Headquarters in Paris on 23 April 2015 where an overview of the G4 Standard was presented. An understanding of the G4 was detailed regarding report generation and management, materiality, stakeholder engagement and disclosure of management approach (DMA) together with their complementary indicators.

Selected organization's GRI G3 Reports were reviewed and formed the basis for a Gap Assessment between the GRI G4 Standard, which was also presented at the Workshop. Discussion of the Gap Assessment referenced experience from other sectors notably airports, construction and electric utilities. Key challenges were concluded and highlighted in bold below:

- ✓ Strategy and Analysis
- ✓ Organizational Profile
- Identified Material Aspects and Boundaries**
- Stakeholder Engagement**
- ✓ Report Profile
- Governance**
- Ethics and Integrity**
  - Disclosures on Management Approach**
  - Indicators

The Gap Assessment was complimented by smaller group discussions at the Workshop focusing on member's wider needs regarding non-financial reporting and its use.

The main discussions and conclusions were summarized at the document of the minutes of the workshop were circulated by the UIC (see Minutes of Meeting Version 4 dated 8 June 2015).

A second workshop was held on 27 October 2015 detailing the contents of the Draft Handbook. The presentation material is available with request from the UIC extranet for members. A number of additional items requested as an outcome of that meeting and are included in the Final Handbook. Minutes of the Workshop were prepared and circulated by UIC (see Minutes of Meeting dated 2 November 2015).

A draft Handbook was circulated for comment by all members and this document responds in full to all comments and suggestions.

This document is formed covering the following sections:

- ▷ **Section 2** Application Notes using the GRI G4 for Railway / Infrastructure businesses
- ▷ **Section 3** Details how to write and use GRI G4 reports
- ▷ **Section 4** Reporting as a Conglomerate
- ▷ **Section 5** Provides a review of the GRI G4
- ▷ **Section 6** Supply Chain Considerations.
- ▷ **Section 7** Further Social KPIs for Consideration
- ▷ **Section 8** Further Good Practice Reports
- ▷ **Section 9** Correspondence of the UIC Guideline Indicators to GRI G4
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## 2. APPLICATION NOTES USING THE GRI G4 FOR RAILWAY / INFRASTRUCTURE BUSINESSES

### 2.1. Overview

#### 2.1.1. The UIC Reporting Guideline

The UIC Reporting Guideline Sustainability & Transport Version 1.0 (Guideline) was published in March 2011 as a supporting document to the UIC Declaration on Sustainable Mobility and Transport. The Guideline is a voluntary initiative for UIC members focusing on reporting commitments and achievements in support of the Declaration.

The Guideline focused on reporting in three key areas:

- ▷ the overall advantage of rail for the whole society (Section A),
- ▷ the advantages of rail for customers (Section B), and
- ▷ the Responsibility and management of railway companies concerning stakeholders and shareholders (Section C).

For each Section, the Guideline contained:

- ▷ Statement Explanations,
- ▷ Qualitative Indicators and
- ▷ Reference Indicators.

The Guideline provided new UIC Sustainability Indicators (UIC-SIR) referencing specific GRI G3 indicators. An Annex appended to the Guideline details the new UIC-SIR indicators.

#### 2.1.2. The GRI G4

The GRI G3.1 was updated to the G4 in May 2013. All reports in accordance with the GRI reporting format shall follow the G4 as of 31 December 2015.

It was intended that the G4 allow flexibility for reporters to emphasize the key business priorities while producing value in the reporting process. The G4 also extends to supply chain practices. These requirements raise the level of detail and substantiation, and with that potential additional costs.

The essential changes from G3/G3.1 to G4 are as follows:

- ▷ Materiality is central to reporting;
- ▷ Reporting Levels are removed;
- ▷ The “+” for assurance is removed;
- ▷ Disclosure on Management Approach (DMA) is fundamental;
- ▷ Boundary is determined during the materiality assessment;
- ▷ Stakeholder involvement is essential;
- ▷ G4 harmonizes with other international standards where possible;
- ▷ G4 consists of two books: Book 1 on reporting principles and Book 2 is an implementation manual; Reporting requirements and guidance are separated;
- ▷ A requirement for executive oversight;
- ▷ Supply chain impacts embedded.

### 2.1.3. Comparing G4 and the Guideline

The following are significant extensions beyond the Guideline:

- ▷ Materiality, threshold determination and boundary setting;
- ▷ Disclosure on Management Approach (DMA);
- ▷ Executive oversight;
- ▷ Stakeholder involvement;
- ▷ Supply chain requirements.

### 2.1.4. Why report using GRI G4?

The G4:

- ▷ Focuses reporting on the most important business priorities;
- ▷ Moulds the reporting framework around the key business priorities while incorporating stakeholder feedback as needed;
- ▷ Allows the reporter to build ‘in accordance with’ in a controlled fashion over time;
- ▷ Will be more widely read and referenced;
- ▷ In addition, GRI is the most widely used or referred international sustainability reporting standard, 30,000 reports since 1999.

### 2.1.5. Evolving Reporting Requirements

Beyond the GRI G4, the expectations and use of non-financial reporting have evolved considerably since publishing the Guideline, with many new initiatives and updated standards and guidelines:

- ▷ The UN Global Compact has been updated with the Blueprint for Corporate Sustainability Leadership identifying leadership criteria linked to implementation of the ten principles in 2010;
- ▷ ISO 26000:2010 Standard on Social Responsibility, November 2010;
- ▷ The CDP (Carbon Disclosure Project) and its Water, Supply Chain, Forests and Cities Programmes 2010 – 2014;
- ▷ The UN Sustainable Stock Exchange (SSE) Initiative, 2012;
- ▷ The Integrated Reporting Framework, December 2013; and
- ▷ The Directive 2014/95/EU on disclosure of non-financial and diversity information by certain large undertakings and groups came into force in December 2014.

As a result, the voluntary nature of reporting cited in the Guideline may no longer be an option for some reporters. Furthermore organizations may find themselves reporting to multiple organizations with differing reporting formats and focus. Consequently a UIC member will need to consider their best interests to:

- ▷ Maintain their sustainability / citizenship / CSR reports to follow the updated Guideline while referencing other formats, or
- ▷ Adapt their reporting format and structure to another standard while referencing the Guideline requirements.

## 2.2. Report Preparation

### 2.2.1. The General Procedure

The GRI G4 Part 1, Section 2.2 (Ref. No. 11) provides a general procedure for the preparation of a sustainability report.

Prior to commencing progress, two additional steps are constructive.

- ▷ Identifying the audience for the report and
- ▷ Agreeing the communications programme for the report after publication.

Identifying the audience will allow the choice of wording and impact the report and / or website design. Understanding the communications programme will allow for emphasis within the report content as well as the development of synergies in material presentation. More detailed guidance is provided in subsequent sections of this Manual.

### 2.2.2. Time

It is estimated that a Comprehensive Report in accordance with G4 following the above proprietary guidance will take approximately two years to complete. This is dependent on the resources allocated to the reporting team and the relationship with senior management. The G4 is designed to include an iteration of report development including reviews by senior management and relevant stakeholders.

#### Year one: Core

- a. Identify and define the Sustainability Context.
- b. Establish and prioritize the material topics, aspects, boundaries, management roles and responsibilities, procedures and relevant indicators. Establish the data collection processes to support the indicators.
- c. Validate the completeness of the report with sufficient executive oversight.
- d. Develop and implement the necessary programmes with key stakeholders (e.g. supply chain).
- e. Train the staff and teams involved.

#### Year two: Comprehensive

- a. Audit the materiality and boundary process, procedures, roles and responsibilities, and performance reporting established in year one.
- b. Through an inclusive engagement with the identified stakeholders, review the steps a) – c) above concluding a review of Sustainability Context in preparation for the following year's report.
- c. Reviewing stakeholder programmes fine tuning engagement initiatives and including achievements into the following report.

#### Alternative: One year Comprehensive

It is possible to compress the production of a Comprehensive G4 report into one year assuming that a reporting organization already has data collection processes, some stakeholder engagement in place and adequate resources.

- a. Undertake steps a) – c) above.
- b. Report programme achievements.
- c. Where content and information is unavailable, describe the procedures that will be undertaken to obtain the information and when the information will be reported.

In some cases, a G4 report is similar to obtaining certification to formal standards, for example ISO 9001 or ISO 14001. (The Deming Cycle of Plan- Do – Check – Act).

Experience has demonstrated that on an annual basis it will take 6 – 9 months to complete a report with a further 2 – 3 months for executive approvals and publication. Reduction of time could impact the quality of the report.

Note that there is no requirement to report annually. This schedule of reporting is not set by GRI, but is stipulated by the organization.

### 2.2.3. Resources

There are essentially three sets of distinct skills needed to produce a G4 report:

- ▷ Management: Direction, guidance and overall project management by the senior manager responsible for the theme and the scope of the report,
- ▷ Performance reporting: Data collection, checking and auditing, and
- ▷ Report production: Production (writing, photographs, design) and communication (web site implementation, internal and external messaging).

Clarity should be provided by executive management as to which of these skills are core competencies of the organization, which can be 'borrowed' from other company functions (e.g. production and communication from Public Relations) and which should be outsourced.

It is advised that the annual report preparation process become an internal company procedure with roles and responsibilities assigned for each phase of report development. Annual progress through the process as well as stakeholder initiatives would form an ongoing report to executive management and the procedure should be subject to an annual audit. There should be consistency between the description of the organization and its institutions, short and long term strategy and remuneration, vision, business model, and resource allocation. (See References for Best Practices).

An ongoing communications programme of the report, its initiatives and performance, should be planned and implemented. For best and consistent effect, the messages within the report should support the business objectives of the organization and be included into all reporting and communication (Annual Report, Road Shows, website, press release etc.)

Regarding data collection, GRI does not endorse any providers of software or tools. GRI only verifies the correct usage of the GRI content in the software or tool in question.

### 2.2.4. Costs

Report costs will depend on a number of factors:

- ▷ Core or Comprehensive,
- ▷ Extent of materiality and boundaries,
- ▷ Number of aspects covered,
- ▷ Extent of supply chain covered,
- ▷ Assurance,
- ▷ Printed or website based design.

Assuming a small team to manage the reporting process and data collection in place, experience has shown that a reasonable Comprehensive report could cost in the range of 1/4 - 1/2 of the Annual Report cost exclusive printing and communication. Assurance could comprise approximately 1/5 – 1/6 of the report cost.

## 2.3. Report Content

This section will deal with the three key issues in dealing with stakeholders (3Rs). These are in support of the railway and infrastructure's social license to operate:

- ▷ Impact reduction,
- ▷ Reframing, and
- ▷ Relationship building.

Given the longevity of the railway and infrastructure it is expected that reporters would be focused on moving from a 'winner take all' mentality to a 'shared interest' relationship.

### 2.3.1. Stakeholder Inclusiveness

It is a requirement of the G4 that the reporting organization identify stakeholders that are impacted by and impact on the railway and infrastructure operations. In addition it is necessary to report on the type and extent of engagement and the related outcomes. The portfolio of stakeholders to be included is up to the organization. The AccountAbility Standard AA1000SES, Ref No. 2, and related standards are frequently used to frame, guide and audit the engagement process.

To minimize internal work and outsource expenses, a smaller set of stakeholders is normally chosen for initial engagement. The disadvantage of this approach is that some stakeholder perspectives may not be communicated and some critical opinion leaders may not be consulted. Furthermore, the responses from a limited set of stakeholders tends not to contain the seeds for further collaboration and relationship building.

One could consider different types of engagement:

- ▷ Sector focused,
- ▷ Business or project focused,
- ▷ Issue focused,
- ▷ Using a dedicated Stakeholder Panel,
- ▷ Using a panel of independent experts to inform on medium to long term challenges.

#### 2.3.1.1. Engagement, Mapping and Network Typologies

It is recognized that good stakeholder engagement requires a unique set of skills and understanding of the relevant perspectives. Additionally organizations tend to lack a clear strategy for their long-term engagement and tend not to include this into their day to day operations.

Rail infrastructures will typically have a life of 100 years or more. Railways become a part of the communities they serve and the shared experience is passed down through generations. This provides a unique opportunity to develop stakeholder engagement programmes and initiatives, and nurture the growth of stakeholder groups and their relationships. While this is not strictly related to the G4, this is an area where a rail company can develop business value.

A map demonstrating stakeholders influence and importance to the railway can be developed by the reporting team in conjunction with senior management or prepared by an external consultant. An example for the MTR Corporation is shown in Ref No. 22.

For a GRI G4 report it is only necessary to describe the policy, process and outcomes involved in the engagement process. Furthermore, the G4 does not specify whether the railway identifies the material issues for stakeholder prioritization from the business case or the stakeholder prioritizes them before considering the business case. However, developing the stakeholder relationships can provide key insights in treating stakeholder concerns and impact company communications.

### **2.3.1.2. Issue Identification**

Once mapped, the organization can investigate the material issues affecting each stakeholder group and the related boundaries through focused discussions or on-line surveys. A table can be included in the report detailing the stakeholder's concerns, how the concerns have been approached, the outcomes of the previous year's initiatives and future plans.

Alternatively, a map of stakeholders' key issues versus importance to the railway can be developed. While this provides a clear encapsulation of materiality, it is unclear how one represents the relative importance of environmental, social impacts and financial concerns on the same scale.

### **2.3.1.3. Stakeholder Typologies**

Stakeholder network typologies are considered in terms of the increasing connectedness between the core to periphery and the increasing bonding within the group. A map of four typical networks is presented in Ref No 6. The black circles are underlying group founders, dark grey the core members and the white are the peripheral actors. The lines represent the relationships.

By knowing the type of stakeholder group and the strengths of its constituent members, one can influence the group development over time affecting more favourable responses to issues. The goal is to develop the stakeholder relationships to move toward the Accountable Leadership typology. It is here where constructive dialogue can provide real value and movement of positions.

Depending on the depth of engagement, one can prepare further graphics (bubble and or relational charts) to indicate the strengths to which each group adheres to its key issues. These insights are needed to reframe the resources and skill develop to develop the stakeholder relationship.

For example one group of stakeholders could be focusing on a new station's cleanliness while another group be concerned about security. The two groups might be related with a common concern about passenger or community safety at the stations. Once the relationship is realized one can construct an engagement exercise to address concerns.

### 2.3.2. Sustainability Context

The principle is to describe the railway's performance in the wider context of sustainability. This also provides an opportunity to develop the reader's understanding and appreciation of the following:

- ▷ The jurisdictional issues;
- ▷ The railways business;
- ▷ The Societal interfaces;
- ▷ The cross- sector issues;
- ▷ The supply chain issues, and
- ▷ The unique challenges faced by railways business.

Third-party studies by consultants or academics are welcome additions. Cross-sector comparisons also provide a baseline for reader appreciation. Executive summaries or the full document can be included / referenced in the report as needed.

#### 2.3.2.1. Framing a response

The railway can now use the context to develop particular theme and assisting in framing the overall business issues involved and related impacts. This response forms the foundation for materiality. As the frame tends to evolve slowly, forethought is needed in connecting previous years' reporting to the current and future business agenda(s) and societal needs.

### 2.3.3. Materiality

Before commencing the GRI reporting process, the reporter is advised to analyse their organization's internal expenditure and management reports. Budgets of department and programmes, internal procurement, safety etc. will highlight current thinking on material issues as will Balanced Scorecards and similar performance monitoring systems.

Following G4, the material issues affecting railway operations, maintenance, projects and the related infrastructure are to be reported in terms of the economic, environmental and social impacts and filtered by the stakeholder engagement. A threshold is to be defined at which the material aspect becomes sufficiently important that it should be reported.

Flexibility within the GRI G4 allows a reporter to approach the process in two ways:

- ▷ Directly apply the above methodology and develop a storyline connecting the business case, or
- ▷ Develop the business case incorporating the material economic, environmental and social aspects as necessary.



The two approaches are reflected through alternative methodologies as follows:

- ▷ Direct application using lists of material issues: (G4, G3 Pilot Sector Supplement for Logistics & Transport, SASB, UIC Guideline);
- ▷ Business case using a principles or risk-based approach: (AccountAbility, GISR, UNPRI, ISO 26000, BS8900, Resilience, Integrated Reporting, Combined Enterprise Risk Management and Stakeholder Engagement, WEF Global Risks).

It is through these methodologies that the G4 generates 'Quick links' with other international standards and guidelines.

The most straightforward method to build the materiality portfolio is to take the lists of aspects and filter them to the particular railway and infrastructure business in terms of the economic, social, environmental, geographical, supply chain impacts. The disadvantage is that a detailed explanation is needed if there is not a perfect fit of all of the material issues to the actual business. Additional clarification may also be needed should supplementary business-specific material issues arise. Furthermore, refreshing an engaging storyline over time can be challenging and prove tiresome (see Ref No 27 for a list of materiality issues for a property asset and management company).

A business case approach builds the materiality portfolio through an external framework or process stress-testing the issues to rail and infrastructure business. As there are many possibilities, the challenge is to find a principles-based approach that can be easily embedded into the business and extended into the supply chain. Though this approach is more demanding than the straightforward method, experience has shown there is a unique potential for adding business value through the reporting process. Introducing new systems into an organization is resource intensive and takes significant time.

The G4 does not specify which approach is to be chosen; only an explanation of the chosen procedure is required and how it is implemented.

A brief explanation is provided below on some of the more popular methodologies. Further information is attached in the References.

#### **2.3.3.1. Sustainability Accounting Standards Board (SASB)**

SASB is an independent non-profit organization that develops sustainability accounting standards to assist public corporations disclose material and decision-useful information to investors. Companies listed in the United States must report on the specified material issues considered as risks in their 10-K and 20-F filings (for overseas based companies), (See SASB, Ref No. 28).

According to the SASB materiality map, the following issues are deemed likely material to more than 50% of the reporters in the Transport / railway sector:

- ▷ GHG emissions,
- ▷ Air quality,
- ▷ Fuel management,
- ▷ Employee health, safety and wellbeing,
- ▷ Accident and safety management,
- ▷ Competitive behaviour.

It is noted that there are a number of issues are not considered material:

- ▷ Climate change,
- ▷ Water and waste management,
- ▷ Biodiversity,
- ▷ Noise,
- ▷ Any social capital issues,
- ▷ Recruitment, development and retention of human capital,
- ▷ Lifecycle impacts,
- ▷ Material sourcing,
- ▷ Supply chain management.

#### **2.3.3.2. AccountAbility**

AccountAbility does not provide a list of material issues but proposes a Materiality Framework. The Framework describes the process by which comprehensive stakeholders together with relevant data builds success for an organization. See Ref No.1.

The core process consists of three stages:

- ▷ Stage 1: Identify issues,
- ▷ Stage 2: Prioritize each issue with a set of filters,
- ▷ Stage 3: Embed processes into the business.

#### **2.3.3.3. Integrated Reporting <IR>**

Integrated Reporting is new standard communicating value created by an organization in terms of the stock and flow between six capitals: natural, intellectual, social and relationship, human, manufactured and financial.

A list of material issues is not provided, but a three stage risk-based process is defined:

- ▷ Relevance,
- ▷ Importance in terms of an organization's ability to create value,
- ▷ Prioritize the matters identified.

The current trend is to measure this value in of financial terms. A risk matrix using the six capitals as a basis for assessing the impact on financial capital is outlined in Appendix A. The reporter populates the cells as needed. Exposure is determined by multiplying the consequence in the matrix by a likelihood.

A critical difference between <IR> and other frameworks is the inferred changes to internal organizational management.

#### **2.3.3.4. Global Institute for Sustainability Ratings (GISR)**

The GISR focuses on reporting corporate value through a ratings system in terms of human, intellectual, natural, social and financial capital. The intention is to accredit sustainability ratings, rankings and indices i.e. rate the rater.

GISR identifies the basic blocks of process and content and redefines these into twelve principles:

- ▷ Process: transparency, impartiality, continuous improvement, inclusiveness and assurability; and
- ▷ Content: materiality, comprehensiveness, sustainability Context, Long-term Horizon, Value Chain, balance, and comparability.

Materiality is expressed as a quality of terms with clear relevance to stakeholder decision-making as opposed to a large quantity of terms. A strong, balanced, transparent and consultative process is sought.

A reference for the pdf file summarizing the comparison is provided (see Ref No. 10.).

#### **2.3.3.5. United Nations Principles for Responsible Investment (UNPRI)**

The United Nations established an international network of investors to define six principles for responsible investment. Though voluntary and aspirational, the principles outline a basis for materiality:

- ▷ The incorporation of ESG issues into investment,
- ▷ Active ownership incorporating ESG issues into policy and practices,
- ▷ Seek appropriate disclosure,
- ▷ Promote acceptance in implementation of the six principles,
- ▷ Collaborate in enhancing implementation effectiveness,
- ▷ Report on activities and progress in implementing the six principles.

In addition to using the UNPRI as a potential source for materiality issues, the reporters could also work with their pension funds and investment ensuring their compliance to the UNPRI principles.

#### **2.3.3.6. ISO 26000**

ISO 26000 is a non-certifiable standard issued by the International Organization for Standardization (ISO) that provides voluntary guidance on socially responsible behaviour and possible actions. There are Seven Key Principles, advocated as the roots of socially responsible behaviour, are:

- ▷ Accountability,
- ▷ Transparency,
- ▷ Ethical behaviour,
- ▷ Respect for stakeholder interests (stakeholders are individuals or groups who are affected by, or have the ability to impact, the organization's actions),
- ▷ Respect for the rule of law,
- ▷ Respect for international norms of behaviour,
- ▷ Respect for human rights.

There are also Seven Core Subjects:

- ▷ Organizational governance,
- ▷ Human rights,
- ▷ Labour practices,
- ▷ Environment,
- ▷ Fair operating practices,
- ▷ Consumer issues,
- ▷ Community involvement and development.

A schematic overview of ISO 26000 is presented in Ref No 18.

