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## Item 05 – GRI Universal Standards Project – Revised GRI 101: Section 2. Key concepts

### For GSSB discussion

<b>Date</b>	8 February 2021
<b>Meeting</b>	25 February 2021
<b>Project</b>	GRI Universal Standards Project
<b>Description</b>	<p>This document presents the revised draft of Section 2. Key concepts in <i>GRI 101: Using the GRI Standards</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 on the key concepts section can be found here: <a href="https://www.globalreporting.org/media/outfw4t2/item-01-public-comments-to-revisions-on-key-concepts-in-the-universal-standards-exposure-draft.pdf">https://www.globalreporting.org/media/outfw4t2/item-01-public-comments-to-revisions-on-key-concepts-in-the-universal-standards-exposure-draft.pdf</a></p>

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## 5 Explanatory note

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

- 7 • Clarified more prominently the importance and role of stakeholder engagement in the process  
8 to identify an organization's most significant impacts, see lines 26-27, 59-61, and 135-136.
- 9 • Provided additional explanation regarding the relationship between sustainability reporting  
10 and financial and value creation reporting within Box 1, see lines 63-88.
- 11 • Clarified the relationship between stakeholders and rightsholders, and between interests and  
12 rights, see lines 120-124.

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

14 The inclusion of 'human rights' in the phrase 'impacts on the economy, environment, and people,  
15 including impacts on human rights' will be discussed at the GSSB meeting on 25 February 2021.

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

## 18 Revised section 2. Key concepts

19 This section explains concepts that lay the foundation for sustainability reporting. Understanding how  
20 these concepts are used in the GRI Standards is essential for those who collect and prepare  
21 information for reporting, as well as for those who interpret information that is reported using the  
22 Standards.

23 The key concepts covered in this section are: impact, material topic, due diligence, and stakeholder.  
24 The purpose of the Standards is to enable organizations to report on their most significant impacts on  
25 the economy, environment, and people, including impacts on human rights – in the GRI Standards  
26 these are referred to as material topics. Due diligence and stakeholder engagement help  
27 organizations identify their most significant impacts.

### 28 2.1 Impact

29 In the GRI Standards, impact refers to the effect an organization has or could have on the economy,  
30 environment, or people, including on human rights, as a result of its activities or business  
31 relationships. The impacts can be actual or potential, negative or positive, short-term or long-term,  
32 intended or unintended, and reversible or irreversible. These impacts indicate the organization's  
33 contribution, negative or positive, to sustainable development.

34 The organization's impacts on the economy refer to the impacts on economic systems at local,  
35 national, and global levels. An organization can have an impact on the economy through, for example,  
36 its competition practices, its procurement practices, and its taxes and payments to governments.

37 The organization's impacts on the environment refer to the impacts on living organisms and non-living  
38 elements, including air, land, water, and ecosystems. An organization can have an impact on the  
39 environment through, for example, its use of energy, land, water, and other natural resources.

40 The organization's impacts on people refer to the impacts on individuals and on groups, such as  
41 communities, or society more generally. An organization can have an impact on people through, for  
42 example, its employment practices (such as the wages it pays to employees), its supply chain (such  
43 as the working conditions of workers of suppliers), and its products and services (such as their safety  
44 or affordability). Individuals or groups that have interests that are affected or could be affected by the  
45 organization's activities are referred to as stakeholders (see [Section 2.4](#) of this Standard).

**Commented [SD1]: Type of change:** revision following public comment feedback and editorial revision.

New text added to clarify more prominently the importance and role of stakeholder engagement in the process to identify an organization's most significant impacts.

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

New text added to clarify that people includes communities and society.

**Commented [SD3]: Type of change:** editorial revision (change in location).

**Commented [SD4]: Type of change:** revision following public comment feedback.

The following text has been moved to section 2.4 Stakeholder and has been modified following public comment feedback: "The most acute impacts an organization can have on people are those that negatively affect their human rights." See lines 120-124.

46 **2.2 Material topic**

47 An organization may identify many impacts on which to report. When using the GRI Standards, the  
48 organization prioritizes reporting on those topics that represent its most significant impacts on the  
49 economy, environment, and people, including impacts on human rights. In the GRI Standards, these  
50 are the organization's material topics.

51 Examples of material topics are anti-corruption, occupational health and safety, or water and  
52 effluents. A topic need not be limited to only impacts on the economy, or the environment, or people;  
53 it can cover impacts across all these three dimensions. For example, an organization might determine  
54 that 'water and effluents' is a material topic based on the impacts its water use has on ecosystems as  
55 well as on local communities' access to water. The GRI Standards group impacts into topics, like  
56 'water and effluents', to help organizations report in a cohesive way on multiple impacts that relate to  
57 the same topic.

58 The process to determine material topics is informed by the organization's ongoing identification and  
59 assessment of impacts. The ongoing identification and assessment of impacts involves engaging with  
60 relevant stakeholders and experts and it is conducted independently of the sustainability reporting  
61 process. See [Section 2 of GRI 103: Material Topics](#) for more information on determining material  
62 topics.

