

GRI 418: CUSTOMER PRIVACY 2016

GRI 418

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About this Standard

Responsibility	This Standard is issued by the Global Sustainability Standards Board (GSSB) . Any feedback on the GRI Standards can be submitted to standards@globalreporting.org for the consideration of the GSSB.
Scope	<i>GRI 418: Customer Privacy</i> sets out reporting requirements on the topic of customer privacy. This Standard can be used by an organization of any size, type, sector or geographic location that wants to report on its impacts related to this topic.
Normative references	This Standard is to be used together with the most recent versions of the following documents. GRI 101: Foundation GRI 103: Management Approach GRI Standards Glossary In the text of this Standard, terms defined in the Glossary are <u>underlined</u> .
Effective date	This Standard is effective for reports or other materials published on or after 1 July 2018. Earlier adoption is encouraged.

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

Introduction

A. Overview

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

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

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

GRI 101: Foundation

GRI 102: General Disclosures

GRI 103: Management Approach

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

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

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

GRI 418: Customer Privacy is a topic-specific GRI Standard in the 400 series (Social topics).

B. Using the GRI Standards and making claims

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

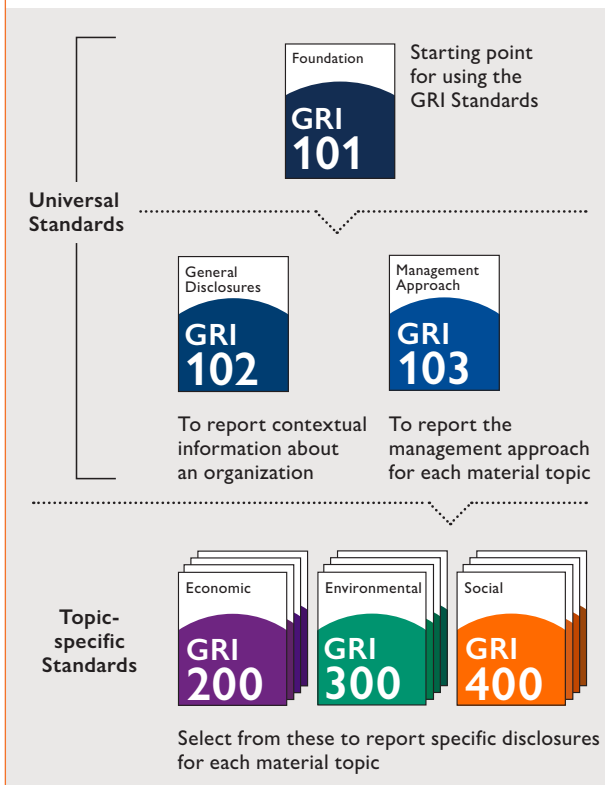
1. The GRI Standards can be used as a set to prepare a sustainability report that is in accordance with the Standards. There are two options for preparing a report in accordance (Core or Comprehensive), depending on the extent of disclosures included in the report.

An organization preparing a report in accordance with the GRI Standards uses this Standard, *GRI 418: Customer Privacy*, if this is one of its material topics.

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

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

Figure 1
Overview of the set of GRI Standards



C. Requirements, recommendations and guidance

The GRI Standards include:

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

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

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

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

D. Background context

In the context of the GRI Standards, the social dimension of sustainability concerns an organization's impacts on the social systems within which it operates.

GRI 418 addresses the topic of customer privacy, including losses of customer data and breaches of customer privacy. These can result from non-compliance with existing laws, regulations and/or other voluntary standards regarding the protection of customer privacy.

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

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

GRI 418: Customer Privacy

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

- Management approach disclosures (this section references *GRI 103*)
- Disclosure 418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data

1. Management approach disclosures

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

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

Reporting requirements

- 1.1 The reporting organization shall report its management approach for customer privacy using [GRI 103: Management Approach](#).

2. Topic-specific disclosures

Disclosure 418-1

Substantiated complaints concerning breaches of customer privacy and losses of customer data

Reporting requirements

The reporting organization shall report the following information:

- a. Total number of substantiated complaints received concerning breaches of customer privacy, categorized by:
 - i. complaints received from outside parties and substantiated by the organization;
 - ii. complaints from regulatory bodies.
- b. Total number of identified leaks, thefts, or losses of customer data.
- c. If the organization has not identified any substantiated complaints, a brief statement of this fact is sufficient.

Disclosure
418-1

- 2.1 When compiling the information specified in Disclosure 418-1, the reporting organization shall indicate if a substantial number of these breaches relate to events in preceding years.

Guidance

Background

Protection of customer privacy is a generally recognized goal in national regulations and organizational policies. As set out in the Organisation for Economic Co-operation and Development (OECD) *OECD Guidelines for Multinational Enterprises*, organizations are expected to 'respect consumer privacy and take reasonable measures to ensure the security of personal data that they collect, store, process or disseminate'.

To protect customer privacy, an organization is expected to limit its collection of personal data, to collect data by lawful means, and to be transparent

about how data are gathered, used, and secured.

The organization is also expected to not disclose or use personal customer information for any purposes other than those agreed upon, and to communicate any changes in data protection policies or measures to customers directly.

This disclosure provides an evaluation of the success of management systems and procedures relating to customer privacy protection.

References

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

Authoritative intergovernmental instruments:

1. Organisation for Economic Co-operation and Development (OECD), *OECD Guidelines for Multinational Enterprises*, 2011.

standards@globalreporting.org
www.globalreporting.org

GRI
PO Box 10039
1001 EA
Amsterdam
The Netherlands

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