#### **2.3.3.7. United Nations Global Compact (UNGC)**

The UNGC is an initiative to align company's strategies and operations with ten universal principles encompassing human rights, labour environment and anti-corruption. Each company signing onto the UNGC is to provide an annual report on progress of actions in support of societal goals. For some organizations their annual Communication on Progress (CoP) to the UNGC becomes their sustainability report.

The ten principles are presented in Appendix B.

#### **2.3.3.8. G3 Pilot Sector Supplement for Logistics & Transport**

The G3 Pilot Sector Supplement for L&T was based on earlier versions of GRI's Guidelines, and was not developed following a review of GRI's due process. As such, the use of this Supplement is not required to meet 'In accordance' criteria with G4.

In relation to the railway and infrastructure sector and the G4, the Sector Supplement adds a number of potential indicators. Those relating to railways and infrastructure are detailed in Appendix C.

### **2.3.3.9. Combined Enterprise Risk Management and Stakeholder Engagement**

This methodology developed in 2001 at the Mass Transit Railway Corporation (MTRC), was one of the first principle-based approaches and focused on developing a competitive sustainability advantage. The method combines an Enterprise Risk Management approach integrated with stakeholder engagement and filtered by the corporate strategy. The process is outlined in Ref No. 22.

Further details and process application into operations, projects, franchise operations and supply chain can be found in the series of sustainability reports published by the Mass Transit Railway Corporation Ltd from 2003 - 2012.

### **2.3.3.10. British Standard BS 8900 for Sustainability Management Systems**

BS 8900 is a framework to manage sustainable development of organisations. The four underlying principles of Inclusivity, integrity, stewardship and transparency are considered through 10 practices. The practices are further defined in terms of their development with staged-related maturity uniquely defined, see Ref No 8.

The MTRC applied the BS8900 maturity matrix and maps sustainability achievement as a medallion, Ref No. 23.

### **2.3.3.11. World Economic Forum (WEF) Global Risks Report**

The WEF provides an insight report annually highlighting trends and global risks. The risks as presented in terms of their economic, environmental, geopolitical, social and technological impacts. By scanning and stress testing the identified risks and trends, the railway can evaluate relevant risks and treatments populating their materiality portfolio.

Ref No. 31 presents an extract of the main conclusion from the WEF Insights Report 2015 illustrating:

- ▷ The Global Risks Landscape,
- ▷ The Global Risks and Trends.

Further assessment of the interconnectedness between the risk trends and the global risks provides a higher degree of confidence in the materiality portfolio in the resulting G4 report.

### **2.3.3.12. The City Resilience Framework (CRF)**

Urban Resilience is the capacity of individuals, communities, institutions, businesses, and systems within a city to survive, adapt, and grow no matter what kinds of chronic stresses and acute shocks they experience.

Arup in conjunction with the Rockefeller Foundation and the 100 Resilient Cities Initiative have developed The City Resilience Framework (CRF), which provides a lens to understand the complexity of cities and the drivers that contribute to their resilience.

The CRF is built on four essential dimensions of urban resilience: Health & Wellbeing; Economy & Society; Infrastructure & Environment; and Leadership & Strategy. By scanning and filtering the highlighted risks and trends as outlined in the previous section, the railway can understand how those developments might impact the current business and test their materiality portfolio.

The dimensions and their drivers are summarised in Ref No. 4.

### **2.3.3.13. United Nations Sustainable Development Goals (UN SDG)**

The sustainable development goals (SDGs) are a new set of 17 goals and 169 targets and indicators that UN member states will be expected to use to frame their agendas and political policies over the next 15 years. The SDGs follow, and expand on, the millennium development goals (MDGs). The SDGs will be formally adopted in March 2016.

There are several goals and targets that are related to railways and infrastructure. They are itemized in Appendix D.

### **2.3.3.14. Further Trends**

There are a number of new methodologies and metrics being developed that may have an impact on the scope and depth of reporting in upcoming years. This section highlights two trends: Environmental P&L and Net Positive. Further references for both are given in Section 5.

#### **Environmental Profit and Loss (E P&L)**

The E P&L is a new way of estimating the true cost resulting from business activities across the supply chain, measuring and quantifying greenhouse gas emissions, water use, water and air pollution, waste production and land use in explicit monetary terms, from raw materials all the way through to manufacturing.

Kering Group has presented a particularly interesting assessment in their recent annual report, Ref No. 19.

#### **Net Positive**

‘Net Positive’ means putting more back into the environment or society, or both, than a company takes out, with a resulting positive corporate footprint. Trade-offs need to be considered.

Net Positive is being developed by The ThriveAbility Foundation as a key step on the continuum, going from net negative (business as usual), to incremental improvements (basic CSR or early sustainability), to sustainable (with respect to all vital capitals), to net positive or regenerative, to gross positive or thriveable. An example of Net Positive applied is Kingfisher plc, see Ref No 25.

## 2.4. Completeness

Completeness is qualified as a clear definition of scope of the report, the time covered by the report and the boundaries involved. Explanation of the process by which the boundaries for the material issues have been set, and their applicability are required.

Provided a clear explanation is outlined in the report, the reporter can present a time-based progression by which the material issues, the boundaries, thresholds, and the portfolio of stakeholders that have been included into the report will evolve. The reporter need not report a full set of details on every issue for every stakeholder to be in accordance with the G4.

## 2.5. Report Quality

Information should be compiled and reported in a consistent fashion allowing easy access and analysis by stakeholders. The data tables and charts included in the report should portray the information in easy to understand formats and the accuracy of the information should be stated; nominally to within 5%.

Where possible the railway and infrastructure reporter should compare their disclosures and achievements within and across the sector, across geographies and across other related business.

The reporting period should be clearly defined. However, an extension of a period of 3 months should be considered if further material issues arise during report preparation. This is similar to financial reporting.

While G4 does not require assurance of the report, information included into the report should be prepared as if the report would be assured.

## 2.6. Specific Standard Disclosures

### 2.6.1. Disclosure on Management Approach (DMA)

The DMA provides the opportunity to explain how economic, environmental and social impacts are managed. These can be generic or aspect specific. Requirements are outlined in GRI G4 Part 1 and the Implementation Manual, Part 2 provides additional clarity.

The intent of this disclosure is to communicate how and why decisions are made on the material issues facing the organization to readers who may not have a thorough understanding or appreciation of the railway and infrastructure business. It must be consistent with the sustainability context and framing of the report and reflect the stakeholders' sensitivities. The goal is to have the reader grow confident that management is fit for purpose and value is being created.

Clarity on the roles and responsibilities, decisions and performance outcomes by the Board, Board Committees, Executive Management, General Management and day to day operational committees should be provided as needed.

Care is needed to protect confidential information and decisions. Proper phrasing of issues and language are important.

For each material issue, a good practice is to provide a procedure defining:

- ▷ The material issue,
- ▷ Detailing why it is important to the organization,
- ▷ How the practices are managed from Board through implementation,
- ▷ Targets and performance, and
- ▷ Future outlook.

As a minimum a description of the responsible corporate institution or committee structure and its reporting lines is needed.

### 2.6.2. Establishing KPIs for railway operators and infrastructure managers

Within a railways organization, it is usual to ensure consistency between policy and performance by assessing impacts, assigning material issues, and setting targets. For railways and infrastructure, safety and safety related targets generate Key Performance Indicators (KPIs). The management and reporting of other material aspects and their impacts outlined herein will need similar treatment.

It is usual to reference a process of continual performance improvement absolute and relative target achievement. Science-based targets are gaining popularity. For example, targets of carbon emissions reductions are in line with the UN recommendations to monitor and measure the carbon performance.

### 2.6.3. Indicators to compare transport modes

Over the years, the UIC has developed a number of useful indicators to report performance achievement and these are well documented in the UIC Guideline. Leaflet 330 and the Carbon Zero Project highlight the materiality of energy and carbon emissions.

With the updated GRI G4 and the focus on materiality, boundary, stakeholder inclusion, DMA and supply chain, a review of the relevant indicators might be beneficial. However, prior to that review, it might be advantageous to consider how to make sector reporting by the UIC more worthwhile to members and provide a supplemental set of indicators should achieve.

## 2.7. Supply Chain

For G4 reporting it is necessary to describe the supply chain for the railway and infrastructure business. As a minimum, a description of the supply chain should cover:

- ▷ Governance and procurement practices including ethics, integrity and anti-corruption;
- ▷ Energy and Carbon emissions; and
- ▷ Supplier assessment and grievance mechanisms.



Depending on sustainability context and reporting frame, further detail may be needed for key suppliers. A supplier Code of Practice would be a useful resource. It may be also helpful to consider a financial prioritization of suppliers in groups and or by geography. See Ref No 27 for Best Practice, Supply and Value Chain and further guidance included in Section 8.

For example, if carbon emission is a material issue, than those initiatives applied to the supply chain should be reported as well as their impact and achievement. Procurement of low carbon products and services should be related in a similar manner.

## 2.8. Strategy and Analysis

There is a requirement in G4 to report on the membership and processes of the highest governing body of the organization. A description of how that body sets the vision, mission, value, strategy and purpose of the organization is sought as well as how their performance is evaluated. Providing insight into the expertise and skills of each Board member is advised.

This discussion should be consistent with the DMA, sustainability context as well as the reporting frame. Note there is a requirement to report on gender specific remuneration and incentives for both short term and long term performance achievement.

Use of Balanced Scorecards, Enterprise Risk Management, connection with EU and national strategies should be referenced for the connection to sustainable performance, their impacts, and relationships explained.

## 2.9. Best Practice examples

A number of examples of Best Practice methods for G4 reporting outside of the railway and infrastructure sector are referenced. The issue and organizations involved are as follows. Readers are encouraged to access the reports on the website for further clarity:

- ▷ Infographic: AcelorMittal, Ref No 3;
- ▷ Colour and presentation: Globant, Ref No 11;
- ▷ Interactive Materiality Map and GRI Index: Simple Green, Ref No 26;
- ▷ Organization and Enterprise Risk: BASF, Ref No 5;
- ▷ Peer Comparison: GPT Group, Ref No 16;
- ▷ Business Model, Strategy, Resource allocation, Organizational review: Stockland, Ref No 27;
- ▷ Sustainability Governance: Lend Lease, Ref No 21;
- ▷ DMA: Stockland, Ref No 27;
- ▷ Supply and Value Chain: Stockland, Ref No 27.

## 3. WRITING AND USAGE OF GRI G4 REPORTS

This Section details how a reporting organization can write and use a compliant GRI G4 report to progress sustainable development initiatives.

### 3.1. GRI G4 Process Overview

GRI G4 describes the process overview for a GRI G4 report in terms of 4 steps:

- ▷ Identification,
- ▷ Prioritization,
- ▷ Validation, and
- ▷ Review.

Steps 1 to 3 are based on Stakeholder Inclusiveness and associated respectively with Sustainability Context, Materiality and Context. Step 4 is a review undertaken after completion of the report and considers Stakeholder Inclusiveness and Sustainability Context. This is summarized in Figure 1, taken from GRI G4 Volume 1.

An application of this process for infrastructure and railway reporting is outlined below.

#### 3.1.1. A GRI G4 Report for Rail Companies

A more useful process is summarized in Figure 2 consisting of seven stages.

##### 3.1.1.1. Clarify

Prior to drafting the report, it is necessary to clarify the audience for the report and how the report will be communicated. This will determine the:

- ▷ Language,
- ▷ Narrative focus and key stories,
- ▷ Apportionment of page, and
- ▷ Potentially the report design.

The type of report will impact the final product:

- ▷ Website,
- ▷ Inclusion within the annual report,
- ▷ Printed as a stand-alone report to the annual report,
- ▷ An electronic report e.g. pdf,
- ▷ Separate short focused reports to priority stakeholders.

The type and quantity of data shall also be scoped:

- ▷ Safety management system,
- ▷ Quality management system,
- ▷ Environmental management system,
- ▷ Integrated management system,
- ▷ Other management systems (Power, Green House Gases, Stakeholder etc.)

The reporter shall also consider how best to describe the procedure to generate a report, maintain a table defining roles and responsibilities and include a clear programme with delivery dates. The programme should be enshrined in a procedure that is overseen by the audit committee of the Board.

The committee or individuals involved in the reporting process need to have direct access to relevant staff and key data across the organization's divisions. This is essential for timely report completion and as such the leader of the process must be a well-respected individual with appropriate seniority.

The report focus shall be integral with the organization's strategy and closely follow the direction given by the most senior management.

If possible, the development of the report shall be scoped within a three-year rolling programme allowing gentle maturation of concepts and the development and inclusion of relevant (sustainability) initiatives and their achievement.

At this earliest juncture it is advisable to have undertaken interviews with several members of the most senior management. It is not uncommon that they will provide the direction for the narrative and overall scope of the report. A hidden agenda of the sustainability report is to make the most senior management look good.

In parallel to the internal narrative and scope development it is advisable to have an appreciation of the significant issues raised by the key stakeholders and any undertakings that had been agreed between the organization and these stakeholders in the last year. It is advisable to discuss this with the senior public relations officer.

The clarification step is completed once the most senior management (Chairman, Board and or CEO) approves the scope of the report.

#### **3.1.1.2. Develop**

In this stage, the sustainability context of the organization is developed and the report is framed.

The reporter must assume that the readers will have limited knowledge of the actual businesses and issues that will be reported, why they are important and the implications on sustainability of the business. It is necessary to develop and include an appreciation of the contextual information on the jurisdictional issues, the business case, the business model, sector issues, supply chain and the unique challenges facing the railway and infrastructure. How the railway and infrastructure form an essential partnership with the local society is an important issue to detail.

Third party studies scoped accordingly may provide the necessary information. Alternatively discussions with the Chambers of Commerce and business / union groups would be advisable.

The context is used to inform particular themes, providing a basis for materiality and evolving the three-year rolling programme of report noted in the previous step.

### **3.1.1.3. Identification**

The next stage is to identify the material issues both from a business perspective and the perception of the key stakeholders.

The significant or material issues to the business are initially established from an assessment of the internal capital allocation within the organization. These are then filtered by reporting requirements whether regulatory, (potentially defined by a national regulation or EU Directive), or following a principles-based approach such as GRI. There may also be key policies communicated by the organization in response to societal or business pressures.

Completing interviews with senior management of each of the organization's main divisions will provide the proper balance of information. Establishing internal relationships is essential to report approval and promulgation as well as to building internal trust in the final product. It is not unusual to undertake 30 – 40 interviews with thoughtful preparations of questions.

It may be helpful to agree a chart of key or priority stakeholders, concluding placement of those stakeholders in terms of their importance to the business of the organization and their potential influence on the organization, Figure 3. This is usually developed by senior management and approved by the Board, or developed directly by the Board.

Further interviews should be undertaken with the most important / influential stakeholders to determine their significant issues and their perceptions of the organization's performance in the previous year.

Stakeholder interviews should be considered an essential part of developing the relationship between the reporting organization and the stakeholders, but not the only engagement initiative. The perception by stakeholders that they are only being consulted in a superficial manner will lead to a jaundiced view of the organization and will not leverage on the good will potential of the reporting process.

It may also be helpful to undertake a focused peer review in this stage, informing achievement and perceptions of the sector and nearest competitors. This could be a further phase of the framing exercise. Relevant information may also be included into the report text development in the next stage.

The identification stage is completed once the iterative process of interview, information collection and filtering is completed.

#### 3.1.1.4. Sign Off

Now fully conversant with both the business and stakeholder input, the individual / team involved with report generation summarizes their conclusions into a report highlighting the following:

- ▷ which significant or material issues that will be included in the report;
- ▷ how the issues will be reported in relation to other organization reporting and communication; and
- ▷ the depth of reporting on those issues.

The identification stage is completed once the most senior management approves the report content.

#### 3.1.1.5. Completing the report

Drafting the report is now undertaken. The report should contain a summary of the work undertaken in the first two steps:

- ▷ How the material issues were determined, how they are managed and the performance; and
- ▷ The stakeholder engagement process.

Performance is described through the data provided in the KPIs. The set of KPIs used may be informed by regulation or a principles-based approach. If a principles-based approach is being used, the rule of 'comply or explain' is needed to ensure completeness. Refer to previous discussions in Section 2.1.4 of this Handbook.

The reporter may also want to highlight particular achievements in this stage through case studies.

Drafting of the document is most effectively undertaken in parallel with development of the report layout, colour scheme and photography.

Developing the text of the report can be delegated to an editor or provided by representatives of each of the divisions within the organization. It is advisable to separate text and layout development to simplify the reporting process.

The completion stage is finished once a draft report is presented to the senior management.

#### 3.1.1.6. Confirmation

The reporting organization may also want to consider assuring the process and data in this stage. Assurance can be provided in two steps:

- ▷ An assurance statement to be included in the final sustainability report; and
- ▷ A management letter informing the Board as to the progress of the sustainability reporting process and providing recommendations to improving the reporting process, data collection and possible further initiatives. This is usually kept confidential and shared only at the highest organisational level.

The assurance stage could be undertaken towards the end of the data collection process while the management letter might be generated following completion of the reporting process.

Though the GRI G4 does not require assurance, potential liabilities with regard to regulatory requirements counsel that, as a minimum, a limited assurance be undertaken. Depending on the audience of the reporting organization the reporter may want to consider an assurance provider with relevant qualifications.

#### **3.1.1.7. Board Review and Stakeholder Communications**

Senior management must now review and approve the report. Depending on the agreed process there may be several different committees involved each with their individual procedures and timeline.

The team involved in report generation shall take cognizance of the time required for the approval process, time needed to amend the report and the potential impact on the overall programme.

The team involved will need to 'sell' the report internally. This is where the internal relationships developed in Stage 2 above are important.

Following Board approval the report will need to be communicated internally and externally to stakeholders following the assumptions undertaken in Stage 1. This may entail participation in financial road shows, discussions with investor relations, formal presentations to stakeholder groups, magazine articles, informing GRI, publication of reviews in the social media etc.

The review stage is completed once the Board has signed off the report for publication and the communications programme has been completed.

#### **3.1.1.8. Procedure for Report Development**

Figure 4 provides an example of a procedure that has been used successfully to undertake sustainability report generation.

The report is informed through the safety, quality and environmental data included in the Integrated Management System. Note that each of these will have their own procedure cycles dependent on their certification to external standards.

The reporting process is divided into two parallel streams, a stakeholder focused line and the report generation line. In this instance, the responsibility for the ongoing stakeholder dialogue was assigned to the Public Relations Department, though some engagement with relevant NGOs were undertaken by the reporting team. Several engagement forums were undertaken throughout the year, but a particularly relevant engagement activity was scheduled for the start of the reporting cycle combined with a review of the business achievement. This is the red figure '8' in Figure 4 with the diamond at its centre.

- ▷ Stages 1, 2 and 3 - Clarification, Development and Identification: Combined and undertaken in parallel in early October. This portion of the process was undertaken primarily by the Chief Sustainability Officer in close dialogue with his international network of experts.
- ▷ Stage 4 - Signing Off: CEO / Board endorsement was received in November.

- ▷ Stage 5 - Completing the report: Report preparation was undertaken between December through February. This also included design development and layout of the final report and website.
- ▷ Stage 6 - Confirmation: Data assurance was undertaken toward the end of this stage, typically January - February.
- ▷ Stage 7 - Review: Approval at the Executive Board and full Corporate Board thereafter were received in March / April. The report was issued as a stand-alone document and supplementary website were issued in April. Internal and external communications, road shows, etc were undertaken after April and until the fall when the subsequent report generation process restarts. Once completed, response were provided to additional questionnaires from DJSI, FTSE4Good, CDP and many others.

### 3.2. Leveraging the Reporting Process

The reporting process can be very tedious. The processing of data, writing the narrative, receiving executive approvals and the sheer timescale of the project can leave little room to leverage the benefits to the reporting process. This section will outline a procedure to capture those benefits.

For this procedure the entire report generation line discussed in Figure 4 and the above sections is replaced by a single arrow. One can place that reporting arrow in a universe described by the scope of the report and timeline, Figure 5. Rather than consider incremental changes to the report content on an annual basis, the Chief Sustainability Officer and their team are charged with developing a several year vision.

Once agreed and resourced by senior management, the team can back cast and describe those initiatives that will lead to success. Following internal buy in, the team then moves forward with time achieving the envisioned initiatives and providing excellent substance for subsequent sustainability reports.

## 4. REPORTING AS A CONGLOMERATE

### 4.1. Overview

The portfolio of UIC members comprises rail undertakings, infrastructure managers and integrated companies combining both attributes. Developing a GRI G4 report encompassing all sectors in varying degrees provides a unique challenge for reporters.

This Section will provide guidance for the reporter in developing a structure, management process and direction to support a GRI G4 report for a conglomerate. The goal is present the minimum scope for a GRI G4 report covering the salient issues while preparing a roadmap for future more in-depth reporting.

### 4.2. General Architecture

The technique involves the distinctive combination of:

- ▷ Boundary scoping (Sec 2.1.3, 2.6 and Section 3);
- ▷ Materiality Assessment (Sec 2.3.3); and
- ▷ Stakeholder inclusiveness (Sec 2.3.1).

That results in a clear statement of:

- ▷ Business priorities;
- ▷ Material sustainability issues; and
- ▷ Priority stakeholders and their relevant issues.

The technique builds on the Sustainability Context, (Sec 2.3.2) and includes a clear definition of the roles and responsibilities of the Group Sustainability Function and higher levels of Senior Sector and Group Executive Management.

#### 4.2.1. Development

The overall general process is summarized in Figure 6.

##### 4.2.1.1. Boundary Scoping

The reporting organisation identifies all of the businesses / companies involved in the particular sector.

Prioritization follows by setting key threshold levels and examining the implications of the resulting set of businesses in terms of their size, criticality, geography, data availability, reporting complexity etc. This could involve some iteration between the threshold levels and the resulting set of businesses.



