

GRI 2: General Disclosures - Universal Standard

Disclosure GRI 2-27

Compliance with laws and regulations

Framework: GRI Standards

Type: Metrics + narrative

Regime: Voluntary

Effective: 2023-01-01

Datapoints & assurance

Datapoint	What to capture	Owner	Risk an assurer probes	Evidence to check
Total serious breaches	Count every serious breach of law or regulation identified in the reporting period, using the organisation's own threshold for what counts as serious.	Legal and Compliance	The count can drift if the source log includes minor breaches or misses cases closed after period-end but relating to the period.	Compliance incident log; legal case tracker; regulatory correspondence; period-end summary from legal/compliance.
Breaches with fines	From the serious-breach count, identify how many cases led to a financial penalty being imposed in the reporting period.	Legal and Compliance	A definition mismatch can occur if warnings or settlements are counted as fines, or if cases with a penalty are left out of the breach breakdown.	Penalty notices; finance/legal case files; compliance register with sanction outcome; period-end reconciliation.
Total serious breaches	Count every serious breach of law or regulation identified in the reporting period, using the organisation's own threshold for what counts as serious.	Legal and Compliance	The count can drift if the source log includes minor breaches or misses cases closed after period-end but relating to the period.	Compliance incident log; legal case tracker; regulatory correspondence; period-end summary from legal/compliance.
Breaches with other sanctions	From the serious-breach count, identify how many cases led to a non-financial sanction in the reporting period.	Legal and Compliance	A category mismatch can happen if financial penalties are mixed into the non-financial bucket, or if non-financial sanctions are not separately tagged in the case system.	Regulator letters; enforcement notices; compliance case files; legal review of sanction type.
Paid fines count	Count the number of fines actually paid during the reporting period, regardless of when the underlying breach happened.	Finance	The period can be wrong if unpaid fines are included, or if fines paid after period-end are pulled into the current year.	Accounts payable records; bank payment evidence; legal settlement schedule; fine payment register.
Paid fines value	Capture the total money paid for fines during the reporting period, based on actual payments made in that period.	Finance	The source system can fail to reconcile if gross penalty amounts are reported instead of cash paid, or if refunds and partial payments are not netted correctly.	General ledger; bank statements; accounts payable run; payment confirmations linked to each fine.
Current-year fine split	Split the fines paid in the reporting period into those tied to breaches that happened in the current reporting period, and capture both the count and the money paid for that subset.	Legal and Compliance	A scope/period error occurs if fines are grouped by payment date only and the breach date is not used to separate current-year cases from older ones.	Case chronology in legal register; fine payment schedule; mapping of payment to breach date; finance reconciliation.
Current-year paid fines count	Count only the fines paid in the reporting period that relate to breaches occurring in the current reporting period.	Legal and Compliance	The count can be overstated if fines from earlier breaches are left in the current-period bucket.	Legal case register with breach date; payment evidence; current-period subset report.
Current-year paid fines value	Capture the money paid in the reporting period for fines linked to breaches that happened in the current reporting period.	Finance	The value can be misstated if the payment amount is taken from the wrong period or if only the penalty notice amount is used instead of cash paid.	Finance ledger; bank proof of payment; legal register showing breach period and payment amount.

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Prior-year fine split	Split the fines paid in the reporting period into those tied to breaches that happened in earlier reporting periods, and capture both the count and the money paid for that subset.	Legal and Compliance	A scope/period error occurs if older breaches are not separated from current-period cases, especially where payment happens long after the incident.	Historical case register; payment evidence; ageing schedule of fines by breach period; finance/legal reconciliation.
Breach descriptions	Provide a plain-language description of each serious breach, covering what happened, where relevant the law or rule involved, and the outcome or sanction.	Legal and Compliance	The narrative can go wrong if it describes only the sanction and omits the underlying breach, or if separate incidents are merged into one story.	Legal case file; regulator notice; internal investigation summary; incident narrative approved by compliance.
Seriousness method	Explain the internal method used to decide which breaches are treated as serious, including the criteria, review process and who applies it.	Legal and Compliance	A definition/category mismatch can arise if the organisation cannot show a consistent threshold, or if different teams apply different seriousness tests.	Compliance policy; escalation matrix; decision memo; governance approval of the seriousness threshold.

How to prepare

- 1 Set the reporting boundary first:** confirm which entities, sites, and activities are in scope for the period, so you only capture breaches linked to that defined perimeter.
- 2 Agree the counting rules before you start compiling data:** decide what your team will treat as a material breach, and keep that test consistent across all sources and locations.
- 3 Pull together the underlying records:** gather case logs, legal notices, penalty letters, sanction records, and payment evidence so you can identify each relevant breach and whether it led to a financial penalty or another sanction.
- 4 Build the disclosure outputs from those records:** prepare the overall count, the split between cases with fines and cases with other sanctions, and the fine totals and amounts paid, including the split between amounts tied to the current period and those linked to earlier periods.
- 5 Write a short explanation of the cases themselves and your method:** summarise the significant breaches, and explain the basis you used to judge which cases were treated as significant.
- 6 Check the final draft against the source records and the official guidance:** make sure exclusions, reclassifications, and period-to-period changes are explained, and that the figures and narrative match the evidence trail.

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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