

GRI 2: General Disclosures - Universal Standard

Disclosure GRI 2-19

Remuneration policies

Framework: GRI Standards

Type: Narrative disclosure

Regime: Voluntary

Effective: 2023-01-01

Datapoints & assurance

Datapoint	What to capture	Owner	Risk an assurer probes	Evidence to check
Base pay policy	The rules and approach used to set fixed salary or fee amounts for the board and top executives, including how those amounts are determined and applied.	Reward / HR / Company Secretariat	Fixed pay is often taken from a different source than the approved pay policy, so the disclosed basis does not reconcile to the remuneration committee papers or contracts.	Remuneration policy, pay framework, committee papers, approved salary/fee schedules, contracts or appointment letters.
Incentive pay policy	The rules for performance-linked pay for the board and top executives, including how awards are earned, measured and paid.	Reward / HR / Finance / Company Secretariat	Variable pay is often mixed with base pay or reported using the wrong award period, so the figures do not reconcile to the incentive plan or payroll records.	Remuneration policy, annual incentive plan rules, long-term incentive plan documents, committee minutes, award letters.
Joining bonus policy	The approach to any one-off payments used to attract or recruit board members or senior executives, including when they are offered and under what conditions.	Reward / HR / Talent Acquisition / Company Secretariat	Recruitment payments are often missed for externally hired executives or classified as ordinary bonus pay, so the disclosure omits a separate joining incentive.	Offer letters, recruitment approval papers, remuneration policy, committee minutes, onboarding records.
Exit payment policy	The rules for any payments made when a board member or senior executive leaves, including how such payments are approved and calculated.	HR / Legal / Reward / Company Secretariat	Exit payments are often captured from the wrong period or only from payroll, so one-off settlement amounts do not reconcile to termination agreements.	Termination agreements, settlement documents, remuneration policy, committee approvals, legal correspondence.
Recovery policy	The approach to taking back previously awarded pay from board members or senior executives when the organisation applies a recovery mechanism.	Reward / Legal / Company Secretariat	Recovery terms are often described in general policy language but not matched to the actual award contracts, so the disclosed policy does not align with the enforceable terms.	Remuneration policy, clawback or malus provisions, committee minutes, award terms, recovery notices.
Pension and retirement	The retirement-related benefits available to the board and top executives, including pension arrangements and any other post-employment benefits covered by the policy.	HR / Reward / Pensions / Company Secretariat	Retirement benefits are often reported using the wrong benefit category, so pension arrangements are confused with other post-employment benefits or executive allowances.	Pension plan documents, benefit schedules, employment contracts, remuneration policy, committee papers.
Pay and performance link	How pay decisions for the board and top executives are tied to their goals and results in managing the organisation's effects on the economy, environment and people.	Reward / Sustainability / HR / Company Secretariat	The performance link is often built from targets that do not match the actual scorecard or impact metrics used by the committee, so the narrative does not reconcile to the approved objectives.	Remuneration policy, performance scorecards, ESG or impact KPIs, committee papers, annual performance reviews.

How to prepare

- 1 Set the reporting boundary first:** confirm which people are covered, namely the board-level group and the senior leadership team, so the disclosure is prepared for the right population.
- 2 List the pay elements you need to explain, using plain internal labels for each one:** base salary, performance-linked pay, joining or recruitment incentives, exit-related payments, recovery or repayment provisions, and post-employment benefits.
- 3** Gather the source material that supports each part of the explanation, such as pay policy papers, committee papers, approval records, contracts, and any other internal documents that show how the arrangements work.
- 4 Draft the disclosure in two parts:** first, explain the policy for each pay element; second, explain how those policies connect to the leaders' goals and results, including how they link to the organisation's handling of its economic, environmental and social impacts.
- 5** Record any gaps, exclusions, or wording changes clearly, so it is obvious what has been included, what has not, and whether the final wording differs from the underlying source material.
- 6** Check the finished text against the official source before sign-off, to make sure every required pay element and the performance link are covered accurately and nothing has been missed or overstated.

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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