A tentative portfolio of business and their boundaries are proposed, reviewed, endorsed and ultimately approved by senior management.

#### 4.2.1.2. Materiality Assessment

- ▷ The full set of material Aspects and KPIs are considered (GRI, SASB, ISO 26000, etc).
- ▷ Prioritization follows by setting key threshold levels for each of the Aspects and examining the implications of the resulting set of material issues for each of the priority businesses previously identified. This could involve some iteration between the threshold levels and the proposed portfolio of businesses.
- ▷ A tentative set of material sustainability issues are proposed, reviewed, endorsed and ultimately approved by senior management.

#### 4.2.1.3. Stakeholder Inclusiveness

- ▷ A full set of stakeholders for each of the prioritized businesses is considered.
- ▷ Prioritization follows by setting key threshold levels for each stakeholder group in terms of their impact and influence on the priority businesses identified previously. A filtering of stakeholder issues occurs in terms of the material sustainability issues. This could involve some iteration between the threshold levels for stakeholders, the Aspects and the proposed portfolio of businesses.
- ▷ A tentative set of key stakeholders and their issues are proposed, reviewed, endorsed and ultimately approved by senior management.

As show in in the Figure 6, the process of setting thresholds and the iterative prioritization methodologies are essentially similar for Boundary Scoping, Materiality Assessment and Stakeholder Inclusiveness.

Each reporter will need to define the internal processes involved and develop their management approach to the process of proposal, endorsement and approval those areas outlined above.

### 4.3. The Conglomerate

In this section general process will be applied to the conglomerate and the processes expanded.

While the overall technique is common to an expanding portfolio of businesses, efficient leveraging across sectors results only from several iterations within and between businesses / sectors. This is challenging as many of the concepts and definitions used take on slightly different interpretations with different implications in different sectors.

#### 4.3.1. Development

The process summarized in Figure 7 illustrates that the overall technique and processes are similar for the railway and infrastructure. The additional refinements in the figure apply to the roles and responsibilities of the Group Sustainability Function, Senior Sector Management and Group Management.

#### **4.3.1.1. Group Sustainability Function**

The Group Sustainability Function identifies, sets priorities and proposes:

- ▷ The portfolio of businesses critical to the Sector;
- ▷ All GRI aspects critical to the Sector; and
- ▷ All Stakeholders and their relevant issues critical to the Sector.

#### **4.3.1.2. Sector Management**

The Sector Management reviews the following with the aim of endorsing the process and the outcome to this level:

- ▷ Companies;
- ▷ Aspects;
- ▷ Stakeholder assessments;
- ▷ Thresholds; and
- ▷ Prioritization process.

This may entail a degree of iteration to provide a full sector view of the businesses, their material aspects and the key stakeholders involved. The larger the set of business, aspects and stakeholders, the greater the complexity of reporting the data and the process.

For the G4 it is permissible to start with a reduced set of these, outline the processes involved and provide a roadmap of further reporting.

#### **4.3.1.3. Group Considerations**

The Group or Company Executive will then combine the outcome of this process from all the sectors within the conglomerate in the final phase. The Group Executive will review and approve the scope of the report including the businesses, material sustainability issues and the portfolio of stakeholders and their issues.

It is this group's responsibility to align the relevant thresholds and priorities for the entire group. An iterative approach will be needed to establish the degree of robustness of the full reporting scope.

## **4.4. Conclusion**

As an outcome, a roadmap for increasing coverage of the businesses, material sustainability issues and stakeholders is established by the senior group management. The increasing complexity will define the internal resources and lines of management and reporting.

Once the initial pass has been completed, it will be possible for the Group Sustainability Function to focus more efficiently on the relevant issues and gaps in subsequent years.

This will allow the Group Sustainability Function to develop regular reporting to the Sector and Group Management and to streamline the management of the reporting process.

## 5. REVIEW OF GRI G4

This Section provides further interpretative comments concerning the GRI G4 Documents, Part 1, Reporting Principles and Standard Disclosures, and Part 2, The Implementation Manual. This section is not a detailed recapitulation of the GRI G4 documents, but a highlight of the points most relevant for the Railway / Infrastructure.

### 5.1. Steps in preparing a G4 Report

#### 5.1.1. A sustainability report is a story

A sustainability report is a story:

- ▷ Describing the economic, environmental and social impacts caused by and incurred the railway, its infrastructure and supply chain on everyday activities;
- ▷ Presenting the organization's business, values and governance model;
- ▷ Demonstrating the link between the organization's strategy, its commitment and its performance in sustaining the local and global economy;
- ▷ That forms part of the organization's brand;
- ▷ Maintains a narrative between previous reports while preparing for subsequent reports; and
- ▷ Whose contents shall confirm to the G4 requirements after 1 January 2016.

#### 5.1.2. Core vs Comprehensive

The organization determines:

- ▷ Whether to report following the essential elements of the G4, 'Core' or 'Comprehensive', providing additional Standard Disclosures and reporting on all indicators related to material aspects; and
- ▷ The audience and how the report will be used. (Owners, Regulators, Shareholders, Employees, etc.). This will impact the extent of reporting, the context and the framing, as well as the look and feel of the report.

#### 5.1.3. Use of 'In accordance with'

- ▷ It is no longer necessary to complete the external assurance column in the G4 Content Index in order to report 'in accordance' with G4. Refer to comments below in Section 2.4.6.
- ▷ There is no applicable *Sector Supplement for Logistics and Transportation*.

However, material aspects identified in this supplement are pretend in Appendix C.

#### 5.1.4. Reasons for Omission

For either Core or Comprehensive reports, if a reporter is not able or does not wish to report on all indicator requirements of the G4:

- ▷ Disclose whether the information is confidential and why; and/or
- ▷ Detail the steps that are being taken to obtain the information and time frame involved.

If one wishes to report in accordance with G4 and information is not available, it is necessary to explain how the information will be obtained and when the information will be included into subsequent reports. A strategy delineating this process could be advantageous considering a several-year evolution of reporting or embedding sustainability into an organization.

## 5.2. Report Content

### 5.2.1. Stakeholder Inclusiveness

In principle the organization should identify its stakeholders, how they have been identified, and explain how it has responded to their expectations and interests.

#### Tests

Is documentation available to identify:

- ▷ Which stakeholders (groups and individuals) have been consulted and why;
- ▷ The outcomes of the engagement for each stakeholder group and sessions; and
- ▷ How the process has been consistent with the stated Scope of the Report and the aspect boundaries.

### 5.2.2. Sustainability Context

In principle the report should present the organization's performance in the wider context of sustainability.

A context for the report is needed to assist the reader to appreciate:

- ▷ The railway and infrastructure's significance in the local and global economic, environmental and social setting;
- ▷ The linkages with the supply chain locally and globally; and
- ▷ Trends.

In relation to broader sustainability issues, the performance of the railway and infrastructure must be viewed in the context of the limits and demands placed on environmental or social resources at the sector, local, regional, and global level. Reporting exclusively on efficiency is not sufficient.

**Tests**

Is documentation available to identify:

- ▷ How objective and available information is used to present a sustainable development in terms of the railway and infrastructure business;
- ▷ How broader sustainable development goals are being met and implemented by railway and infrastructure operations; and
- ▷ How the long-term strategy, risks and opportunities of the railway and infrastructure are being considered nationally and locally.

**5.2.3. Materiality**

While not just a management report, the report should cover aspects that:

- ▷ Focus primarily on performance of the most material aspects;
- ▷ Reflect the railway's significant economic, environmental and social impacts;
- ▷ Defines the boundaries for the significant impacts;
- ▷ Substantively influences the assessments and the audience's understanding;
- ▷ Includes decisions of stakeholders;
- ▷ Includes internal and external factors; and
- ▷ Considers international standards and agreements.

The thresholds by which stakeholders and the supply chain are impacted by the railway and / or infrastructure operations are to be identified.

**Tests**

Is documentation available to identify:

- ▷ How impacts, risks, opportunities and boundaries are identified;
- ▷ How those impacts are prioritized and treated;
- ▷ How future challenges are being considered;
- ▷ Compliance to those laws, regulations, voluntary or mandatory agreements that are of strategic significance; and
- ▷ Consistency with the key organizational values, policies, strategies, operational management systems, goals and targets.

**5.2.4. Completeness**

In principle the report includes coverage of the material aspects and their boundaries, enabling stakeholders to assess the organization's achievements in managing those material aspects in the reporting period.

The scope (which aspects), boundary (where the impacts occur) and time (reporting period) are stated and the compiled data and outcomes of the engagement process are consistent, reasonable and appropriate.

### Tests

Is documentation available to identify:

- ▷ Consistency between the stated materiality issues, their boundaries, the context and stakeholder inclusiveness;
- ▷ Significant unavoidable and irreversible impacts; and
- ▷ No omission of significant impacts.

## 5.3. Report Quality

### 5.3.1. Balance

In principle the report should provide an unbiased picture of the rail companies and their performance including both favourable and unfavourable results. Avoid selections, omissions, or presentation formats that are reasonably likely to influence a decision or judgement by the report reader. Context to understand poor performance is advisable.

### Tests

Is documentation available to identify:

- ▷ Favourable and unfavourable results;
- ▷ Clear formats that display positive and negative trends on a year to year basis (three year minimum to show trends); and
- ▷ Appropriate emphasis of the aspects in relation to their relative materiality.

### 5.3.2. Comparability

In principle the information should be presented in a manner that enables stakeholders to analyse changes in the organization's performance over time and supporting analysis relative to other organizations within and outside of the sector.

Performance and achievement of objectives should be consistent with past performance, consistent over time and understood within the sustainability context.

Explanation is needed if historical data is amended or not included. A footnote would generally suffice.

### Tests

Is documentation presented to:

- ▷ Permit year to year comparisons of data;
- ▷ Identify and explain significant variations; and
- ▷ Identify the generally acceptable protocols in data collection and presentation.

### 5.3.3. Accuracy

In principle sufficiently accurate and detailed information should be provided to assess the organization's performance.

#### Tests

Is documentation available that allows:

- ▷ Data to be replicated or identifies an auditable pathway;
- ▷ A reasonable error margin (5% or less is assumed);
- ▷ An identification where data has been estimated; and
- ▷ Evidence of validity for qualitative statements.

### 5.3.4. Timeliness

G4 requires that the report is provided on a regular schedule. There is no specification as to what that period should be. Generally reports are issued annually though some channels are requesting quarterly reports for some data.

#### Tests

Is documentation available to identify:

- ▷ Whether the information is consistent with the reporting period; and
- ▷ That key performance information aligns with sustainability reporting.

### 5.3.5. Clarity

In principle information should be made available in a manner that is understandable and accessible to stakeholders. The choice of audience, language and look and feel of the report are important considerations.

#### Test

Is there evidence that:

- ▷ Essential information is accessible to all and reported without confusing detail;
- ▷ Information can be found with relative ease;
- ▷ Information is free from acronyms and jargon is explained.

### 5.3.6. Reliability

In principle information used in the report should be collected, analysed and disclosed in an auditable manner with decision making documented and support by internal controls. There is no G4 requirement for assurance (at any level). Independent assurance of a G4 report can provide constructive insights.

### Tests

Is documentation available that:

- ▷ Identifies the original source of the information with errors, omissions and uncertainties noted;
- ▷ Provides evidence supporting the calculations; and
- ▷ Documents the scope and extent of external assurance (if provided).

## 5.4. General Standard Disclosures

### 5.4.1. Strategy and Analysis (G4-1 to G4-2)

Framed as the CEO or Chairman's letter, these disclosures are required to provide insights on the organization's strategic view of sustainability and related insights. They should include:

- ▷ Strategic priorities in the short to medium term;
- ▷ Broader macroeconomic and political trends affecting the organization;
- ▷ Key events, achievements and failures in the reporting period;
- ▷ An overall performance assessment; and
- ▷ An outlook on future challenges (3 – 5 years).

That narrative should also address:

- ▷ The organization's key impacts on sustainability and its effects on stakeholders:
  - a. Approach and prioritization of the challenges and opportunities;
  - b. Key progress conclusions; and
  - c. Reasons for under or over performance.
- ▷ The impact of sustainability trends, risks, and opportunities on the organization's long-term prospects and financial performance:
  - a. Long-term prioritization of key sustainability topics;
  - b. Targets, performance against targets, lessons learned; and
  - c. Governance mechanisms to manage risks and opportunities.

### 5.4.2. Organizational Profile (G4-3 to G4-16)

Regarding the supply chain, describe the sequence of activities or parties that provides products and services to the organization, including the following:

- ▷ Total number of suppliers engaged and estimated number of suppliers in the supply chain,
- ▷ Location of suppliers by country or region,
- ▷ Types of suppliers (such as contractors, brokers, wholesalers, licensees).
- ▷ Estimated monetary value of payments made to suppliers,
- ▷ Railway / infrastructure-specific characteristics of the supply chain.



### 5.4.3. Identified Material Aspects and Boundaries (G4-17 to G4-23)

#### 5.4.3.1. G4-17

List all entities included in the organization's consolidated financial statements noting whether any entity is not covered by the G4 report.

#### 5.4.3.2. G4-18 to G4-27

Explain the process for defining the report content and how the organization has implemented the reporting principles. As a minimum this should include a clarification on the following four steps.

##### 1) Identification

Identify those aspects and any other relevant topics, and their boundaries, which are material and included in the report. This should refer to the process steps both within the organization (G4-17) and external to the organization (G4-21).

Thresholds of materiality joins stakeholder assessments with the assessments of the organization's significant impacts.

##### 2) Prioritization

Prioritize the relevant topics consistent with the organization's strategy and context, based on the principles of Materiality and Stakeholder Inclusiveness for each topic (G4-24 to G4-27).

Provide a list of stakeholder groups engaged by the organization, for example:

- ▷ Owners,
- ▷ Investors,
- ▷ Regulators,
- ▷ Civil society,
- ▷ Customers,
- ▷ Employees, other workers, and their trade unions,
- ▷ Local communities,
- ▷ Shareholders and providers of capital,
- ▷ Suppliers.

Care needs to be used on addressing aspects that are more significant in one viewpoint than the other. Reference is made to the prioritization chart, G4 Part 1 Figure 6, Influence vs Significance. This narrative provides the basis for the DMA.

### 3) Validation

- ▷ Applies the Principles of Completeness and Stakeholder Inclusiveness to the report content;
- ▷ Discloses the resulting list of Specific Standard Disclosures;
- ▷ Demonstrates how approval by the relevant internal senior decision-makers at the organization was achieved; and
- ▷ Aligns the material aspects with the Standard Disclosures for DMA and Indicators.

### 4) Review

In preparation for the next reporting cycle undertake a review of and seek improvements to Stakeholder Inclusiveness, Sustainability Context, and Stakeholder Engagement.

#### 5.4.4. Report Profile (G4-28 – G4-33)

##### Specify the reporting cycle

Regarding the use of external assurance, the Global Sustainability.

Standards Board (GSSB) has issued an Interpretation on disclosure from 5 August 2015. It is no longer required to complete the external assurance column in the G4 Content Index in order to report 'in accordance' with G4.

#### 5.4.5. Assurance (G4-33)

Report the organization's policy and current practice regarding external assurance and describe how the highest governance body or senior executives are involved in and safeguarding internal organization policies.

#### 5.4.6. Governance (G4-34 to G4-55)

Describe the governance of the organization, detail the roles and responsibilities of the decision makers in their support of the economic, environmental and social dimensions.

For the key decision making bodies, consider:

- ▷ Diversity;
- ▷ Roles and responsibilities;
- ▷ Independence of decision makers;
- ▷ Relevant expertise and experience;
- ▷ Internal capacity building;
- ▷ Involvement of stakeholders;
- ▷ Resolution of conflict of interest; and
- ▷ Management of risk and opportunities and sustainability impacts;
- ▷ Remuneration policies including short and long term incentivized; and
- ▷ Total compensation of CEO / Chairman in terms of ratio with the mean employee compensation.

### 5.4.7. Ethics and Integrity (G4-56 – G4-59)

Describe the organization's:

- ▷ Codes of conduct, ethics behaviour; relevant codes of practices;
- ▷ Roles and responsibilities and control of relevant committees;
- ▷ Training;
- ▷ Internal supervision;
- ▷ How compliance is secured;
- ▷ Mechanisms to ensure organizational integrity.

## 5.5. Specific Standard Disclosures

### 5.5.1. Disclosure of Management Approach (DMA)

The DMA explains how material Aspects are managed, and can cover the management process for more than one material aspect. The DMA(s) is the fundamental underpinning of a G4 report.

The narrative clarifies:

- ▷ How an organization identifies, analyses, and responds to its actual and potential material aspects; and
- ▷ The context for the performance reported by Indicators; and
- ▷ Management's responsibilities, specific actions, and the goals and targets of the approach.

### 5.5.2. Indicators

Indicators: Economic (EC), Environmental (EN), Labour (LA), Human Rights (HR), Society (SO), and Product responsibility (PR).

For the most part, indicators under G3.1 have been retained:

- ▷ G3.1, G2.10 has been deleted;
- ▷ Some new data points have been added to the Standard Disclosure;
- ▷ Governance, Material Aspects and Boundaries, Ethics and Integrity, Environmental, Social, Human Rights, and Society;
- ▷ Disclosures on Management Approach have been moved to Guidance for all Sub-categories.

Reference No. 13 provides a table showing the essential differences between GRI G3/G3.1 and G4 in terms of Standard and Specific Disclosures, and Requirements and Guidance. The UIC Reporting Guidelines tables have been updated with this content, see Section 4.

## 5.6. Supply Chain

It is necessary to describe the organization's:

- ▷ Supply chain (G4-12);
- ▷ Procurement practices (G4-EC9);
- ▷ GHG Emissions (G4-EN15 – 21); and
- ▷ Energy usage (G4-EN3 – 7).

Reporting on water usage within the supply chain is advised (G4-EN8 – 10).

## 5.7. Value Chain

Reporting on the Value Chain provides clarity on how the organization manages its outsourced environmental, labour, human rights and societal risks.

The report shall describe and assess:

- ▷ The supplier's grievance mechanisms;
- ▷ Governance G4-34 (Core), G4-35 – 55 (Comp);
- ▷ Ethics & Integrity G4-56 (Core); G4-57 – 58 (Comp); and
- ▷ Anti-corruption G4-SO3 – O6.

## 6. SUPPLY CHAIN CONSIDERATIONS

### 6.1. Overview

This sections provides further insight into integrating the supply chain into the GRI G4 report.

### 6.2. Minimum Requirement

The minimum requirement for supply chain reporting is outlined in Section 5.6 above:

- ▷ Describe the supply chain;
- ▷ Describe the procurement practices e.g. Codes of Conduct, compliance audits etc;
- ▷ Quantify the GHG Emissions where the reporter has a majority or minority control;
- ▷ Quantify the total energy usage of the supply chain where the reporter has a majority or minority control; and
- ▷ Quantify the water usage within the supply chain where the reporter has a majority or minority control.

### 6.3. Railsponsible

Railsponsible (<http://railsponsible.org>) is an industry initiative focused on sustainable procurement, with the aim to continuously improve sustainability practices throughout the railway industry supply chain. It was started in January 2014 by the Chief Procurement Officers of six leading companies of the railway industry. The initiative is open to all railway operators and companies across the railway industry value chain, along with key industry associations, that share its vision, mission and commitments.

In March 2015 Railsponsible launched its first initiative establishing a common platform of supplier assessment using EcoVadis. The remainder of this section will focus on the details of EcoVadis.

#### 6.3.1. EcoVadis

EcoVadis is a sustainability rating platform for supply chains, spanning 150 sectors and 110 countries. The platform is built from questionnaires and their on-line library is extensive. See Ref No. 32.

There are also a number of relevant case studies of businesses participating in the rating service providing helpful examples.

Two very useful documents:

- ▷ Building a Business Case for Sustainable Procurement: A 5-Step Guide; and
- ▷ A simple scorecard.

The 5 – Step Guide summarizes the key tips including quantifying the business case, competitive elements, internal signals, stakeholder demands and internal momentum building.

The Scorecard provides a method to understand, track and improve suppliers' environmental, social and ethical performance, fostering transparency and innovation between trading partners.

#### **6.3.1.1. The 5 – Step Guide**

The 5 steps outlined in the guide are as follows:

- ▷ Build and qualify the business case – quantifying and prioritizing the supply chain footprint. This is useful in assessing the critical businesses to be covered in the reporting process. Refer to Figures 5 and 6;
- ▷ Peer pressure: benchmarking industry and competitors. Review competitor's websites, industry association publications and the DJSI yearbook for best practices;
- ▷ Consider risk assessments of critical suppliers within the supply chain and the impact to the ongoing business;
- ▷ Consider customer's sustainability requirements. Examine key customer's websites seeking input from Responsible Sourcing initiatives;
- ▷ Recruit champions and early adopters and form a collaboration.

#### **6.3.1.2. EcoVadis Scorecard**

The Scorecard is a service provided by EcoVadis and provides visibility on the following ratings:

- ▷ Overall CSR Performance;
- ▷ Detailed performance on environment, labour practice, fair business practices and sustainable procurement;
- ▷ Benchmark on performance as compared to a supplier data base;
- ▷ Strengths and improvement on the detailed performance areas.

A sample of the scorecard is shown in Figure 8.

## 6.4. Auditing Compliance

Within the supply chain there is always the issue of compliance to the contractual specification. The specification may require the supplier to provide detailed information and submissions on safety, environmental and quality due diligence as well as Life Cycle Assessment (LCA). There may also be some qualifications regarding responses to non-compliance to the specification and regular reporting of compliance.

The reporter will need to assess how the compliance will be monitored and managed. In some organizations a sizeable compliance department has been instituted with regular audits on product and service providers. Regular third-party providers are also used in supplementing internal audit results.

Other organizations rely on building a relationship with the supplier, focused on continual improvement in cases of non-compliance. These can be based on 6 monthly site audits and follow-up discussions should issues arise in the media.

