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Item 02 – GRI Universal Standards Project – Revised GRI 102: About the Organization

For GSSB discussion

Date	26 February 2021
Meeting	23 March 2021
Project	GRI Universal Standards Project
Description	<p>This document presents the revised draft of <i>GRI 102: About the Organization</i> following the public comment feedback. Key changes are highlighted in comment boxes within the document. Minor editorial changes have not been highlighted, but a draft tracking all changes to the text has been included in the Annex.</p> <p>The public comments to this draft can be found here: https://www.globalreporting.org/media/s0bbizo2/item-05-public-comments-to-revisions-gri-102-in-the-universal-standards-exposure-draft.pdf</p>

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2 Explanatory note

3 The following significant revisions have been made in response to public comment feedback:

4 Section 2. Organizational details and reporting practices

- 5 • Expanded Disclosure REP-3 for organizations to report the publication date of reported
6 information and retained the contact point for questions regarding the reported information,
7 see lines 100-101.

8 Section 3. Organizational activities

- 9 • Separated the requirements on employees and other workers in two disclosures "ACT-2
10 Employees" and "ACT-3 Other workers" for clarity, see lines lines 270-288, and 369-382.
- 11 • Revised Disclosure ACT-2 to include information on non-guaranteed hour employees, which
12 has been identified as a gap, see line 277.

13 Section 5. Strategy, policies, and practices

- 14 • Clarified in the introduction the difference between the disclosures in this section and the
15 disclosures in GRI 103, see lines 473-478.
- 16 • Moved the requirement to report the date of approval of the policy commitments to the
17 guidance section. This information is not essential, see lines 525-526.
- 18 • Revised requirement on compliance with laws and regulations. This is to capture instances
19 that may not be significant in their monetary value but have a significant impact, see lines
20 875-881.

21 Additional revisions made in response to public comment feedback are explained in comment boxes.

22 Other editorial revisions have been made to the text to improve clarity and consistency with the GRI
23 Style Guide and are explained in comment boxes.

24 **Revised GRI 102: About the**
25 **Organization**

26 **Section 1. Introduction**

27 [under review]

28 **Section 2. Organization and its**
29 **reporting practices**

30 The disclosures in this section provide an overview of the organization, its sustainability reporting
31 practices, and the entities that it includes in its sustainability reporting.

32 **Disclosure REP-1 Organizational details**

33 **Requirements**

34 **The organization shall:**

- 35 a. report its legal name;
36 b. report its nature of ownership and legal form;
37 c. report the location of its headquarters;
38 d. report its countries of operation.

39 **Guidance**

40 **Guidance to REP-1-a**

41 If the organization uses a commonly known trading name or business name that is different from its
42 legal name, it should report this in addition to its legal name.

43 **Guidance to REP-1-b**

44 The nature of ownership and the legal form of the organization refers to whether it is publicly or
45 privately owned, and whether it is an incorporated entity, a partnership, a sole proprietorship, or
46 another type of entity such as a nonprofit, an association, or a charitable organization.

47 **Guidance to REP-1-c**

48 Headquarters are an organization's global administrative center, the place from which it is controlled
49 or directed.

50 **Guidance to REP-1-d**

51 The organization can report specific locations within countries where it has operations, e.g., regions,
52 states, or cities, if this provides contextual information about the scale of its activity and about the
53 impacts included in its sustainability reporting. If the organization has reported its countries of

Commented [SD1]: Type of change: editorial revision.

The title of this section has been changed for clarity.

Original wording: "Organizational details and reporting practices"

Commented [SD2]: Type of change: revision following public comment feedback.

This requirement has been edited to align with the reporting approach in *GRI 207: Tax*.

See also corresponding guidance in lines 51-55 that clarifies the reporting expectation for this requirement.

Original wording: "countries where it has significant operations"

54 operation elsewhere, such as in its audited consolidated financial statements or financial information
55 filed on public record, the organization can provide a link or reference to this information.

56 Disclosure REP-2 Organizational entities included in the 57 sustainability reporting

58 Requirements

59 The organization shall:

- 60 a. list its entities that are included in its sustainability reporting;
- 61 b. if the organization has audited consolidated financial statements or financial information
62 filed on public record, specify the differences between the list of entities included in its
63 financial reporting and the list included in its sustainability reporting;
- 64 c. if the organization consists of multiple entities, explain the approach used for
65 consolidating the information, including:
- 66 i. whether the approach involves adjustments to information for minority interests;
- 67 ii. how the approach takes into account mergers, acquisitions, and disposal of
68 entities or parts of entities;
- 69 iii. whether and how the approach differs across material topics.

70 Guidance

71 Guidance to REP-2-a

72 The entities reported under REP-2-a form the basis for reporting the disclosures in this Standard and
73 for identifying the organization's material topics and related impacts. The organization should align the
74 entities included in its sustainability reporting with the entities included in its other statutory and
75 regulatory reporting, in particular, its financial reporting. See [Section 5.1 of GRI 101: Using the GRI](#)
76 [Standards](#) for more information.

77 When identifying its material topics and related impacts, the organization should consider the impacts
78 of additional entities with which it has business relationships, that are not included in the list reported
79 under REP-2-a. See [Section 2 of GRI 103: Material Topics](#) for more information.

80 Guidance to REP-2-a and REP-2-b

81 The organization can provide a reference or link to the list of entities included in its audited
82 consolidated financial statements or financial information filed on public record and specify which are
83 not included in its sustainability reporting.

84 If all entities are included in its sustainability reporting, a brief statement of this fact and a reference or
85 link to the list of entities included in its audited consolidated financial statements or financial
86 information filed on public record is sufficient to meet the requirements in REP-2-a and REP-2-b.

87 The organization can separately report any additional entities included in the sustainability reporting
88 that are not included in the organization's financial reporting.

89 Guidance to REP-2-c

90 The consolidated information covers the parent entity and the entities it controls and has an interest in
91 such as subsidiaries, joint ventures, and affiliates.

92 A minority interest is an ownership interest in an entity that is not controlled by the parent entity.

Commented [SD3]: Type of change: revision following public comment feedback.

The words "that form a consolidated group" have been deleted to avoid confusion with the use of "consolidated group" in financial standards and instruments.

Commented [SD4]: Type of change: editorial revision.

The words "in the case of entities that are not wholly owned" have been deleted as this information is repetitive of the description of "minority interests" in the guidance.

Commented [SD5]: Type of change: editorial revision.

New guidance added.

Commented [SD6]: Type of change: revision following public comment feedback.

Revised the guidance to ensure consistency with the description of joint ventures in other sections of the Universal Standards (i.e., business partners rather than subsidiaries).

93 Disclosure REP-3 Reporting period and frequency

94 Requirements

95 The organization shall:

- 96 a. specify the reporting period for its sustainability reporting;
- 97 b. if the organization has audited consolidated financial statements or financial information
98 filed on public record, specify the reporting period for its financial reporting, and if it does
99 not align with the period for its sustainability reporting, explain the reason for this;
- 100 c. report the publication date and frequency of its sustainability reporting;
- 101 d. report the contact point for questions regarding the reported information.

102 Guidance

103 *Guidance to REP-3-a and REP-3-b*

104 The reporting period refers to the time period covered by the reported information (e.g., the year
105 ending 31 December 2021 or 1 July 2021 through 30 June 2022). The organization can specify the
106 start and end dates of the reporting period in the introduction of its report.

107 The organization should align the reporting period for its sustainability reporting with the reporting
108 period for its other statutory and regulatory reporting, in particular, its financial reporting. See [Section](#)
109 [5.1 of GRI 101: Using the GRI Standards](#) for more information.

110 *Guidance to REP-3-c*

111 The frequency of reporting refers to how often the organization carries out reporting (e.g., annually).

112 Disclosure REP-4 Restatements of information

113 Requirements

114 The organization shall:

- 115 a. report any restatements of information made from previous reporting periods, and explain
116 the reasons for such restatements and their effect.

117 Guidance

118 This disclosure provides transparency on the reasons for restatements and their effects on the
119 reported information.

120 *Guidance to REP-4-a*

121 The organization should provide a restatement of information when it has learned that the previously
122 reported information needs to be revised. Restatements of information from previous reporting
123 periods can correct an error, or account for changes in measurement methodology or business
124 context. Restatements of information provide consistency and enable comparability of information
125 between reporting periods, and help information users to interpret the reported information. See the
126 reporting principle of Comparability in Section 4 of [GRI 101: Using the GRI Standards](#) for more
127 information.

128 Examples of reasons for restatements of information include:

- 129
 - a change of base periods or reporting periods;
- 130
 - change in the nature of the business;
- 131
 - change in measurement methods;

Commented [SD7]: Type of change: revision following public comment feedback.

Added the publication date for the reported information.

Commented [SD8]: Type of change: revision following public comment feedback.

Retained the contact point.

Commented [SD9]: Type of change: editorial revision.

New guidance added.

- 132 • disposals, mergers, or acquisitions;
 133 • errors made in previous reporting periods.

134 The organization can report the criteria it uses to determine when a change or error in previously
 135 reported information is considered significant enough to issue a restatement.

136 The effect of the restatement refers to the actual revision or correction made to previously reported
 137 information. If the restatement relates to quantitative information, the organization should specify the
 138 quantitative change in the restated information.

139 For example, if an organization adopts a new, more accurate method for measuring greenhouse gas
 140 (GHG) emissions, it may subsequently experience a reduction in its reported emissions that meets
 141 the organization's restatement criteria. The organization then restates its previously reported
 142 information on GHG emissions in its reported information for the current period. In this case, the
 143 organization is required to explain that it has restated its previously reported GHG emission levels due
 144 to the new measurement methodology, and that this has resulted in lower GHG emissions than
 145 previously reported for these periods. The organization should also report the quantitative change
 146 observed (e.g., GHG emissions are 10% lower compared to the level of emissions previously
 147 reported).

Commented [SD10]: Type of change: revision following public comment feedback.

New guidance added.

148 Disclosure REP-5 External assurance

149 Requirements

150 The organization shall:

- 151 a. describe its policy and practice for seeking external assurance, including whether and
 152 how the **highest governance body** and **senior executives** are involved;
- 153 b. if the organization's sustainability reporting has been externally assured:
- 154 i. provide a link or reference to the external assurance report(s) or assurance
 155 statement(s);
- 156 ii. describe what has been assured and on what basis, including the assurance
 157 standards used, the level of assurance obtained, and the limitations of the
 158 assurance process;
- 159 iii. describe the relationship between the organization and the assurance provider.

Commented [SD11]: Type of change: editorial revision.

The wording of this requirement has been revised as conclusions or opinions are usually not published separately from an assurance report or an assurance statement.

Original wording: "conclusions, or opinions;"

Commented [SD12]: Type of change: revision following public comment feedback.

Removed reference to "what has not been assured" as not meaningful or feasible for reporting.

See also corresponding guidance on lines 162-163.

160 Guidance

161 Guidance to REP-5-b-ii

162 If the assurance reports or statements include a description of what has been assured, and on what
 163 basis, then a link to this information is sufficient to meet the requirement.

164 If the assurance reports or statements do not include a description of what has been assured, and on
 165 what basis, then the organization is required to report a summary of the key elements covered in the
 166 external assurance report. The summary should be written in accessible language and include:

- 167 • the scope of information and processes covered;
- 168 • the assurance and reporting standards used;
- 169 • the responsibilities of the organization relative to the assurance provider;
- 170 • the level of assurance obtained;
- 171 • any limitations of the assurance process;
- 172 • the opinion or conclusions formally signed off by the assurance provider;
- 173 • a summary of the work performed; and

174 • information on the experience and qualifications of the assurance providers.

175 See [Section 5.2 of GRI 101: Using the GRI Standards](#) for more information on external assurance.

176 **Guidance to REP-5-b-iii**

177 An assurance provider conducting external assurance needs to demonstrate independence from the
178 organization in order to reach and publish objective and impartial conclusions about the organization's
179 sustainability reporting.

180 See [Section 5.2 of GRI 101: Using the GRI Standards](#) for more information on working with
181 assurance providers.

Commented [SD13]: Type of change: revision following public comment feedback.

New guidance added.

182 Section 3. Activities and workers

183 The disclosures in this section provide an overview of the organization's activities and of its
184 employees and other workers. This contextual information helps information users better understand
185 the nature of the organization and its impacts on the economy, environment, and people.

186 Disclosure ACT-1 Activities, value chain, and other business 187 relationships

188 Requirements

189 The organization shall:

- 190 a. report its sector;
- 191 b. describe its value chain, including:
- 192 i. the organization's activities, products, services, and markets;
- 193 ii. characteristics of the entities upstream from the organization and their activities
194 related to the organization's products and services, i.e., its supply chain;
- 195 iii. characteristics of the entities downstream from the organization and their activities
196 related to the organization's products and services;
- 197 c. report other relevant business relationships;
- 198 d. describe significant changes in ACT-1-a, ACT-1-b, and ACT-1-c compared to the previous
199 reporting period.

200 Guidance

201 Guidance to ACT-1-a

202 Sectors can be identified according to different categories, such as the public or private sector, or
203 industry-specific categories such as the education sector or the financial sector. If the organization is
204 part of more than one sector, it can report those sectors that provide contextual information to
205 understand its impacts on the economy, environment, and people.

206 Depending on the organization's activities, sectors can be identified using various classification
207 systems that define categories for economic activities. For example, the UN-based *International*
208 *Standard Industrial Classification of All Economic Activities [Ref no.]*, or investment-based
209 classification systems such as the *Global Industry Classification Standard* or the *Industry*
210 *Classification Benchmark [Ref no.]*.

211 Guidance to ACT-1-b

212 The organization's value chain includes the organization's own activities, as well as activities carried
213 out by entities upstream and downstream from the organization related to the organization's products
214 and services. Entities upstream from the organization are those that supply products or services that
215 are used in the development of the organization's own products or services. Entities downstream from
216 the organization receive products or services from the organization. Entities in the value chain include
217 entities beyond the first tier, both upstream and downstream.

218 The information required in ACT-1-b provides contextual information to understand the organization's
219 impacts across its value chain, including through the use of its products and services. Describing the
220 markets served provides further information on the groups of customers targeted by the organization's
221 products and services.

Commented [SD14]: Type of change: editorial revision.

The title of this section has been changed for clarity.

Original wording: "Organizational activities"

Commented [SD15]: Type of change: revision following public comment feedback

Removed "main" from the formulation of the requirement for clarity.

See also corresponding guidance at lines 223-224.

Original wording: "organization's main activities"

222 **Guidance to ACT-1-b-i**

223 ACT-1-b-i does not require a detailed description of each activity of the organization. Instead, the
224 organization can provide a high-level overview of all its activities. The organization should report its
225 total number of operations and explain how it defines 'operation'. When describing its products and
226 services, the organization should:

- 227 • report the quantity of products or services provided during the reporting period;
- 228 • report if any of its products or services are banned in certain markets or are the subject of
229 stakeholder concerns or public debate, and how the organization has responded to these
230 concerns.

231 When describing the markets, the organization can:

- 232 • report the geographic, demographic, or other characteristics of the markets;
- 233 • report information on the size and relative importance of the markets, for example, net sales
234 or net revenues.

235 **Guidance to ACT-1-b-ii**

236 The organization can describe:

- 237 • the types of suppliers upstream (e.g., brokers, contractors, wholesalers);
- 238 • the estimated number of suppliers throughout its supply chain (in the first tier, second tier,
239 etc.);
- 240 • the types of activities of its suppliers (e.g., manufacturing the organization's products,
241 providing services);
- 242 • the nature of its business relationship with its suppliers (e.g., long-term or short-term,
243 contractual or non-contractual., project-based or event-based);
- 244 • the sector-specific characteristics of its supply chain (e.g., labor-intensive);
- 245 • the estimated monetary value of payments made to its suppliers;
- 246 • the geographic locations of its suppliers.

247 **Guidance to ACT-1-b-iii**

248 The organization can describe:

- 249 • the types of customers and beneficiaries (e.g., end consumers, other businesses, recipients
250 of the products or services from a social enterprise or a nonprofit organization);
- 251 • the estimated number of downstream entities (in the first tier, second tier, etc.);
- 252 • the types of activities of the downstream entities (e.g., wholesalers, manufacturers, retailers);
- 253 • the nature of its business relationship with the downstream entities (e.g., long-term or short-
254 term, project-based or event-based);
- 255 • the geographic locations of the downstream entities.

256 **Guidance to ACT-1-c**

257 Other relevant business relationships include relationships that the organization has with entities that
258 are not described as part of its value chain under ACT-1-b. These consist of business partners (e.g.,
259 joint ventures) and other entities directly linked to the organization's operations, products, or services.

260 When describing other relevant business relationships, the organization can report the types of
261 entities, their activities, and their geographic location.

262 **Guidance to ACT-1-d**

263 ACT-1-d requires the organization to describe significant changes in its sector, value chain, and other
264 business relationships compared to the previous reporting period. This information can help explain

265 variations in the organization's impacts included in its sustainability reporting. Examples of significant
266 changes that can be reported under this disclosure are changes in activities such as the opening,
267 closing, or expansion of facilities, changes in the structure of the organization's supply chain or in its
268 relationships with suppliers, or changes in the locations of its suppliers.

269 Disclosure ACT-2 Employees

270 Requirements

271 The organization shall:

- 272 a. report the total number of employees, and a breakdown of this total by gender and by
273 region;
- 274 b. report the total number of:
- 275 i. permanent employees, with a breakdown by gender and by region;
 - 276 ii. temporary employees, with a breakdown by gender and by region;
 - 277 iii. non-guaranteed hours employees, with a breakdown by gender and by region;
 - 278 iv. full-time employees, with a breakdown by gender and by region;
 - 279 v. part-time employees, with a breakdown by gender and by region;
- 280 c. provide contextual information to understand the data reported under ACT-2-a and ACT-2-
281 b;
- 282 d. describe significant fluctuations in the number of employees during the reporting period
283 and between reporting periods;
- 284 e. describe the assumptions and methodologies used to compile the data, including whether
285 the number of employees are reported:
- 286 i. in head count, full-time equivalent (FTE), or using another methodology;
 - 287 ii. at the end of the reporting period, as an average across the reporting period, or
288 using another methodology.

289 Guidance

290 This disclosure requires information on the number of employees that perform work for the
291 organization.

292 This disclosure, together with Disclosure ACT-3 on workers who are not employees, gives insight into
293 the organization's approach to employment, as well as the scope and nature of impacts arising from
294 employment practices. It also provides contextual information that helps understand the information
295 reported in other disclosures, and it serves as the basis for calculation in several disclosures, such as
296 the disclosure on the percentage of employees covered by collective bargaining agreements.

297 This disclosure covers all employees who perform work for any of the organization's entities included
298 in its sustainability reporting (reported under [Disclosure REP-2](#)).

299 See references 6, 7, 8, 16, 22, 25, and 27 in the [Bibliography section](#).

300 Guidance to ACT-2-a

301 An employee is an individual who is in an employment relationship with the organization according to
302 national law or practice.

303 Providing a breakdown of employees by gender gives insight into gender representation and diversity
304 across an organization. Providing a breakdown of employees by region gives insight into regional

Commented [SD16]: Type of change: editorial revision.

The requirements on employees and other workers have been separated in two disclosures "ACT-2 Employees" and "ACT-3 Other workers" for clarity.

Commented [SD17]: Type of change: revision following feedback from the labor expert group and editorial revision.

This requirement has been revised to include the non-guaranteed hours employees, who were not accounted for in the other categories of employees. See also guidance at lines 314-318

The terms "employment contract" and "employment type" have been deleted from the disclosures and the GRI Glossary. Instead the terms "permanent employee", "temporary employee", "full-time employee", "part-time employee", "non-guaranteed hours employee" are used separately.

