In November 2013 we held a week-long online discussion between UK-GBC members and GRI about the Global Reporting Initiative Construction Real Estate Sector Supplement.¹

Want to add to the conversation? The comments that came out of the discussion have been added to Pinpoint and can be read here http://pinpoint.ukgbc.org/resource/7134. This document is a summary of the wide ranging debate on the framework.

What is GRI and GRI CRESS?

The Global Reporting Initiative (GRI) is a corporate reporting standard which any organisation can report to. The Global Reporting Initiative - Construction and Real Estate Sector Supplement (CRESS)² provides specific guidance for all reporting organisations in the construction and real estate sector, enabling them to measure and report their sustainability performance. As GRI launched the new Sustainability Reporting Guidelines G4 in May 2013, the CRESS content will be re-organised to match with this update. This will be published in the next few months. GRI also published research to ‘Sustainability topics for sectors: What do stakeholders want to know?’³.

GRI sets out guidelines around aspects of corporate sustainability that organisations should consider including in their reporting, as well as targets to aim for within each area.

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¹ See contributors end the end of this document.
² http://pinpoint.ukgbc.org/resource/7134/global-reporting-initiative-construction-and-real-
³ See p99 for the 31 topics found for Real Estate
TAKE-UP

CRESS was launched in 2012 with 56 organisations initially using it to prepare their sustainability reporting.

Certain factors may need to be reviewed by GRI in order to increase take-up. Firstly, the time required to report is lengthy and so sufficient resources need to be allocated to allow for this, which is a barrier to take-up. Secondly, reporting to GRI needs further added value as organisations find the benefits are mainly felt within the first year or two of reporting when aims are set, which give the organisation clear targets. After this point, organisations have the correct processes in place to report with ease and GRI becomes a resource cost with a decreasing value associated with it.

BENEFITS

GRI CRESS is generally considered easy to use and requires a small amount of training in order to implement. Companies can align their annual sustainability review to GRI CRESS standard as an initial exercise to integrate the standard into their organisation. Working through it can be done efficiently, especially after the first year, as long as the organisation is clear on why it is being used.

GRI CRESS is considered a useful standard as it creates some consistency for sustainability reporting across the industry in terms of information disclosure and review of materiality. However, mandatory carbon reporting legislation in the UK\(^4\) plus voluntary standards have led to organisations reporting to over 20 initiatives per year. There is a clear need for consistency and single format reporting.

The GRI CRESS does support both an organisation’s reporting needs and its strategic needs as it is considered a useful tool to challenge the status quo on material aspects within an organisation. Areas around which there is less clarity can then be tested with stakeholders. Once an organisation has completed the process i.e. reviewed the indicators and made decisions, the value of the resulting conversations and conclusions reached is a powerful organisational tool. Some of its value also comes from being used at the appropriate time i.e. not too late in the reporting or strategy review process. GRI CRESS is considered to be part of the mix in demonstrating an organisation’s sustainability commitment.

CHALLENGES

One of the main challenges is an overall reduction in the reduce overall the amount of time GRI CRESS reporting requires. As stated in the benefits, the first year can be done efficiently, but it should not be underestimated and can be a significant piece of work for an organisation. The Implementation Manual is lengthy and could be rationalised to avoid repetition, but also provide more effective training. Both aspects would make it easier for organisations to learn how to apply it. For example, the new G4 guidelines introduced Disclosures on Management Approach, a section which has difficulties due to overly general guidance and often requires disclosures to be repeated in other sections. This risks reports that contain more disclosures than standard reporting\(^5\).

There is a call for a clearer process, taking organisations (particularly SMEs) through step by step, with more straightforward indicators that deal primarily with quantitative disclosures, and a greater use of templates and online worksheets, or even interactive pdfs or an app, rather than a reliance on multiple guidance documents. This would allow the top layer of information to be relatively light and easily

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\(^4\) [Greenhouse Gas Reporting](#) and the [Carbon Reduction Commitment Energy Efficiency Scheme](#)

\(^5\) [Listen](#) to a recorded GRI Conference session on Disclosure on Management Approach in G4. The first 15 minutes explains the how the generic DMA is intended.
navigable. The Core/Comprehensive reporting options of the GRI standard could be developed into further streams depending on the scale of the organisation. Organisations with a non-corporate set up but with management structures, working groups and environmental management systems would find compliance with Comprehensive reporting very costly, especially if done in house. These changes may also make it easier to determine whether an organisation has achieved compliance without costly external verification.

More clarity around the language is also welcomed to make it easier for organisations to know the difference between key terms, e.g. specific standard versus general standard. There are also areas which are too prescriptive. This may be due to the international audience GRI CRESS is aimed at.

Subsidiaries of larger companies which have no requirements to publically report have difficulty identifying the relevant and applicable aspects of GRI CRESS according to the overall message and information the organisation wishes to deliver.

**AREAS FOR IMPROVEMENT**

The breadth of topics within GRI CRESS’ scope could be increased specifically around reflecting portfolio type and ability to control/influence, risk assessment, mitigation and management arrangements. However, maintaining its suitability for all organisations whilst increasing coverage risks smaller organisations no longer seeing the benefits. The previous version of GRI, which was focused on A-C reporting⁶, gave a greater impression of rigour behind the reporting/strategic decision making. Some organisations choose to report only to Level B, as level A was overly burdensome. By increasing the scope again, this may have the same effect as well as losing rigour.

GRI CRESS could benefit from greater consideration as a strategy tool rather than just a reporting tool. The attention to materiality is a benefit that could be capitalised on by GRI, by encouraging an approach that asks introspective questions such as “are we focussed on all the right aspects?”, “have we missed anything?”, “are our stakeholders concerned with any other aspects raised in GRI CRESS?” However, not all organisations value this aspect of GRI CRESS and do not use it to drive organisational strategy.

Further work on consistency of reporting formats both within the sector e.g EPRA, GRESB, and cross sector initiatives e.g. Dow Jones Sustainability Index, may support the value of GRI. There may be aspects of GRI that could be fulfilled by other initiatives entirely such as Integrated Reporting⁷.

**DRIVING CHANGE**

More organisations could be influenced to begin using GRI CRESS on the basis of its value as a strategic decision making tool rather than just as a “tick box” exercise or simple reporting tool.

However, there is also a perception that GRI CRESS is only recognised by sustainability professionals and possibly some informed investors and therefore its ability to demonstrate commitment to sustainability to a range of stakeholders is limited. The value of GRI CRESS should be communicated to a much wider audience.

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⁶ There are three different Application Levels: A, B and C. Application Levels indicate the extent to which the G3 or G3.1 Guidelines have been applied in sustainability reporting and they aim to reflect the degree of transparency against the GRI Guidelines in reporting, Level A being the most transparent and have increasing number of disclosures. For more information visit [https://www.globalreporting.org/reporting/G3andG3-1/application-level-information/Pages/default.aspx](https://www.globalreporting.org/reporting/G3andG3-1/application-level-information/Pages/default.aspx)

⁷ The International IR Framework
CONCLUSION

GRI CRESS retains a lot of value as a reporting tool, bringing consistency to the built environment sector, and as an internal strategy tool for materiality issues within an organisation. However, unless the framework becomes less onerous, the “good may be lost in the quest for the perfect”.

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