Whatever the path chosen, the issue of supply chain compliance will impact the boundary scoping of the businesses involved in the GRI G4 report. It is essential to note that the reporter cannot out-source the reputational risks involved with the supply chain.

## 6.5. Other Sources

There are a number of other sources that can be consulted on supply chain codes:

- ▷ UNICEF Supply Chain Manual,
- ▷ UNGC Supply Chain Sustainability A Practical Guide for Continuous Improvement, Ref No. 33,
- ▷ WHO Supply chain manager user's manual, Ref No. 34,
- ▷ OECD Supply Chains and the OECD Guidelines for Multinational Enterprises, Ref No. 35,
- ▷ WBCSD Sustainable Procurement Guide's website,
- ▷ UNEP-SBCI's Greening the Supply Chain.

## 7. FURTHER SOCIAL KPIS FOR CONSIDERATION

### 7.1. Overview

This section will review a further portfolio of potential social KPIs that UIC members may want to consider to augment their current level of reporting.

### 7.2. Social KPIs

As originally set out in the Brundtland Report, Our Common Future Ref No 36, In sustainability reporting, social reporting has focused on the following areas for indicators:

- ▷ Social equity,
- ▷ Livability,
- ▷ Health equity,
- ▷ Community development,
- ▷ Social capital,
- ▷ Social support,
- ▷ Human rights,
- ▷ Labour rights,
- ▷ Placemaking,
- ▷ Social responsibility,
- ▷ Social justice,
- ▷ Cultural competence,
- ▷ Community resilience, and
- ▷ Human adaptation.

Reporters have developed specific KPIs focus on their particular strengths in the above areas and a number are referred in the GRI G4. These have also been incorporated in approaches to the UNGC, UNPRI and UNFI.

More recently focus has turned to climate change adaptation and mitigation, city resilience and attention from NGOs on cities as ecosystems. These provide an environmental frame for social consideration and a sustainability context for transport and infrastructure.



### 7.3. Existing UIC KPIs

There are two main sources of indicators cited by UIC members:

- ▷ Railway specific environmental performance indicators, Leaflet 330R February 2008; and
- ▷ UIC Reporting Guideline Sustainability Mobility and Transport, March 2011.

#### 7.3.1. Leaflet 330R

Leaflet 330R focuses on railways and provides a methodology for reporting on environmental performance indicators on three levels and a stepwise approach to data collection. Indicators cover:

- ▷ Energy consumption for traction,
- ▷ Share of renewable traction energy,
- ▷ CO<sub>2</sub> emission,
- ▷ Local air pollution,
- ▷ Noise emission, and
- ▷ Land take.

Reference variables are passenger kilometres (pkm), tonne-kilometres (tkm) and transport unit (TU).

#### 7.3.2. UIC Guideline Indicators

Leaflet 330R is complemented by the indicators included in the Reporting Guideline. This remains focused on rail but includes passenger and freight services, covering the following additional areas:

- ▷ Safety of passengers, staff and third parties,
- ▷ Traffic congestion,
- ▷ Mobility access,
- ▷ Passenger environmental footprint,
- ▷ Intermodality,
- ▷ Customer relations,
- ▷ Organizational profile and governance,
- ▷ Attractive employers,
- ▷ Human rights,
- ▷ Stakeholder dialogue, and
- ▷ Reporting.

## 7.4. Coverage

UIC Indicators cited in the existing Guidelines are well balanced with good social coverage. There is good correspondence with the GRI G4 KPIs, See Section 9 of this Manual.

## 7.5. Additional Coverage

### 7.5.1. Paris Accord

The Paris Accord was signed on 12 December 2015. The Accord focuses on a bottom-up approach where each signatory shall show continuous improvement to the set of INDCs (Internationally National Determined Contributions) submitted previously by states to the UNFCCC.

The EU has submitted their Climate Action Plan on 6 March 2015, Ref. No 37. Transport is one of the sectors covered in the submission in terms of energy and fuel consumption, pg 3. The methodology to be used in calculating the carbon emissions is to follow IPCC Guidelines 2006 and IPCC 2013 KP Supplement.

The current UIC KPIs included in the Guidelines and Leaflet 330R covering carbon emissions, fuel consumption and energy usage appear adequate.

It is however necessary for each UIC member to seek clarity from their national government as to extent that member's contribution is included and extended in the national INDCs.

### 7.5.2. EU

The EU Directive on Reporting was noted in Section 2.1.5.

Article 19a(1)(1-e) sets for the non-financial reporting requirements for Public Interest-entities. Specific KPIs are not defined in this document though it is expected that further details will be provided in a further document to be issued in December 2016.

The areas covered by the EU Directive are similar to those in the GRI G4 though there are some exceptions. UIC Members are referred to Appendix E.

### 7.5.3. Resilience

The Rockefeller Foundation together with Arups have developed the Cities Resilience Framework as a basis for their 100 Resilient Cities programme, see Ref No 4.

City resilience details the capacity of cities to function, so that the people living and working survive and thrive no matter what stresses or shocks they encounter. This does provide some focus on infrastructure and a means to develop the sustainability context referred in Section 2 of this Manual.

A set of indicators has been developed based on the following qualities of resilient systems:

- ▷ Reflective,
- ▷ Robust,
- ▷ Redundant,
- ▷ Flexible,
- ▷ Resourceful,
- ▷ Inclusive, and
- ▷ Integrated.

The Framework consists of 12 key indicators and a number of sub indicators and variables.

For example, in regard to the social stability and security, a number of indicators are proposed regarding law enforcement, crime prevention, justice, and emergency management. Specific KPIs underpinning this area include:

- ▷ Deterrents to crime,
- ▷ Corruption reduction,
- ▷ Policing and justice, and
- ▷ Approach to law enforcement.

#### 7.5.4. GreenBiz / Trucost

A number of NGOs provide annual reports on sustainability progress. Of particular note are the reports prepared by GreenBiz Group and Trucost - State of Green Business, Ref No. 38. Page 28 of this report focuses on Cities and Ecosystems and provides a foundation for further consideration of social indicators.

## 8. GOOD PRACTICE REPORTS

### 8.1. Good Practices in Reporting

A number of good practices in reporting have been highlighted previously in this manual and readers are referred to the internet references in Ref No 3 - 27. This section will provide additional focus on reports relating to conglomerates and transport and infrastructure reporters. Highlighted items are indicted for each report cited.

### 8.2. Conglomerates

A number of UIC reporters combine railway train operation and infrastructure management activities. General guidance in developing a GRI G4 report has been discussed earlier in Section 4.

Two examples of excellent conglomerate reports though not specifically transport or infrastructure related are those from Unilever and General Electric.

#### 8.2.1. Unilever (House Brand)

Unilever is one of the world's leading suppliers of Food, Home and Personal Care products with sales in over 190 countries and reaching 2 billion consumers a day. It has 172,000 employees and generated sales of €48.4 billion in 2014. Over half (57%) of the company's footprint is in developing and emerging markets. Unilever has more than 400 brands found in homes around the world, including Persil, Dove, Knorr, Domestos, Hellmann's, Lipton, Wall's, PG Tips, Ben & Jerry's, Marmite, Magnum and Lynx. (Ref No 39).

Unilever has developed their Sustainable Living Plan (Ref No 40) building on sourcing of raw materials and consumers' use their products, driving towards stretch targets for 2020 across the conglomerate in the areas of:

- ▷ Improving Health and Well-being,
- ▷ Reducing Environmental Impact, and
- ▷ Enhancing Livelihoods.

Unilever provides annual progress reports to their Sustainable Living Plan and includes mention of progress in their annual report. They assess their progress in terms of the UN Global Compact, GRI and UN Millennium Development Goals (MDGs).

Unilever's website provides further information on materiality assessment and stakeholder engagement. This is an excellent example of a 'House Brand' as opposed to a 'House of Brands'.

Unilever has accomplished several passes through the process outlined in Figure 7 and have extracted key issues to develop their brand. Unilever is continuously voted as one of the most sustainable companies by Globescan in their annual surveys of sustainability professionals.

### 8.2.2. General Electric (New Brand)

General Electric (GE) is an example of a conglomerate that has developed a new 'sustainability' brand, Ecomagination.

GE is an American multinational conglomerate corporation incorporated in New York operating in the following segments: Appliances, Power and Water, Oil and Gas, Energy Management, Aviation, Healthcare, Transportation and Capital which cater to the needs of Home Appliances, Financial services, Medical device, Life sciences, Pharmaceutical, Automotive, Software development and Engineering industries.

Up until 2005, GE was better known as one of the worst polluters in the US, discharging large quantities of chemical waste into the Hudson River in New York. It was then that the CEO, Jeff Immelt announced that GE was putting significant resources into a program called Ecomagination, designed to emphasize energy efficiency and ecologically friendly products.

Ecomagination has become the lynch pin of a successful reinvention of GE, the foundation of the company's future, and the vanguard of the global movement towards corporate environmentalism.

This has also been reflected in GE's reporting, Ref No 41. GE reports to the GRI G4 and uses the UNGC as well. There is a full description of the processes involved in their materiality assessment and stakeholder engagement. GE reports for the conglomerate, sectors and specific geographic operations with audited metrics focusing on:

- ▷ Building things that matter,
- ▷ Enabling progress, and
- ▷ Healthymagination progress.

GE is similar to Unilever that they have also leveraged several passes of the process noted in Figure 7 to develop a unique 'House Brand'.

### 8.3. Canadian National Railway Co. (Narrative and Executive compensation)

Canadian National (CN) is a privatized business group in Canada providing integrated transportation services in:

- ▷ Rail,
- ▷ Intermodality (container services),
- ▷ Trucking,
- ▷ Freight Forward, and
- ▷ Warehousing and Distribution.

CN reports according to GRI G4, Ref No 42. Key issues discussed include:

- ▷ Rail industry leadership in fuel efficiency,
- ▷ Energy conservation and waste reduction,
- ▷ Conservation,
- ▷ Building stronger communities through activities involving safety education and diversity.

Their GRI G4 Report provides information by region and commodity.

There is a short discussion on the environmental benefit of railways regarding efficiency, leveraging intermodality and the organization's efficiency.

A summary is provided on their stakeholder engagement approach as is a chart summarising their materiality assessment plotting the issues by importance to the reporter and importance to the stakeholder. Of critical importance are:

- ▷ Responsible procurement,
- ▷ Dangerous goods shipments,
- ▷ Talent attraction and development,
- ▷ Safety culture,
- ▷ Safety management system,
- ▷ Customer innovation (communities and investment, aboriginal rights, socioeconomic benefits), and
- ▷ Waste and spills management.

Sections of the GRI G4 are dedicated to the above material issues. Safety culture in operations also includes investments in infrastructure and technology. A further section also includes a discussion on linking executive compensation to value creation.

#### **8.4. FirstGroup plc (Narrative and Social Reporting)**

FirstGroup plc is the leading transport operator in the UK and North America with revenues of over £6.7 billion a year, employing approximately 117,000 employees. They transport around 2.5 billion passengers a year across First Student, First Transit, Greyhound, UK Bus and UK Rail divisions, Ref No 43.

Their sustainability report, which follows but is not a GRI G4 report, focuses on the following material issues:

- ▷ Solutions for a congested world – energy, climate, air emissions, waste, water and procurement,
- ▷ Keep people moving – performance, customer satisfaction and accessibility,
- ▷ Helping communities to prosper – community engagement, supporting prosperity in local communities with investment and services,
- ▷ Dedicated to safety – health, safety and wellbeing, and
- ▷ Valuing people – diversity and inclusion, learning and development, and employee engagement.

Stakeholder engagement is described as are numerous programmes supporting delivery on the above material issues. Total FirstGroup community investment (£) is presented using the London Benchmarking Group model.

Performance achievements and targets for the following year are discussed.

### 8.5. Transurban Group (Value Chain Reporting)

Transurban manages and develops urban toll road networks in Australia and North America and the sustainability report is available on-line, Ref No 44.

Their report is formed around a storyline consisting of:

- ▷ Being a good neighbour,
- ▷ Using less, and
- ▷ Thinking long term.

They report according to the GRI G4 and provide a chart rating their materiality. Criticality is based on risk assessment with 'extreme' including the following:

- ▷ Economic performance, Health and Safety, Local communities and customer privacy, customer safety, Procurement and a further portfolio of issues,
- ▷ Labour relations,
- ▷ Employment,
- ▷ Emissions,
- ▷ Public policy,
- ▷ Legal compliance,
- ▷ Indirect economic impacts, and
- ▷ Anti-corruption.

Material issues were reviewed to identify the relevant 'value chain' in terms of the economic, environmental and social categories and a simple summary presented highlighting the category interaction with the following.

- ▷ Government and industry,
- ▷ Transurban partners and investors,
- ▷ Community and the environment.

## 8.6. CSX Group (Sustainability Context)

CSX Corporation is an American holding company focused on real estate and railways in North America, among other industries. They report to the GRI G4 focusing primarily on their railways in the United States.

Their critical material issues include:

- ▷ Customer service and satisfaction,
- ▷ Workplace safety,
- ▷ Public safety and security,
- ▷ Financial strength, and
- ▷ Competition pricing and regulation.

Material issues are matched to the material aspects as defined by the GRI G4. Their story is built on an assessment of their market and the business strength. Empowering employees, environmental sustainability and investing in communities is detailed. Mechanisms involving stakeholder engagement are also detailed, Ref No 45.

## 8.7. BNSF Railways (Narrative)

BNSF is a freight railway serving customers in the agricultural, consumer, industrial and coal markets.

Their GRI G4 report is simple and straightforward. Material issues are identified and discussed. Presentation of supplementary information provides the abbreviated narrative of the report, which references the relevant GRI G4 sections, Ref No 46:

- ▷ Economic performance,
- ▷ Infrastructure investment,
- ▷ Intermodal transport,
- ▷ Network reliability and service issues,
- ▷ Energy consumption,
- ▷ Carbon emission,
- ▷ Land use and Property Management,
- ▷ Employee Health and Safety and Emergency preparedness and response,
- ▷ Types of material transported and energy development,
- ▷ Employee recruit,
- ▷ Labour management and relations,
- ▷ Labour management and relations,
- ▷ Philanthropy and Community Engagement,
- ▷ Emerging regulation, compliance and litigation.

It is noted that the report does not correspond to the SASB material issues but follow those issue identified by the reporter.



## 8.8. Union Pacific (Sustainability context, Material issues and Narrative)

Union Pacific (UP) is the principal operating company of Union Pacific Corporation listed in the NYSE connecting 23 states by rail. The business includes agricultural products, automotive, chemicals, coal, industrial products and international freight (intermodal).

The narrative and KPIs presented in their sustainability report is built around the material issues, Ref No 47:

- ▷ Economic Impact – Delivering value, Financial performance and Indirect economic impacts;
- ▷ Operating safety – Public and employee safety, Technology’s role, Hazardous materials and chemical risk reduction, Crude transported and Derailments;
- ▷ Strengthening communities – Providing good jobs, Connecting with communities and Supply chain;
- ▷ Engaging employees – Benefits, Labour agreements, Wellness, Employee resource groups and Work training and career development; and
- ▷ Preserving the environment – Climate change, Environmental management, GHG emissions, Fuel efficiency, Collaboration, and Waste, Water and Land compliance.

A detailed materiality assessment is not provided and the selection of material issues does not follow the SASB classification for Transportation.

The sustainability context details enhancing America’s Rail infrastructure regarding the resilience of the infrastructure:

- ▷ Signal detection and inspections,
- ▷ Electronic and visual track inspection, and
- ▷ Visual bridge inspections.

Stakeholder outreach is illustrated by communication channels to:

- ▷ Communities,
- ▷ Employees and Retirees,
- ▷ Investors,
- ▷ Regulatory officials, and
- ▷ Suppliers.

Regional reporting is provided on a state by state basis within the United States.

## 9. CORRESPONDENCE OF UIC INDICATORS TO GRI G4

This section updates the tables from the previous UIC Reporting Guidelines from GRI G3 to GRI G4. The flow and format of the tables follows that of the previous document. For brevity, only the tables have been reproduced. The reader is referred to the original document for text, explanations, definitions and further documentation.

Changes to either the numbering, placement, scope or content are highlighted accordingly. Further details can be found in Ref No 14..

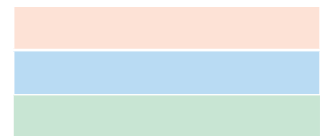
Cells of the tables are highlighted as follows:

No change to Standard Disclosure

Data points added to Standard Disclosure

Content in Standard Disclosure has been reduced

Content from Standard Disclosure has been moved to Guidance





Meet the expectations of society  
We are the backbone for sustainable mobility  
and transport systems in our society

## A.1. Rail offers solutions to cope with the mobility and transport challenges of the future

### Rail as advantage for society

#### Qualitative description:

- ▷ Describe the advantage of rail for your national/regional transport systems and/or the possible negative impacts if rail would not exist. Set it in context to the mobility and transport challenges of the future that you identified as most important for your company. Where appropriate, please report the objectives and the timeframe;
- ▷ Describe possible (positive) effects of rail as contribution to sustainable regional and urban development.

#### Reference indicators:

UIC-SIR-1	Decoupling CO <sub>2</sub> -emissions from transport performance [%]	new (UIC Sustainability Indicators Rail)
UIC-SIR-2	Avoided CO <sub>2</sub> -emissions, otherwise emitted by mainly cars and trucks, in some cases also airplanes and inland navigation	new (UIC Sustainability Indicators Rail)
UIC-SIR-3	Number of avoided cars and trucks on roads, and of flight departures where relevant	new (UIC Sustainability Indicators Rail)

### Rail as partner for sustainable transport growth

#### Qualitative description:

- ▷ Describe what kind of different transport and mobility possibilities you already offer (rail is not only good for heavy goods on long distances) and how your customers accept these (what are the effects for modal split);
- ▷ *Optional:* Describe also what could be done by your railway if the investments in rail infrastructure would be increased.

Reference indicators:

UIC-SIR-4	Market share of rail in your country or region	<b>new</b> (UIC Sustainability Indicators Rail)
UIC-SIR-5	Modal split in your country or region (rail, road, air, inland waterways)	<b>new</b> (UIC Sustainability Indicators Rail)
UIC	HS rolling stock: Type of rolling stock, Total Trainset stock, Maximum speed of HS Rolling stock, Traction current [Hz], Power by trainset [kW], Tilting, Average number of seats by trainset (1 <sup>st</sup> class, 2 <sup>nd</sup> class), Train movements [thousand train-kilometres], Trainset runs [thousand kilometres], Annual mean trainset distance, Total distance in km of the lines covered in home country, Number of stations served in home country	<b>UIC Statistics Indicators</b>
UIC	Revenue-earning HS traffic: ▷ Passengers (1 <sup>st</sup> class, 2 <sup>nd</sup> class) [in thousand Passengers] ▷ Passenger-kilometres(1 <sup>st</sup> class, 2 <sup>nd</sup> class) [in millions Pkm] Mean passenger distance [km]	<b>UIC Statistics Indicators</b>

## A.2. Rail as partner for sustainable transport growth

### Energy consumption

<b>UIC</b>	Energy Consumption by Rail Tractive Stock: ▷ Diesel [in thousand tonnes] ▷ Electricity [in millions kWh]	<b>UIC Statistics Indicators</b>
UIC-ENV-1.2.a	Core Indicator (Passengers) Specific primary energy consumption of passenger transport by rail [kJ/pkm] (if not available: start with final energy consumption UIC-ENV1.1.a)	UIC Leaflet 330 Environmental Indicators
UIC-ENV-1.2.b	Core Indicator (Freight): Specific primary energy consumption of freight transport by rail [kJ/tkm] (if not available: start with final energy consumption UIC-ENV1.1.b)	UIC Leaflet 330 Environmental Indicators
GRI-EN3-core	Core Indicator (All): Direct energy consumption by primary energy source	GRI-G-Guideline
GRI-G4-EN3	Core Indicator (All): Direct energy consumption by primary energy source	GRI-G4-Guideline
GRI-EN3/L&T	Breakdown by stationary and mobile sources	GRI-Sector Supplement L&T
GRI-EN4-core	Indirect energy consumption by primary source	GRI-G3-Guideline
GRI-G4-EN3	Energy consumption within the Organization	GRI-G4-Guideline
GRI-G4-EN4	Energy Consumption outside of the Organization	
GRI-G4-EN5	Energy Intensity	

**CO<sub>2</sub> emissions**

UIC-ENV-3.a	Core Indicator (Passengers): Specific CO <sub>2</sub> emission of passenger transport [g CO <sub>2</sub> /pkm]	UIC Leaflet 330 Environmental Indicators
UIC-ENV-3.b	Core Indicator (Freight): Specific CO <sub>2</sub> emission of freight transport [g CO <sub>2</sub> /tkm]	UIC Leaflet 330 Environmental Indicators
GRI-EN16-core	Core Indicator (All): Total direct and indirect greenhouse gas emissions [t CO <sub>2</sub> , t CO <sub>2eq</sub> ]	GRI-G3-Guideline
GRI G4-EN15	Direct Greenhouse Gas Emissions (Scope 1)	GRI-G4-Guideline
GRI-G4-EN16	Energy indirect Greenhouse Gas Emissions (Scope 2)	GRI-G4-Guideline
GRI-EN3/L&T	Greenhouse gas emissions by stationary and mobile sources [t CO <sub>2</sub> /t CO <sub>2eq</sub> ]	GRI-Sector Supplement L&T
GRI-EN17-core	Other relevant indirect greenhouse gas emissions [t CO <sub>2eq</sub> ]	GRI-G3-Guideline
GRI- G4- EN17	Other indirect Greenhouse Gas Emissions (Scope 3)	GRI-G4-Guideline

**Air pollution**

UIC-ENV-4.1.a	Core Indicator (Passengers): Specific NO <sub>x</sub> emissions of passenger transport [g NO <sub>x</sub> /pkm]	UIC Leaflet 330 Environmental Indicators
UIC-ENV-4.1.b	Core Indicator (Freight): Specific NO <sub>x</sub> emissions of freight transport [g NO <sub>x</sub> /tkm]	UIC Leaflet 330 Environmental Indicators
UIC-ENV-4.2.a	Core Indicator (Passengers): Specific particle emissions of passenger transport [g PM10/pkm]	UIC Leaflet 330 Environmental Indicators
UIC-ENV-4.2.b	Core Indicator (Freight): Specific particle emissions of freight transport [g PM10/tkm]	UIC Leaflet 330 Environmental Indicators
GRI-EN20-core	Core Indicator (All): Air pollutant emissions [t NO <sub>x</sub> , t SO <sub>x</sub> , and other significant air emissions in tons]	GRI-G3-Guideline
GRI-G4-EN21	NO <sub>x</sub> , SO <sub>x</sub> , and other significant air emissions [t]	GRI-G4-Guideline
GRI-EN19-core	Emissions of ozone-depleting substances [t]	GRI-G3-Guideline
GRI-G4-EN20	Emissions of ozone-depleting substances [t]	GRI-G4-Guideline

**Noise annoyance**Qualitative description:

- ▷ Describe how many people are directly affected and/or disturbed by rail noise and why (source of noise) and describe improvements (e.g. by using the national noise maps according to the EU directive 2002/49/EC (description of improvement every 5 years in comparison to other transport modes)).
- ▷ Describe the effects of railway noise for nearby inhabitants compared to other transport modes, quote national studies where available, especially for differences in noise perception between transport modes.