Original wording: "The organization shall:
a. report the total number of, and provide a breakdown of this total by:
i. employment contract (permanent and temporary), by gender;
ii. employment contract (permanent and temporary), by region;
iii. employment type (full-time and part-time), by gender;
iv. employment type (full-time and part-time), by region;"

305 representation and variations. Region can refer to a country or to other geographical areas like cities
306 and world regions.

307 See [Tables 1-2](#) for examples of how to present this information.

308 **Guidance to ACT-2-b**

309 The definitions of permanent, temporary and non-guaranteed hours, full-time, and part-time
310 employees differ between countries. If the organization has employees in more than one country, it
311 should use the definitions as per the national laws of the countries where the employees are based to
312 first calculate country-level data. The country-level data should be added up to calculate total
313 numbers, disregarding differences in national legal definitions.

314 Non-guaranteed hours employees are employed by the organization without a guarantee of a
315 minimum number of working hours. The employee may need to make themselves available for work
316 as required, but the organization is not contractually obliged to offer the employee a fixed number of
317 working hours per day, week, or month. Casual employees, employees with zero-hour contracts, and
318 on-call employees are examples that fall under this category.

319 If the organization is unable to report exact figures, it can report estimates of the number of
320 employees to the nearest ten or, where the number of employees is greater than 1000, to the nearest
321 100.

322 See [Tables 1-2](#) for examples of how to present this information.

323 **Guidance to ACT-2-c**

324 Quantitative data, such as the number of temporary or part-time employees is unlikely to provide
325 sufficient information on its own. For example, a high proportion of temporary or part-time employees
326 could indicate lack of employment security for employees, but it could equally signal workplace
327 flexibility when offered as a voluntary choice. For this reason, quantitative data should be
328 accompanied by contextual information to help information users formulate an appropriate
329 interpretation of the data.

330 The organization can explain the reasons for temporary employment. An example of such a reason
331 could be the recruitment of employees to undertake work on a temporary or seasonal project or event.
332 Another example could be that it is standard practice to offer a temporary (e.g., 6 month) contract to
333 new employees prior to the offer of permanent employment. The organization can also explain the
334 reasons for non-guaranteed hours employment.

335 The organization can explain how it defines full-time employment. If the organization has employees
336 in more than one country, it can report the definitions of full-time employment it uses in the different
337 regions. Further, the organization can explain the reasons for part-time employment. Examples of
338 such reasons could be to accommodate employees' requests to work reduced hours, or because the
339 organization is unable to provide full-time employment to all employees.

340 If there are differences in permanent, temporary, non-guaranteed hours, full-time, and part-time
341 employment between genders or between regions, the organization can explain the reasons for these
342 differences.

343 **Guidance to ACT-2-d**

344 It is up to the organization to determine which fluctuations in the number of employees it considers
345 significant to report under this disclosure. The organization should report its threshold for identifying
346 significant fluctuations.

347 The description can include how the numbers vary, i.e., whether the numbers have increased or
348 decreased during the reporting period or in comparison to the previous reporting period. It can also
349 include the reasons for the fluctuations. For example, an increase in the number of employees during
350 the reporting period could be due to a seasonal event. A decrease in the number of employees in
351 comparison to the previous reporting period could be due to the completion of a temporary project.

352 If there are no significant fluctuations in the number of employees during the reporting period or
353 between reporting periods, a brief statement of this fact is sufficient to comply with the requirement.

Commented [SD18]: Type of change: editorial revision.

New guidance added.

Commented [SD19]: Type of change: editorial revision.

New guidance added.

354 **Guidance to ACT-2-e**

355 The organization should report the total number of employees and the number of full-time and part-time employees in head count. The head count gives insight into the number of individual employees
 356 performing work for the organization, whether on a full-time or part-time basis.

358 The organization can report the number of permanent, temporary, and non-guaranteed hours
 359 employees in head count or full-time equivalent (FTE). Reporting these numbers in FTE gives insight
 360 into the hours worked.

361 The organization can also use another methodology for reporting these numbers.

362 Reporting the number of employees at the end of the reporting period provides information for that
 363 point in time, without capturing fluctuations during the reporting period. Reporting these numbers in
 364 averages across the reporting period takes into account fluctuations during the reporting period.

365 **Table 1 Example template for presenting information on employees by gender**

[Reporting period]	
Number of employees [head count]	
Total	[Number]
Female	[Number]
Male	[Number]
Other gender category*	[Number]
Not disclosed	[Number]
Number of permanent employees [head count / FTE]	
Total	[Number]
Female	[Number]
Male	[Number]
Other gender category *	[Number]
Not disclosed	[Number]
Number of temporary employees [head count / FTE]	
Total	[Number]
Female	[Number]
Male	[Number]
Other gender category*	[Number]
Not disclosed	[Number]
Number of non-guaranteed hours employees [head count / FTE]	
Total	[Number]
Female	[Number]

Commented [SD20]: Type of change: editorial revision.

The tables have been revised to reflect the changes in the requirements.

Male	[Number]
Other gender category*	[Number]
Not disclosed	[Number]
Number of full-time employees [head count]	
Total	[Number]
Female	[Number]
Male	[Number]
Other gender category*	[Number]
Not disclosed	[Number]
Number of part-time employees [head count]	
Total	[Number]
Female	[Number]
Male	[Number]
Other gender category*	[Number]
Not disclosed	[Number]

366 * as specified by the employees

This document does not represent an official position of the GSSB

367 **Table 2 Example template for presenting information on employees by region**

[Reporting period]	
Number of employees [head count]	
Total	[Number]
Region A	[Number]
Region B	[Number]
Number of permanent employees [head count / FTE]	
Total	[Number]
Region A	[Number]
Region B	[Number]
Number of temporary employees [head count / FTE]	
Total	[Number]
Region A	[Number]
Region B	[Number]
Number of non-guaranteed hours employees [head count / FTE]	
Total	[Number]
Region A	[Number]
Region B	[Number]
Number of full-time employees [head count]	
Total	[Number]
Region A	[Number]
Region B	[Number]
Number of part-time employees [head count]	
Total	[Number]
Region A	[Number]
Region B	[Number]

368 **Disclosure ACT-3 Workers who are not employees**

369 **Requirements**

370 **The organization shall:**

- 371 **a. report the total number of workers who are not employees and whose work is**
372 **controlled by the organization, including:**
- 373 **i. the most common types of worker and their contractual relationship with the**
374 **organization;**
 - 375 **ii. the work they perform;**
- 376 **b. describe significant fluctuations in the number of workers who are not employees**
377 **during the reporting period and between reporting periods;**
- 378 **c. describe the assumptions and methodologies used to compile the data, including**
379 **whether the number of workers who are not employees are reported:**
- 380 **i. in head count, full-time equivalent (FTE), or using another methodology;**
 - 381 **ii. at the end of the reporting period, as an average across the reporting period, or**
382 **using another methodology.**

383 **Guidance**

384 This disclosure requires information on the number of workers who are not employees and whose
385 work is controlled by the organization. The information is important in order to understand how many
386 workers in total perform work for the organization, because workers who are not employees are not
387 represented in employment figures reported under Disclosure ACT-2. This disclosure provides an
388 understanding of how much the organization relies on workers who are not employees to perform its
389 work compared to employees.

390 This disclosure, together with Disclosure ACT-2 on employees, gives insight into the organization's
391 approach to employment, as well as the scope and nature of impacts arising from its employment
392 practices. It also provides contextual information that helps understand the information reported in
393 other disclosures.

394 This disclosure covers all workers who are not employees and who perform work for any of the
395 organization's entities included in its sustainability reporting (reported under [Disclosure REP-2](#)).

396 See references 8, 20, 22, 23, 24, 26, and 31 in the [Bibliography section](#).

397 **Guidance to ACT-3-a**

398 Workers who are not employees are those who perform work for the organization but are not in an
399 employment relationship with the organization.

400 This disclosure requires the organization to report the number of workers who are not employees and
401 whose work is controlled by the organization. Control of work implies that the organization directs the
402 work performed or has control over the means or methods for performing the work.

403 Workers who are not employees and whose work is controlled by the organization can work for the
404 organization or for the organization's suppliers, customers, or other business partners, such as joint
405 ventures. Types of such workers can include agency workers, apprentices, contractors, home
406 workers, interns, self-employed persons, sub-contractors, or volunteers.

407 The following are examples of workers who are not employees whose work is controlled by the
408 organization. These workers are included under this disclosure:

Commented [SD21]: Type of change: revision following feedback from the labor expert group.

Separated "workers who are not employees" from "employees" for clarity.

- 409 • Contractors hired by the organization to perform work at the organization's workplace, in a
- 410 public area (e.g., on a road, on the street), or directly at the workplace of the organization's
- 411 client;
- 412 • Workers of the organization's supplier, where the organization instructs the supplier to use
- 413 particular materials or work methods in manufacturing the products or delivering the services.
- 414 • Volunteers or interns performing work for the reporting organization.

415 The following are examples of workers who are not employees whose work is not controlled by the
416 organization. These workers are not included under this disclosure:

- 417 • Workers of an equipment supplier to the organization who perform regular maintenance on
- 418 the supplier's equipment (e.g., photocopier machines at the organization's workplace) as
- 419 stipulated in the contract between the equipment supplier and the organization;
- 420 • Workers of a supplier contracted by the organization who work using the supplier's work
- 421 methods, such as when the organization sources products from a supplier, and these are
- 422 standard products of the supplier.

423 If the organization is unable to report exact figures, it can report estimates of the number of workers
424 who are not employees to the nearest ten or, where the number of workers who are not employees is
425 greater than 1000, to the nearest 100.

426 If all the workers performing work for the organization are employees and the organization does not
427 engage any workers who are not employees, a brief statement of this fact is sufficient to comply with
428 requirement.

429 **Guidance to ACT-3-a-i and ACT-3-a-ii**

430 ACT-3-a-i requires the organization to report the most common types of worker who are not
431 employees. The organization is also required to report its contractual relationship with the most
432 common types of worker, i.e., whether it engages them directly or it engages them indirectly through a
433 third party, and in the latter case, who this third party is (e.g., employment agency, contractor).

434 ACT-3-a-ii requires the organization to describe the work performed by the most common types of
435 worker.

436 It is sufficient if the organization provides a general description. The organization is not required to
437 report the type of worker, contractual relationship, and work performed for every worker who is not an
438 employee.

439 **Guidance to ACT-3-b**

440 It is up to the organization to determine which fluctuations in the number of workers it considers
441 significant to report under this disclosure. The organization should report its threshold for identifying
442 significant fluctuations.

443 The description can include how the numbers vary, i.e., whether the numbers have increased or
444 decreased during the reporting period or in comparison to the previous reporting period. It can also
445 include the reasons for the fluctuations. For example, an increase in workers who are not employees
446 during the reporting period could be due to a seasonal event. A decrease in the number of workers
447 who are not employees in comparison to the previous reporting period could be due to the completion
448 of a temporary project.

449 If there are no significant fluctuations in the number of workers who are not employees during the
450 reporting period or between reporting periods, a brief statement of this fact is sufficient to comply with
451 the requirement.

452 **Guidance to ACT-3-c**

453 The organization can report the number of workers who are not employees in head count or full-time
454 equivalent (FTE). The head count gives insight into the number of individual workers, whether on a
455 full-time or part-time basis. The FTE gives insight into the hours worked. The organization can also
456 use another methodology for reporting these numbers.

457 Reporting the number of workers who are not employees at the end of the reporting period provides
458 information for that point in time, without capturing fluctuations during the reporting period. Reporting

Commented [SD22]: Type of change: editorial revision.

New guidance added.

Commented [SD23]: Type of change: editorial revision.

New guidance added.

459 these numbers in averages across the reporting period takes into account fluctuations during the
460 reporting period.

461 Section 4. Governance

[Under review]

462 Section 5. Strategy, policies, and 463 practices

464 The disclosures in this section provide an overview of an organization's sustainable development
465 strategy and its policies and practices for responsible business conduct. The disclosures are based
466 on expectations for businesses contained in authoritative intergovernmental instruments¹.

467 Expectations for responsible business conduct include complying with laws and regulations;
468 respecting all internationally recognized human rights, including the rights of workers; and protecting
469 the environment and public health and safety. The expectations also regard combating bribery, bribe
470 solicitation, extortion, and other forms of corruption; and adhering to good tax practices. In addition,
471 they include conducting due diligence in order to identify, prevent, mitigate, and account for how an
472 organization addresses its negative impacts on the economy, environment, and people.

473 The disclosures in this section require information about the organization's policies and practices for
474 responsible business conduct generally rather than for its material topics specifically. Disclosure MT-3
475 in *GRI 103: Material Topics* requires information about how the organization manages each material
476 topic. If the organization has described its policies and practices for a material topic under the
477 disclosures in this section, it can provide a reference to this information under MT-3 and does not
478 need to repeat the information.

Commented [SD24]: Type of change: editorial revision.

The title of this section has been changed as disclosures in other sections of GRI 102 and other Standards also deal with aspects of responsible business conduct.

Commented [SD25]: Type of change: revision following public comment feedback.

New text added to clarify the difference between the disclosures in this section and the disclosures in GRI 103.

¹ These instruments include the *International Labour Organization (ILO) Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy*; the *Organisation for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises*; the *OECD Due Diligence Guidance for Responsible Business Conduct*; and the *United Nations (UN) Guiding Principles on Business and Human Rights*. These instruments in turn are based on international legal instruments, such as the *UN International Bill of Human Rights* and the ILO conventions.

479 Disclosure SPP-1 Statement on sustainable development strategy

480 Requirements

481 The organization shall:

- 482 a. report a statement from the highest governance body or most senior executive of the
483 organization about the relevance of sustainable development to the organization and
484 its strategy for contributing to sustainable development.

485 Guidance

486 Guidance to SPP-1

487 The organization should describe:

- 488 • its short, medium and long-term vision and strategy to manage impacts on the economy,
489 environment, and people across its activities and business relationships – including impacts
490 on human rights;
- 491 • how its purpose, business strategy and business model aim to avoid negative impacts and
492 achieve positive impacts on the economy, environment, and people;
- 493 • its short and medium-term strategic priorities for contributing to sustainable development,
494 including the relation to and observance of internationally recognized standards and
495 agreements;
- 496 • the broader trends (e.g., macroeconomic, social or political) affecting the organization and its
497 strategy for contributing to sustainable development;
- 498 • the key events, achievements, and failures regarding the organization's contribution to
499 sustainable development during the reporting period;
- 500 • a view of performance against goals and targets for the organization's material topics that
501 contributed to sustainable development during the reporting period;
- 502 • the organization's main challenges, goals and targets regarding its contribution to sustainable
503 development specified for the next year and the coming three to five years.

504 When determining whether the highest governance body or most senior executive reports the
505 required statement, the organization should consider its legal and operating context. For some
506 organizations this will be influenced by applicable legislation or regulation, which could be related to:

- 507 • the country where the organization is incorporated or registered;
- 508 • a stock exchange where the organization trades its securities;
- 509 • the nature and type of the organization (e.g., charity, incorporated company, mutual
510 organization).

511 Disclosure SPP-2 Policy commitments

512 Requirements

513 The organization shall:

- 514 a. describe its policy commitments for responsible business conduct, including:
- 515 i. the authoritative intergovernmental instruments that the commitments reference;
 - 516 ii. whether the commitments stipulate conducting due diligence;
 - 517 iii. whether the commitments stipulate applying the precautionary principle;

Commented [SD26]: Type of change: editorial revision (change in location).

Requirement "g" has been removed as this will apply to all disclosures in the GRI Standards. This will be explained in *GRI 101: Using the GRI Standards*.

Original wording: "g. if the organization does not have any of the policy commitments in RBC-2-a, explain the reason for not having them or describe any plans to develop them."

Commented [SD27]: Type of change: editorial revision.

Original wording: "internationally recognized instruments"

The term "authoritative intergovernmental instruments" is now used consistently throughout the GRI Standards.

- 518 iv. whether the commitments stipulate respecting human rights;
- 519 b. describe its specific policy commitment to respect human rights, including:
- 520 i. the internationally recognized human rights that the commitment covers;
- 521 ii. the categories of stakeholders, including at-risk or vulnerable groups, that the
- 522 organization gives particular attention to in the commitment;
- 523 c. provide links to the policy commitments if publicly available, or, if the policy
- 524 commitments are not publicly available, explain the reason for this;
- 525 d. report the level at which each of the policy commitments was approved within the
- 526 organization, including whether this is the most senior level;
- 527 e. report the extent to which the policy commitments apply to the organization's activities
- 528 and to its business relationships;
- 529 f. describe how the policy commitments are communicated to workers, business partners,
- 530 and other relevant parties.

531 **Guidance**

532 **Background**

533 This disclosure covers the organization's policy commitments for responsible business conduct,

534 including the commitment to respect human rights. These commitments can be set out in a stand-

535 alone policy document or they can be included within one or more other policy documents, such as

536 codes of conduct.

537 The *Organisation for Economic Co-operation and Development (OECD) Guidelines for Multinational*

538 *Enterprises*, the *OECD Due Diligence Guidance for Responsible Business Conduct*, and the *United*

539 *Nations (UN) Guiding Principles on Business and Human Rights* set out expectations for

540 organizations in relation to these policy commitments.

541 **Guidance to SPP-2-a**

542 The organization should report the expectations, values, principles, and norms of behavior set out in

543 the policy commitments.

544 The organization can also report how the policy commitments were developed, including the internal

545 and external expertise that informed the policy commitments.

546 **Guidance to SPP-2-a-i**

547 See the [Bibliography section](#) for a list of authoritative intergovernmental instruments for responsible

548 business conduct.

549 The organization can also make a reference to other standards or initiatives that it participates in.

550 **Guidance to SPP-2-a-iii**

551 The precautionary principle is set out in Principle 15 of the *UN Rio Declaration on Environment and*

552 *Development*. It states: 'Where there are threats of serious or irreversible damage, lack of full

553 scientific certainty shall not be used as a reason for postponing cost-effective measures to prevent

554 environmental degradation.'

555 The precautionary principle means taking early action to prevent and mitigate potential negative

556 impacts in situations where conclusive scientific understanding or evidence is lacking but there is

557 sufficient reason to expect serious or irreversible damage.

558 While the precautionary principle is most often associated with the protection of the environment, it

559 can be applied to other areas, such as health and safety. The organization can describe the areas

560 where it applies the precautionary principle.

Commented [SD28]: Type of change: revision following public comment feedback.

The requirement to report the date of approval of the policy commitments has been moved to the guidance section, see lines 601-602, as this information is not essential.

Original wording: "report the level at which each of the policy commitments was approved within the organization, including whether this is the most senior level, and the date of approval."

Commented [SD29]: Type of change: editorial revision.

The wording of this requirement has been simplified for clarity and for ease of translation.

Original wording: "report whether the policy commitments apply solely to the organization's own activities or whether they also stipulate the organization's expectations of those with which it has business relationships and, if so, describe what those expectations are;"

See also corresponding guidance at lines 603-615.

561 The application of the precautionary principle can be reported under [MT-3-d-i in GRI 103: Material](#)
562 [Topics](#), as part of the organization's actions to prevent or mitigate potential negative impacts for each
563 material topic.

564 **Guidance to SPP-2-b-i**

565 Human rights are rights inherent to all human beings, regardless of nationality, place of residence,
566 sex, national or ethnic origin, color, religion, language, or any other status. These rights are all
567 interrelated, interdependent, and indivisible.

568 The internationally recognized human rights include, at a minimum, the rights set out in the *UN*
569 *International Bill of Human Rights* and the principles concerning fundamental rights set out in the *ILO*
570 *Declaration on Fundamental Principles and Rights at Work*.

