

A Global Standard for Sustainability Reporting

GRI 207: Tax

What is the GRI?



The Global Reporting Initiative (GRI) is an independent organisation responsible for setting sustainability standards globally. They are widely accepted as good practice for reporting on a range of economic, environmental, and social topics.

Our review into the 2020 year-ends of the FTSE100 showed that around 35% of the index follow the GRI standards on environmental, social and governance topics.

What is GRI 207: Tax?



In December 2019, the GRI issued the 207 tax standard which was introduced to meet stakeholder demands for greater transparency around tax, especially around country-by-country reporting. The standard is applicable for reports published from 1 January 2021.

Any organisation can choose to align with the GRI, however, an organisation which follows the GRI in its sustainability reporting, should also follow the tax standard if tax has been identified as a material topic by stakeholders.

Why GRI 207?



The role businesses play in society is under a lot of scrutiny. Stakeholders are expecting companies to do more to help tackle the big issues, such as climate change, public debt, and social inequalities. Tax is increasingly being integrated within this broader Environmental, Social, and Governance (ESG) agenda, with businesses expected to address concerns from stakeholders on tax. It is no longer a private matter between tax teams and tax authorities.

The GRI 207 tax standard is an example of this integration between tax and ESG. Tax teams should ensure they are aligned with their sustainability teams on how the company will respond to these developments.

Reporting requirements:

Disclosure 207-1:
Approach to tax

Disclosure 207-2:
Tax governance, control and risk management

Disclosure 207-3:
Stakeholder engagement and management concerns related to tax

Disclosure 207-4:
Country-by-country reporting tax data



How can we help?

Wherever you are on your transparency and governance journey, we can help.

If you are fully linked in with the relevant internal stakeholders and you intend to comply with the 207 standard, we can perform an independent alignment review to assess whether, in our view, your current disclosures meet the 207 criteria.

If you have not yet taken a position on the 207 standard and would like support addressing any of the four specific disclosure requirements, we can provide a wide range of support and guidance as outlined below.

1

Approach to tax:

- Develop, design and/or document your tax strategy
- Manage tax as an integral part of your wider sustainability strategy and linking it to ESG and the United Nations Sustainable Development Goals (SDGs)

2

Tax governance, control and risk management framework:

- Review existing processes and risk management procedures, assess their effectiveness
- Support developing and designing your Tax Control Framework
- Identify (non-) financial risks and opportunities linked to SDGs

3

Stakeholder engagement strategy:

- Design a relevant internal and external stakeholder communication strategy
- Incorporate stakeholder expectations into the strategy

4

Country-by-country reporting:

- Support with the preparation of relevant data sets
- Prepare guidance documents and templates enabling you to identify, collect, analyse and report on a country-by-country basis
- Link country-by-country reporting data with your Total Tax Contribution, highlighting all taxes that a business pays

GRI 207: Tax

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The transparency landscape is evolving

To read more on the recent developments in the transparency landscape, please read our latest review of trends in voluntary reporting here.

If you would like to receive a bespoke transparency feedback report which benchmarks your voluntary disclosures against the FTSE100, or you would like to have a conversation about the GRI 207 standard, please don't hesitate to contact us.



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