### Impacts on protected areas, habitats and biodiversity

Qualitative description:

- ▷ Describe your contributions for nature protection e.g. what kind of natural areas, habitats (according to the EU Directive 92/43/EC) and species do you protect while maintaining your infrastructure.
- ▷ Describe how you understand and work with the impacts on land use from rail, e.g. transporting many people using less physical surface (e.g. avoiding the need for additional parking space in city centres) is an important contribution to sustainable urbanization. Please note that for this topic still no internationally agreed calculation method exists. Only comparing total surface of used land is not a solution due to the different quality of tracks and roads: tracks are permeable for rain, more crossable for animals and offer space for protected species which often have no possibilities elsewhere. Reference indicators

GRI-EN11-core	<del>Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas</del>	GRI-G3-Guideline
GRI-G4-EN11	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas.	GRI-G4-Guideline
GRI-EN12-core	<del>Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas</del>	GRI-G3-Guideline
GRI-G4-EN12	Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas	GRI-G4-Guideline

### A.3. Rail is the safest mode of transport

#### Safety

Reference indicators:

UIC-SIR-6	Railway accidents - Number of accidents: Collisions, Derailments, of persons caused by rolling stock in motion, at level crossings, Other <i>Optional: Number of road/ rail/ air/ ship accidents [quantity/ pkm or tkm]</i>	<b>UIC Statistics Indicators</b>
UIC-SIR-7	Railway accidents - Passengers: Collisions and derailments, Other [number of fatalities, number of casualties] <i>Optional: Fatalities and optional serious injuries caused by road/ rail/ air/ ship accidents related to transport performance [quantity per billion pkm or tkm]</i>	<b>UIC Statistics Indicators</b>
UIC-SIR-8	Amount of dangerous goods transported safely by road/ rail/ air/ ship [per million ton or billion tkm]	<b>new</b> (UIC Sustainability Indicators Rail)
UIC-SIR-9	Reported accidents with hazardous goods of road/ rail [per billion tkm]	<b>new</b> (UIC Sustainability Indicators Rail)
GRI-EN23-core	Total number and volume of significant spills (along the tracks)-	GRI-G3-Guideline-
GRI-G4-EN24	Total number and volume of significant spills (along the tracks)	GRI-G4-Guideline
GRI-PR2-add-	Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services, by-type of outcomes-	GRI-G3-Guideline
GRI-G4-PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services, by type of outcomes	GRI-G4-Guideline

### A.4. Rail relieves roads and reduces congestion

#### Rail as absorption for road transport

Reference indicators:

GRI-LT6-	Description of policies and programs implemented to manage the impacts of traffic congestion-	GRI-Sector-Supplement-L&T-
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## A.5. Rail has macro-economic advantages for society

### External costs

#### Qualitative description:

- ▷ Describe the external costs of your operation in comparison with other modes of transport and document which methodology you base your assessment on;
- ▷ Please remark that there is still no international agreement on the standard calculation methodology (various studies like IWW/ INFRAS, UNITE etc. have large differences especially in valuation principles). Consequently you have to decide if and what you want to report, e.g. by quoting national or international studies as reference;
- ▷ UIC as a rail association should report on this including a comparison between transport modes. Reference indicators.

UIC-SIR-10	Core Indicator (Passengers): Absolute external cost passenger transport road/ rail/ air [€/year]	<b>new</b> (UIC Sustainability Indicators Rail)
UIC-SIR-11	Core Indicator (Freight): Absolute external cost freight transport road/ rail/ air/ ship [€/year]	<b>new</b> (UIC Sustainability Indicators Rail)
UIC-SIR-12	Core Indicator (Passengers): Average external cost passenger transport road/ rail/ air [€/1,000 pkm]	<b>new</b> (UIC Sustainability Indicators Rail)
UIC-SIR-13	Core Indicator (Freight): Average external cost freight transport road/ rail/ air/ ship [€/1,000 tkm]	<b>new</b> (UIC Sustainability Indicators Rail)

## A.6. Rail enhances sustainable integration of transport and mobility modes

### Combination of transport modes

#### Qualitative description:

- ▷ Describe your company's contributions to co-modality (passenger and freight), e.g. the opportunities you offer for combining rail with other transport modes and what effect it has for the design of sustainable transport systems in your country or region.





Meet the expectations of customers  
We provide attractive mobility and transport solutions for our customers.

## B.1. Rail travel and commuting increases quality and productive time

### Quality time with rail

#### Qualitative description:

- ▷ Describe the life quality aspects you provide for your different customer groups (e.g. business travellers, commuters, families, disabled travellers, students etc.) considering their different needs (business, work, holiday (green tourism), family visits (patchwork families), e.g. travelling comfortable overnight, kinder gardens at the stations, car-trains etc.

#### Reference indicators:

UIC-SIR-14	Share of disposable time compared to car and airplane on either selected or typical connections [%]	<b>new</b> (UIC Sustainability Indicators Rail)
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## B.2. Rail provides reliable mobility and transport

### Reliability of rail services

#### Qualitative description:

- ▷ *Optional:* Describe the steps taken in your company to improve reliability of freight and/or passenger services where applicable (include possibly the conflict between punctuality and connection assurance for passenger transport).
- ▷ Mention some of the reasons why punctuality could not be reached.

#### Reference indicators:

<b>UIC-SIR-15</b>	Core Indicator (Passengers): Punctuality of passenger trains per year [%] Local and regional trains (cancelled trains, trains on time (delay ≤ 5 min)), Long distance trains (cancelled trains, trains on time (delay ≤ 5 min), of which HS Trains (cancelled trains, trains on time (delay ≤ 5 min))	<b>UIC Statistics Indicators</b>
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## B.3. Rail improves access to mobility

### Mobility access to rail

#### Qualitative description:

- ▷ Describe in what ways you offer to inform customers about time schedules, options for planning routes, ways to buy tickets, etc.;
- ▷ Describe what measures you take to provide easy access to stations and trains for all your customers;
- ▷ Describe what services you offer for any disabled customer to provide easy access to stations and trains;
- ▷ Describe the links to other modes of transport from your major stations and needle points in the network;
- ▷ Describe any special offers for customers with limited access to other means of mobility like children, students, elderly (e.g. special tickets).

#### Reference indicators:

UIC-SIR-16	Percentage of stations with facilitated access for disabled people [%]	<b>new</b> (UIC Sustainability Indicators Rail)
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## B.4. Rail reduces the environmental foot prints of its customers

### Improving the environmental footprints of customers

#### Qualitative description:

- ▷ Describe how your company advises customers to lower their environmental foot print of transport (e.g. with specific information or dialogues single customer and company customers for business travel or freight transports).
- ▷ Describe how your customers could get individual data for their own climate/ environmental footprint/ balance (for single journeys, over the year etc.), e.g. via tools like Eco-Passenger/ EcoTransIT or individual calculations, and describe how they can use these data for reducing their environmental impacts (single customer and company customers, e.g. for business travel or freight). If you do so, describe also the quality and sources of the data used e.g. refer to involved institutions/external evaluations to underline the credibility of the information used.

#### Reference indicators:

UIC-SIR-17	Number of business customers that required environmental calculations or page visits of the company's* Eco-IT-tools per year	<b>new</b> (UIC Sustainability Indicators Rail)
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\*Could be used visits of Eco-IT-Tools linked to the rail company at governmental level or the UIC ones (EcoTransIT and EcoPassenger).

## B.5. Rail is the backbone of attractive and sustainable door-to-door concepts

### “Door-to-door” freight and passenger services

#### Qualitative description:

- ▷ Describe how you facilitate the co-operation between different modes for passenger mobility (park and ride/ parking places near the stations, bicycles, coordinated timetables between rail and public transport, delivering your luggage to your door while you, “mobility card” for rail & rental cars, intermodal route planning from door to door etc.).
- ▷ Describe the concepts you offer to integrate rail with connections to intermodal hub systems (rail/ trucks/container ships/planes) and what concepts you could offer to freight customers with no own railway siding (optional: possible provision of intermodal eco-information, e.g. with EcoTransIT).

## B.6. Rail involves its customers in developing target-group specific services

### Rail customer relations

#### Qualitative description:

- ▷ Determine your target-groups and describe how you involve your customers (or their representatives) in the continued service adaptation and development (e.g. customer advisory board, associations for elders/ disabled people, travel managers for business travels, dialogues of freight sales managers with their customers, cooperation with institutions which offer corresponding research results etc.).
- ▷ Describe how you adapt, improve and implement new rail service concepts for passengers and freight to be in line or ahead of actual user needs.

#### Reference indicators:

GRI-PR5-add	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction <i>(for rail: Please indicate what kind of independent reports/surveys exist and what the results are)</i>	GRI-G3-Guideline
GRI-G4-PR5 (Data points moved to Guidance)	Results of surveys measuring customer satisfaction. <i>(for rail: Please indicate what kind of independent reports/surveys exist and what the results are)</i>	GRI-G4-Guideline



Corporate Governance & Responsibility We sustain the mobility and transport business through responsible leadership

## C.1. Rail companies are committed to sustainability and sound corporate governance as a matter of course and create sustainable value for their stakeholders and shareholders

### Organizational profile and corporate governance

Reference indicators:

GRI-1.1-core-	Statement from the most senior decision-maker of the organization- (e.g., CEO, chair, or equivalent senior position)- about the relevance of sustainability to the organization and its strategy-	GRI-G3- Guideline-
GRI-G4-1	Provide a statement from the most senior decision-maker of the organization (such as CEO, chair, or equivalent senior position) about the relevance of sustainability to the organization and the organization's strategy for addressing sustainability.	GRI-G4- Guideline
GRI-1.2-core-	Description of key impacts, risks, and opportunities related to sustainability	GRI-G3- Guideline-
GRI-4-2	Provide a description of key impacts, risks, and opportunities.	GRI-G4- Guideline
GRI-2.1 to 2.10-core-	Organizational profile-	GRI-G3- Guideline-
GRI-4-3 to G4-13, G3-2.3 moved to G4-17 Identified Material Aspects and Boundaries in G4)	Identified Material Aspects and Boundaries	GRI-G4- Guideline
GRI-4.1 to 4.13-core-	Governance and commitments-	GRI-G3- Guideline-
GRI-4.1 moved to G4-34, G4-38	Governance	GRI-G4- Guideline
GRI-G4.2 moved to G4-39	Governance	GRI-G4- Guideline
GRI-G4.3 moved to G4-38	Governance	GRI-G4- Guideline
GRI-G4.4 moved to G4-337, G4-49, G4-53	Governance	GRI-G4- Guideline

GRI-G4.5 moved to G4-51	Governance	GRI-G4-Guideline
GRI-G4.6 moved to G4-41	Governance	GRI-G4-Guideline
GRI-G4.7 moved to G4-40	Governance	GRI-G4-Guideline
GRI-G4.8 moved to G4-56 (Moved to 'Ethics and Integrity' in G4)	Ethics and Integrity	GRI-G4-Guideline
GRI-G4.9 moved to G4-45, G4-47	Governance	GRI-G4-Guideline
GRI-G4.10 moved to G4-44, G4-35, G4-36, G4-42, G4-43, G4-46, G4-48, G4-50, G4-52, G4-54, G4-55	Governance	GRI-G4-Guideline
<del>GRI-SO5-core</del>	<del>Public policy positions and participation in public policy development and lobbying</del>	<del>GRI-G3-Guideline</del>
Entire Indicator moved to Guidance in G4	Public policy positions and participation in public policy development and lobbying	GRI-G4-Guideline
<b>UIC</b>	Lines: Length of lines worked at the end of the year: Total, Lines not electrified, Electrified lines (Catenary supplied (AC current, DC current), Supplied by direct-current contact rail) [km]	<b>UIC Statistics Indicators</b>
<b>UIC</b>	Train movements on the network of the infrastructure manager/ Operator's train movements: All traction modes (total, of which Passenger trains, of which Freight trains), Diesel traction (total, of which Passenger trains, of which Freight trains), Electric traction (total, of which Passenger trains (total, of which HS (250 km/h and more)), of which Freight trains) total [thousand train-kilometres]	<b>UIC Statistics Indicators</b>
<b>UIC</b>	Gross hauled tonne-kilometres of trains running on the network of the infrastructure manager/ Gross hauled tonne-kilometres of operator's trains: All traction modes (total, of which Passenger trains, of which Freight trains), Diesel traction (total, of which Passenger trains, of which Freight trains), Electric traction (total, of which Passenger trains (total, of which HS (250 km/h and more)), of which Freight trains) total [millions tonnes-kilometres]	<b>UIC Statistics Indicators</b>
<b>UIC</b>	Operator's rolling stock movements: Kilometres worked by the undertaking's tractive vehicles (All modes of traction (including steam), Diesel locomotives, Electric locomotives, Diesel railcars, Electric railcars) [thousand kilometres]	<b>UIC Statistics Indicators</b>
<b>UIC</b>	Level crossings: Active LC (Automatic LC: Total, User side warning, User side protection, User side warning and protection, User side warning & protection + rail side protection), Manual LC (Total, User side warning, User side protection, User side warning and protection), Passive LC	<b>UIC Statistics Indicators</b>

<b>UIC</b>	Tractive stock: Diesel locomotives (total, of which above 1 500 kW), Electric locomotives (total, of which above 3 000 kW), Diesel railcars, Electric railcars	<b>UIC Statistics Indicators</b>
<b>UIC</b>	Passenger transport stock- Railway-owned vehicles (coaches, railcars and trailers) at end of year: Stock (total, coaches, railcars and trailers), of which RIC, air conditioned, dining cars, couchettes, sleeping cars; Number of places (seats, berths (couchettes, sleeping cars))	<b>UIC Statistics Indicators</b>
<b>UIC</b>	Revenue-earning passenger traffic on the national territory: Total, Rail traffic (Season ticket holders, International traffic, Domestic traffic), Road traffic, Shipping services [Passengers in thousands]	<b>UIC Statistics Indicators</b>
<b>UIC</b>	Passenger traffic of the railway operators [PKm]: Total traffic (of which domestic, of which international), Traffic realised on the national territory (of which domestic, of which international), Traffic realised outside the national territory (of which domestic, of which international)	<b>UIC Statistics Indicators</b>
<b>UIC</b>	Revenue - earning Wagonload Traffic on the national territory: <ul style="list-style-type: none"> <li>▷ Wagons loaded (total, of which loaded in the country) [Number of wagons loaded]</li> <li>▷ Tonnes carried (Full wagonloads (loaded; total, of which privately-owned wagons), Empty private-owners' wagons [in thousands])</li> <li>▷ Tonne-kilometres (Full wagonloads (loaded; total, of which privately-owned wagons), Empty private-owners' wagons [in millions])</li> <li>▷ Mean distance run by a tonne [km]</li> <li>▷ Loaded and empty intermodal traffic (ITU carried, Wagons loaded with ITU, Tonnes carried [in thousands], Tonne-kilometres [in millions]) tonnes (Total traffic, of which Domestic Traffic, of which International Traffic (Export, Import, Transit) [thousands tonnes])</li> <li>▷ Tkm (Total traffic, of which Domestic Traffic, of which International Traffic (Export, Import, Transit) [millions Tonne-kilometres])</li> </ul>	<b>UIC Statistics Indicators</b>
<b>UIC</b>	Revenue-earning Wagonload Traffic on the national territory by NST-2007 category: 01: Products of agriculture, hunting, and forestry; fish and other fishing products , 02: Coal and lignite; crude petroleum and natural gas, 03: Metal ores and other mining and quarrying products; peat; uranium and thorium , 04: Food products, beverages and tobacco , 06: Wood and products of wood and cork (except furniture); pulp, paper and paper products; etc. Full description in explanatory notes , 07: Coke and refined petroleum products, 08: Chemicals, chemical products, and man-made fibres; rubber and plastic products; nuclear fuel , 09: Other non-metallic mineral products , 10: Basic metals; fabricated metal products, except machinery and equipment , 12: Transport equipment , 14: Secondary raw materials; municipal wastes and other wastes, Other goods NST classes 5, 11, 13, 15 to 20, 01: Products of agriculture, hunting, and forestry; fish and other fishing products , 02: Coal and lignite; crude petroleum and natural gas, 03: Metal ores and other mining and quarrying products; peat; uranium and thorium , 04: Food products, beverages and tobacco , 06: Wood and products of wood and cork (except furniture); pulp, paper and paper products; etc. Full description in explanatory notes , 07: Coke and refined petroleum products, 08: Chemicals, chemical products, and manmade fibres; rubber and plastic products; nuclear fuel , 09: Other non-metallic mineral products , 10: Basic metals; fabricated metal products, except machinery and equipment , 12: Transport equipment , 14: Secondary raw materials; municipal wastes and other wastes, Other goods NST classes 5, 11, 13, 15 to 20 [thousands tonnes]	<b>UIC Statistics Indicators</b>
<b>UIC</b>	Intermodal rail traffic on the national territory - Loaded and Empty Intermodal Units: Domestic traffic, Export, Import, International transit (each item broken down by divided into: ITU carried [units], Wagons loaded with ITU [units], tonnes carried [thousands tonnes], tkm [millions tkm])	<b>UIC Statistics Indicators</b>
<b>UIC</b>	Freight traffic of the railway operators - TKm: Total traffic (of which domestic, of which international), Traffic realised on the national territory (of which domestic, of which international), Traffic realised outside the national territory (of which domestic, of which international)	<b>UIC Statistics Indicators</b>

## Economic contribution of rail

### Reference indicators:

UIC	<p>Balance sheet [in millions Euros]:</p> <ul style="list-style-type: none"> <li>▷ Assets - Fixed assets: Intangible fixed assets, tangible fixed assets (Land and buildings/ plant, machinery, equipment and furniture/ transport stock, advance payments and fixed assets in construction), long-term Financial assets</li> <li>▷ Assets - Assets in circulation: Inventories, Operating receivables (Repayable within one year, Repayable after one year), Short-term financial assets, Cash at bank and in hand</li> <li>▷ Assets - Deferred expenses and accrued income</li> <li>▷ Equity And Liabilities - Equity capital and investment grants: Share capital, Reserves, Profit or loss brought forward, Profit or loss for the financial year, Investment grants, Provisions</li> <li>▷ Equity And Liabilities - Financial liabilities (Repayable within one year, Repayable after one year), Equity And Liabilities - Operating liabilities (Repayable within one year, Repayable after one year) Equity And Liabilities</li> <li>▷ Treasury debts, Accrued expenses and deferred income</li> </ul>	UIC Statistics Indicators
UIC	<p>Specific costs and revenue, Operating and general results for the financial year [in millions Euros]:</p> <ul style="list-style-type: none"> <li>▷ Specific costs: Purchases of material and external services (Raw materials and consumables, External charges), Staff costs (Salaries and wages, Social security costs), Taxes, Depreciation and amortisation, Other operating expenses, value adjustments and provision for contingencies</li> <li>▷ Specific receipts: Passenger Traffic Turnover (O.R.), Freight Traffic Turnover (O.R.), Infrastructure Turnover (O.R.), Other turnover (O.R.), Contributions from public budgets not included in the turnover, Variation in stocks and contracts in progress, Other operating income, recovery of provisions and gains on value adjustments, Fixed assets own construction</li> <li>▷ Results: EBITDA, Operating result, Financial result, Extraordinary result, Recovery of tax provisions and corporate tax</li> </ul>	UIC Statistics Indicators
UIC	<p>Operating and general results of fundamental activities:</p> <ul style="list-style-type: none"> <li>▷ Railway infrastructure: Income (Turnover, of which received infrastructure levies, Other operating income), Operating expenses, Financial result, Extraordinary result</li> <li>▷ Railway passenger traffic: Income (Turnover, Other operating income), Charges (Operating expenses, of which paid infrastructure levies), Financial result, Extraordinary result</li> <li>▷ Railway freight traffic: Income (Turnover, Other operating income), Charges (Operating expenses, of which paid infrastructure levies), Financial result, Extraordinary result</li> </ul>	UIC Statistics Indicators
GRI-EG1-core	Economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments	GRI-G3-Guideline
GRI-G4-EC1	Economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments	GRI-G4-Guideline

GRI-EC1/L&T	Gross and net sales and explanation of the difference between the two (e.g., payments made to capacity providers, taxes and/or duties collected on behalf of the government/s, etc.).	GRI-Sector Supplement L&T
<b>UIC</b>	Contributions from the State and public authorities: Passenger sector, Freight sector, Infrastructure sector, Staff sector, Other sectors [in millions EUR] Investment [in millions EUR]: Railway investment: Infrastructure sector, Passenger sector (total, of which Rolling stock) , Freight sector (total, of which Rolling stock), Other transport sectors Other investment	<b>UIC Statistics Indicators</b>
GRI-EC4-core	Significant financial assistance received from government	GRI-G3-Guideline
GRI-G4-EC4	Significant financial assistance received from government	GRI-G4-Guideline
GRI-EC8-core	Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro bono engagement	GRI-G3-Guideline
GRI-G4-EC7 (Data points moved to Guidance)	Report the extent of development of significant infrastructure investments and services supported. Report the current or expected impacts on communities and local economies. Report positive and negative impacts where relevant. Report whether these investments and services are commercial, in-kind, or pro bono engagements	GRI-G4-Guideline

### Indirect economic impacts of rail companies

#### Qualitative description:

- ▷ Describe how you secure jobs and if possible state amount of additional jobs in your country secured by your company as a purchaser.