571 UN instruments elaborate further on the rights of indigenous peoples; women; national or ethnic,
572 religious and linguistic minorities; children; persons with disabilities; and migrant workers and their
573 families. There are also standards of international humanitarian law that apply in situations of armed
574 conflict, such as the *International Committee of the Red Cross (ICRC) Geneva Conventions of 1949*.²

575 At the regional level, binding treaties as well as non-binding instruments provide region-specific
576 frameworks for human rights.³

577 If the policy commitment covers all internationally recognized human rights, a brief statement of this
578 fact is sufficient to meet the requirement. The organization can also state if the policy commitment
579 references certain rights that require particular attention. For example, it can state that its policy
580 commitment covers all internationally recognized human rights, and also references the rights to
581 privacy and freedom of expression in particular because the organization has identified that its
582 activities have an impact on these rights.

583 If the policy commitment covers only some internationally recognized human rights, the organization
584 is required to state the rights that are covered. In addition, it can explain why the policy commitment is
585 limited to these rights.

586 **Guidance to SPP-2-b-ii**

587 Categories of stakeholders that the organization gives particular attention to can include consumers,
588 customers, employees, local communities, and workers. They can also include individuals belonging
589 to groups or populations that are considered to be at risk or vulnerable, such as children; human
590 rights defenders; indigenous peoples; migrant workers and their families; national or ethnic, religious
591 and linguistic minorities; persons who might be discriminated against based on their sexual
592 orientation, gender identity, gender expression, or sex characteristics; persons with disabilities; or
593 women.

594 For example, a bank might give particular attention in its policy commitment to avoid discriminating
595 against specific categories of customers, or a mining company might give particular attention to avoid
596 infringing on the rights of indigenous peoples.

597 **Guidance to SPP-2-d**

598 The most senior level may differ between organizations. For example, the most senior level in the
599 organization could be the highest governance body (e.g., the board), or it could be the most senior
600 executive (e.g., chief executive officer).

601 The organization can also report the dates of approval and adoption of the policy commitments, and
602 how frequently the commitments are reviewed.

Commented [SD30]: Type of change: revision following public comment feedback.

New guidance added.

Commented [SD31]: Type of change: editorial revision (change in location).

This content was previously located under the definition of "internationally recognized human rights" in the Glossary.

This change has been implemented to maintain a consistent Glossary style of limited notes that are used primarily for essential clarifications. Detailed explanations are more helpful to users when reading the disclosure guidance sections.

Commented [SD32]: Type of change: editorial revision.

This list has been organized in alphabetical order.

For conciseness, the examples "(e.g., lesbian, gay, bisexual, transgender, intersex)" have been moved to the definition of "vulnerable group" in the Glossary, which now includes a more extensive list of examples of vulnerable groups.

² See the Office of the United Nations High Commissioner for Human Rights' non-exhaustive list of universal human rights instruments, <https://www.ohchr.org/EN/ProfessionalInterest/Pages/UniversalHumanRightsInstruments.aspx>, accessed on 6 May 2020.

³ See the Office of the United Nations High Commissioner for Human Rights' list of regional human rights treaties, <https://www.ohchr.org/en/issues/escr/pages/regionalhrtreaties.aspx>, accessed on 6 May 2020.

603 **Guidance to SPP-2-e**

604 If the policy commitments apply to all of the organization's activities and business relationships
605 equally, a brief statement of this fact is sufficient to meet the requirement.

606 If the policy commitments apply to only some of the organization's activities (e.g., they apply only to
607 entities located in certain countries, or to certain subsidiaries), the organization should report which of
608 its activities the commitments apply to and it can additionally explain why the commitments are limited
609 to these activities.

610 If the policy commitments apply to only some of the organization's business relationships, the
611 organization should specify the types of business relationships the commitments apply to (e.g.,
612 distributors, franchisees, joint ventures, suppliers), and it can additionally explain why the
613 commitments are limited to these business relationships. The organization should also explain
614 whether the business relationships are obligated to abide by the policy commitments or are
615 encouraged (but not obligated) to do so.

616 **Guidance to SPP-2-f**

617 The organization can report:

- 618 • whether the policy commitments need to be read, agreed to, and signed regularly by all
619 workers, business partners, and other relevant parties, such as governance body members;
- 620 • the means through which it communicates the policy commitments (e.g., newsletters, formal
621 or informal meetings, dedicated websites, contractual agreements);
- 622 • how it identifies and removes potential barriers to the communication or dissemination of the
623 policy commitments (e.g., by making them accessible and available in relevant languages).

624 **Disclosure SPP-3 Embedding the policy commitments**

625 **Requirements**

626 **The organization shall:**

- 627 a. **describe how the organization embeds each of its policy commitments for responsible**
628 **business conduct throughout its activities and business relationships, including:**
- 629 i. **how it allocates responsibility to implement the commitments across different**
630 **levels within the organization;**
- 631 ii. **how it integrates the commitments into organizational strategies, operational**
632 **policies, and operational procedures;**
- 633 iii. **how it implements its commitments in its business relationships;**
- 634 iv. **training that the organization provides on implementing the commitments.**

635 **Guidance**

636 **Background**

637 This disclosure gives insight into how the organization embeds its policy commitments for responsible
638 business conduct, including the commitment to respect human rights, throughout its activities and
639 business relationships. This ensures that people at all levels act responsibly and with awareness of
640 and respect for human rights.

641 **Guidance to SPP-3-a-i**

642 Examples of different levels within an organization include the highest governance body, senior
643 executives, and operational levels.

644 The organization can report:

Commented [SD33]: Type of change: editorial revision.

The wording of this disclosure title has been shortened.

Original wording: "Embedding the policy commitments throughout the organization"

Commented [SD34]: Type of change: editorial revision.

The wording of this requirement has been simplified for clarity and for ease of translation.

Original wording: "how the organization works with those with which it has business relationships, to implement the commitments;"

- 645 • the most senior level with oversight of, or accountability for, the implementation of the policy
- 646 commitments;
- 647 • the functions in the organization with day-to-day responsibility for implementing each of the
- 648 policy commitments (e.g., human resources with the responsibility to implement the
- 649 commitment to respect the rights of workers), including:
 - 650 – their reporting lines to senior decision-making levels;
 - 651 – the reason for allocating the responsibility to them;
- 652 • whether responsible business conduct is formally discussed at meetings of the highest
- 653 governance body or senior executives and, if so, which topics are discussed;
- 654 • whether there are other formal or systematic means for discussions about responsible
- 655 business conduct between different levels or functions in the organization (e.g., a cross-
- 656 functional working group).

657 **Guidance to SPP-3-a-ii**

658 The organization can describe:

- 659 • how it aligns the policy commitments with its:
 - 660 – broader risk management systems and management policies;
 - 661 – environmental, socioeconomic, and human rights impact assessments, and other due
 - 662 diligence processes;
 - 663 – policies and procedures that set financial and other performance incentives for
 - 664 management or workers;
- 665 • how it applies the policy commitments when making decisions, such as about its sourcing and
- 666 operating locations;
- 667 • the systems (e.g., internal audit) it uses to monitor compliance with the policy commitments
- 668 throughout its activities (across functions and geographic locations) and throughout its
- 669 business relationships.

670 **Guidance to SPP-3-a-iii**

671 The organization can describe:

- 672 • its procurement or investment policies and practices, and its engagement with those with
- 673 which it has business relationships, including:
 - 674 – whether and how it applies pre-qualification processes, bidding criteria, or screening
 - 675 criteria consistent with the expectations stipulated in the policy commitments for
 - 676 responsible business conduct;
 - 677 – whether and how it considers the policy commitments in contracting or investment
 - 678 agreements, or in specific policies or codes of conduct for suppliers;
 - 679 – whether and how it considers the policy commitments in the process of determining
 - 680 whether to initiate, continue, or terminate a business relationship;
- 681 • processes through which it enables or supports business partners and other parties to
- 682 implement the policy commitments (e.g., capacity building, peer sharing);
- 683 • incentives that it offers to business partners and other parties to implement the policy
- 684 commitments (e.g., price premiums, increased orders, long-term contracts).

685 **Guidance to SPP-3-a-iv**

686 The organization can report:

- 687 • the content of the training;
- 688 • to whom the training is provided, and whether it is mandatory;
- 689 • the form (e.g., in-person, online) and frequency of the training;

Commented [SD35]: Type of change: editorial revision.

Changes made for consistency with the corresponding guidance in Section 2 of *GRI 103: Material Topics*.

Original wording: “environmental and social impact or risk assessments”

Commented [SD36]: Type of change: revision following public comment feedback.

Example added.

Commented [SD37]: Type of change: revision following public comment feedback.

New guidance added.

690 • examples of how the organization has determined that the training is effective.
691 The organization can report whether the training covers how to implement the policy commitments in
692 general or in specific situations (e.g., ensuring the commitment toward privacy when handling
693 customers' personal data, ensuring the policy commitments are considered in procurement practices).

694 The organization can specify if training is provided to those with day-to-day responsibility for and
695 those with oversight of, or accountability for, the implementation of the policy commitments. The
696 organization can also specify if training is provided to those with which it has business relationships
697 (e.g., distributors, franchisees, joint ventures, suppliers). In addition, the organization can report the
698 number or percentage of workers, business partners, and other parties that have been trained during
699 the reporting period.

700 **Disclosure SPP-4 Grievance mechanisms and other remediation** 701 **processes**

702 **Requirements**

703 **The organization shall:**

- 704 a. describe its commitments to provide for or cooperate in the remediation of negative
705 impacts that the organization identifies it has caused or contributed to;
- 706 b. describe its approach to identify and address grievances, including:
- 707 i. the grievance mechanisms that the organization has established or participates in;
- 708 ii. other processes by which the organization provides for or cooperates in the
709 remediation of negative impacts that it identifies it has caused or contributed to;
- 710 c. describe how the stakeholders who are the intended users of the grievance mechanisms
711 and other remediation processes are involved in the design, review, operation, and
712 improvement of these mechanisms and processes;
- 713 d. describe how the organization tracks the effectiveness of the grievance mechanisms and
714 other remediation processes, and report examples of their effectiveness, including
715 stakeholder feedback.

716 **Guidance**

717 **Background**

718 This disclosure covers grievance mechanisms and other remediation processes that the organization
719 has established or participates in. These mechanisms and processes enable stakeholders to raise
720 concerns about, and seek remedy for, the organization's actual and potential negative impacts on
721 them. This includes impacts on their human rights.

722 The *UN Guiding Principles on Business and Human Rights* and the *OECD Guidelines for*
723 *Multinational Enterprises* set out expectations for organizations to provide for or cooperate in the
724 remediation, through legitimate processes, of negative impacts that they identify they have caused or
725 contributed to. An organization is not responsible for providing remediation for negative impacts that
726 are directly linked to its operations, products, or services by its business relationships, but it can play
727 a role in providing it. See [Box 3 in GRI 103: Material Topics](#) for more information on causing,
728 contributing, or being directly linked to negative impacts.

729 These instruments also set out expectations for organizations to establish or participate in effective
730 operational-level grievance mechanisms.

731 Grievance mechanisms are distinct from whistleblowing mechanisms. Whistleblowing mechanisms
732 enable individuals to raise concerns about wrongdoing or breaches of the law in the organization's
733 operations or business relationships, regardless of whether the individuals themselves are harmed or
734 not. Whistleblowing mechanisms are to be reported under [Disclosure SPP-5](#).

Commented [SD38]: Type of change: editorial revision.

Changes made for consistency with requirement SPP-2-f on how the policy commitments are communicated.

Original wording: "individuals"

Commented [SD39]: Type of change: revision following public comment feedback.

New clarification added.

735 **Guidance to SPP-4**

736 This disclosure covers the operation of grievance mechanisms and other remediation processes that
737 the organization has established or participates in to enable stakeholders to raise concerns about the
738 organization's actual and potential negative impacts on them. The actions taken to provide for or
739 cooperate in the remediation of actual negative impacts for material topics are to be reported under
740 [MT-3-d-ii in GRI 103: Material Topics](#).

741 The disclosure does not cover environmental remediation processes, such as processes to remove
742 contaminants from soil, when these are not connected to grievances raised by stakeholders.
743 However, the remedy provided to stakeholders through the mechanisms and processes covered by
744 this disclosure could involve environmental remediation. The use of environmental remediation
745 processes to address actual negative impacts for material topics can be reported under [MT-3-d-ii in](#)
746 [GRI 103: Material Topics](#).

747 **Guidance to SPP-4-b-i**

748 Grievance mechanisms refer to any routinized, state-based or non-state-based, judicial or non-judicial
749 processes through which stakeholders can raise grievances and seek remedy.

750 Examples of state-based judicial and non-judicial grievance mechanisms include courts (for both
751 criminal and civil actions), labor tribunals, national human rights institutions, National Contact Points
752 under the *OECD Guidelines for Multinational Enterprises*, ombudsperson offices, consumer protection
753 agencies, regulatory oversight bodies, and government-run complaints offices.

754 Non-state-based grievance mechanisms include those administered by the organization, either alone
755 or together with stakeholders, such as operational-level grievance mechanisms. It also includes
756 collective bargaining and the mechanisms established by collective bargaining, as well as
757 mechanisms administered by industry associations, international organizations, civil society
758 organizations, or multi-stakeholder groups.

759 Operational-level grievance mechanisms are administered by the organization either alone or in
760 collaboration with other parties and are directly accessible by the organization's stakeholders. They
761 allow for grievances to be identified and addressed early and directly, thereby preventing both harm
762 and grievances from escalating. They also provide important feedback on the effectiveness of the
763 organization's due diligence from those who are directly affected.

764 The organization can describe:

- 765 • the intended purpose and users of the mechanisms (i.e., whether they are intended for a
766 particular stakeholder category, topic, or region) and whether they enable users to raise
767 human rights-related concerns. For example, the organization can explain that it has
768 established a mechanism for community members to raise complaints about resettlement and
769 a separate hotline for workers to raise concerns about issues affecting their rights, such as
770 health and safety conditions;
- 771 • how the mechanisms operate and who administers them (the organization or another party);
- 772 • whether operational-level grievance mechanisms are administered at the organizational level
773 or whether they are administered at a lower level (at the site or project level) and, in such
774 case, how information from these mechanisms is centralized;
- 775 • how the mechanisms have been designed and on which principles and guidelines they are
776 based, including whether they are designed to meet the effectiveness criteria set out in UN
777 Guiding Principle 31;
- 778 • the process through which grievances are investigated;
- 779 • whether grievances are communicated to the highest governance body;
- 780 • whether grievances are treated confidentially;
- 781 • whether the mechanisms can be used by stakeholders anonymously through representation
782 by a third party;
- 783 • whether the organization requires or provides incentives for the creation or improvement of
784 operational-level grievance mechanisms in workplaces of suppliers;

Commented [SD40]: Type of change: revision following public comment feedback.

New guidance added.

- 785 • whether the organization provides a back-up process for workplaces of suppliers that do not
786 have operational-level grievance mechanisms or where the existing grievance mechanisms in
787 those workplaces result in unresolved issues.

788 **Guidance to SPP-4-b-ii**

789 SPP-4-b-ii covers remediation processes other than grievance mechanisms.

790 Examples include a customer service desk where customers raise complaints about discrimination or
791 privacy issues and receive remedy, or instances where the organization takes action to remediate an
792 actual impact evidenced in an impact assessment or a report published by a civil society organization.

793 See Guidance to SPP-4-b-i for more information on how to describe other remediation processes.

794 **Guidance to SPP-4-c**

795 The organization can describe, for example, how it engages with stakeholders who are the intended
796 users of the grievance mechanisms, to understand how they want to access the mechanisms to raise
797 concerns, and their expectations about how the mechanisms will operate.

798 **Guidance to SPP-4-d**

799 According to UN Guiding Principle 31, effective grievance mechanisms are legitimate, accessible,
800 predictable, equitable, transparent, rights-compatible, and a source of continuous learning. In addition
801 to these criteria, effective operational-level grievance mechanisms are also based on engagement
802 and dialogue. It can be more difficult for the organization to assess the effectiveness of grievance
803 mechanisms that it participates in compared to those it has established itself.

804 The organization can report:

- 805 • whether and how the intended users are informed about the grievance mechanisms and
806 remediation processes;
- 807 • whether and how the intended users are trained on how to use the grievance mechanisms
808 and remediation processes;
- 809 • the accessibility of the grievance mechanisms and remediation processes, such as the
810 number of hours per day or days per week they are available, and their availability in different
811 languages;
- 812 • how the organization seeks to ensure it respects users' human rights and protects them
813 against reprisals (i.e., non-retaliation for raising complaints or concerns);
- 814 • how satisfied users are with the grievance mechanisms and remediation processes, and with
815 the resulting outcomes, as well as how the organization assesses user satisfaction;
- 816 • the number and types of grievances filed during the reporting period, and the percentage of
817 grievances that were addressed and resolved, including the percentage that were resolved
818 through remediation;
- 819 • the number of grievances filed during the reporting period that are repeated or recurring;
- 820 • changes made to the grievance mechanisms and remediation processes in response to
821 lessons learned about their effectiveness.

822 Quantitative information, such as the number of grievances, is unlikely to be sufficient on its own. For
823 example, a low number of grievances could indicate that few incidents have occurred, but it could also
824 signal that the mechanisms are not trusted by their intended users. For this reason, contextual
825 information should be provided to aid in understanding and interpreting the quantitative information.

Commented [SD41]: Note: This section is under review by the Human Rights Technical Committee, following public comment feedback that it was not clear by a customer service desk is not a grievance mechanism.

Commented [SD42]: Type of change: editorial revision.

Changes made for consistency with the corresponding guidance in Section 2 of *GRI 103: Material Topics*.

Original wording: "how the organization seeks to ensure that users are treated with respect and protected against reprisals (i.e., non-retaliation for raising complaints or concerns);"

826 **Disclosure SPP-5 Mechanisms for seeking advice and raising**
827 **concerns**

828 **Requirements**

829 **The organization shall:**

830 **a. describe the mechanisms for individuals to:**

831 **i. seek advice on implementing the organization's policies and practices for**
832 **responsible business conduct;**

833 **ii. raise concerns about the organization's responsible business conduct.**

834 **Guidance**

835 **Background**

836 This disclosure covers an organization's mechanisms for individuals to seek advice and to raise
837 concerns about responsible business conduct in the operations of the organization and its business
838 relationships. Examples of these mechanisms include confidential interviews during site visits,
839 escalation processes (to raise issues through management levels), hotlines, mechanisms to report
840 non-compliance with laws and regulations, and whistleblowing mechanisms.

841 These mechanisms enable individuals to raise concerns about wrongdoing or breaches of the law in
842 the organization's operations or business relationships, regardless of whether the individuals
843 themselves are harmed or not. They are distinct from grievance mechanisms, which enable
844 stakeholders to raise concerns about, and seek remedy for, the organization's actual and potential
845 negative impacts on them. Grievance mechanisms are to be reported under [Disclosure SPP-4](#).

846 **Guidance to SPP-5**

847 If the organization's grievance mechanisms and its mechanisms for seeking advice and raising
848 concerns about responsible business conduct operate in a similar way, the organization can provide a
849 single description of how these mechanisms operate and explain which mechanisms the description
850 covers.

851 **Guidance to SPP-5-a**

852 The organization can report:

- 853 • who the intended users of the mechanisms are;
- 854 • how the mechanisms operate and which level or function in the organization is assigned
855 responsibility for them;
- 856 • whether the mechanisms are operated independently of the organization (e.g., by a third
857 party);
- 858 • the process through which concerns are investigated;
- 859 • whether requests for advice and concerns raised are treated confidentially;
- 860 • whether the mechanisms can be used anonymously.

