

GRI 207: Tax

A global standard for sustainability reporting - wherever you are on your transparency and governance journey

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

Our review of the 2020 year-ends of the JSE Top Listed 100 companies showed that approximately 60% follow the GRI standards on environmental, social and governance topics.

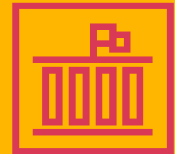
In December 2019, the GRI issued the 207 tax standard ("GRI 207"), which was introduced to meet stakeholder demands for greater transparency around tax, especially around country-by-country reporting. The standard is applicable for reports published from 1 January 2021.

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

The role businesses play in society is under significant 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.

What is the GRI?



What is GRI 207: Tax?



Why GRI 207?



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 GRI 207 standard, we can perform an independent alignment review to assess whether, in our view, your current disclosures meet the GRI 207 criteria.

If you have not yet taken a position on the GRI 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.

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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).

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.

Stakeholder engagement strategy:

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

Country-by-country reporting:

- Support with the preparation of relevant data sets.
- Prepare guidance documents and templates enabling you to identify, collect, analyze 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.

The transparency landscape is evolving



Our latest Building Public Trust report discusses recent developments in the transparency landscape.

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