#### Reference indicators:

GRI-EC9-add	Understanding and describing significant indirect economic impacts, including the extent of impacts.	GRI-G3-Guideline
GRI-G4-EC8 (Data points moved to Guidance)	Report examples of the significant identified positive and negative indirect economic impacts.	GRI-G4-Guideline
GRI-EC6-core	Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation.	GRI-G3-Guideline
GRI-EC9	Report the percentage of the procurement budget used for significant locations of operation spent on suppliers local to that operation (such as percentage of products and services purchased locally).	GRI-G4-Guideline
GRI-SO1-core	Programs to manage impacts of operations on communities	GRI-G3-Guideline
GRI-G4-SO1	Report the percentage of operations with implemented local community engagement, impact assessments, and development programs	GRI-G4-Guideline



## C.2. Rail companies are committed to being responsible and attractive employers.

### Rail as responsible employer

#### Reference indicators:

<b>UIC</b>	Staff per activity - Mean annual railway staff strength (full time equivalents): Infrastructure (total, of which traffic management), Operation (Railway (Total, of which train drivers, of which train staff), Road and sea / waterways, other	UIC Statistics Indicators
<b>UIC</b>	Total number of hours actually worked (thousands)	UIC Statistics Indicators
<b>UIC</b>	Percentage of unavailability due to sickness and injury	UIC Statistics Indicators
<b>UIC</b>	Staff structure per age and gender (Total, men, women, < 30 years, 30 - 39 years, , 40 - 49 years, 50 - 59 years, >= 60 years, (each total, men, women))	UIC Statistics Indicators
<b>UIC</b>	Staff movements (Arrivals, Departures)	UIC Statistics Indicators
<b>UIC</b>	Staff seniority: Years spent in the company (less than 5 years, between 5 and 10 years, between 10 and 20 years, between 20 and 30 years, more than 30 year)	UIC Statistics Indicators
<del>GRI-LA1-core</del>	<del>Total workforce by employment type, employment contract, and region</del>	<del>GRI-G3-Guideline</del>
GRI-G4-10 (Moved to 'Organizational Profile' in G4)	Total workforce by employment type, employment contract, region and by gender.	GRI-G4-Guideline
<del>GRI-LA2-core</del>	<del>Total number and rate of employee turnover by age group, gender, and region</del>	<del>GRI-G3-Guideline</del>
GRI-G4-LA1	Total number and rate of employee turnover by age group, gender, and region	GRI-G4-Guideline
<del>GRI-LA3-add</del>	<del>Benefits provided to full-time employees</del>	<del>GRI-G3-Guideline</del>
GRI-G4-LA2	Benefits provided to full-time employees	GRI-G4-Guideline
<del>GRI-LA4-core</del>	<del>Percentage of employees covered by collective bargaining agreements</del>	<del>GRI-G3-Guideline</del>
GRI-G4-11 (Moved to 'Organizational Profile' in G4)	Percentage of employees covered by collective bargaining agreements	GRI-G4-Guideline
<del>GRI-LA5-core</del>	<del>Minimum notice period(s) regarding significant operational changes, including whether it is specified in collective agreements</del>	<del>GRI-G3-Guideline</del>
GRI-G4-LA4	Minimum notice period(s) regarding significant operational changes, including whether it is specified in collective agreements	GRI-G4-Guideline
<del>GRI-LA6-add</del>	<del>Percentage of total workforce represented in formal joint management worker health and safety committees</del>	<del>GRI-G3-Guideline</del>
GRI-G4-LA5	Percentage of total workforce represented in formal joint management worker health and safety committees	GRI-G4-Guideline
<del>GRI-LA7-core</del>	<del>Injuries, absentee rate and fatalities, <i>for rail: especially relevant</i></del>	<del>GRI-G3-Guideline</del>

GRI-G4-LA6	Injuries, absentee rate and fatalities by region and by gender, <i>for rail: especially relevant</i>	GRI-G4-Guideline
GRI-LA8-core	Education, training, counselling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases	GRI-G3-Guideline
GRI-G4-LA7 (Data points moved to Guidance)	Report whether there are workers who are involved in occupational activities who have a high incidence or high risk of specific diseases.	GRI-G4-Guideline
GRI-LA9-add	Health and safety topics covered in formal agreements with trade unions	GRI-G3-Guideline
GRI-G4-LA8	Health and safety topics covered in formal agreements with trade unions	GRI-G4-Guideline
GRI-LA10-core	Average hours of training per year per employee by employee category	GRI-G3-Guideline
GRI-G4-LA9	Average hours of training per year per employee by employee category and by gender	GRI-G4-Guideline
GRI-LA11-add	Programs for skills management and lifelong learning	GRI-G3-Guideline
GRI-G4-LA10	Programs for skills management and lifelong learning	GRI-G4-Guideline
GRI-LA12-add	Percentage of employees receiving regular performance and career development reviews	GRI-G3-Guideline
GRI-G4-LA11	Percentage of employees receiving regular performance and career development reviews	GRI-G4-Guideline
GRI-LA13-core	Composition of governance bodies and breakdown of employees per category according to gender, age group, minority group membership, and other indicators of diversity (additional remark for rail: Composition of executive positions, breakdown by gender [%])	GRI-G3-Guideline
GRI-G4-LA12	Composition of governance bodies and breakdown of employees per category according to gender, age group, minority group membership, and other indicators of diversity (additional remark for rail: Composition of executive positions, breakdown by gender [%])	GRI-G4-Guideline
UIC-SIR-18	Programs for supporting a good work-life balance	<b>new</b> (UIC Sustainability Indicators Rail)
GRI-LA14-core	Ratio of basic salary of men to women by employee category	GRI-G3-Guideline
GRI-G4.LA13	Ratio of basic salary of women to men by employee category and significant locations of operation.	GRI-G4-Guideline
GRI-EC3-core	Coverage of the organization's defined benefit plan obligations.	GRI-G3-Guideline
GRI-G4-EC3	Coverage of the organization's defined benefit plan obligations.	GRI-G4-Guideline
GRI-EC5-add	Range of ratios of standard entry level wage compared to local minimum wage at significant locations of operation.	GRI-G3-Guideline
GRI-G4-EC5	Range of ratios of standard entry level wage compared to local minimum wage at significant locations of operation.	GRI-G4-Guideline
GRI-EC7-core	Procedures for local hiring and proportion of senior management hired from the local community at locations of significant operation.	GRI-G3-Guideline
GRI-G4-EC6	Proportion of senior management hired from the local community at significant locations of operation.	GRI-G4-Guideline

GRI-LT9	Working hours and rest time for mobile personnel	GRI-Sector-Supplement-L&T
GRI-LT11	Programs regarding substance abuse	GRI-Sector-Supplement-L&T
UIC-SIR-19	Presence of a Code of Conduct for all employees	<b>new</b> (UIC Sustainability Indicators Rail)
UIC-SIR-20	Program to encourage employees for participating in voluntary work (e. g. special company leave)	<b>new</b> (UIC Sustainability Indicators Rail)

### C.3. Rail companies maintain high levels of safety and security by comprehensive management

#### Safety and security management systems

##### Qualitative description:

- ▷ Describe your safety and security (for freight: also dangerous goods) management systems and implementation as well as your objectives and measures derived from these systems and its performance.

##### Reference indicators:

<del>GRI-PR1-core</del>	<del>Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures.</del>	<del>GRI-G3-Guideline</del>
GRI-G4-PR1(Data points moved to Guidance)	Report the percentage of significant product and service categories for which health and safety impacts are assessed for improvement.	GRI-G4-Guideline
<del>GRI-PR9-core</del>	<del>Monetary value of significant fines for noncompliance with laws and regulations concerning the provision and use of products and services.</del>	<del>GRI-G3-Guideline</del>
GRI-G4-PR9	Monetary value of significant fines for noncompliance with laws and regulations concerning the provision and use of products and services.	GRI-G4-Guideline
LA10/L&T	Number of hours for transportation safety training (only for freight transport)	GRI-Sector Supplement L&T
<del>GRI-EN24-add</del>	<del>Weight of transported waste deemed hazardous under the terms of the Basel Convention Annex I, II, III, and VIII, and percentage of transported waste shipped internationally.</del>	<del>GRI-G3-Guideline</del>
GRI-G4-EN25	Weight of transported waste deemed hazardous under the terms of the Basel Convention Annex I, II, III, and VIII, and percentage of transported waste shipped internationally.	GRI-G4-Guideline
UIC-SIR-21	Core Indicator (All): Reports on the performance of safety management systems	<b>new</b> (UIC Sustainability Indicators Rail)
UIC-SIR-22	Verification of the safety management system by an external auditor	<b>new</b> (UIC Sustainability Indicators Rail)

## C.4. Rail companies apply precautionary approaches to environmental challenges and support initiatives, projects and new technologies for further improved environmental performance

### Precautionary principle for environmental issues

#### Qualitative description:

- ▷ Describe your environmental management system: objectives, targets, messages, measures and results (management regarding energy efficiency, air pollution reduction, noise, waste etc.).
- ▷ Describe your environmental standards and requirements also for main suppliers.

#### Reference indicators:

UN-GC-7	Businesses should support a precautionary approach to environmental challenges	UN Global Compact
UN-GC-8	Businesses should undertake initiatives to promote greater environmental responsibility.	UN Global Compact
GRI-4.11-core	<del>Implementation of a precautionary approach / whether and how approach is addressed</del>	GRI-G3-Guideline
GRI-4.11-core	Implementation of a precautionary approach / whether and how approach is addressed	GRI-G4-Guideline
GRI-EN26-core	<del>Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation</del>	GRI-G3-Guideline
	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation	GRI-G4-Guideline
GRI-LT3	<del>Programs to manage environmental impacts</del>	GRI-Sector-Supplement L&T
GRI-LT8	<del>Environmental impacts of infrastructure assets and real estate</del>	GRI-Sector-Supplement L&T
GRI-EN26-core	<del>Environmental protection expenditures</del>	GRI-G3-Guideline
GRI-EN27	Report quantitatively the extent to which environmental impacts of products and services have been mitigated during the reporting period	GRI-G4-Guideline
UIC-SIR-23	Core Indicator (All): Implementation of pre-cautionary principle	<b>new</b> (UIC Sustainability Indicators Rail)
GRI-EN28-core	<del>Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations</del>	GRI-G3-Guideline
GRI-G4-EN29	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations	GRI-G4-Guideline

## Specific impacts and their management

### Reference indicators:

GRI-LT2-	Fleet structure (total number by engine type, fuel consumption, average-fuel consumption and total freight distance travelled, total fuel/energy-consumed, total freight volume transported)-	GRI-Sector-Supplement L&T-
GRI-EN18-add	Initiatives to reduce greenhouse gas emissions and outcomes-	GRI-G3-Guideline-
GRI-G4-EN19	Initiatives to reduce greenhouse gas emissions and outcomes	GRI-G4-Guideline
GRI-LT4-	Initiatives for renewable energy sources and energy efficiency-	GRI-Sector-Supplement L&T-
UIC-ENV-2.1	Share of renewable electric energy of total energy consumption [%]	UIC Leaflet 330 Environmental Indicators
UIC-ENV-2.2	Share of bio-fuels as part of diesel fuel [%]	UIC Leaflet 330 Environmental Indicators
UIC-SIR-24	Share of drivers trained in energy-saving operation [%]	new (UIC Sustainability Indicators Rail)
UIC-SIR-25opt	Percentage of biodegradable items used in trains (napkins, cups, plates).	new optional (UIC Sustainability Indicators Rail)
UIC-SIR-26opt	Percentage of work wear that is produced under fair conditions (bears the Fair Trade Mark) and made from e.g. organic cotton.	new optional (UIC Sustainability Indicators Rail)
UIC-SIR-27opt	Percentage of food and drink offered on board of trains that was produced locally and/or is from organic sources.	new optional (UIC Sustainability Indicators Rail)
GRI-EN13-add	Habitats protected or restored-	GRI-G3-Guideline-
GRI-G4-EN13	Habitats protected or restored	GRI-G4-Guideline
GRI-EN14-add	Strategies, current actions, and future plans for managing impacts on-biodiversity-	GRI-G3-Guideline-
GRI- Entire indicator moved to Guidance	Strategies, current actions, and future plans for managing impacts on biodiversity	GRI-G4-Guideline
GRI-EN15-add	Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk-	GRI-G3-Guideline-
GRI-G4-EN14	Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk	GRI-G4-Guideline
GRI-EN1-core-	Materials used, for rail: fleet (number of vehicles by type) and materials by weight or volume for maintaining the rail infrastructure (ties, rails and track ballast)-	GRI-G3-Guideline-
GRI-G4-EN1	Materials used, for rail: fleet (number of vehicles by type) and materials by weight or volume for maintaining the rail infrastructure (ties, rails and track ballast)	GRI-G4-Guideline
GRI-EN2-core-	Percentage of materials used that are recycled input materials, for rail: re-use of/ retrofit of vehicles and reuse/ recycling of materials for maintaining the rail infrastructure (ties, rails and track ballast)-	GRI-G3-Guideline-

GRIG4-EN2	Percentage of materials used that are recycled input materials, <i>for rail: re-use of/ retrofit of vehicles and reuse/ recycling of materials for maintaining the rail infrastructure (ties, rails and track ballast)</i>	GRI-G4-Guideline
GRI-EN27-add	Percentage of products sold with packaging materials that are reclaimed, <i>for rail: seems only relevant for on-board sales (gastronomy, glass, PET etc.)</i>	GRI-G3-Guideline
GRI-G4-EN28	Percentage of products sold with packaging materials that are reclaimed, <i>for rail: seems only relevant for on-board sales (gastronomy, glass, PET etc.)</i>	GRI-G4-Guideline
GRI-EN8-core	Total water withdrawal by source	GRI-G3-Guideline
GRI-G4-EN8	Total water withdrawal by source	GRI-G4-Guideline
GRI-EN9-add	Water sources significantly affected by withdrawal of water.	GRI-G3-Guideline
GRI-EN9	Water sources significantly affected by withdrawal of water.	GRI-G4-Guideline
GRI-EN10-add	Percentage and total volume of water recycled and reused.	GRI-G3-Guideline
GRI-G4-EN10	Percentage and total volume of water recycled and reused.	GRI-G4-Guideline
GRI-EN21-core	Total water discharge by quality and destination	GRI-G3-Guideline
GRI-G4-EN22	Total water discharge by quality and destination	GRI-G4-Guideline
GRI-EN25-add	Bodies of water and natural habitats affected by waste water discharges	GRI-G3-Guideline
GRI-G4-EN26	Bodies of water and natural habitats affected by waste water discharges	GRI-G4-Guideline
GRI-EN22-core	Total weight of waste by type and disposal method	GRI-G3-Guideline
GRI-EN23	Total weight of waste by type and disposal method	GRI-G4-Guideline
GRI-EN29-add	Significant environmental impacts of transporting products and other goods and materials used for the organization's operations, and transporting members of the workforce	GRI-G3-Guideline
GRI-EN30	Significant environmental impacts of transporting products and other goods and materials used for the organization's operations, and transporting members of the workforce	GRI-G4-Guideline

## Environmental performance improvement - initiatives, projects

### Technologies

#### Reference indicators:

GRI-EN5-add	Energy saved due to conservation and efficiency improvements	GRI-G3-Guideline
GRI-G4-EN6	Energy saved due to conservation and efficiency improvements	GRI-G4-Guideline
GRI-EN6-add	Initiatives to provide energy-efficient or renewable energy-based products and services, and reductions in energy requirements as a result of these initiatives.	GRI-G3-Guideline
GRI-G4-EN7	Reductions in energy requirements of products and services	GRI-G4-Guideline
GRI-EN7-add	Initiatives to reduce indirect energy consumption and reductions achieved.	GRI-G3-Guideline
GRI-EN6	Reduction of energy consumption	GRI-G4-Guideline
UN-GC-9	Businesses should encourage the development and diffusion of environmentally friendly technologies.	UN Global Compact

GRI-EC2-core	Financial implications due to climate change	GRI-G3-Guideline
GRI-G4-EC2	Financial implications due to climate change	GRI-G4-Guideline
GRI-LT7	Programs for noise management/ abatement	GRI-Sector-Supplement-L&T
UIC-ENV-5.1	Proportion of low noise freight/ passenger rolling stock [%]	UIC Leaflet 330 Environmental Indicators

### C.5. Rail companies support and respect internationally accepted ethical standards, also in their supply chains and will work against corruption in all its forms, including extortion and bribery.

#### Ethical Issues - Human Rights

Reference indicators:

GRI-HR1-core	Percentage and total number of significant investment agreements that include human rights clauses or that have undergone human rights screening [%]	GRI-G3-Guideline
GRI-G4-HR1	Percentage and total number of significant investment agreements that include human rights clauses or that have undergone human rights screening [%]	GRI-G4-Guideline
GRI-HR2-core	Percentage of significant suppliers and contractors that have undergone screening on human rights and actions taken [%]	GRI-G3-Guideline
GRI-G4-HR10	Percentage of significant suppliers and contractors that have undergone screening on human rights and actions taken [%]	GRI-G4-Guideline
GRI-HR3-add	Hours of employee training in human right aspects	GRI-G3-Guideline
GRI-G4-HR2	Hours of employee training in human right aspects	GRI-G4-Guideline
GRI-HR4-core	Total number of incidents of discrimination and actions taken [quantity]	GRI-G3-Guideline
GRI-G4-HR3	Total number of incidents of discrimination and actions taken [quantity]	GRI-G4-Guideline
GRI-HR5-core	Operations identified in which the right to exercise freedom of association and collective bargaining may be at significant risk, and actions taken to support these rights [quantity]	GRI-G3-Guideline
GRI-G4-HR4	Operations and suppliers identified in which the right to exercise freedom of association and collective bargaining may be at significant risk, and actions taken to support these rights [quantity]	GRI-G4-Guideline
GRI-HR6-core	Operations identified as having significant risk for incidents of child labour, and measures taken to contribute to the elimination of child labour [quantity]	GRI-G3-Guideline



GRI-G4-HR5	Operations and suppliers identified as having significant risk for incidents of child labour, and measures taken to contribute to the elimination of child labour [quantity]	GRI-G4-Guideline
<del>GRI-HR7-core</del>	<del>Operations identified as having significant risk for incidents of forced or compulsory labour, and measures to contribute to the elimination of forced or compulsory labour [quantity]</del>	<del>GRI-G3-Guideline</del>
GRI-G4-HR6	Operations and suppliers identified as having significant risk for incidents of forced or compulsory labour, and measures to contribute to the elimination of forced or compulsory labour [quantity]	GRI-G4-Guideline
<del>GRI-HR8-add</del>	<del>Security personnel trained in human rights aspects [quantity]</del>	<del>GRI-G3-Guideline</del>
GRI-G4-HR7	Security personnel trained in human rights aspects [quantity]	GRI-G4-Guideline
<del>GRI-HR9-add</del>	<del>Incidents of violations involving rights of indigenous people [quantity]</del>	<del>GRI-G3-Guideline</del>
GRI-G4-HR8	Incidents of violations involving rights of indigenous people [quantity]	GRI-G3-Guideline
UN-GC-1	Businesses should support and respect the protection of internationally proclaimed human rights.	UN Global Compact
UN-GC-2	Businesses make sure that they are not complicit in human rights abuses.	UN Global Compact
UN-GC-3	Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.	UN Global Compact
UN-GC-4	Businesses should the elimination of all forms of forced and compulsory labour.	UN Global Compact
UN-GC-5	Businesses should the effective abolition of child labour.	UN Global Compact
UN-GC-6	Businesses should the elimination of discrimination in respect of employment and occupation	UN Global Compact
<del>GRI-PR6-core</del>	<del>Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship.</del>	<del>GRI-G3-Guideline</del>
GRI-G4-PR6	Sale of banned or disputed products	GRI-G4-Guideline
<del>GRI-PR7-add</del>	<del>Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship by type of outcomes.</del>	<del>GRI-G3-Guideline</del>
GRI-G4-PR7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship by type of outcomes.	GRI-G4-Guideline

## Against Corruption, Extortion and Bribery

### Qualitative description:

- ▷ Describe where your biggest risks for corruption are most likely to occur, e.g. in connection with construction works and procurement projects (due to large amounts of investments).