861 Additionally, the organization can report on the effectiveness of the mechanisms, including:

- 862 • whether and how the intended users are informed about the mechanisms and trained on how
863 to use them;
- 864 • the accessibility of the mechanisms, such as the number of hours per day or days per week
865 they are available, and their availability in different languages;
- 866 • how the organization seeks to ensure it respects users' human rights and protects them
867 against reprisals (i.e., non-retaliation for reporting concerns);

Commented [SD43]: Type of change: editorial revision.

Changes made for consistency with the corresponding guidance in Section 2 of *GRI 103: Material Topics*.

Original wording: "how the organization seeks to ensure that users are treated with respect and protected against reprisals (i.e., non-retaliation for reporting concerns);"

- 868 • how satisfied users are with the mechanisms and with the resulting outcomes;
- 869 • the number and types of requests for advice received during the reporting period, and the
- 870 percentage of requests that were answered;
- 871 • the number and types of concerns raised during the reporting period, and the percentage of
- 872 concerns that were addressed and resolved or found to be unsubstantiated.

873 **Disclosure SPP-6 Compliance with laws and regulations**

874 **Requirements**

875 **The organization shall:**

- 876 **a. report the total number of significant instances of non-compliance with laws or regulations**
- 877 **during the reporting period, with a breakdown of this total by:**
 - 878 **i. instances for which fines were incurred and their monetary value;**
 - 879 **ii. instances for which non-monetary sanctions were incurred;**
- 880 **b. describe the significant instances of non-compliance;**
- 881 **c. describe how it has determined significant instances of non-compliance.**

882 **Guidance**

883 **Background**

884 This disclosure addresses non-compliance, or failure to comply with, laws and regulations related to
885 economic, environmental, and social matters that are applicable to the organization.

886 These laws and regulations can be issued by a variety of bodies including governments (local,
887 regional, and national), regulatory authorities, and public agencies.

888 Laws and regulations include:

- 889 • international declarations, conventions, and treaties;
- 890 • national, subnational, regional, and local regulations;
- 891 • binding voluntary agreements made with regulatory authorities and developed as a substitute
892 for implementing a new regulation;
- 893 • voluntary agreements (or covenants), if the organization directly joins the agreement, or if
894 public agencies make the agreement applicable to organizations in their territory through
895 legislation or regulation.

896 Laws and regulations relating to economic and social matters include topics such as accounting and
897 tax fraud, bribery, corruption, competition, the provision of products and services, or labor issues,
898 such as workplace discrimination.

899 Laws and regulations relating to environmental matters include topics such as biodiversity, emissions,
900 energy, material use, spills and leaks, waste, and water and effluents.

901 Non-compliance with laws and regulations can give insight into the ability of management to ensure
902 that the organization conforms to certain performance parameters.

Commented [SD44]: Type of change: revision following public comment feedback.

Revised the disclosure to improve the proxy for capturing instances of non-compliance. 'Significance' is now not exclusively based on monetary value and organizations are required to explain how they have determined the threshold for significant instances of non-compliance.

See also corresponding guidance on lines 913-923.

903 **Guidance to SPP-6-a**

904 The scope of this disclosure includes instances of non-compliance that resulted in administrative or
905 judicial sanctions during the reporting period.

906 Non-monetary sanctions include restrictions imposed by governments, regulatory authorities, or public
907 agencies on the organization's activities or operations, such as withdrawal of trading licenses or
908 licenses to operate in highly regulated industries.

909 The organization can include fines that have been reported in its audited consolidated financial
910 statements or in the financial information filed on public record.

911 If the organization has not incurred any fines or non-monetary sanctions for non-compliance with laws
912 or regulations, a brief statement of this fact is sufficient to meet the requirement.

913 **Guidance to SPP-6-b**

914 The description of significant instances of non-compliance can include the geographic location where
915 the instance occurred and the matter to which the instance relates, i.e., economic, environmental, or
916 social matters applicable to the organization. The organization should report sufficient information for
917 stakeholders to understand the type and context of the significant instances of non-compliance.

918 The organization can explain whether the significant instances are repeated or recurring.

919 **Guidance to SPP-6-c**

920 When describing how the organization has determined significant instances of non-compliance, it can
921 include:

- 922 • the severity of the impact resulting from the instance;
- 923 • external benchmarks used in its sector to determine significant instances of non-compliance.

924 **Disclosure SPP-7 Membership associations**

925 **Requirements**

926 **The organization shall:**

- 927 **a. report industry associations, other membership associations, and national or**
928 **international advocacy organizations in which it participates in a significant role.**

929 **Guidance**

930 **Guidance to SPP-7**

931 The organization could have a significant role in an association or advocacy organization when it
932 holds a position in the governance body, participates in projects or committees, or provides
933 substantive funding beyond routine membership dues. It could also apply when the organization
934 views its membership as strategic to influencing the mission or objective of the association that is
935 critical to the organization's own activities.

Commented [SD45]: Type of change: editorial revision.

Added new guidance.

936 Section 6. Stakeholder engagement

937 This section includes disclosures on the organization's stakeholder engagement practices, including
938 how it engages in collective bargaining with employees.

939 Disclosure SE-1 Approach to stakeholder engagement

940 Requirements

941 The organization shall:

- 942 a. describe its approach to engaging with stakeholders, including:
- 943 i. the categories of stakeholders it engages with, and how they are identified;
 - 944 ii. the purpose of the stakeholder engagement;
 - 945 iii. how the organization seeks to ensure meaningful engagement with stakeholders.

946 Guidance

947 Guidance to SE-1

948 Stakeholders are individuals or groups that have interests that are affected or could be affected by the
949 organization's activities. For more information on stakeholders, see [Section 2.4 in GRI 101: Using the](#)
950 [GRI Standards](#).

951 This disclosure covers stakeholder engagement undertaken by the organization as part of its ongoing
952 activities rather than specifically for the purpose of sustainability reporting.

953 Guidance to SE-1-a-i

954 Common categories of stakeholders for organizations are business partners, civil society
955 organizations, consumers, customers, employees and other workers, governments, local
956 communities, non-governmental organizations, shareholders and other investors, suppliers, trade
957 unions, and vulnerable groups.

958 The organization can explain how it determines which categories of stakeholders to engage with and
959 which categories not to engage with.

960 Guidance to SE-1-a-ii

961 The purpose of stakeholder engagement can be, for example, to identify actual and potential impacts
962 or to determine prevention and mitigation responses to potential negative impacts. In some cases,
963 stakeholder engagement is a right in and of itself, such as the right of workers to form or join trade
964 unions or their right to bargain collectively.

965 The organization can also report:

- 966 • the type of stakeholder engagement (e.g., participation, consultation, information) and its
967 frequency (e.g., ongoing, quarterly, annually);
- 968 • when it engages directly with stakeholders and when it engages with credible stakeholder
969 representatives or proxy organizations, or other credible independent expert resources, and
970 why;
- 971 • whether stakeholder engagement activities take place at the organizational level or at a lower
972 level, such as at the site or project level, and in the latter case, how information from
973 stakeholder engagement activities is centralized;
- 974 • the resources (e.g., financial or human resources) allocated to stakeholder engagement.

Commented [SD46]: Type of change: revision following public comment feedback.

Original wording: "the type and frequency (e.g., annually, quarterly) of stakeholder engagement. For example, whether the engagements are ongoing (e.g., in the case of systemic issues) or whether they are specific engagements with particular groups or for particular operations or projects;"

975 Further information on stakeholder engagement undertaken for specific activities, such as setting up
976 and operating grievance mechanisms and other remediation processes, or determining and managing
977 material topics, is reported under other disclosures (SPP-4-d in this Standard, and MT-1-a-iii and MT-
978 3-f in *GRI 103: Material Topics*).

979 **Guidance to SE-1-a-iii**

980 Meaningful stakeholder engagement is, according to the *Organisation for Economic Co-operation and*
981 *Development (OECD) Due Diligence Guidance for Responsible Business Conduct*, characterized by
982 two-way communication and depends on the good faith of participants on both sides. It is also
983 responsive and ongoing and includes in many cases engaging with relevant stakeholders before
984 decisions are made.

985 The organization can report:

- 986 • how it takes into account potential barriers to stakeholder engagement (e.g., language and
987 cultural differences, gender and power imbalances, divisions within a community or group);
- 988 • how it engages with at-risk or vulnerable groups (e.g., whether it takes specific approaches
989 and gives special attention to potential barriers);
- 990 • how it provides stakeholders with information that is understandable and accessible through
991 appropriate communication channels;
- 992 • how stakeholder feedback is recorded and integrated into decision-making, and how
993 stakeholders are informed about the way in which their feedback has influenced decisions;
- 994 • how it seeks to respect the human rights of all stakeholders engaged, such as their rights to
995 privacy, freedom of expression, and peaceful assembly and protest;
- 996 • how it works with business partners to engage with stakeholders in a meaningful way,
997 including the expectations it places on business partners to respect the human rights of
998 stakeholders during engagement.

999 **Disclosure SE-2 Collective bargaining agreements**

1000 **Requirements**

1001 **The organization shall:**

- 1002 **a. report the percentage of total employees covered by collective bargaining agreements;**
- 1003 **b. for employees not covered by collective bargaining agreements, report whether it**
1004 **determines their working conditions and terms of employment based on collective**
1005 **bargaining agreements that cover its other employees or based on collective bargaining**
1006 **agreements from other organizations.**

1007 **Guidance**

1008 The right to collective bargaining is a fundamental right at work that is covered in the *ILO Right to*
1009 *Organise and Collective Bargaining Convention [Ref no. 9]*.

1010 Collective bargaining refers to negotiations that take place between one or more employers or
1011 employers' organizations and one or more workers' organizations (trade unions). The objective of
1012 these negotiations is to reach a collective agreement on working conditions and terms of employment
1013 (e.g., wages and working time) and to regulate relations between employers and workers.⁴ These
1014 negotiations are an important means through which organizations and trade unions can improve
1015 working conditions and labor relations.

1016 Collective agreements can be made at the level of the organization, at the level of a particular site, at
1017 the industry level, and at the national level in countries where this is the practice. Collective

⁴ International Labour Organization (ILO), *Collective Bargaining Convention*, 1981 (No. 154).

1018 agreements can cover specific groups of workers, for example, those performing a specific activity or
1019 working at a specific location.

1020 This disclosure requires information about how the organization respects its employees' rights to
1021 collective bargaining and freedom of association. If the organization has a statement or policy
1022 commitment on freedom of association and collective bargaining, this is to be reported under RBC-2-
1023 b-i in this Standard and MT-3-a in *GRI 103: Material Topics*.

1024 See references 2, 3, 4, 5, 6, 9, 10, 21, 25, and 26 in the [Bibliography section](#).

1025 **Guidance to SE-2-a**

1026 SE-2-a requires the organization to report the percentage of its employees whose working conditions
1027 and terms of employment are regulated by one or more collective bargaining agreements.

1028 This requirement does not ask for the percentage of employees belonging to trade unions, which can
1029 be different. The percentage of employees covered by collective bargaining agreements can be
1030 higher than the percentage of unionized employees when an organization is required to apply the
1031 collective bargaining agreements to both union and non-union members. Alternatively, the percentage
1032 of employees covered by collective bargaining agreements can be lower than the percentage of
1033 unionized employees. This applies when there are no collective bargaining agreements available or
1034 when the collective bargaining agreements do not cover all unionized employees.

1035 The percentage of employees covered by collective bargaining agreements is calculated using the
1036 following formula:

1037
$$\frac{\text{Number of employees covered by collective bargaining agreements}}{\text{Total number of employees reported under Disclosure ACT-2}} \times 100$$

1038 The employees covered by collective bargaining agreements are those employees to whom the
1039 organization is obliged to apply the agreement. This means that if none of the employees are covered
1040 by a collective bargaining agreement, the percentage reported is zero. An employee covered by more
1041 than one collective bargaining agreement only needs to be counted once.

1042 Employees who are represented by a works council are not included under SE-2-a, unless the works
1043 council engages in collective bargaining that results in a collective bargaining agreement.

1044 The organization can also report the percentage of employees covered by collective bargaining
1045 agreements per region or country, or provide comparisons with industry benchmarks.

1046 **Guidance to SE-2-b**

1047 There may be instances where some or none of the organization's employees are covered by
1048 collective bargaining agreements. However, the working conditions and terms of employment of these
1049 employees may be influenced or determined by the organization based on other collective bargaining
1050 agreements, such as agreements that cover other employees or agreements from other
1051 organizations. SE-2-b requires the organization to report if this is the case. If this is not the case, and
1052 the working conditions and terms of employment of these employees is not influenced or determined
1053 based on other collective bargaining agreements, a brief statement of this fact is sufficient to comply
1054 with this requirement.

1055 If all of the organization's employees are covered by collective bargaining agreements, a brief
1056 statement of this fact is sufficient to comply with the requirement.

Commented [SD47]: Type of change: editorial revision (change in location).

This content was previously in the guidance to SE-2-a and had been moved to clarify the scope of the disclosure.

Commented [SD48]: Type of change: revision following public comment feedback.

New guidance added.

Commented [SD49]: Type of change: editorial revision.

New guidance added.

Commented [SD50]: Type of change: revision following public comment feedback.

New guidance added.

1057

Bibliography

1058 This section lists authoritative intergovernmental instruments and other sources used in developing
1059 this Standard, as well as additional resources that can be consulted by organizations.

1060 Authoritative instruments:

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- 1068 6. International Labour Organization (ILO), *Freedom of Association and Protection of the Right to*
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- 1090 15.4 United Nations (UN), *Optional Protocol to the International Covenant on Civil and*
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- 1092 15.5 United Nations (UN), *Second Optional Protocol to the International Covenant on Civil*
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- 1094 16. United Nations (UN), *Protect, Respect and Remedy: a Framework for Business and Human*
1095 *Rights*, 2008.
- 1096 17. United Nations (UN), *Report of the Special Representative of the Secretary-General on the Issue*
1097 *of Human Rights and Transnational Corporations and Other Business Enterprises, John Ruggie*,
1098 2011.
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Commented [SD51]: Type of change: editorial revision.

The "References" section has been renamed "Bibliography". References are now grouped into three types:

- Authoritative instruments
- Other sources – documents used when developing the Standard other than authoritative instruments
- Further resources – additional sources for organizations to consult.

Commented [SD52]: Type of change: editorial revision.

New authoritative instrument added.

Commented [SD53]: Type of change: editorial revision.

New authoritative instrument added.

- 1100 19. United Nations (UN), *The Corporate Responsibility to Respect Human Rights: An Interpretive*
1101 *Guide*, 2012.
- 1102 **Other sources:**
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1118 [travail/documents/publication/wcms_409422.pdf](https://www.ilo.org/wcmsp5/groups/public/---ed_protect/---protrav/---travail/documents/publication/wcms_409422.pdf), accessed on 23 February 2021.
- 1119 26. ShareAction, *The Workforce Disclosure Initiative 2020 Survey Guidance Document*, 2020.
- 1120 **Further resources:**
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- 1127 30. Shift, Oxfam, and Global Compact Network Netherlands, *Doing Business with Respect for Human*
1128 *Rights: A Guidance Tool for Companies*, 2016.
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1130 <http://unstats.un.org/unsd/methods/m49/m49regin.htm>, accessed on 23 February 2021.

Annex. Revisions with track changes

Section 2. Organization ~~al details~~ and ~~its~~ reporting practices

The disclosures in this section provide an overview of the organization, its sustainability reporting practices, and the entities ~~that it includes in its~~ ~~for which it provides~~ sustainability ~~information~~ ~~reporting~~.

Disclosure REP-1 Organizational details

Requirements

The organization shall:

- a. report its legal name;
- b. report its nature of ownership and legal form;
- c. report ~~the~~ ~~its~~ location of ~~its~~ headquarters;
- d. report ~~the~~ ~~its~~ countries ~~where it has significant of~~ operations.

Guidance

Guidance to REP-1-a

If the organization uses a commonly known trading name or business name that is different from its legal name, it should report this in addition to its legal name.

Guidance to REP-1-b

The nature of ownership and the legal form of the organization refers to whether it is publicly or privately owned, and whether it is an incorporated entity, a partnership, a sole proprietorship, or another type of entity such as a nonprofit, an association, or a charitable organization.

Guidance to REP-1-c

Headquarters are an organization's global administrative center, the place from which it is controlled or directed.

Guidance to REP-1-d

The organization can also report specific locations within countries where it has significant operations, e.g., regions, states, or cities, where-if this provides contextual information about the scale of its activity and about the contribution to understand the organization's impacts included in its sustainability reporting. If the organization has reported its countries of operation elsewhere, such as in its audited consolidated financial statements or financial information filed on public record, the organization can provide a link or reference to this information.

Disclosure REP-2 ~~Organization's~~ ~~Organizational~~ entities included in ~~its~~ ~~the~~ sustainability reporting

Requirements

1163 The organization shall:

- 1164 a. list its entities that are included in its sustainability reporting;
- 1165 b. if the organization has audited consolidated financial statements or financial information
1166 filed on public record, specify the differences between the list of entities included in its
1167 financial reporting and the list included in its sustainability reporting;
- 1168 c. if the organization consists of multiple entities ~~that form a consolidated group~~, explain the
1169 approach used for consolidating the information, including:
- 1170 i. whether the approach involves adjustments to information for minority interests ~~in
1171 the case of entities that are not wholly owned~~;
- 1172 ii. how the approach takes into account mergers, acquisitions, and disposal of
1173 entities or parts of entities;
- 1174 iii. whether and, ~~if so~~, how the approach differs across material topics.

Guidance

1175 **Guidance to REP-2-a**

1176 The entities reported under REP-2-a form the basis for reporting the remaining disclosures in this
1177 Standard and for identifying the organization's material topics and related impacts. The organization
1178 should align the entities included in its sustainability reporting with the entities included in its other
1179 statutory and regulatory reporting, in particular, its financial reporting. See [Section 5.1 of GRI 101:](#)
1180 [Using the GRI Standards](#) for more information.

1181 When identifying its material topics and related impacts, the organization should consider the impacts
1182 of additional entities with which it has business relationships, that are not included in the list reported
1183 under REP-2-a. See [Section 2 of GRI 103: Material Topics](#) for more information.

1184 **Guidance to REP-2-a and REP-2-b**

1185 ~~If all the entities in the organization's financial reporting are also included in its sustainability reporting,~~
1186 ~~the organization can provide a reference or link to the list of these entities included in its audited~~
1187 ~~consolidated financial statements or financial information filed on public record. Any additional entities~~
1188 ~~included in the sustainability reporting can then be separately identified.~~

1189 The organization can provide a reference or link to the list of entities included in its audited
1190 consolidated financial statements or financial information filed on public record and specify which are
1191 not included in its sustainability reporting.

1192 If all entities are included in its sustainability reporting, a brief statement of this fact and a reference or
1193 link to the list of entities included in its audited consolidated financial statements or financial
1194 information filed on public record is sufficient to meet the requirements in REP-2-a and REP-2-b.

1195 The organization can separately report any additional entities included in the sustainability reporting
1196 that are not included in the organization's financial reporting

1197 **Guidance to REP-2-c**

1198 ~~A consolidated group is a group~~The consolidated information covers ~~of entities consisting of a the~~
1199 parent entity and the entities it controls and has an interest in its subordinate entities, such as
1200 subsidiaries, joint ventures, and affiliates.

