

GRI 207: Tax - Topic Standard - Cross-sectoral

Disclosure GRI 207-2

Tax governance, control, and risk management

Framework: GRI Standards

Type: Narrative disclosure

Regime: Voluntary

Effective: 2021-01-01

ESRS: ESRS G1 Business Conduct

Datapoints & assurance

Datapoint	What to capture	Owner	Risk an assurer probes	Evidence to check
Tax control framework	A plain summary of how tax is governed and controlled across the organisation, covering the main rules, oversight lines and control points that shape tax decisions.	Tax / Finance / Legal / Governance	The narrative is built from policy wording that does not reconcile to the actual control framework used in finance and tax operations.	Tax policy, governance map, control framework document, committee terms of reference, internal control descriptions.
Tax accountability lead	The board-level body or senior executive role that carries responsibility for compliance with the tax strategy, named clearly and consistently with internal governance records.	Tax / Company Secretariat / Legal	The named accountable body or role does not match the governance register or delegated authority matrix.	Board charter, committee papers, role descriptions, delegated authority matrix, governance register.
Tax embedded in business	How tax responsibilities and considerations are built into day-to-day business processes, decision-making and oversight, rather than treated as a standalone topic.	Tax / Finance / Operations / HR	The description overstates embedding and does not reconcile to the actual business processes where tax checks are performed.	Process maps, policy manuals, training records, approval workflows, operating procedures, internal communications.
Tax risk management	How tax risks are spotted, assessed, tracked and reviewed, including the practical controls and monitoring routines used to keep them under watch.	Tax / Risk / Internal Control / Internal Audit	The risk narrative misses a sub-population of risks or mixes up how risks are identified versus how they are monitored.	Risk register, control testing results, monitoring reports, issue logs, committee packs, escalation procedures.
Tax control review	How the organisation checks whether its tax governance and control arrangements are working as intended, including the review methods and who performs them.	Tax / Internal Audit / Risk / Finance	The review description is not aligned to the actual assurance or testing source and confuses design review with operating effectiveness review.	Control testing plans, internal audit reports, compliance reviews, management assurance papers, remediation trackers.
Tax concern channels	The routes people can use to raise concerns about business conduct or integrity issues linked to tax, including internal reporting channels and any escalation route.	Legal / Compliance / HR / Ethics / Tax	The channels described omit a reporting route that exists in the speak-up policy or include a route that is not available for tax concerns.	Speak-up policy, whistleblowing procedure, ethics hotline materials, intranet pages, investigation process documents.
Tax assurance process	How the tax disclosures were checked by an external or internal assurance process, and where relevant the reference details for the related assurance report or statement.	Finance / Tax / External Assurance / Internal Audit	The assurance reference does not match the issued report or statement, or the disclosure period is mixed up with a different assurance cycle.	Assurance engagement letter, assurance statement, external report, auditor correspondence, disclosure sign-off pack.

How to prepare

- 1 Set the reporting boundary first:** decide which parts of the business, and which control arrangements, you will describe for tax governance. Make sure the scope matches the organisation you are reporting on, and keep that boundary consistent across the whole disclosure.

- 2 List the core elements you need to cover in plain business language.** Include who is responsible for tax compliance, how tax is built into day-to-day operations, how tax risks are spotted and handled, and how the organisation checks that the framework is working.
- 3 Gather support for each part of the narrative.** Pull together policy documents, committee papers, role descriptions, risk logs, monitoring records, review notes, whistleblowing or speak-up routes, and any other internal material that shows the process in practice.
- 4 Draft the disclosure as a clear narrative, or a mix of narrative and figures where relevant, using the evidence you have collected.** Cover the accountability line, the way tax is embedded in the organisation, the risk management approach, the evaluation method, the concern-raising channels, and the assurance process.
- 5 Record any exclusions, assumptions, or changes in approach.** If something is not covered, or if the reporting basis has changed from the prior period, explain that clearly so readers can understand the limits of the information provided.
- 6 Check the final wording against the official source and your underlying evidence.** Confirm that each required element is present, the descriptions are consistent with the documents, and any external assurance reference is included where applicable.

This LRA assistance tool is designed for educational and internal data-collection purposes. It is not an official interpretation of the GRI Standards, IFRS Sustainability Disclosure Standards or EU CSRD/ESRS requirements. When applying these frameworks in professional practice, users should consult and double-check the official standards, guidance and applicable regulatory sources.

For users who may require additional expert guidance or consultancy support on sustainability reporting, the application of reporting standards, data collection processes or disclosure preparation, the London Reporting Academy team would be pleased to assist. Please contact us at hello@reporting.academy or submit an enquiry through the contact form: <https://reporting.academy/en/contacts/>

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