### Reference indicators:

GRI-SO2-core	Percentage and total number of business units analyzed for risks related to corruption [%]	GRI-G3-Guideline
GRI-G4-SO3	Percentage and total number of business units analyzed for risks related to corruption [%]	GRI-G4-Guideline
GRI-SO3-core	Percentage of employees trained in organization's anti-corruption policies and procedures	GRI-G3-Guideline
GRI-G4-SO4	Percentage of employees trained in organization's anti-corruption policies and procedures	GRI-G4-Guideline
GRI-SO4-core	Actions taken in response to incidents of corruption	GRI-G3-Guideline
GRI-G4-SO5	Confirmed incidents and actions taken in response to incidents of corruption	GRI-G4-Guideline
GRI-SO6-add	Total value of financial and in-kind contributions to political parties, politicians, and related institutions by country.	GRI-G3-Guideline
GRI-G4-SO6	Total value of financial and in-kind contributions to political parties, politicians, and related institutions by country.	GRI-G4-Guideline
GRI-SO7-add	Total number of legal actions for anticompetitive behavior, anti-trust, and monopoly practices and their outcomes.	GRI-G3-Guideline
GRI-G4-SO7	Total number of legal actions for anticompetitive behavior, anti-trust, and monopoly practices and their outcomes.	GRI-G4-Guideline
GRI-SO8-core	Monetary value of significant fines and total number of non-monetary sanctions for noncompliance with laws and regulations.	GRI-G3-Guideline
GRI-G4-SO8	Monetary value of significant fines and total number of non-monetary sanctions for noncompliance with laws and regulations.	GRI-G4-Guideline
UN-GC-10	Businesses should work against corruption in all its forms, including extortion and bribery.	UN-Global-Compact

## C.6. Rail companies maintain dialogues with their various stakeholders and report transparently about their sustainability performance.

### Stakeholder dialogue

#### Reference indicators:

GRI-4.14-core	Stakeholder groups engaged by the organization	GRI-G3-Guideline
GRI-G4-24	Stakeholder groups engaged by the organization	GRI-G4-Guideline
GRI-4.15-core	Basis for identification and selection of stakeholders	GRI-G3-Guideline
GRI-G4-25	Basis for identification and selection of stakeholders	GRI-G4-Guideline
GRI-4.16-core	Type and frequency of stakeholder engagement (additional remark for rail: number of Alliances with one or more key stakeholders, for example with World Wildlife Fund)	GRI-G3-Guideline

GRI-G4-26	Type and frequency of stakeholder engagement (additional remark for rail: number of Alliances with one or more key stakeholders, for example with World Wildlife Fund)	GRI-G4-Guideline
<del>GRI-4.17-core</del>	<del>Key concerns raised through stakeholder engagement and corporate response</del>	<del>GRI-G3-Guideline</del>
GRI-G4-27	Key concerns raised through stakeholder engagement and corporate response	GRI-G4-Guideline

## Reporting

### Reference indicators:

<del>GRI-3.1-core</del>	<del>Reporting period</del>	<del>GRI-G3-Guideline</del>
GRI-G4-28	Reporting period	GRI-G4-Guideline
<del>GRI-3.2-core</del>	<del>Date of most recent previous report</del>	<del>GRI-G3-Guideline</del>
GRI-G4-29	Date of most recent previous report	GRI-G4-Guideline
<del>GRI-3.3-core</del>	<del>Reporting cycle</del>	<del>GRI-G3-Guideline</del>
GRI-G4-30	Reporting cycle	GRI-G4-Guideline
<del>GRI-3.4-core</del>	<del>Contact point for questions regarding the report</del>	<del>GRI-G3-Guideline</del>
GRI-G4-31	Contact point for questions regarding the report	GRI-G4-Guideline
<del>GRI-3.5-core</del>	<del>Process for defining report content</del>	<del>GRI-G3-Guideline</del>
GRI-G4-18, G4-19	Explain: the process for defining the report content and the Aspect Boundaries, how the organization has implemented the Reporting Principles for Defining Report Content, and list all the material Aspects identified in the process for defining report content.	GRI-G4-Guideline
<del>GRI-3.6-core</del>	<del>Boundary of the report</del>	<del>GRI-G3-Guideline</del>
GRI-G4-20, G4-21	For each material Aspect, report the Aspect Boundary within and outside of the organization and describe how the threshold has been set.	GRI-G4-Guideline
<del>GRI-3.7-core</del>	<del>Limitations on the scope of the report</del>	<del>GRI-G3-Guideline</del>
GRI-G4-20, G4-21	For each material Aspect, report on the limits of the Aspect Boundary within and outside of the organization and describe how the threshold has been set.	GRI-G4-Guideline
<del>GRI-3.8-core</del>	<del>Basis for reporting on joint ventures, subsidiaries, etc.</del>	<del>GRI-G3-Guideline</del>
GRI-G4-20, G4-21	For each material Aspect for joint ventures, subsidiaries et, report the Aspect Boundary within and outside of the organization and describe how the threshold has been set.	GRI-G4-Guideline
<del>GRI-3.9-core</del>	<del>Data measurement techniques and the bases of calculations</del>	<del>GRI-G3-Guideline</del>
<del>GRI-3.10-core</del>	<del>Restatements of information compared to earlier reports</del>	<del>GRI-G3-Guideline</del>
GRI-G4-22	Restatements of information compared to earlier reports	GRI-G4-Guideline
<del>GRI-3.11-core</del>	<del>Changes from previous reporting in scope, boundary or measurement methods</del>	<del>GRI-G3-Guideline</del>
GRI-G4-23	Report on any restatements from previous reporting and the reasons for the restatements.	GRI-G4-Guideline
<del>GRI-3.12-core</del>	<del>Table with GRI-Index</del>	<del>GRI-G3-Guideline</del>
GRI-G4-32	Report the 'in accordance option', Content Index and refer to the External Assurance Report if used.	GRI-G4-Guideline
<del>GRI-3.13-core</del>	<del>External assurance for the report</del>	<del>GRI-G3-Guideline</del>
GRI-G4-33	Report the organization's policy and current practices with regard to seeking external assurance for the report.	GRI-G4-Guideline

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## 11. APPENDICES

### Appendix A: Risk Exposure Matrix based on the Six Capitals of Integrated Reporting

Capitals	Financial Severity or Consequence			
	1: Significant	2: Major	3: Critical	4: Catastrophic
Financial				
Manufactured				
Intellectual				
Social and Relationship				
Human				
Natural				

### Appendix B: United Nations Global Compact – Ten Principles

#### Human Rights

Principle 1: businesses should support and respect the protection of internationally proclaimed human rights; and

Principle 2: make sure that they are not complicit in human rights abuses.

#### Labour

Principle 3: businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;

Principle 4: the elimination of all forms of forced and compulsory labour;

Principle 5: the effective abolition of child labour; and

Principle 6: the elimination of discrimination in respect of employment and occupation.

#### Environment

Principle 7: businesses should support a precautionary approach to environmental challenges;

Principle 8: undertake initiatives to promote greater environmental responsibility; and

Principle 9: encourage the development and diffusion of environmentally friendly technologies.

#### Anti-Corruption

Principle 10: businesses should work against corruption in all its forms, including extortion and bribery.

## Appendix C: Additional Indicators from the Pilot GRI Sector Supplement

- ▷ Gross and net sales and explain the differences (EC1)
- ▷ Breakdown of energy usage mobile and non-mobile use (EN3),
- ▷ Type of energy source (EN3)
- ▷ Energy use broken down within mobile sources (EN3)
- ▷ GHG emissions (EN8)
- ▷ Labelling Storage, handling, storage and transportation of dangerous goods (EN16)
- ▷ Breakdown of fleet compositions
- ▷ Descriptions of policies and programmes on the management of environmental impacts, including sustainable transportation, modal shift and route planning
- ▷ Description of initiatives to use renewable energy sources and to increase energy efficiency
- ▷ Description of initiatives to control urban air emissions (e.g., use of alternative fuels, frequency of vehicle maintenance, driving styles, etc.).
- ▷ Transport modes, percentage of delivery by modes of alternative transportation).
- ▷ Description of policies and programmes for noise management/abatement.
- ▷ Description of environmental impacts of the reporting organization's major transportation infrastructure assets (e.g., railways) and real estate
- ▷ Report the results of environmental impact assessments
- ▷ Reporting organizations should separate figures on drivers, including the percentage of self-employed drivers. Report the percentage of those with exclusive contracts and/or contracts that may exclude them from working for other organizations.
- ▷ Description of policies and programmes to determine working hours and rest hours, rest facilities, and leave for those driving and operating fleets.
- ▷ Describe approaches to provision of facilities to enable mobile workers to maintain personal communications while working.
- ▷ Description of policies and programmes regarding substance abuse (e.g., training and campaigns).
- ▷ Number of fatalities per million kilometres driven.
- ▷ Description of policies and programmes for public access to mail services (e.g., distance to postal office and mail boxes).
- ▷ Provision of logistics and transportation core competences to deliver humanitarian needs locally and globally measured in terms of: e.g., tons carrying capacity; person months; expenditure, value (fair market terms), and in kind contributions in disaster preparedness and response.
- ▷ Criteria for selecting recruitment and placement services. State how these criteria relate to existing international standards such as the conventions of the International Labour Organization (ILO).
- ▷ Describe measures in place to provide income security and employment continuity for workers employed/contracted repeatedly but not continuously.



## Appendix D. United Nations Sustainable Development Goals (UNSDG)

Goal 9 Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation

Target 9.1: Develop quality, reliable, sustainable and resilient infrastructure, including regional and transborder infrastructure, to support economic development and human well-being, with a focus on affordable and equitable access for all

Indicators 9.1: Share of the rural population who live within 2km of an all season road, and Passenger and freight volumes

Indicator 9.1.1 Percentage share of people employed in business infrastructure (consultancy, accounting, IT and other business services) in total employment)

Indicator 9.1.2 Transport by air, road and rail (millions of passengers and ton-km and % population with access to all season road)

Target 9.2 Promote inclusive and sustainable industrialization and, by 2030, significantly raise industry's share of employment and gross domestic product, in line with national circumstances, and double its share in least developed countries

Target 9.4 By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities

Indicator 9.4.1 Intensity of material use per unit of value added (international dollars)

Indicator 9.4.2 Energy intensity per unit of value added (international dollars)

Target 9.a Facilitate sustainable and resilient infrastructure development in developing countries through enhanced financial, technological and technical support to African countries, least developed countries, landlocked developing countries and Small Island developing States

Indicator 9.a.1 Annual credit flow to infrastructure projects (in International Dollar)

Indicator 9.a.2 Percentage share of infrastructure loans in total loans

Target 10.7 Facilitate orderly, safe, regular and responsible migration and mobility of people, including through the implementation of planned and well-managed migration policies

Goal 11.2. By 2030, provide access to safe, affordable, accessible and sustainable transport systems for all, improving road safety, notably by expanding public transport, with special attention to the needs of those in vulnerable situations, women, and children, persons with disabilities and older persons.

Indicator: Percentage of people living within 0.5 km of public transit [running at least every 20 minutes] in cities with more than 500,000 inhabitants.

Indicator: Km of high capacity (BRT, light rail, metro) public transport per person for cities with more than 500,000 inhabitants

Indicator: Share of jobs in the metropolitan area an 'average' household can access within 60/75 minutes without a private car i.e. using walking, cycling and public transport.'

Indicator: 'Proportion of income spent by urban families on transport to reach employment, education, health and community services

## Appendix E: EU Reporting Directive

Article 19a(1)(1-e) sets for the non-financial reporting requirements for Public Interest-entities:

- a. a brief description of the undertaking's business model;
- b. a description of the policy pursued by the undertaking in relation to those matters, including due diligence processes implemented;
- c. the outcome of those policies;
- d. the principal risks related to those matters linked to the undertaking's operations including, where relevant and proportionate, its business relationships, products or services which are likely to cause adverse impacts in those areas, and how the undertaking manages those risks;
- e. non-financial key performance indicators relevant to the particular business. (7) instruments in place to fight corruption and bribery;

(7) actions taken to ensure gender equality,

(7) implementation of fundamental conventions of the International Labour Organisation,

(7) working conditions,

(7) respect for the right of workers to be informed and consulted,

(7) respect for trade union rights,

(7) actions taken to ensure gender equality,

(7) implementation of fundamental conventions of the International Labour Organisation,

(7) working conditions,

(7) respect for the right of workers to be informed and consulted,

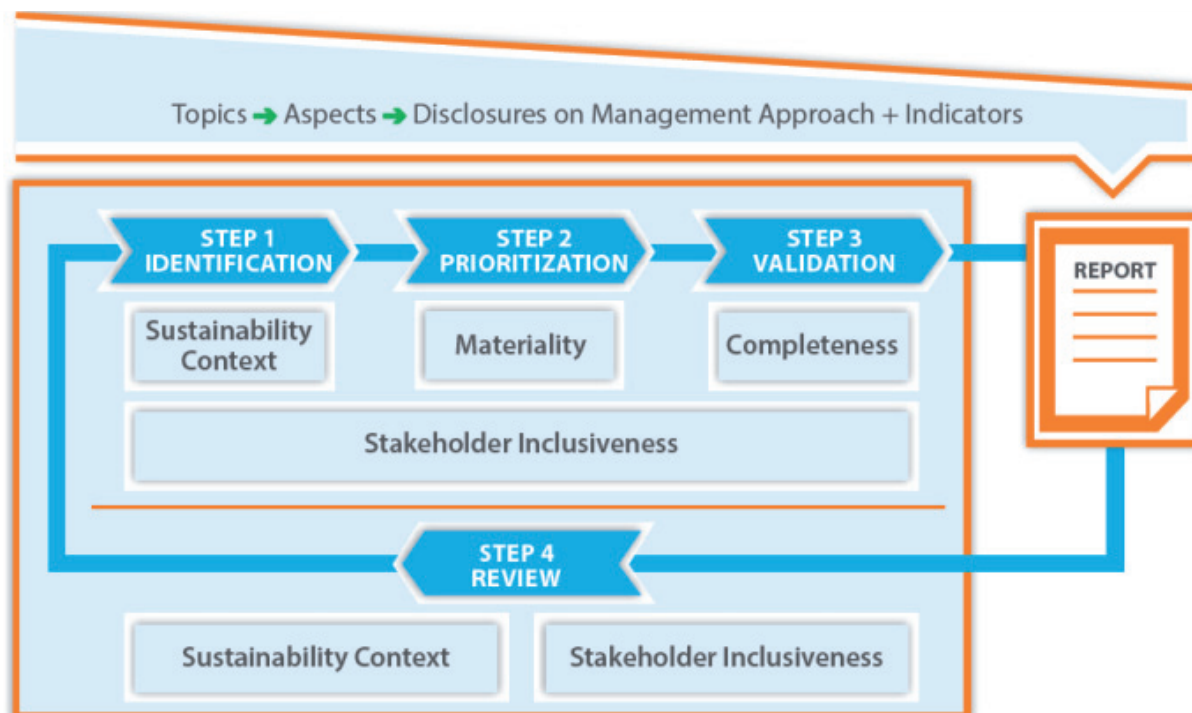
(7) respect for trade union rights,

(18) Diversity of competences and views of the members of administrative, management and supervisory bodies (19) for instance age, gender and educational and professional backgrounds,

(18) more diversified boards.

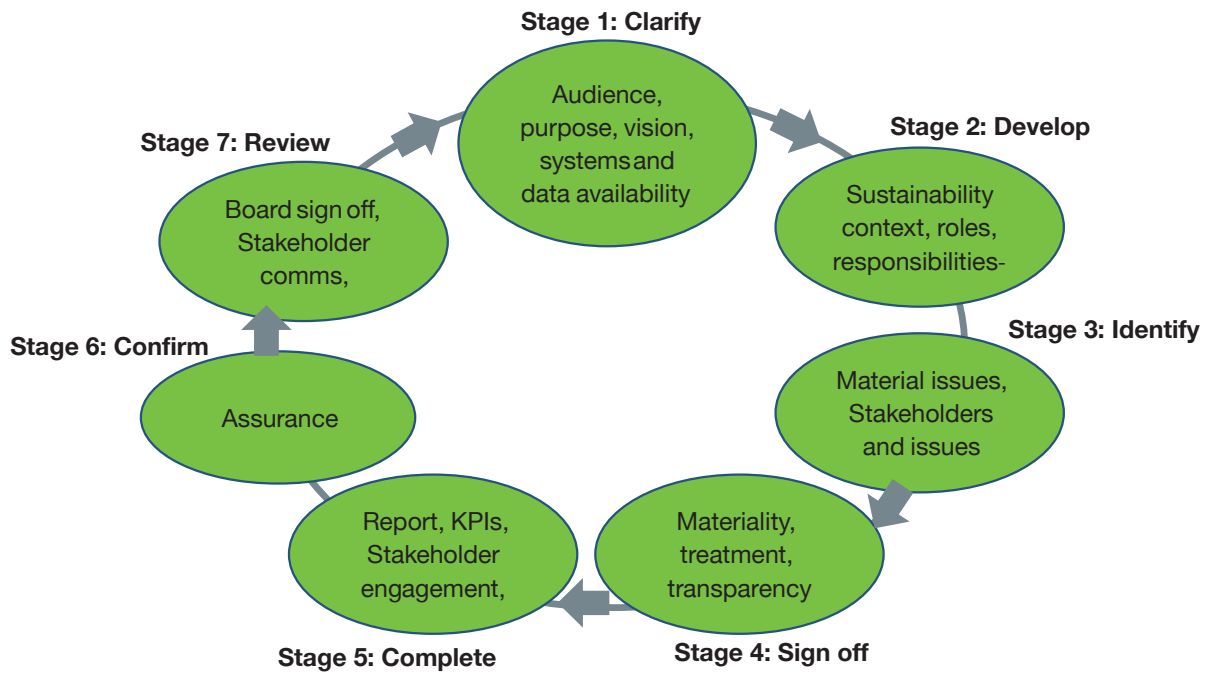
## 12. FIGURES

Figure 1 - The Process Overview for report development, GRI G4



For further explanation of this figure, please consult references (12) and (13) of this Handbook.

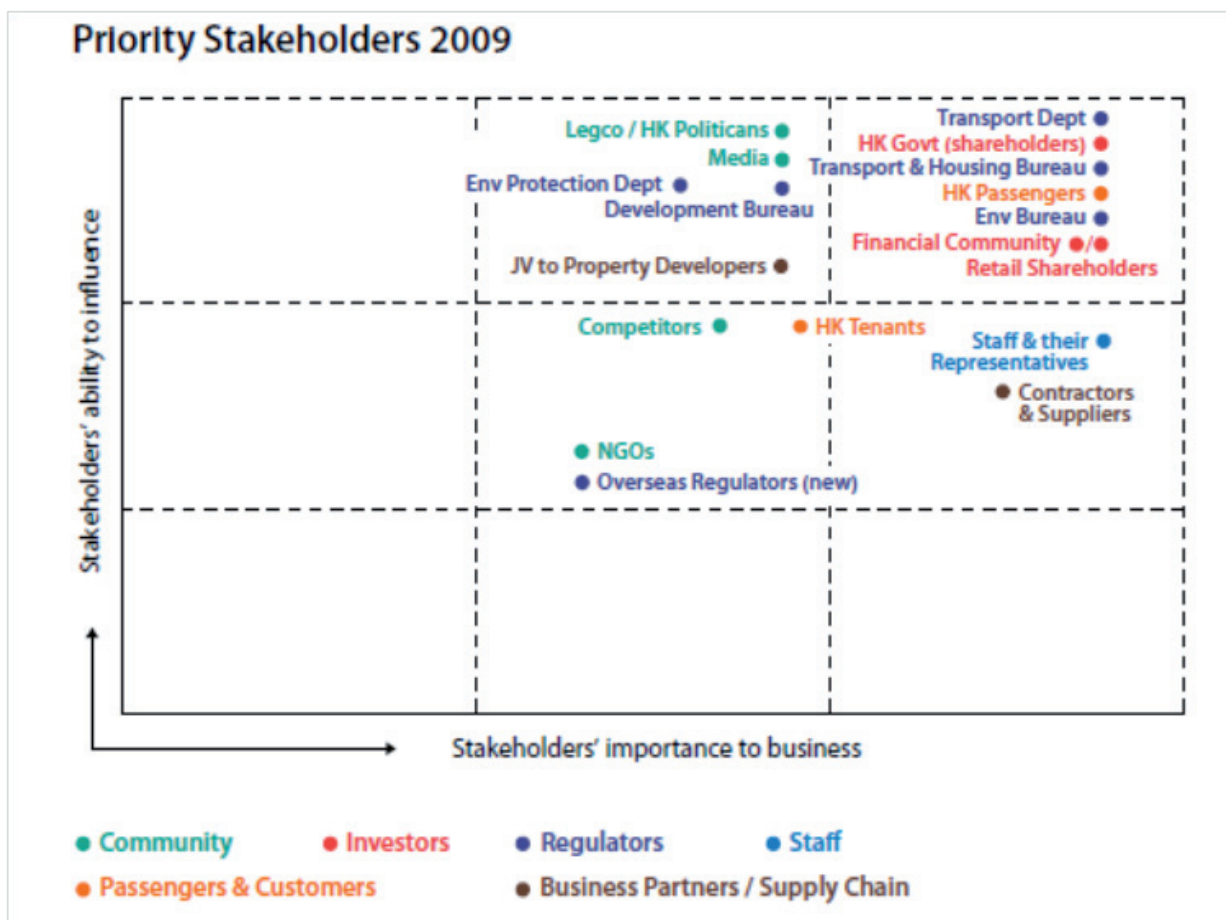
**Figure 2 - Stages in the Report Writing Process**



Notes:

1. The chart is based the Deming cycle, Plan – Do – Check – Act integrating practical reporting experience and the flow enshrined in Figure 1 of this report.
2. The chart also includes a proposed governance for the oversight, development and approval of a sustainability report.
3. Items noted in this figure are explained within the text of the Handbook.