1201 A minority interest is ~~the an~~ ownership or interest of in an subordinate entity, ~~by a party other~~
1202 ~~than that is not controlled by~~ the parent entity, ~~in the consolidated group.~~

1203 Disclosure REP-3 Reporting period and frequency

1204 Requirements

1205 The organization shall:

- 1206 a. specify the reporting period for its sustainability reporting;
- 1207 b. if the organization has audited consolidated financial statements or financial information
1208 filed on public record, specify the reporting period for its financial reporting, ~~and and~~
1209 provide an explanation if it does not align with the period for its sustainability reporting,
1210 explain the reason for this;
- 1211 c. report the frequency, publication date and frequency of its sustainability reporting;
- 1212 ~~e.d. report the contact point for questions regarding the reported information.~~

1213 **Guidance**

1214 **Guidance to REP-3-a and REP-3-b**

The reporting period refers to the time period covered by the reported information (e.g., the year ending 31 December 2021 or 1 July 2021 through 30 June 2022). The organization can specify the start and end dates of the reporting period in the introduction of its report.

1215 The organization should align the reporting period for its sustainability reporting with the reporting
1216 period for its other statutory and regulatory reporting, in particular, its financial reporting. See [Section 5.1 of GRI 101: Using the GRI Standards](#) for more information.

1218 **Guidance to REP-3-c**

1219 The frequency of reporting refers to how often the organization carries out reporting: (e.g., annually).

1220 **Disclosure REP-4 Restatements of information**

1221 **Requirements**

1222 The organization shall:

- 1223 a. ~~provide and explain report~~ any restatements of information made from previous reporting
1224 periods and their effect, and explain report the reasons for such restatements and their
1225 effect.

1226 **Guidance**

1227 **Background**

This disclosure provides transparency on the reasons for restatements and their effects on the reported information.

1230 **Guidance to REP-4-a**

~~If the organization restates information reported during previous reporting periods and includes the restated information in its reporting for the current period, it is required to explain the revision or correction made under the restatement.~~

The organization should provide a restatement of information when it has learned that the previously reported information needs to be revised. Restatements of information from previous reporting periods can ~~be provided to~~ correct an error, or account for ~~a change~~ in measurement methodology or ~~a change in the~~ business context. Providing Restatements of information enables provide consistency and enable comparability of information between reporting periods, and helps information users ~~to interpret~~ the reported information. See the reporting principle of Comparability in Section 4 of GRI 101: Using the GRI Standards for more information. ~~This disclosure provides transparency on the reasons for such restatements and their effects on the reported information.~~

1242 Examples of rReasons for restatements of information ~~can~~ include:

- 1243 • ~~errors made in previous reporting periods;~~
- 1244 • ~~disposals, mergers, or acquisitions;~~
- 1245 • a change of base periods or reporting periods;
- 1246 • change in the nature of the business;
- 1247 • ~~change in measurement methods;~~
- 1248 • ~~disposals, mergers, or acquisitions;~~
- 1249 • ~~errors made in previous reporting periods.;~~

1250 The organization can report the criteria it uses to determine when a change or an error in previously
 1251 reported information is considered significant enough to issue a restatement.

1252 The effect of the restatement refers to the actual revision or correction made to previously reported
 1253 information. If the restatement relates to quantitative information, the organization should specify the
 1254 quantitative change in the restated information.

1255 For example, ~~suppose if~~ an organization adopts a new, more accurate method for measuring
 1256 greenhouse gas (GHG) emissions, that is more accurate. As a result, it may subsequently
 1257 experience a significant reduction in its reported GHG emissions that meets the organization's
 1258 restatement criteria, due to the adoption of a new method for measuring emissions that is more
 1259 accurate. The organization then restates its previously reported information on GHG emissions in its
 1260 reported information for the current period. In this case, the organization is required to explain that it
 1261 has restated its previously reported GHG emission levels due to the new measurement methodology,
 1262 and that this has resulted in lower GHG emissions than previously reported for these periods. The
 1263 organization should also report the quantitative change observed (e.g., GHG emissions are 10%
 1264 lower compared to the level of emissions previously reported).

1265 Disclosure REP-5 External assurance

1266 Requirements

1267 The organization shall:

- 1268 a. describe its policy and practice with regard to seeking external assurance, including
 1269 whether and how the highest governance body and senior executives are involved;
- 1270 b. if the organization's sustainability reporting has been externally assured:
 - 1271 i. provide a link or reference to the external assurance report(s), or assurance
 1272 statement(s) conclusions, or opinions;
 - 1273 ii. describe what has and what has not been assured and on what basis, including,
 1274 the assurance standards used, the level of assurance obtained, and the limitations
 1275 of the assurance process;
 - 1276 iii. describe the relationship between the organization and the assurance provider.

1277 Guidance

1278 Guidance to REP-5-b-ii

1279 ~~The description of what has and what has not been assured, the assurance standards used, the level~~
 1280 ~~of assurance obtained, and the limitations of the assurance process is sometimes included in the~~
 1281 ~~assurance report(s), conclusions, or opinions. If this is the case, the organization can provide a link~~
 1282 ~~to this information included in the external assurance report(s), conclusions, or opinions.~~

1283 ~~If this is not the case, the organization is required to report a summary, in accessible language,~~
 1284 ~~reflecting the key elements covered in the external assurance report, including:~~

1285 [If the assurance reports or statements include a description of what has been assured, and on what](#)
1286 [basis, then a link to this information is sufficient to meet the requirement.](#)

1287 [If the assurance reports or statements do not include a description of what has been assured, and on](#)
1288 [what basis, then the organization is required to report a summary of the key elements covered in the](#)
1289 [external assurance report. The summary should be written in accessible language and include:](#)

- 1290 • [the](#) scope of information and processes covered;
- 1291 • ~~[the](#)~~ ~~[and](#)~~ ~~[processes](#)~~
- 1292 • assurance and reporting standards used;
- 1293 • [the](#) responsibilities of the organization relative to the assurance provider;
- 1294 • [the](#) level of assurance obtained;
- 1295 • [any](#) limitations of the assurance process;
- 1296 • [the](#) opinion or conclusions formally signed off by the assurance provider;
- 1297 • [a](#) summary of the work performed; and
- 1298 • information on the experience and qualifications of the assurance providers.

1299 See [Section 5.2 of GRI 101: Using the GRI Standards](#) for more information on external assurance.

1300 [Guidance to REP-5-b-iii](#)

1301 [An assurance provider conducting external assurance needs to demonstrate independence from the](#)
1302 [organization in order to reach and publish objective and impartial conclusions about the organization's](#)
1303 [sustainability reporting. See Section 5.2 of GRI 101: Using the GRI Standards for more information on](#)
1304 [working with assurance providers.](#)

Section 3. Organizational Activities and workers

The disclosures in this section provide an overview of the organization's activities and of its employees and other workers. This contextual information helps information users better understand the nature of the organization and its impacts on the economy, environment, and people.

Disclosure ACT-1 Activities, value chain, and other business relationships

Requirements

The organization shall:

- a. report its sector;
- b. describe its value chain, including:
 - i. the organization's main activities, products, services, and markets served;
 - ii. characteristics of the entities upstream from the organization and their activities related to the organization's products and services, i.e., its supply chain;
 - iii. characteristics of the entities downstream from the organization and their activities related to the organization's products and services;
- c. report other relevant business relationships;
- d. describe significant changes in ACT-1-a, ACT-1-b, and ACT-1-c since compared to the previous reporting period.

Guidance

Guidance to ACT-1-a

Sectors can be identified according to different groupings categories, such as the public or private sector, or industry-specific categories such as the education sector, or the financial sector. If the organization is part of more than one sector, it can report those sectors that provide contextual information to understand its impacts on the economy, environment, and people.

Depending on the organization's activities, sectors can be identified using various classification systems that define categories for economic activities. For example, the UN-based *International Standard Industrial Classification of All Economic Activities* [Ref no.], or investment-based classification systems such as the *Global Industry Classification Standard* or the *Industry Classification Benchmark* [Ref no.].

The organization is required to use the GRI Sector Standard(s) that apply to its sector(s), where these are available for its sector(s).

Guidance to ACT-1-b

The organization's value chain includes the organization's own activities, as well as activities carried out by entities upstream and downstream from the organization in relation to the organization's products and services. Entities upstream from the organization are those that supply products or services that are used in the development of contribute to the organization's own products or services. Entities downstream from the organization receive products or services from the organization. Entities in the value chain include entities beyond the first tier, both upstream and downstream.

1345 The information required in ACT-1-b provides contextual information to understand the organization's
1346 impacts across its value chain, including through the use of its products and services. The information
1347 required in ACT-1-b helps to understand the impacts that occur across the organization's value chain,
1348 including through the use of its products and services. Describing the markets served provides further
1349 information on the groups of customers targeted by the organization's products and services.

1350 **Guidance to ACT-1-b-i**

1351 ACT-1-b-I does not require a detailed description of each activity of the organization. Instead, the
1352 When describing its main activities, the organization can provide a high-level overview of all its
1353 activities. The organization should report its the total number of operations (explain
1354 more about what comprises activities here that we want reporting on) and . The organization should
1355 also report explain how it defines the definition used for 'operation'. For example, whether 'operation'
1356 refers to a single location used by the organization for the production, storage, and/or distribution of
1357 its products and services or for administrative purposes. When describing its main activities, the
1358 organization should report the total number of operations. The organization should also report the
1359 definition used for 'operation'. For example, whether 'operation' refers to a single location used by the
1360 organization for the production, storage, and/or distribution of its products goods and services or for
1361 administrative purposes.

1362 When describing its products and services, the organization should:

- 1363 • report the quantity of products or services provided during the reporting period;
- 1364 • describe report if any of its products or services are banned in certain markets it sells
1365 products and services that are banned in certain markets or are the subject of stakeholder
1366 concerns or public debate, and how the organization has responded to these concerns.

1367 When describing the markets served, the organization can:

- 1368 • report the markets it serves using geographic, demographic, or behavioral other
1369 characteristics of the markets;
- 1370 • reports specify information on the size and relative importance of the markets served, for
1371 example, by reporting net sales or net revenues.

1372 **Guidance to ACT-1-b-ii**

1373 When describing the characteristics of the entities upstream from the organization and the activities
1374 they carry out in relation to the organization's products and services (i.e., the supply chain), the
1375 organization can describe:

- 1376 • specify the types of suppliers upstream (e.g., brokers, contractors, wholesalers, brokers);
- 1377 • report the estimated number of suppliers throughout its supply chain (i.e., in the first tier,
1378 second tier, etc.);
- 1379 • report the types of activities of its suppliers (e.g., manufacturing of the organization's
1380 products, providing of services);
- 1381 • specify the nature of its the business relationship it has with its suppliers (e.g., long-term or
1382 short-term, contractual or non-contractual, contract, project-based or event-based
1383 relationship);
- 1384 • specify the sector-specific characteristics of its supply chain (e.g., labor-intensive);
- 1385 • report the estimated monetary value of payments made to its suppliers;
- 1386 • specify the geographic locations of its suppliers.

1387 **Guidance to ACT-1-b-iii**

1388 When describing the characteristics of the entities downstream from the organization and the
1389 activities they carry out in relation to the organization's products and services, the organization can
1390 describe:

- 1391 • specify the types of customers and beneficiaries (e.g., end consumers, other businesses,
1392 recipients of the products or services from a social enterprise or a nonprofit organization);

- 1393 • ~~report~~ the estimated number of downstream entities (~~i.e.~~ in the first tier, second tier, etc.);
- 1394 • ~~report~~ the types of activities of these downstream entities (e.g., wholesalers, manufacturers,
- 1395 retailers);
- 1396 • ~~specify~~ the nature of ~~the its~~ business relationship ~~it has~~ with ~~the its~~ downstream entities (e.g.,
- 1397 long-term or short-term ~~contract~~, project-based ~~relationship~~);
- 1398 • ~~specify~~ the geographic locations of ~~the~~ downstream entities.

1399 **Guidance to ACT-1-c**

1400 Other relevant business relationships include relationships ~~that the organization has~~ with entities that
 1401 are not described as part of ~~the organization's~~ value chain under ACT-1-b. These ~~can~~ consist of
 1402 ~~business partners~~ (e.g., joint ventures) and other entities directly linked to the organization's
 1403 operations, products, or services.

1404 When describing other relevant business relationships, the organization can ~~specify report~~ the types of
 1405 entities, their activities ~~they perform related to the organization's products and services~~, and their
 1406 geographic location.

1407 **Guidance to ACT-1-d**

1408 ~~The ACT-1-d requires the organization to describe significant changes in e-description of significant~~
 1409 ~~changes to the its organization's~~ sector, value chain, and other business relationships ~~helps~~
 1410 ~~understand any variations in the reported information since compared to~~ the previous reporting
 1411 period. ~~This information can help explain variations in the organization's impacts included in its~~
 1412 ~~sustainability reporting~~. Examples of significant changes ~~that can be reported under this disclosure~~
 1413 ~~include are~~ changes in activities, such as ~~the opening, closing, or expansion of~~ facilities ~~openings,~~
 1414 ~~closings, and expansions~~; changes in the structure of ~~the the organization's~~ supply chain or in ~~its~~
 1415 relationships with suppliers; ~~or and~~ changes in the locations of ~~its~~ suppliers.

1416 **Disclosure ACT-2 Employees and other workers**

1417 **Requirements**

1418 The organization shall:

- 1419 ~~a.~~ report the total number of employees, and provide a breakdown of this total of
 1420 this total by gender and by region;
- 1421 ~~e.b.~~ report the total number of:
 - 1422 ~~i.~~ employment contract (permanent employees, with a breakdown by gender
 1423 and by region;
 - 1424 ~~ii.~~ and temporary employees), and its with a breakdown by gender and by region;
 - 1425 ~~v.iii.~~ non-guaranteed hours employees, and its with a breakdown by gender and by
 1426 region; by gender;
 - 1427 ~~vi.~~ employment contract (permanent employees and temporary employees), by
 1428 region;
 - 1429 ~~iv.~~ employment type (full-time employees, and its with a breakdown by gender and by
 1430 region;
 - 1431 ~~vii.v.~~ part-time employees, and), its with a breakdown by gender and by region by
 1432 gender;
 - 1433 ~~viii.~~ employment type (full-time employees, part-time employees employees), by region;

- 1434 ~~d.c.~~ provide contextual information to understand the data reported under ACT-2-a and ACT-2-
1435 b;
- 1436 ~~e.~~ report the total number of workers who are not employees and whose work is controlled
1437 by the organization, including:
- 1438 ix. the most common types of worker and their contractual relationship with the
1439 organization;
- 1440 x. the work they perform;
- 1441 ~~f.d.~~ describe significant fluctuations in the number of employees and workers who are not
1442 employees during the reporting period and between reporting periods;
- 1443 ~~g.e.~~ describe the assumptions and methodologies used to compile the data, including whether
1444 the number of employees and workers who are not employees are reported:
- 1445 xi.vi. in head count, full-time equivalent (FTE), or using another methodology;
- 1446 xii.vii. at the end of the reporting period, as an average across the reporting period, or
1447 using another methodology.

1448 **Guidance**

1449 **Background**

1450 This disclosure ~~provides~~ requires information ~~about on~~ the number of employees and other workers
1451 who are not employees that perform work for the organization. ~~To understand how many workers in~~
1452 ~~total perform work for the organization, it is important to know the number of workers who are not~~
1453 ~~employees as these are not represented in formal employment figures.~~

1454 This disclosure, together with Disclosure ACT-3 on workers who are not employees, gives insight
1455 into the organization's approach to employment, as well as the scope and nature of impacts created
1456 by labor issues arising from employment practices. It also provides contextual information ~~to that~~
1457 helps understand the information reported in other disclosures, and it serves as the basis for
1458 calculation in several disclosures, such as the disclosure on the percentage of employees covered by
1459 collective bargaining agreements.

1460 This disclosure covers all employees ~~and all workers who are not employees~~ who perform work for
1461 any of the organization's entities included in its sustainability reporting (reported under Disclosure
1462 REP-2).

1463 See references 6, 7, 8, 16, 22, 25, and 27 in the References Bibliography section.

1464 **Guidance to ACT-2-a**

1465 An employee is an individual who is in an employment relationship with the organization, according to
1466 national law or its application practice.

1467 Providing a breakdown of employees by gender gives insight into gender representation and diversity
1468 across an organization. Providing a breakdown of employees by region gives insight into regional
1469 representation and variations. Region can refer to a country or to other geographical areas like cities
1470 and world regions.

1471 See Tables 1-2 for examples of how to present this information.

1472 **Guidance to ACT-2-b**

1473 The definitions of permanent, temporary and non-guaranteed hours, e-identify the full-time, and part-
1474 time, employees employment contract and employment type differ between countries. For example,
1475 the national legislations vary in their definitions of a full-time contract. If the organization has
1476 employees in more than one country, it of its employees, the organization should use the definitions
1477 under as per the national laws of the countries where the employees are based to first calculate
1478 country-level data. The country-level data, as what constitutes an employment contract and

1479 employment type varies between countries. For example, the national legislations vary in their
1480 definitions of a full-time contract. If the organization has employees in more than one country, it
1481 should be added up the country-level data to calculate the total numbers, disregarding differences in
1482 national legal definitions.

1483 Non-guaranteed hours employees are employed by the organization without a guarantee of a
1484 minimum number of working hours. The worker/employee may need to make themselves available for
1485 work as required, but the organization is not contractually obliged to offer the employee a fixed
1486 number of working hours per day, week, or month. Casual employees, employees with zero-hour
1487 contracts, and on-call employees are examples that fall under this category.

1488 Providing a breakdown of the data on employees by employment contract and employment type by
1489 gender enables an understanding of gender representation and diversity across an organization. The
1490 organization can report information for gender categories in addition to male and female.

1491 Providing a breakdown of the data on employees by employment contract and employment type by
1492 region enables an understanding of regional representation and variations across regions. Region can
1493 refer to a 'country,' or a 'geographical area'.

1494 If the organization is unable to report exact figures, it can report estimates of the number of
1495 employees to the nearest ten or, where the number of employees is greater than 1000, to the nearest
1496 100.

1497 See Tables 1-24 for examples of how to present this data/information.

1498 **Guidance to ACT-2-cb**

1499 Quantitative data, such as the number of temporary and part-time employees is unlikely to provide
1500 sufficient information on its own. For example, a high number-proportion of temporary or part-time
1501 employees could indicate a lack of employment security for employees, but it could equally signal
1502 workplace flexibility when offered as a voluntary choice. For this reason, quantitative data should be
1503 accompanied by contextual information to help information users formulate an appropriate
1504 interpretation of/understand the data and formulate an appropriate interpretation.

1505 The organization can explain the reasons for temporary employment. An eExample of such a reason
1506 could be the recruitment of employees (e.g., to undertake work on a temporary or seasonal projects
1507 or events, or because it/Another example could be that it is standard practice to offer a temporary
1508 (e.g., 6 month) contract to new employees prior to the offer of permanent employment. The
1509 organization can also explain the reasons for non-guaranteed hours employment.

1510 If differences in employment contracts exist between genders or between regions, the organization
1511 can explain the reasons for these differences.

1512 The organization can explain how it defines full-time employment. If the organization has employees
1513 in more than one country, it can report the definitions of full-time employment it uses for in the different
1514 regions. The organization can also explain how full-time employment is defined and whether the same
1515 definition applies globally. Similarly/Further, the organization can explain the reasons for part-time
1516 employment. Examples of such reasons could be (e.g., to accommodate employees' requests to work
1517 reduced hours, or because the organization is unable to provide full-time employment to all
1518 employees).

1519 If there are differences in permanent, temporary, non-guaranteed hours, full-time, and part-time
1520 employment between genders or between regions, the organization can explain the reasons for these
1521 differences). up. The organization can also explain how full-time employment is defined and whether
1522 the same definition applies globally.

1523 If differences in employment types exist there are differences in full-time, part-time, or non-guaranteed
1524 hours employment between genders or between regions, the organization can explain the reasons for
1525 these differences. providing a breakdown of the data on employees the different

1526 **Guidance to ACT-2-c**

1527 Workers who are not employees are those who perform work for the organization but are not in an
1528 employment relationship with the organization (e.g., agency workers, contractors, self-employed
1529 persons, volunteers). ACT-2-c provides an understanding of how much the organization relies on
1530 workers who are not employees to perform its work compared to employees.

1531 Control of work implies that the organization directs the work performed or has control over the means
1532 or methods for performing the work. The organization might have sole control of the work or share
1533 control with one or more organizations (e.g., suppliers, customers, or other business partners, such
1534 as in joint ventures).

1535 If the organization is unable to report exact figures, it can report estimates of the number of workers
1536 who are not employees to the nearest ten or, where the number of workers who are not employees is
1537 greater than 1000, to the nearest 100.

1538 If all the workers performing work for the organization are employees and the organization does not
1539 engage any workers who are not employees, a brief statement of this fact is sufficient to meet the
1540 requirement.

1541 **Guidance to ACT-2-c-i and ACT-2-c-ii**

1542 ACT-2-c-i requires the organization to report the most common types of worker who are not
1543 employees. The organization can use the following categories to report the types of worker: agency
1544 workers, apprentices, contractors, home workers, interns, self-employed persons, sub-contractors,
1545 volunteers. The organization is also required to report its contractual relationship with the most
1546 common types of worker, i.e., whether it engages them directly or indirectly through a third party, and
1547 in the latter case, who this third party is (e.g., employment agency, sub-contractor). ACT-2-c-ii
1548 requires the organization to describe the work performed by the most common types of worker.

1549 It is sufficient to provide a general description; the organization is not required to report the type of
1550 worker, contractual relationship, and work performed for every worker that is not an employee.

1551 **Guidance to ACT-2-d**

1552 It is up to the organization to determine which fluctuations in the number of employees it considers
1553 significant to report under this disclosure. The organization should report its threshold for identifying
1554 significant fluctuations.

1555 The organization is required to describe all fluctuations in the number of employees and workers who
1556 are not employees that it deems significant. The description can include how the numbers vary (e.g.,
1557 i.e., whether the numbers have increased or decreased during the reporting period or in comparison
1558 to the previous reporting period). It can also include, and the reasons for the fluctuations. F, for
1559 example, (e.g., an increase in workers who are not the number of employees during the reporting
1560 period could be due to a seasonal event, taking place, or A a decrease in the number of employees in
1561 comparison to the previous reporting period could be due to the completion of a temporary project).

1562 If there are no significant fluctuations in the number of employees and workers who are not
1563 employees during the reporting period or between reporting periods, a brief statement of this fact is
1564 sufficient to meet the comply with the requirement.

1565 **Guidance to ACT-2-ee**

1566 The organization should report the total number of employees and the number of employees by
1567 employment type (full-time and part-time employees) in head count. The head count gives insight into
1568 the number of individual workers-employees performing work for the organization, whether on a full-
1569 time or part-time basis.

1570 The organization can report the number of employees by employment contract (permanent, and
1571 temporary, and non-guaranteed hours employees) in head count or full-time equivalent (FTE).
1572 Reporting these numbers in FTE gives insight into the hours worked.

1573 The organization can also use another methodology for reporting these numbers if that is appropriate.

1574 Reporting the number of employees and workers who are not employees at the end of the reporting
1575 period provides information for that point in time, without capturing any fluctuations during the
1576 reporting period. Reporting these numbers in averages across the reporting period takes into account
1577 fluctuations during the reporting period.

1578

1579 Table 1 [Example template for presenting information](#) on employees by gender

[Reporting period]	
Number of employees [head count]	
Total	[Number]
Female	[Number]
Male	[Number]
Other gender category*	[Number]
Not disclosed	[Number]
Number of permanent employees [head count / FTE]	
Total	[Number]
Female	[Number]
Male	[Number]
Other gender category *	[Number]
Not disclosed	[Number]
Number of temporary employees [head count / FTE]	
Total	[Number]
Female	[Number]
Male	[Number]
Other gender category*	[Number]
Not disclosed	[Number]
Number of non-guaranteed hours employees [head count / FTE]	
Total	[Number]
Female	[Number]
Male	[Number]
Other gender category*	[Number]
Not disclosed	[Number]
Number of full-time employees [head count]	
Total	[Number]
Female	[Number]

Male	[Number]	1580
		1581
Other gender category*	[Number]	1582
Not disclosed	[Number]	1583
Number of part-time employees [head count]		
Total	[Number]	1584
Female	[Number]	1585
Male	[Number]	1586
Other gender category*	[Number]	1587
		1588
		1589
Not disclosed	[Number]	1590
		1591

* as specified by the employees

Table 2 Example template for presenting information on employees by region

[Reporting period]	
Number of employees [head count]	
Total	[Number]
Region A	[Number]
Region B	[Number]
Number of permanent employees [head count / FTE]	
Total	[Number]
Region A	[Number]
Region B	[Number]
Number of temporary employees [head count / FTE]	
Total	[Number]
Region A	[Number]
Region B	[Number]
Number of non-guaranteed hours employees [head count / FTE]	
Total	[Number]
Region A	[Number]
Region B	[Number]
Number of full-time employees [head count]	
Total	[Number]
Region A	[Number]

Region B	[Number]
Number of part-time employees <u>[head count]</u>	
<u>Total</u>	[Number]
Region A	[Number]
Region B	[Number]

1594 **Disclosure ACT-3 Workers who are not employees**

1595 **Requirements**

1596 **The organization shall:**

1597 **h. report the total number of employees, and provide a breakdown of this total by:**

1598 **xiii. employment contract (permanent and temporary), by gender;**

1599 **xiv. employment contract (permanent and temporary), by region;**

1600 **xv. employment type (full-time and part-time), by gender;**

1601 **xvi. employment type (full-time and part-time), by region;**

1602 **i. provide contextual information to understand the data reported under ACT-2-a;**

1603 **a. report the total number of workers who are not employees and whose work is**
 1604 **controlled by the organization, including:**

1605 **xvii-viii. the most common types of worker and their contractual relationship with the**
 1606 **organization;**

1607 **ix. the work they perform;**

1608 **b. describe significant fluctuations in the number of ~~employees and~~ workers who are not**
 1609 **employees during the reporting period and between reporting periods;**

1610 **c. describe the assumptions and methodologies used to compile the data, including**
 1611 **whether the number of ~~employees and~~ workers who are not employees are reported:**

1612 **i. in head count, full-time equivalent (FTE), or using another methodology;**

1613 **ii. at the end of the reporting period, as an average across the reporting period, or**
 1614 **using another methodology.**

1615 **Guidance**

1616 **Background**

1617 This disclosure ~~provides~~ requires information ~~about on~~ the number of ~~employees and other workers~~
 1618 ~~who are not employees that and whose perform work for theirs controlled by the~~ organization.
 1619 The information is important in order to understand how many workers in total perform work for the
 1620 organization, it is important to know the number of workers who are not employees, in addition to the
 1621 number of employees reported under ACT-2, because these workers who are not employees are
 1622 not represented in formal employment figures reported under Disclosure ACT-2. ACT-2-e This
 1623 disclosure provides an understanding of how much the organization relies on workers who are not
 1624 employees to perform its work compared to employees.

1625 This disclosure, together with Disclosure ACT-2 on employees, gives insight into the organization's
1626 approach to employment, as well as the scope and nature of impacts created by labor issues arising
1627 from its employment practices. It also provides contextual information that helps to understand the
1628 information reported in other disclosures, and serves as the basis for calculation in several
1629 disclosures, such as the disclosure on the percentage of employees covered by collective
1630 bargaining agreements.

1631 This disclosure covers all employees and all workers who are not employees and who perform work
1632 for any of the organization's entities included in its sustainability reporting (reported under Disclosure
1633 REP-2).

1634 See references 8, 20, 226, 237, 24-8, 26, 16, 22, 25, and 3127 in the References-Bibliography section.

1635 **Guidance to ACT-3-a2-c**

1636 Workers who are not employees are those who perform work for the organization but are not in an
1637 employment relationship with the organization (e.g., agency workers, contractors, self-employed
1638 persons, volunteers). ACT-2-c provides an understanding of how much the organization relies on
1639 workers who are not employees to perform its work compared to employees.

1640 Workers who are not employees are those who perform work for the organization but are not in an
1641 employment relationship with the organization.

1642 This disclosure requires the organization to report the number of workers who are not employees and
1643 whose work is controlled by the organization. Control of work implies that the organization directs the
1644 work performed or has control over the means or methods for performing the work.

1645 The organization may have sole control of the work or share control with one or more
1646 organizations (e.g., suppliers, customers, or other business partners, such as in joint ventures).
1647 Workers who are not employees and whose work is controlled by the organization can work for the
1648 organization or for the organization's suppliers, customers, or other business partners, such as joint
1649 ventures. Types of such workers can be agency workers, apprentices, contractors, home workers,
1650 interns, self-employed persons, sub-contractors, or volunteers.

1651 The following are examples of workers who are not employees whose work is controlled by the
1652 organization. These workers are included under this disclosure:

- 1653 • Contractors hired by the organization to perform work at the organization's workplace, in a
1654 public area (e.g., on a road, on the street), or directly at the workplace of the organization's
1655 client;
- 1656 • Workers of the organization's supplier, where the organization instructs the supplier to use
1657 particular materials or work methods in manufacturing the products or delivering the services.
- 1658 • Volunteers or interns performing work for the reporting organization.

1659 The following are examples of workers who are not employees whose work is not controlled by the
1660 organization. These workers are not included under this disclosure:

- 1661 • Workers of an equipment supplier to the organization who perform regular maintenance on
1662 the supplier's equipment (e.g., photocopy machines at the organization's workplace) as
1663 stipulated in the contract between the equipment supplier and the organization;
- 1664 • Workers of a supplier contracted by the organization who work using the supplier's work
1665 methods, such as when the organization sources products from a supplier, and these are
1666 standard products of the supplier.

1667 If the organization is unable to report exact figures, it can report estimates of the number of workers
1668 who are not employees to the nearest ten or, where the number of workers who are not employees is
1669 greater than 1000, to the nearest 100.

1670 If all the workers performing work for the organization are employees and the organization does not
1671 engage any workers who are not employees, a brief statement of this fact is sufficient to meet
1672 the comply with requirement.

1673 **Guidance to ACT-3-a2-c-i and ACT-32-ac-ii**

1674 ACT-32-ac-i requires the organization to report the most common types of worker who are not
1675 employees. The organization can use the following categories to report the types of worker: agency

1676 ~~workers, apprentices, contractors, home workers, interns, self-employed persons, sub-contractors,~~
1677 ~~volunteers.~~ The organization is also required to report its contractual relationship with the most
1678 common types of worker, i.e., whether it engages them directly or [it engages them](#) indirectly through a
1679 third party, and in the latter case, who this third party is (e.g., employment agency, ~~sub-contractor~~).

1680 ACT-~~32-ac~~-ii requires the organization to describe the work performed by the most common types of
1681 worker.

1682 [It is sufficient if the organization provides a general description.](#) ~~It is sufficient to provide a general~~
1683 ~~description;~~ The organization is not required to report the type of worker, contractual relationship, and
1684 work performed for every worker ~~that who~~ is not an employee.

1685 **Guidance to ACT-~~32-bd~~**

1686 [It is up to the organization to determine which is required to describe all](#) fluctuations in the
1687 number of ~~employees and workers~~ [it considers significant to report under this disclosure.](#) ~~The~~
1688 ~~organization should report its threshold for identifying significant fluctuations.~~

1689 ~~who are not employees that it deems significant.~~ The description ~~can~~ include how the numbers vary,
1690 i.e., (e.g., whether the numbers have increased or decreased during the [reporting period](#) or in
1691 comparison to the previous reporting period. ~~It can also include,~~ and the reasons for the fluctuations.
1692 ~~For example, (e.g., an increase in workers who are not employees~~ [during the reporting period could](#)
1693 [be](#) due to a seasonal event ~~taking place, A, or a~~ decrease in the number of ~~employees-workers who~~
1694 ~~are not employees~~ in comparison to the previous reporting period [could be](#) due to the completion of a
1695 temporary project).

1696 If there are no significant fluctuations in the number of ~~employees and~~ workers who are not
1697 employees during the reporting period or between reporting periods, a brief statement of this fact is
1698 sufficient to ~~meet the~~ [comply with the](#) requirement.

1699 **Guidance to ACT-~~32-ce~~**

1700 [The organization can report the number of workers who are not employees in head count or full-time](#)
1701 [equivalent \(FTE\). The head count gives insight into the number of individual workers, whether on a](#)
1702 [full-time or part-time basis. The FTE gives insight into the hours worked. The organization can also](#)
1703 [use another methodology for reporting these numbers if that is appropriate.](#)

1704 Reporting the number of ~~employees and~~ workers who are not employees at the end of the reporting
1705 period provides information for that point in time, without capturing ~~any~~ fluctuations during the
1706 reporting period. Reporting these numbers in averages across the reporting period takes into account
1707 fluctuations during the reporting period.

1708 **Section 5. Responsible business**

1709 **conduct** Strategy, policies, and

1710 practices

1711 The disclosures in this section provide an overview of ~~the~~ organization's [sustainable development](#)
1712 [strategy and its](#) policies and practices for responsible business conduct. The disclosures are based
1713 on expectations for businesses contained in ~~internationally recognized~~ [authoritative intergovernmental](#)

1714 instruments⁵, which include the International Labour Organization (ILO), *Tripartite Declaration of*
1715 *Principles concerning Multinational Enterprises and Social Policy*; the Organisation for Economic Co-
1716 operation and Development (OECD), *OECD Guidelines for Multinational Enterprises* and *OECD Due*
1717 *Diligence Guidance for Responsible Business Conduct*; and the United Nations (UN), *Guiding*
1718 *Principles on Business and Human Rights*. These instruments in turn are based on international legal
1719 instruments, such as the UN's *International Bill of Human Rights* and the ILO conventions.

1720 Expectations for responsible business conduct include complying with laws and regulations;
1721 respecting all internationally recognized human rights, including the rights of workers; and protecting
1722 the environment; and public health and safety; The expectations also regard combating bribery, bribe
1723 solicitation, extortion, and other forms of corruption; and adhering to good tax practices; as well as, in
1724 addition, they include conducting due diligence in order to identify, prevent, mitigate, and account for
1725 how an organization addresses its negative impacts on the economy, environment, and people.

1726 The disclosures in this section require information about the organization's policies and practices for
1727 responsible business conduct generally rather than for its material topics specifically. Disclosure MT-3
1728 in GRI 103: Material Topics requires information about how the organization manages each material
1729 topic. If the organization has described its policies and practices for a material topic under the
1730 disclosures in this section, it can provide a reference to this information under MT-3 and does not
1731 need to repeat the information.

1732 Disclosure **SPPRBC-1** Statement on sustainable development 1733 strategy

1734 Requirements

1735 The organization shall:

- 1736 a. preprovide a statement from the highest governance body or most senior executive
1737 of the organization about the relevance of sustainable development to the organization
1738 and about its strategy for contributing to sustainable development.

1739 Guidance

1740 Guidance to **SPPRBC-1**

1741 The organization should describe ~~statement should include:~~

- 1742 • the ~~its~~ short, medium and long-term vision and strategy for the short-term, medium-term, and
1743 long-term, with respect to managing to manage the organization's impacts on the economy,
1744 environment, and people, including impacts on human rights, across its activities and
1745 business relationships – including impacts on human rights;
- 1746 • how the organization's ~~sits~~ purpose, business strategy and business model are designed or
1747 changed in order aim to avoid negative impacts and achieve positive impacts on the economy,
1748 environment, and people changes in the business model to address impacts to sustainable
1749 development;
- 1750 • its short-term and medium-term strategic priorities for contributing to sustainable
1751 development, including the relation to and observance of internationally recognized standards
1752 and agreements;

⁵ These instruments include the International Labour Organization (ILO) *Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy*; the Organisation for Economic Co-operation and Development (OECD) *Guidelines for Multinational Enterprises*; the *OECD Due Diligence Guidance for Responsible Business Conduct*; and the United Nations (UN) *Guiding Principles on Business and Human Rights*. These instruments in turn are based on international legal instruments, such as the *UN International Bill of Human Rights* and the ILO conventions.

- ~~the~~ broader trends (e.g., macroeconomic, social or political) affecting the organization and ~~its strategy~~its strategy for contributing to sustainable development;
- ~~the~~ key events, achievements, and failures ~~with respect to~~regarding the organization's contributions to sustainable development during the reporting period;
- ~~a~~ view of performance against goals and targets for the organization's material topics ~~for contributing that contributed~~ to sustainable development during the reporting period;
- the organization's main challenges, ~~and~~ goals and targets regarding its contribution to sustainable development specified for ~~for both~~ the next year and ~~for~~ the coming three to five years ~~with respect to its contribution to sustainable development~~.

When determining whether the highest governance body or most senior executive provides reports the required statement, the organization should consider its legal and operating context. For some organizations this will be influenced by applicable legislation or regulation, which ~~could~~can be related to:

- the country where the organization is incorporated or registered;
- a stock exchange where the organization trades its securities ~~on~~;
- the nature and type of the organization (e.g., charity, incorporated company, mutual organization).

Disclosure RBCSPP-2 Policy commitments

Requirements

The organization shall:

- a. describe its policy commitments for responsible business conduct, including:
 - i. the ~~internationally recognized~~authoritative intergovernmental instruments that the commitments reference;
 - ii. whether the commitments stipulate conducting due diligence;
 - iii. whether the commitments stipulate applying the precautionary principle;
 - iv. whether the commitments stipulate respecting human rights;
 - b. describe its specific policy commitment to respect human rights, including:
 - i. the internationally recognized human rights that the commitment covers;
 - ii. the categories of stakeholders, including at-risk or vulnerable groups, that the organization gives particular attention to in the commitment;
 - c. provide links to the policy commitments if publicly available, or, if the policy commitments are not publicly available, explain the reason for this;
 - d. report the level at which each of the policy commitments was approved within the organization, including whether this is the most senior level, ~~and the date of approval~~;
 - e. report ~~whether the extent to which~~ the policy commitments apply solely to the organization's own activities ~~or whether they also stipulate the organization's expectations of those with which it has~~and to its business relationships ~~and, if so, describe what those expectations are~~;
 - f. describe how the policy commitments are communicated to workers, business partners, and other relevant parties;
- ~~g. if the organization does not have any of the policy commitments in RBC-2-a, explain the reason for not having them or describe any plans to develop them.~~

1795 **Guidance**

1796 **Background**

1797 This disclosure covers the organization's policy commitments for responsible business conduct,
1798 including the commitment to respect human rights. These commitments can be set out in a stand-
1799 alone policy document or they can be included within one or more other policy documents, such as
1800 codes of conduct.

1801 The [Organisation for Economic Co-operation and Development \(OECD\) Guidelines for Multinational](#)
1802 [Enterprises](#), the [OECD Due Diligence Guidance for Responsible Business Conduct](#), and the [United](#)
1803 [Nations \(UN\) Guiding Principles on Business and Human Rights](#) set out expectations for
1804 organizations in relation to these [policy](#) commitments.

1805 **Guidance to [RBCSPP-2-a](#)**

1806 The organization should report the expectations, values, principles, and norms of behavior set out in
1807 the policy commitments.

1808 The organization can also report how the policy commitments were developed, including the internal
1809 and external expertise that informed the policy commitments.

1810 **Guidance to [RBCSPP-2-a-i](#)**

1811 ~~The introduction to this~~ See the [Bibliography section \(i.e., Section 5 for a list of this Standard\)](#) provides
1812 ~~examples of internationally recognized authoritative intergovernmental~~ instruments for responsible
1813 business conduct.