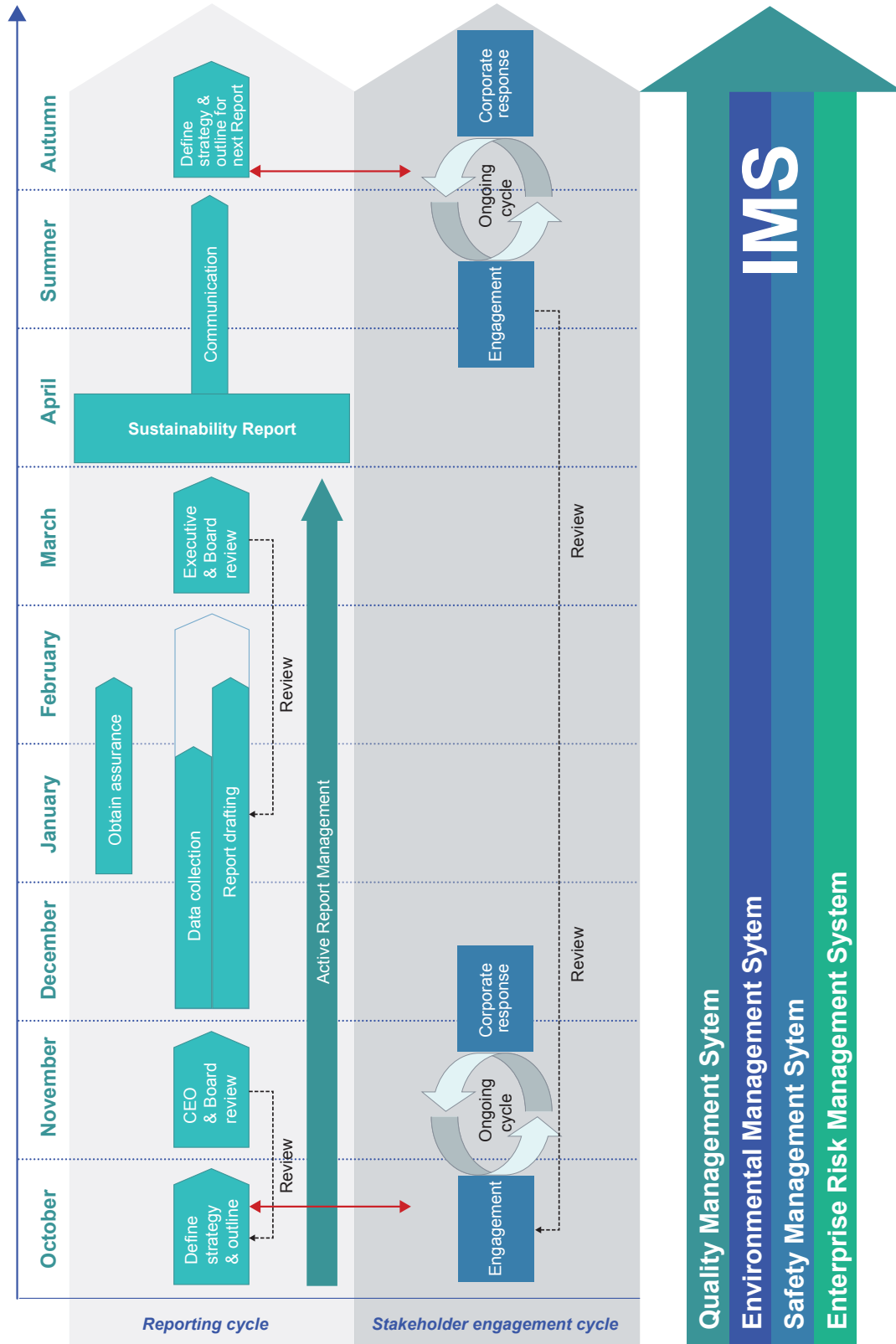
Figure 3 - A chart showing prioritization of key stakeholders, MTR Sustainability Report 2009



Notes:

1. See the explanatory text of the MTR Sustainability report for further clarification regarding definition of the axes and stakeholder groups, and generation of the chart by senior management and relationship to the risk management system.
2. As scales of stakeholder's ability and importance have not been quantified, care must be exercised in interpreting the relative importance of information placement on this chart.

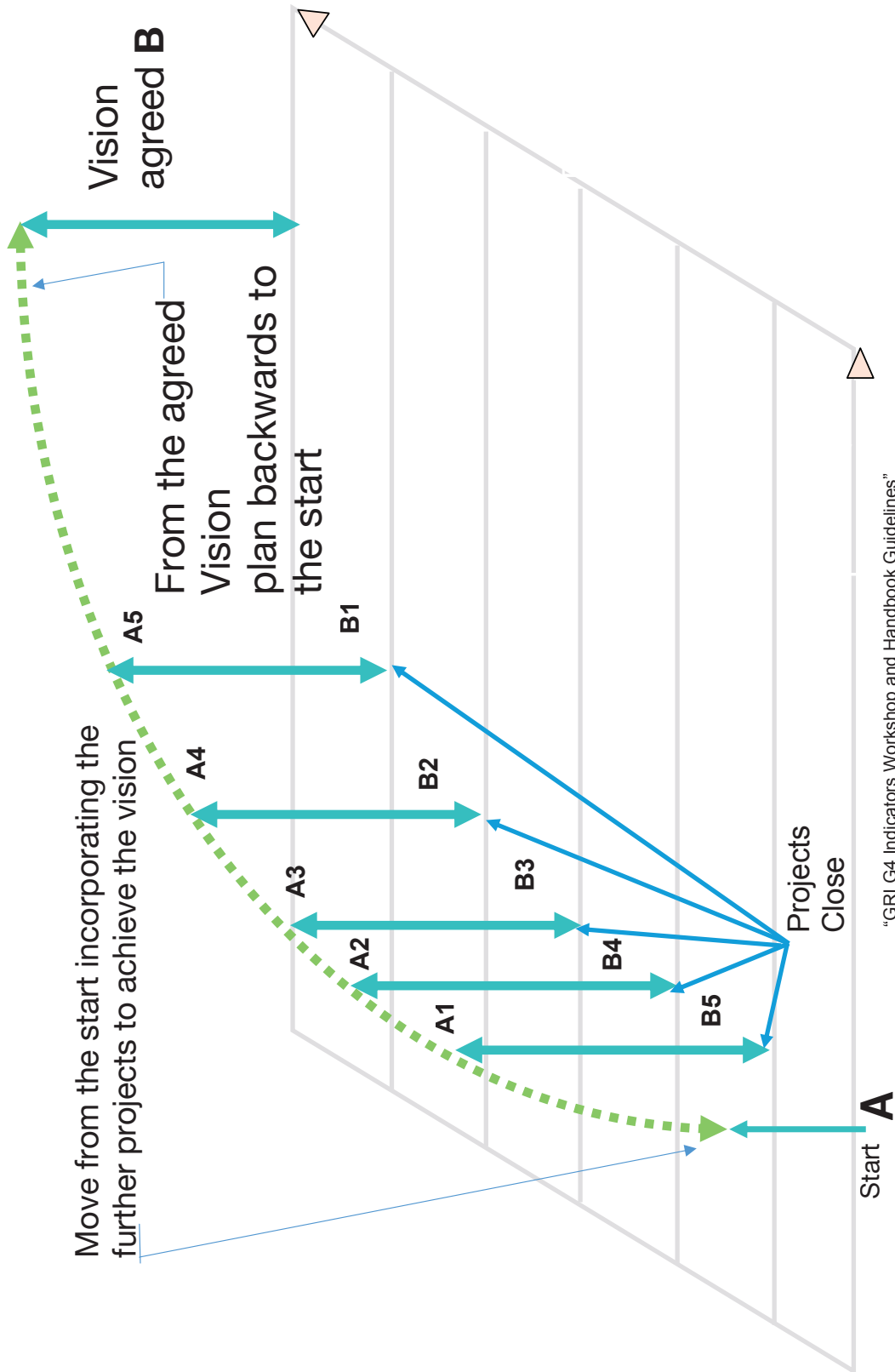
Figure 4 - A Procedure for Developing an Annual Sustainability Report



## Explanatory Notes

1. This procedure was developed at the Mass Transit Railway Corporation Limited for the generation of its annual sustainability reports. The procedure was implemented in 2004 and is used to guide report development and report progress to senior management and is also used by the Audit Committee to ensure the process remains fit for purpose. The procedure aligns to that indicated in Figure 1 of this Handbook. Months are indicative.
2. The procedure gains credence and data from the Quality, Environmental, Safety and Enterprise Management Systems, managed by the individual divisions within the Corporation, some of which are ISO or OSHA certified. To make system management more efficient, the Safety, Quality and Environmental Management Systems had been combined into an Integrated Management System (IMS).
3. The procedure is divided into two streams, one for stakeholder engagement the second for the sustainability reporting cycle. The roles and responsibility for engagement are allocated to the relevant divisions and undertaken by them. A watching brief is allocated to the sustainability function. Though engagement is indicated as occurring twice in the reporting cycle, in some divisions engagement is ongoing throughout the year.
4. An initial scope and strategy are defined in October and approved by the CEO and Executive. Views are also obtained from the Board on the previous report and the reporting direction for the year. In particular the Board is asked to provide 1 or 2 key takeaways for the subsequent report.
5. Data collection from the relevant management systems and report drafting start in December and assurance is brought into the process in early January to ensure a smooth process in the following months. Photography is undertaken in this period.
6. The sustainability report relies on the financial data, which is only available at the close of the reporting year. A close collaboration is needed to ensure trust in data sharing.
7. Reports are provided to the Executive and Board. Some information or trend reporting may be redlined and sections of the report redrafted.
8. The final report is approved by the Executive and Board in March for publication in April.
9. A communications programme is developed and implemented in the summer months including press releases, Power Points for each division and Lines to Take.
10. The report forms the basis of further corporate reporting to the DJSI, FTSE4 Good and others.

Figure 5 - Back-casting and Forward Implementation



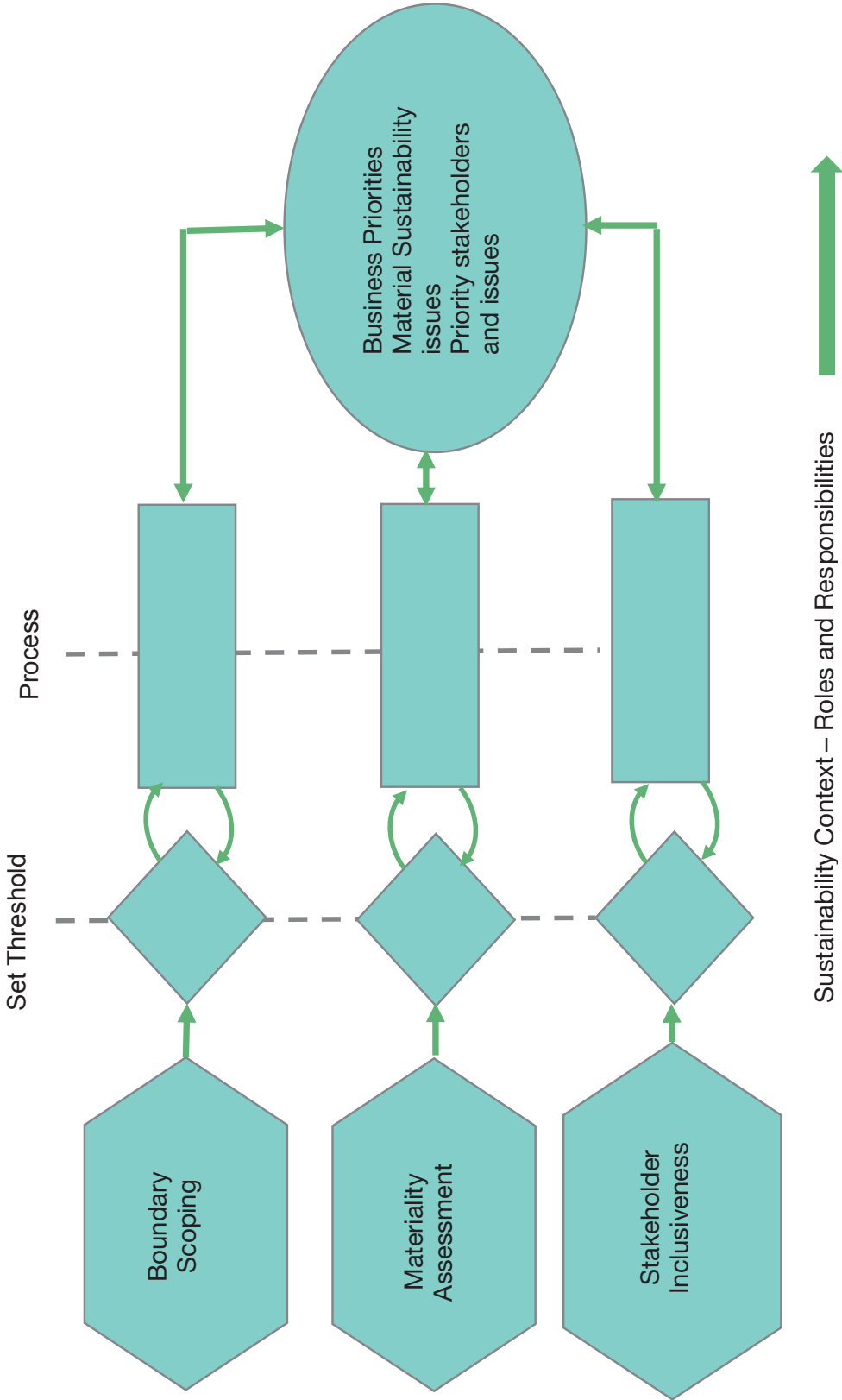
"GRI G4 Indicators Workshop and Handbook Guidelines"



## Explanatory Notes

1. Back-casting is a process where one envisions a goal, sets programmes in place backwards (on an annual basis) to achieve that goal, and implements forwards to achieve the goal with the agreed programme and resources. Strategic thinking of this type is helpful in reporting to senior management, and provides buy-in, allocates resources, roles, responsibilities and identifies decision points.
2. One starts at the current state, A and develops a vision, B. Looking backwards, a plan is made to implement those programmes or deliverables that would be needed to achieve the vision, B1 through B5 in this figure. This could be on an annual basis. Such programmes could include developments to stakeholder engagement programmes, data collection systems, risk management systems, report governance, membership of sustainability ratings systems etc.
3. Senior management buy-in is necessary to approve resource allocation and programme outlined in B1 through B5.
4. Once approved, one then implements those programmes, now re-identified as A1 through A5 in the figure.
5. The trajectory of achievement in sustainability reporting improvement is identified as the arc connecting A to B.
6. As this process sets a vision for a medium to long term goal, care is needed to ensure that the vision identified as B remains relevant and acceptable to senior management. An ongoing review of the process and its outcomes is necessary and mid-course corrections may be needed.
7. Care must also be exercised to ensure a reasonable flexibility in achieving the ultimate vision (B). The performance of the sustainability function will be measured according to achievement of this programme. Regular briefing to senior management is strongly advised.

Figure 6 - Integration Flow Chart

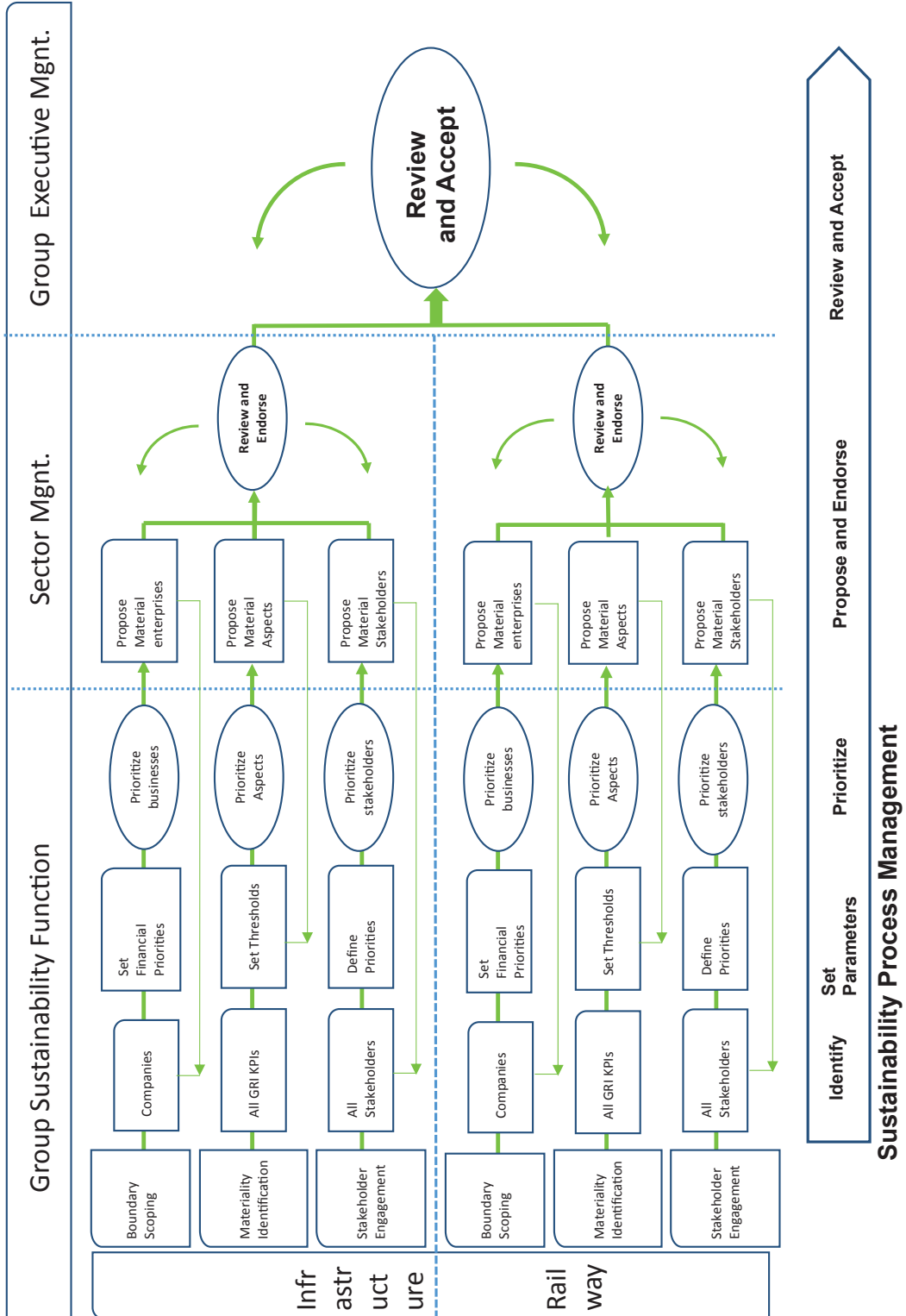


"GRI G4 Indicators Workshop and Handbook Guidelines"

## Explanatory Notes

1. This figure expands the reporting flow noted Figure 1 of this Handbook identifying the key processes involved. The intent of the figure is to provide an overall appreciation of the governance involved in threshold setting and prioritization, and forms the basis for conglomerate reporting detailed in Figure 7.
2. The figure notes the GRI requirements for Boundary Scoping, Materiality Assessment and Stakeholder Inclusiveness.
3. An initial set of reporting parameters and their thresholds for assessment / reporting are proposed by the sustainability function. This could be informed by the peer group of the reporter, similar GRI reports, SASB reporting guidelines etc. (See this Handbook for further sources).
4. A process needs to be developed and implemented to obtain endorsement and final approval of the Business Priorities, Material Sustainability issues, and the Priority stakeholders and their issues. The processes involved may be simple or complex and they may be outside of control of the sustainability function. Start from the current availability of data and systems and work consistently to improve visibility and transparency.
5. The processes must include reviews. Integrating the three parameters will challenge entrenched views and will evolve thinking as to thresholds and the governance processes involved.
6. The overall setting of this figure informs the evolving sustainability context of the organization and provides the content for the roles and responsibilities of the reporting unit.
7. In the sense of the Deming cycle, it is advisable to start from first principles annually ensuring that the system is also fit for purpose.

Figure 7 - Integration Flow chart for a Railway and Infrastructure Business



## Explanatory Notes

1. This figure expands Figure 6 of this Handbook integrating the process into infrastructure management and railway operations. The methodology could also be expanded should a third stream be identified, say station-related property development. Figure 7 identifies a possible allocation of roles and responsibilities to the Group Sustainability Function, The Senior Sector Management and the Group Executive Management.
2. Roles are identified in the lower box: Identifying, Setting parameters, Prioritization, Propose, Endorse and Review and Accept.
3. Boundary scoping includes a review of the companies involved and sets the financial priorities for reporting. This could be percentage of ownership or control, or particular relevance, and results in a proposed set of prioritized businesses.
4. Materiality identification starts by considering all of the GRI Aspects and proposed KPI related thresholds for their inclusion in the report. This results in a set of prioritized Aspects and KPIs for reporting.
5. The widest set of stakeholders are initially considered for engagement. Through an understanding of stakeholders' importance and ability to influence the business, a set of prioritized material stakeholders are proposed.
6. Each of the processes identified above may be undertaken by or outside the scope for the Group Sustainability Function. For example, the stakeholder material mapping may be undertaken by communications department, and the financial assessment undertaken by a finance committee. A collaborative approach including watching briefs is necessary. Improvements in visibility and transparency occur when all parties trust each other to deliver on the roles and responsibilities.
7. The senior sector management needs to review the proposed material enterprises, aspects and stakeholders and endorse the findings. This review is based on an integrative approach of the material items and may require additional assessment and review by the Group Sustainability Function.
8. In those organizations where railway operations collaborates with infrastructure and or property management, a similar but independent process needs to be undertaken (Steps 3 – 7 above).
9. Once endorsed by the Senior Sector Management, the Group Executive Management reviews and accepts the choices.
10. As the degree of senior insight and integration increases with the review process, additional complexity will result. Though it will take some time and much effort to result in clear governance, the prioritized stakeholders will appreciate the improved visibility and transparency.

Figure 8 - EcoVadis Sample Supplier Scorecard



**Explanatory Note**

Further clarity on this scorecard, its usage and content can be found from reference (32).

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