1814 The organization can also make a reference to other standards or initiatives that it participates in.

1815 **Guidance to [RBCSPP-2-a-iii](#)**

1816 The precautionary principle is set out in Principle 15 of the *UN Rio Declaration on Environment and*
1817 *Development*. It states: 'Where there are threats of serious or irreversible damage, lack of full
1818 scientific certainty shall not be used as a reason for postponing cost-effective measures to prevent
1819 environmental degradation.'

1820 ~~Applying~~ The precautionary principle means taking early action [to prevent and mitigate potential](#)
1821 [negative impacts](#) in situations where [conclusive scientific understanding or evidence is lacking but](#)
1822 ~~there is sufficient reason to expect serious or irreversible damage, in advance of complete scientific~~
1823 ~~understanding or evidence, to prevent and mitigate potential negative impacts on people's health and~~
1824 ~~the environment.~~

1825 While the precautionary principle is most often associated with the protection of the environment, it
1826 can be applied to other areas, such as health and safety. The organization can describe the areas
1827 where it applies the precautionary principle.

1828 [The application of the precautionary principle can be reported under MT-3-d-i in GRI 103: Material](#)
1829 [Topics, as part of the organization's actions to prevent or mitigate potential negative impacts for each](#)
1830 [material topic.](#)

1831 **Guidance to [RBCSPP-2-b-i](#)**

1832 [Human rights are rights inherent to all human beings, regardless of nationality, place of residence,](#)
1833 [sex, national or ethnic origin, color, religion, language, or any other status. These rights are all](#)
1834 [interrelated, interdependent, and indivisible.](#)

1835 [The internationally recognized human rights include, at a minimum, the rights set out in the UN](#)
1836 [International Bill of Human Rights and the principles concerning fundamental rights set out in the ILO](#)
1837 [Declaration on Fundamental Principles and Rights at Work.](#)

1838 [UN instruments elaborate further on the rights of indigenous peoples; women; national or ethnic,](#)
1839 [religious and linguistic minorities; children; persons with disabilities; and migrant workers and their](#)

1840 [families. There are also standards of international humanitarian law that apply in situations of armed](#)
1841 [conflict, such as the *International Committee of the Red Cross \(ICRC\) Geneva Conventions of 1949*.](#)⁶

1842 [At the regional level, binding treaties as well as non-binding instruments provide region-specific](#)
1843 [frameworks for human rights.](#)⁷

1844 If the policy commitment covers all internationally recognized human rights, a brief statement of this
1845 fact is sufficient to meet the requirement. The organization can also state if the policy commitment
1846 references certain rights that require particular attention. For example, it can state that its policy
1847 commitment covers all internationally recognized human rights, and also references the rights to
1848 privacy and freedom of expression in particular because the organization has identified that its
1849 activities have an impact on these rights.

1850 If the policy commitment [only](#) covers [only](#) some internationally recognized human rights, the
1851 organization is required to state the rights that are covered. In addition, it can explain why the policy
1852 commitment is limited to these rights.

1853 **Guidance to [RBCSPP-2-b-ii](#)**

1854 Categories of [stakeholders](#) that the organization gives particular attention to can include consumers,
1855 customers, employees, local communities, and workers, ~~among others.~~ They can also include
1856 individuals belonging to groups or populations that are considered to be [at risk or vulnerable or at risk](#),
1857 such as ~~women~~ [children; human rights defenders; indigenous peoples; migrant workers and their](#)
1858 [families; national or ethnic, religious and linguistic minorities](#); persons who might be discriminated
1859 against based on their sexual orientation, gender identity, gender expression, or sex characteristics
1860 [\(e.g., lesbian, gay, bisexual, transgender, intersex\); indigenous peoples; national or ethnic, religious](#)
1861 [and linguistic minorities; children; persons with disabilities; migrant workers and their families; and/or](#)
1862 [human rights defenders; persons with disabilities; or women.](#)

1863 For example, a bank might give particular attention in its policy commitment to avoid discriminating
1864 against specific categories of customers, or a mining company might give particular attention to avoid
1865 infringing on the rights of indigenous peoples.

1866 **Guidance to [RBCSPP-2-d](#)**

1867 The most senior level ~~can~~ [may](#) differ between organizations. For example, the most senior level in
1868 ~~an~~ [the](#) organization ~~can~~ [could](#) be the [highest governance body](#) (e.g., the board), or it ~~can~~ [could](#) be the
1869 most [senior executive](#) (e.g., chief executive officer).

1870 The organization can also report the dates of [approval and](#) adoption of the policy commitments ~~(if~~
1871 ~~different from the date of their approval)~~, and how frequently ~~they~~ [the commitments](#) are reviewed.

1872 **Guidance to [RBCSPP-2-e](#)**

1873 If the policy commitments apply to all of the organization's ~~own~~ activities and [business relationships](#)
1874 equally, a brief statement of this fact is sufficient to meet the requirement.

1875 If the policy commitments apply to only some of the organization's ~~own~~ activities (e.g., they apply only
1876 to entities located in certain countries, or to certain subsidiaries), the organization ~~can~~ [should](#) report
1877 which of its activities the commitments apply to and [it can additionally](#) explain why the commitments
1878 are limited to these activities.

1879 If the policy commitments ~~stipulate expectations for~~ [apply to](#) only some of the organization's business
1880 relationships, the organization ~~can~~ [should](#) specify the types of business relationships [the](#)
1881 [commitments apply to](#) (e.g., distributors, franchisees, joint ventures, [suppliers](#)), and [it can additionally](#)
1882 explain why the [expectations/commitments](#) are limited to these business relationships.

⁶ See the Office of the United Nations High Commissioner for Human Rights' non-exhaustive list of universal human rights instruments, <https://www.ohchr.org/EN/ProfessionalInterest/Pages/UniversalHumanRightsInstruments.aspx>, accessed on 6 May 2020.

⁷ See the Office of the United Nations High Commissioner for Human Rights' list of regional human rights treaties, <https://www.ohchr.org/en/issues/escr/pages/regionalhrtreaties.aspx>, accessed on 6 May 2020.

1883 ~~When describing the organization's expectations of those with which it has business relationships,~~
1884 The organization ~~can~~should also explain whether ~~they~~the business relationships are obligated to
1885 abide by the policy commitments or are encouraged (but not obligated) to do so.

1886 **Guidance to RBCSPP-2-f**

1887 The organization can report:

- 1888 • whether the policy commitments need to be read, agreed to, and signed regularly by all
1889 workers, business partners, and other relevant parties, such as governance body members;
- 1890 • the means through which it communicates the policy commitments (e.g., newsletters, formal
1891 or informal meetings, dedicated websites, contractual agreements);
- 1892 • how it identifies and removes potential barriers to the communication or dissemination of the
1893 policy commitments (e.g., by making them accessible and available in relevant languages).

1894 **Disclosure RBCSPP-3 Embedding the policy commitments**
1895 **throughout the organization**

1896 **Requirements**

1897 **The organization shall:**

- 1898 **a. describe how the organization embeds each of its policy commitments for responsible**
1899 **business conduct throughout its activities and business relationships, including:**
 - 1900 i. ~~how the organization it~~ **allocates responsibility for to implementing the**
1901 **commitments across different levels within the organization;**
 - 1902 ii. ~~how the organization it~~ **integrates the commitments into organizational strategies,**
1903 **and operational policies, and operational procedures;**
 - 1904 iii. ~~how the organization works with those with which it has it implements its~~
1905 **commitments in its business relationships, to implement the commitments;**
 - 1906 iv. **training that the organization provides on implementing the commitments.**

1907 **Guidance**

1908 ***Background***

1909 This disclosure gives insight into how the organization embeds its policy commitments for responsible
1910 business conduct, including the commitment to respect human rights, throughout its activities and
1911 business relationships in order to ensure. This ensures that people at all levels act responsibly and
1912 with awareness of and respect for human rights.

1913 **Guidance to RBCSPP-3-a-i**

1914 ~~The~~Examples of different levels within an organization ~~can~~ include the highest governance body,
1915 senior executives, and operational levels.

1916 The organization can report:

- 1917 • the most senior level with oversight of, or accountability for, the implementation of the policy
1918 commitments;
- 1919 • the functions in the organization with day-to-day responsibility for implementing each of the
1920 policy commitments (e.g., human resources with the responsibility ~~for to~~ implementing the
1921 commitment to respect the rights of workers), including:
 - 1922 – their reporting lines to senior decision-making levels, ~~and~~;
 - 1923 – the reason for allocating the responsibility to them;

- 1924 • whether responsible business conduct is formally discussed at meetings of the highest
1925 governance body or senior executives and, if so, which topics are discussed;
- 1926 • whether there are other formal or systematic means for discussions about responsible
1927 business conduct between different levels or functions in the organization (e.g., a cross-
1928 functional working group).

1929 **Guidance to [RBCSPP-3-a-ii](#)**

1930 The organization can describe:

- 1931 • how it aligns the [policy](#) commitments with its:
 - 1932 – broader risk management systems and management policies;
 - 1933 – environmental, [socioeconomic](#), and [social/human rights impact or risk](#) assessments, and
1934 other [due diligence](#) processes;
 - 1935 – policies and procedures that set financial and other performance incentives for
1936 management or workers;
- 1937 • how it applies the [policy](#) commitments when making decisions, such as about its sourcing and
1938 operating locations;
- 1939 • the systems (e.g., [internal audit](#)) it uses ~~for to~~ monitoring compliance with the [policy](#)
1940 commitments ~~across throughout~~ its activities ([across functions and geographic locations](#)) and
1941 [throughout its](#) business relationships.

1942 **Guidance to [RBCSPP-3-a-iii](#)**

1943 The organization can describe:

- 1944 • its procurement or investment policies and practices, and its engagement with those with
1945 which it has business relationships, including:
 - 1946 – whether and how it applies pre-qualification processes, bidding criteria, or screening
1947 criteria consistent with the expectations stipulated in the [policy](#) commitments [for](#)
1948 [responsible business conduct](#);
 - 1949 – whether and how it considers the [policy](#) commitments in contracting or investment
1950 agreements, or in specific policies or codes of conduct for [suppliers](#);
 - 1951 – whether and how it considers the [policy](#) commitments in the process of determining
1952 whether to initiate, continue, or terminate a business relationship;
- 1953 • processes through which it enables or supports business partners and other parties to
1954 implement the [policy](#) commitments (e.g., capacity building, peer sharing);
- 1955 • incentives that it offers to business partners and other parties to implement the [policy](#)
1956 commitments (e.g., price premiums, increased orders, ~~or~~ long-term contracts).

1957 **Guidance to [RBCSPP-3-a-iv](#)**

1958 The organization can report:

- 1959 • the content of the training;
- 1960 • to whom the training is provided, and whether it is mandatory;
- 1961 • the form (e.g., in-person, online) and frequency of the training;
- 1962 • examples of how the organization has determined that the training is effective.

1963 The organization can report whether the training covers how to implement the [policy](#) commitments in
1964 general or in specific situations (e.g., ensuring the commitment toward privacy when handling
1965 customers' personal data, ~~or~~ ensuring the [policy](#) commitments are considered in procurement
1966 practices).

1967 The organization can specify if training is provided to those with day-to-day responsibility for and
1968 those with oversight of, or accountability for, the implementation of the [policy](#) commitments, ~~as well~~

1969 [as. The organization can also specify if training is provided](#) to those with which ~~the organization~~ it has
1970 business relationships (e.g., distributors, franchisees, joint ventures, suppliers). [In addition](#), the
1971 organization can [also](#) report the number or percentage of [individuals/workers](#), business partners, and
1972 other parties that have been trained during the [reporting period](#).

1973 Disclosure [RBCSPP-4](#) Grievance mechanisms and other 1974 remediation processes

1975 Requirements

1976 The organization shall:

- 1977 a. describe its commitments to provide for or cooperate in the [remediation](#) of negative
1978 [impacts](#) that the organization identifies it has caused or contributed to;
- 1979 b. describe its approach to identify and address [grievances](#), including:
- 1980 i. the [grievance mechanisms](#) that the organization has established or participates in;
- 1981 ii. other processes by which the organization provides for or cooperates in the
1982 remediation of negative impacts that it identifies it has caused or contributed to;
- 1983 c. describe how the [stakeholders](#) who are the intended users of the grievance mechanisms
1984 and other remediation processes are involved in the design, review, operation, and
1985 improvement of these mechanisms and processes;
- 1986 d. describe how the organization tracks the effectiveness of the grievance mechanisms and
1987 other remediation processes, and [provide report](#) examples of their effectiveness, including
1988 stakeholder feedback.

1989 Guidance

1990 Background

1991 This disclosure covers [grievance mechanisms](#) and other [remediation](#) processes that the organization
1992 has established or participates in. These mechanisms and processes enable [stakeholders](#) to raise
1993 concerns about [impacts](#), ~~and seek remedy for the organization's actual and potential~~ that the
1994 ~~organization has negative impacts~~ on them, ~~including~~. This includes impacts on their [human rights](#),
1995 ~~and to seek remedy.~~

1996 The [UN Guiding Principles on Business and Human Rights](#) and the [OECD Guidelines for](#)
1997 [Multinational Enterprises](#) set out expectations for organizations to provide for or cooperate in the
1998 remediation, through legitimate processes, of negative impacts that they identify they have caused or
1999 contributed to, ~~and to establish or participate in effective operational-level grievance mechanisms. An~~
2000 ~~organization is not responsible for providing remediation for negative impacts that are directly linked~~
2001 ~~to its operations, products, or services by its business relationships, but it can play a role in providing~~
2002 ~~it. See Box 3 in GRI 103: Material Topics for more information on causing, contributing, or being~~
2003 ~~directly linked to negative impacts.~~

2004 [These instruments also set out expectations for organizations to establish or participate in effective](#)
2005 [operational-level grievance mechanisms.](#)

2006 Grievance mechanisms are distinct from whistleblowing mechanisms. Whistleblowing
2007 mechanisms enable individuals to raise concerns about wrongdoing or breaches of the law in the
2008 organization's operations or business relationships, regardless of whether the individuals themselves
2009 are harmed or not. Whistleblowing mechanisms are to be reported under [Disclosure RBCSPP-5](#).

2010 Guidance to [RBCSPP-4](#)

2011 This disclosure covers the operation of grievance mechanisms and other remediation processes that
2012 the organization has established or participates in [to enable stakeholders to raise concerns about the](#)
2013 [organization's actual and potential negative impacts on them. The actions taken to provide for or](#)

2014 [cooperate in the remediation of actual negative impacts for material topics are to be reported under](#)
2015 [MT-3-d-ii in GRI 103: Material Topics.](#)

2016 The disclosure does not cover environmental remediation processes, such as processes to remove
2017 contaminants from soil, when these are not connected to [grievances](#) raised by stakeholders.
2018 However, the remedy provided to stakeholders through the mechanisms and processes covered by
2019 this disclosure ~~can~~[could](#) involve environmental remediation. [The use of environmental remediation](#)
2020 [processes to address actual negative impacts for material topics can be reported under MT-3-d-ii in](#)
2021 [GRI 103: Material Topics.](#)

2022 ~~Examples where the organization has provided for or cooperated in the remediation of specific~~
2023 ~~negative impacts through grievance mechanisms and other remediation processes, as well as~~
2024 ~~environmental remediation processes, are to be reported under MT-3-b-ii in GRI 103: Material Topics.~~

2025 **Guidance to [RBCSPP-4-b-i](#)**

2026 Grievance mechanisms refer to any routinized, state-based or non-state-based, judicial or non-judicial
2027 processes through which stakeholders can raise grievances and seek remedy.

2028 Examples of state-based ~~grievance mechanisms, both~~ judicial and non-judicial, [grievance](#)
2029 [mechanisms](#) include courts (for both criminal and civil actions), labor tribunals, national human rights
2030 institutions, National Contact Points under the *OECD Guidelines for Multinational Enterprises*,
2031 ombudsperson offices, consumer protection agencies, regulatory oversight bodies, and government-
2032 run complaints offices.

2033 Non-state-based grievance mechanisms include those administered by the organization, either alone
2034 or together with stakeholders, such as operational-level grievance mechanisms. It also includes
2035 [collective bargaining](#) and the mechanisms established by collective bargaining, as well as
2036 mechanisms administered by industry associations, international organizations, civil society
2037 organizations, or multi-stakeholder groups.

2038 Operational-level grievance mechanisms are administered by the organization either alone or in
2039 collaboration with other parties and are directly accessible by the organization's stakeholders. They
2040 allow for grievances to be identified and addressed early and directly, thereby preventing both harm
2041 and grievances from escalating, ~~and can~~. [They also](#) provide important feedback on the effectiveness
2042 of the organization's [due diligence](#) from those who are directly affected.

2043 The organization can describe:

- 2044 • the intended purpose and users of the mechanisms (i.e., whether they are intended for a
2045 particular stakeholder category, topic, or region) and whether they enable users to raise
2046 human rights-related concerns. For example, the organization can explain that it has
2047 established a mechanism for community members to raise complaints about resettlement and
2048 a separate hotline for [workers](#) to raise concerns about issues affecting their rights, such as
2049 health and safety conditions;
- 2050 • how the mechanisms operate and who administers them (the organization ~~and~~ or another
2051 party);
- 2052 • ~~for whether~~ operational-level grievance mechanisms, [are administered at the organizational](#)
2053 [level or whether they are administered at the organizational level or at a lower level, such as](#)
2054 [\(at the site or project level.\)](#) and, in ~~the latter~~ [such](#) case, how ~~data~~ [information](#) from these
2055 mechanisms is centralized;
- 2056 • how the mechanisms have been designed and ~~the on which~~ principles and guidelines ~~on~~
2057 [which](#) they are based, including whether they are designed to meet the effectiveness criteria
2058 set out in UN Guiding Principle 31;
- 2059 • the process through which grievances are investigated;
- 2060 • [whether grievances are communicated to the highest governance body;](#)
- 2061 • whether grievances are treated confidentially;
- 2062 • whether the mechanisms can be used by stakeholders anonymously through representation
2063 by a third party;

- 2064
- 2065
- whether the organization requires or provides incentives for the creation or improvement of operational-level grievance mechanisms in workplaces of suppliers;
- 2066
- whether the organization provides a back-up process for workplaces of suppliers that do not have operational-level grievance mechanisms or where the existing grievance mechanisms in those workplaces result in unresolved issues.
- 2067
- 2068

2069 **Guidance to RBCSPP-4-b-ii**

2070 RBCSPP-4-b-ii covers remediation processes other than grievance mechanisms.

2071 Examples include a customer service desk where customers ~~can~~ raise complaints about discrimination or privacy issues and receive remedy, or instances where the organization takes action to remediate an actual impact evidenced in an impact assessment or a report published by a civil society organization.

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2075 See Guidance to RBCSPP-4-b-i for more information on how to report and describe other remediation processes.

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2077 **Guidance to RBCSPP-4-c**

2078 The organization can describe, for example, how it engages with stakeholders who are the intended users of the grievance mechanisms, to understand how they want to access the mechanisms to raise concerns, and their expectations about how the mechanisms will operate.

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2081 **Guidance to RBCSPP-4-d**

2082 According to UN Guiding Principle 31, effective grievance mechanisms are legitimate, accessible, predictable, equitable, transparent, rights-compatible, and a source of continuous learning. In addition to these criteria, effective operational-level grievance mechanisms are also based on engagement and dialogue. ~~It is acknowledged that~~ It can be more difficult for the organization to assess the effectiveness of grievance mechanisms that it participates in compared to those it has established itself.

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2088 The organization can report:

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- whether and how the intended users are informed about the grievance mechanisms and remediation processes ~~and trained on how to use them~~;
- 2090
- whether and how the intended users are trained on how to use the grievance mechanisms and remediation processes;
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- 2092
- the accessibility of the grievance mechanisms and remediation processes, such as the ~~total~~ number of hours per day or days per week ~~that they are available~~, and their availability in different languages;
- 2093
- 2094
- 2095
- how the organization seeks to ensure ~~that users are treated with respect and protected~~ it respects users' human rights and protects them against reprisals (i.e., non-retaliation for raising complaints or concerns);
- 2096
- 2097
- 2098
- how satisfied users are with the grievance mechanisms and remediation processes ~~or, and with~~ the resulting outcomes, ~~and as well as~~ how the organization assesses users' satisfaction;
- 2099
- 2100
- the number and types of grievances filed during the reporting period, and the percentage of grievances that were addressed and resolved, including the percentage that were resolved through remediation;
- 2101
- 2102
- 2103
- the number of grievances filed during the reporting period that are repeated or recurring;
- 2104
- changes made to the grievance mechanisms and remediation processes in response to lessons learned about their effectiveness.
- 2105
- 2106

2107 Quantitative information, such as the number of grievances, is unlikely to be sufficient on its own. For example, a low number of grievances could indicate that few incidents have occurred, but it could equally also signal that the mechanisms are not trusted by their intended users. For this reason, contextual information should be provided to aid in understanding and interpreting the quantitative information.

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2112 **Disclosure [SPPRBC-5](#) Mechanisms for seeking advice and raising**
2113 **concerns**

2114 **Requirements**

2115 **The organization shall:**

2116 **a. describe the mechanisms for individuals to:**

2117 **i. seek advice on implementing the organization's policies and practices for**
2118 **responsible business conduct;**

2119 **ii. raise concerns about the organization's responsible business conduct.**

2120 **Guidance**

2121 **Background**

2122 This disclosure covers ~~the an~~ organization's mechanisms for individuals to seek advice and to raise
2123 concerns about responsible business conduct in the operations of the organization and its business
2124 relationships. Examples of these mechanisms include confidential interviews during site visits,
2125 escalation processes (to raise issues through management levels), hotlines, mechanisms to report
2126 non-compliance with laws and regulations, and whistleblowing mechanisms.

2127 These mechanisms enable individuals to raise concerns about wrongdoing or breaches of the law in
2128 the organization's operations or business relationships, regardless of whether the individuals
2129 themselves are harmed or not. They are distinct from grievance mechanisms, which enable
2130 stakeholders to raise concerns about, and seek remedy for, the organization's actual and potential
2131 negative impacts (actual and potential) that the organization has on them, This including includes
2132 impacts on their human rights, and to seek remedy. Grievance mechanisms are to be reported under
2133 Disclosure [SPPRBC-4](#).

2134 **Guidance to [SPPRBC-5](#)**

2135 If the organization's grievance mechanisms and its mechanisms for seeking advice and raising
2136 concerns about responsible business conduct operate in a similar way, the organization can provide a
2137 single description of how these mechanisms operate and clearly state/explain which mechanisms the
2138 description covers.

2139 **Guidance to [SPPRBC-5-a](#)**

2140 The organization can report:

- 2141 • who the intended users of the mechanisms are;
- 2142 • how the mechanisms operate and which level or function in the organization is assigned
2143 responsibility for them;
- 2144 • whether the mechanisms are operated independently of the organization (e.g., by a third
2145 party);
- 2146 • the process through which concerns are investigated;
- 2147 • whether requests for advice and concerns raised are treated confidentially;
- 2148 • whether the mechanisms can be used anonymously.

2149 Additionally, the organization can report on the effectiveness of the mechanisms, including:

- 2150 • whether and how the intended users are informed about the mechanisms and trained on
2151 how to use them;
- 2152 • the accessibility of the mechanisms, such as the total number of hours per day or days per
2153 week that they are available, and their availability in different languages;

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- how the organization seeks to ensure it respects users' human rights are treated with respect and protects them ed against reprisals (i.e., non-retaliation for reporting concerns);
 - how satisfied users are with the mechanisms or and with the resulting outcomes;
 - the number and types of requests for advice received during the reporting period, and the percentage of requests that were answered;
 - the number and types of concerns raised during the reporting period, and the percentage of concerns that were addressed and resolved, or resolved or found to be unsubstantiated.

2161 **Disclosure RBCSPP-6 Compliance with laws and regulations**

2162 **Requirements**

2163 **The organization shall:**

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- a. report the total number of significant instances of non-compliance with laws or regulations ~~for which significant fines or non-monetary sanctions were incurred~~ during the reporting period, with a breakdown of this total by including:
 - iii. ~~total monetary value of the significant fines incurred;~~
 - i. instances for which total number of significant fines were incurred and their monetary value;
 - i.ii. instances for which and total number of non-monetary sanctions were incurred;
 - ii. ~~the nature of each instance of non-compliance for which a significant fine or non-monetary sanction was incurred;~~
 - b. describe the significant instances of non-compliance;
 - c. describe how it has determined significant instances of non-compliance.
 - ~~b.d. report instances of non-compliance with laws or regulations raised through dispute resolution mechanisms during the reporting period, including the nature of each instance of non-compliance.~~

2178 **Guidance**

2179 **Background**

2180 ~~Non-compliance is failure to comply with the laws and/or regulations.~~ This disclosure addresses non-
2181 compliance, or failure to comply with, all laws and regulations related to economic, environmental,
2182 and social matters that are applicable to the organization. ~~Non-compliance is the failure to comply~~
2183 with the such laws and/or regulations.

2184 These laws and regulations can be issued by a variety of bodies including governments (local,
2185 regional, and national), regulatory authorities, and public agencies.

2186 Laws and regulations include:

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- international declarations, conventions, and treaties;
 - national, subnational, regional, and local regulations;
 - binding voluntary agreements made with regulatory authorities and developed as a substitute for implementing a new regulation;

2191 • voluntary agreements (or covenants), if the organization directly joins the agreement, or if
2192 public agencies make the agreement applicable to organizations in their territory through
2193 legislation or regulation.

2194 Laws and regulations relating to economic and social matters include topics such as accounting and
2195 tax fraud, ~~corruption~~, bribery, corruption, competition, the provision of products and services, or labor
2196 issues, such as workplace discrimination.

2197 Laws and regulations relating to environmental matters include topics such as biodiversity, emissions,
2198 energy, material use, spills and leaks, waste, and water and effluents.

2199 Non-compliance with laws and regulations can give insight into the ability of management to ensure
2200 that the organization conforms to certain performance parameters. ~~In some circumstances, non-~~
2201 ~~compliance can lead to remediation obligations or liabilities other than fines, such as clean-up~~
2202 ~~obligations in the case of environmental issues. The strength of an organization's compliance record~~
2203 ~~can also influence its ability to gain permits and consequently to expand operations.~~

2204 Guidance to RBC-6

2205 Guidance to SPP-6-a

2206 The scope of this disclosure includes instances of non-compliance that resulted in administrative or
2207 judicial sanctions induring the reporting period.

2208 Non-monetary sanctions include restrictions imposed by governments, regulatory authorities, or public
2209 agencies, on the organization's activities or operations, such as withdrawal of trading licenses or
2210 licenses to operate in highly regulated industries.

2211 AnThe organization can include fines that have been reported in its audited consolidated financial
2212 statements or in the financial information filed on public record.

2213 If the organization has not incurred any fines or non-monetary sanctions for non-compliance with laws
2214 or regulations, a brief statement of this fact is sufficient to meet the requirement.

2215 Non-monetary sanctions can include restrictions imposed by governments, regulatory authorities, or
2216 public agencies, on the organization's activities or operations, such as withdrawal of trading licenses
2217 or licenses to operate in highly regulated industries.

2218 Guidance to SPP-6-b

2219 The description of significant instances of non-compliance can include the geographic location where
2220 the instance occurred and the matter to which the instance relates, i.e., economic, environmental, or
2221 social matters applicable to the organization. The organization should report sufficient information for
2222 stakeholders to understand the type and context of the significant instances of non-compliance.

2223 The organization can explain whether the significant instances are repeated or recurring.

2224 Guidance to SPP-6-c

2225 A fine or non-monetary sanction is significant if it could influence decision-making by information
2226 users making use of the organization's reported information. If the fine or non-monetary sanction is
2227 reported in the organization's audited consolidated financial statements or in the financial information
2228 filed on public record, it can be considered significant and is required to be reported under this
2229 disclosure.

2230 If the organization has not incurred any significant fines or non-monetary sanctions for non-
2231 compliance with laws or regulations, a brief statement of this fact is sufficient to meet the requirement.

2232 When describing how the organization has determined significant instances of non-compliance, it can
2233 include:

- [the severity of the impact that resulting from the instance resulted in;](#)
- [external benchmarks used in its sector to determine significant instances of non-compliance.](#)

2236 Disclosure **SPPRBC-7 Membership associations**

2237 Requirements

2238 The organization shall:

- 2239 a. report industry [associations](#), [and](#) other membership associations, and national [and or](#)
2240 international advocacy organizations in which it [participates in has](#) a significant role.

2241 Guidance

2242 **Guidance to [SPPRBC-7](#)**

2243 The organization could have a significant role in an association or advocacy organization when it
2244 holds a position in the governance body, participates in projects or committees, [or](#) provides
2245 substantive funding beyond routine membership dues. [It could also apply when the organization or](#)
2246 views its membership as strategic to influencing the mission or objective of the association that is
2247 critical to the organization's own activities.

2248 Section 6. Stakeholder engagement

2249 This section includes disclosures on the organization's [stakeholder](#) engagement practices, including
2250 how it engages in [collective bargaining with employees](#).

2251 Disclosure SE-1 Approach to stakeholder engagement

2252 Requirements

2253 The organization shall:

- 2254 a. describe its approach to engaging with [stakeholders](#), including:
 - 2255 i. the categories of stakeholders it engages with, and how they are identified;
 - 2256 ii. the purpose of the stakeholder engagement;
 - 2257 iii. how the organization seeks to ensure meaningful engagement with stakeholders.

2258 Guidance

2259 **Guidance to SE-1**

2260 Stakeholders are individuals or groups [whohat](#) have interests that are [affected](#) or could be [affected](#)
2261 by the organization's activities [and decisions](#). For more information on stakeholders, see [Section 2.4](#)
2262 [of in GRI 101: Using the GRI Standards](#).

2263 This disclosure covers stakeholder engagement undertaken by the organization as part of its ongoing
2264 activities rather than [specifically](#) for the purpose of sustainability reporting.

2265 **Guidance to SE-1-a-i**

2266 Common categories of stakeholders for organizations ~~include~~ are business partners, civil society
2267 organizations, consumers, customers, employees and other workers, governments, local
2268 communities, non-governmental organizations, shareholders and other investors, suppliers, trade
2269 unions, and vulnerable groups.

2270 The organization can explain how it determines which categories of stakeholders to engage with and
2271 which categories not to engage with.

2272 **Guidance to SE-1-a-ii**

2273 The organization purpose of stakeholder engagement can ~~report the types of activities and decisions~~
2274 ~~for which it engages with stakeholders~~ be, for example, to identify actual and potential negative
2275 impacts, or to determine prevention and mitigation responses to potential negative impacts. In some
2276 cases, stakeholder engagement is a right in and of itself, ~~for example, such as~~ the right of workers to
2277 form or join trade unions or their right to bargain collectively.

2278 The organization can additionally also report:

- 2279 • the type and frequency (e.g., annually, quarterly) of stakeholder engagement. ~~For example,~~
2280 ~~whether the engagements are~~ (e.g., participation, consultation, information) and its frequency
2281 (e.g., ongoing (e.g., in the case of systemic issues) or whether they are specific engagements
2282 with particular groups or for particular operations or projects, quarterly, annually);
- 2283 • when ~~the organization~~ it engages directly with stakeholders and when it engages with credible
2284 stakeholder representatives or proxy organizations, or other credible independent expert
2285 resources, and why;
- 2286 • whether stakeholder engagement activities take place at the organizational level or at a lower
2287 level, such as at the site or project level, and in the latter case, how data/information from
2288 stakeholder engagement activities is centralized;
- 2289 • the resources (e.g., financial or human resources) allocated to stakeholder engagement.

2290 Further information on stakeholder engagement undertaken for specific activities, ~~for example, for the~~
2291 ~~setups such as setting up~~ and operation of operating grievance mechanisms and other remediation
2292 processes, or ~~for the identification/determining~~ and management of managing material topics and
2293 related impacts, is reported under other disclosures (RBCSPP-4-d in this Standard, and MT-1-a-iii
2294 and MT-3-d in *GRI 103: Material Topics*).

2295 **Guidance to SE-1-a-iii**

2296 ~~As stated in~~ Meaningful stakeholder engagement is, according to the Organisation for Economic Co-
2297 operation and Development (OECD) Due Diligence Guidance for Responsible Business Conduct,
2298 meaningful stakeholder engagement is characterized by two-way communication and depends on the
2299 good faith of participants on both sides. It is also responsive and ongoing, and includes in many cases
2300 engaging with relevant stakeholders before decisions are made.

2301 The organization can report:

- 2302 • how it takes into account potential barriers to stakeholder engagement (e.g., language and
2303 cultural differences, gender and power imbalances, divisions within a community or group);
- 2304 • how it engages with at-risk or vulnerable groups, ~~such as~~ (e.g., whether it takes specific
2305 approaches and gives special attention to potential barriers);
- 2306 • how it provides stakeholders with information that is understandable and accessible through
2307 appropriate communication channels;
- 2308 • how stakeholder feedback is recorded and integrated into decision-making, and how
2309 stakeholders are informed about ~~how~~ the way in which their feedback has influenced
2310 decisions;
- 2311 • how it seeks to respect the human rights of all stakeholders engaged, such as their rights to
2312 privacy, freedom of expression, and peaceful assembly and protest;

- 2313 • how it works with business partners to engage with stakeholders in a meaningful way,
2314 including [the](#) expectations it places on business partners to respect the [human](#) rights of
2315 stakeholders during engagement.

2316 Disclosure SE-2 Collective bargaining agreements

2317 Requirements

2318 The organization shall:

- 2319 a. report the percentage of total [employees](#) covered by [collective bargaining](#) agreements;
2320 b. for employees not covered by collective bargaining agreements, report whether it
2321 determines their working conditions and terms of employment based on [its existing](#)
2322 [collective bargaining agreements that cover with its other employees or based on](#)
2323 [collective bargaining agreements from other organizations](#).

2324 Guidance

2325 [Background](#)

2326 The right to collective bargaining is a fundamental right at work that is covered in the *ILO Right to*
2327 *Organise and Collective Bargaining Convention* [[Ref no. 9](#)].

2328 Collective bargaining refers to negotiations that take place between one or more employers or
2329 employers' organizations and one or more workers' organizations (trade unions). The objective of
2330 these negotiations is to reach a collective agreement on working conditions and terms of employment
2331 (e.g., wages and working time) [under](#) to regulate relations between employers and [workers](#).⁸ These
2332 negotiations are an important means through which organizations and trade unions can improve
2333 working conditions and labor relations.

2334 Collective agreements can be made at the level of the organization, at the level of a particular site,
2335 ~~and/or~~ at the industry level, ~~and/or~~ at the national level in countries where this is the practice.
2336 Collective agreements can cover specific groups of workers, for example, those performing a specific
2337 activity or working at a specific location.

2338 [This disclosure requires information about how the organization respects its employees' rights to](#)
2339 [collective bargaining and freedom of association. If the organization has a statement or policy](#)
2340 [commitment on freedom of association and collective bargaining, this is to be reported under RBC-2-](#)
2341 [b-i in this Standard and MT-3-a in GRI 103: Material Topics.](#)

2342 See references [4](#), [2](#), [3](#), [4](#), [5](#), [6](#), [9](#), [10](#), [214](#), [256](#), and [267](#) in the [References-Bibliography](#) section.

2343 [Guidance to SE-2-a](#)

2344 SE-2-a ~~provides~~ [enables](#) [requires the organization to report information on the proportion percentage](#)
2345 [of the organization's](#) [employees](#) whose working conditions and terms of employment (e.g., wages
2346 [and working time](#)) are regulated by one or more collective bargaining agreements. ~~This can give~~
2347 [insight into whether the organization respects its employees' rights to collective bargaining and](#)
2348 [freedom of association.](#)

2349 This requirement does not ask for the percentage of employees belonging to trade unions, which
2350 ~~might can~~ be a different number. The percentage of employees covered by collective bargaining
2351 agreements can be higher than the percentage of unionized employees when an organization is
2352 required to apply the collective bargaining agreements to both union and non-union members.
2353 Alternatively, the percentage of employees covered by collective bargaining agreements can be lower
2354 than the percentage of unionized employees. [This applies](#) when there are no collective bargaining
2355 agreements available or when the collective bargaining agreements do not cover all unionized
2356 employees.

⁸ International Labour Organization (ILO), *Collective Bargaining Convention*, 1981 (No. 154).

2357 The percentage of **total** employees covered by collective bargaining agreements is calculated using
2358 the following formula:

$$2359 \frac{\text{Number of employees covered by collective bargaining agreements}}{\text{Total number of employees reported under Disclosure ACT-2}} \times 100$$

2360 The employees covered by collective bargaining agreements are those employees to whom the
2361 organization is obliged to apply the agreement. [This means that if none of the employees are covered](#)
2362 [by a collective bargaining agreement, the percentage reported is zero.](#) ~~An~~ ~~an~~ employee ~~is~~ covered
2363 by more than one collective bargaining agreement, ~~it~~ only needs to be counted once.

2364 Employees who are represented by a works council are not included under SE-2-a, unless the works
2365 council engages in collective bargaining that results in a collective bargaining agreement.

2366 ~~If none of the organization's employees are covered by collective bargaining agreements, a brief~~
2367 ~~statement of this fact is sufficient to meet the~~ [comply with the requirement.](#)

2368 The organization can [additionally also](#) report the percentage of employees covered by collective
2369 bargaining agreements per region or country, or provide comparisons with industry benchmarks.

2370 **Guidance to SE-2-b**

2371 ~~SE-2-b only applies to organizations where some or all employees are not covered by collective~~
2372 ~~bargaining agreements. In these cases, the organization might determine the working conditions and~~
2373 ~~terms of employment of these employees based on its existing collective bargaining agreements that~~
2374 ~~cover other employees (as reported under SE-2-a) or based on collective bargaining agreements from~~
2375 ~~other organizations. SE-2-b requires the organization to report if this is the case.~~

2376 ~~If all the organization's employees are covered by collective bargaining agreements, the organization~~
2377 ~~does not need to report the information in SE-2-b.~~

2378 [There may be instances where some or none of the organization's employees are covered by](#)
2379 [collective bargaining agreements. However, the working conditions and terms of employment of these](#)
2380 [employees may be influenced or determined by the organization based on other collective bargaining](#)
2381 [agreements, such as agreements that cover other employees or agreements from other](#)
2382 [organizations. SE-2-b requires the organization to report if this is the case. If this is not the case, and](#)
2383 [the working conditions and terms of employment of these employees is not influenced or determined](#)
2384 [based on other collective bargaining agreements, a brief statement of this fact is sufficient to comply](#)
2385 [with this requirement.](#)

2386 [If all of the organization's employees are covered by collective bargaining agreements, a brief](#)
2387 [statement of this fact is sufficient to comply with the requirement.](#)

2388 **ReferencesBibliography**

2389 [The following documents informed the development of this Standard and can be helpful for](#)
2390 [understanding and applying it. This section lists authoritative intergovernmental instruments and other](#)
2391 [sources used in developing this Standard, as well as additional resources that can be consulted by](#)
2392 [organizations.](#)

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