63 **Box 1. Sustainability reporting and financial and value creation reporting**

64 The GRI Standards enable organizations to report on the most significant impacts of their activities  
65 and business relationships on the economy, environment, and people, including impacts on human  
66 rights. These impacts are of primary importance to sustainable development and to organizations'  
67 stakeholders, and they form the focus of sustainability reporting.

68 The impacts of an organization's activities and business relationships on the economy, environment,  
69 and people can have negative and positive consequences for the organization itself. These  
70 consequences can be operational or reputational, and therefore in many cases financial. For  
71 example, an organization's high use of non-renewable energy contributes to climate change and  
72 could, at the same time, result in increased operating costs for the organization due to legislation that  
73 seeks to shift energy use toward renewable sources.

74 Even if not financially material at the time of reporting, the impacts of an organization's activities and  
75 business relationships on the economy, environment, and people will eventually translate into  
76 financially material issues. The impacts are therefore also important for those interested in the  
77 financial performance and long-term success of the organization. Understanding these impacts is a  
78 necessary first step in order to determine related financially material issues for the organization.

79 Sustainability reporting is therefore crucial for financial and value creation reporting. Information made  
80 available through sustainability reporting provides input for identifying financial risks and opportunities  
81 related to the organization's impacts and for financial valuation. This in turn helps in making financial  
82 materiality judgments about what to recognize in financial statements.

83 While the impacts of an organization's activities and business relationships on the economy,  
84 environment, and people may become financially material, sustainability reporting is also highly  
85 relevant in its own right as a public interest activity. It is independent of the consideration of financial  
86 implications. It is important for the organization to report on all the material topics that it has  
87 determined using the GRI Standards. These material topics cannot be deprioritized on the basis that  
88 they are not financially material.

89 **2.3 Due diligence**

90 In the GRI Standards, due diligence refers to the process through which an organization identifies,  
91 prevents, mitigates, and accounts for how it addresses its actual and potential negative impacts on  
92 the economy, environment, and people, including impacts on human rights. The organization should  
93 address potential negative impacts through prevention or mitigation. It should address actual negative  
94 impacts through remediation, in cases where the organization identifies it has caused or contributed  
95 to those impacts.

**Commented [SD5]: Type of change:** revision following public comment feedback.

Original wording: "reflect".

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

Text revised to clarify more prominently the importance and role of stakeholder engagement in the process to identify an organization's most significant impacts.

The explanation of significance is already included under Section 2.3 Due diligence, so it has been removed from this section to avoid duplication.

Original wording: "In order to prioritize its most significant impacts for reporting, the organization needs to assess the significance of the impacts. The significance of a negative impact is assessed based on its severity (scale, scope, and irremediable character) and likelihood. In the case of potential negative human rights impacts, the severity of the impact takes precedence over its likelihood. The significance of a positive impact is assessed based on its scale, scope, and likelihood. See [Section 2 of GRI 103: Material Topics](#) for more information on assessing the significance of impacts."

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

Text revised to provide additional explanation regarding the relationship between sustainability reporting and financial and value creation reporting within Box 1.

See lines 211-227 for the original wording of Box 1.

96 The way an organization is involved with negative impacts is important for determining how to  
 97 address the impacts:

- 98 • The organization should avoid causing or contributing to negative impacts through its own  
 99 activities, and it should address such impacts when they occur by providing for or cooperating  
 100 in their remediation through legitimate processes.
- 101 • In the case of negative impacts that are directly linked to the organization's operations,  
 102 products, or services by its business relationships, the organization should seek to prevent or  
 103 mitigate these impacts even if it has not contributed to them. The organization is not  
 104 responsible for providing remediation for these impacts, but it can play a role in providing it.

105 If it is not feasible to address all identified impacts at once, the organization should prioritize the order  
 106 in which it addresses negative impacts based on their severity and likelihood. In the case of potential  
 107 negative human rights impacts, the severity of the impact takes precedence over its likelihood. See  
 108 [Section 2 of GRI 103: Material Topics](#) for more information.

109 Due diligence is elaborated by the *United Nations (UN) Guiding Principles on Business and Human*  
 110 *Rights*, the *Organisation for Economic Co-operation and Development (OECD) Guidelines for*  
 111 *Multinational Enterprises*, and the *OECD Due Diligence Guidance for Responsible Business Conduct*.

## 112 2.4 Stakeholder

113 Stakeholders are individuals or groups that have interests that are affected or could be affected by an  
 114 organization's activities.<sup>1</sup> Common categories of stakeholders for organizations are business partners,  
 115 civil society organizations, consumers, customers, employees and other workers, governments, local  
 116 communities, non-governmental organizations, shareholders and other investors, suppliers, trade  
 117 unions, and vulnerable groups.

118 In the GRI Standards, an interest (or 'stake') is something of value to an individual or group, which  
 119 can be affected by the activities of an organization. Stakeholders can have more than one interest.  
 120 Not all interests are of equal importance and they do not all need to be treated equally. Human rights,  
 121 for example, have a particular status compared to other interests, as they set a threshold in terms of  
 122 the acuteness of impacts on people. The term 'rightsholders' is often used to refer to stakeholders  
 123 whose individual human rights or collective rights (held by groups such as indigenous peoples) are or  
 124 could be affected.

125 Stakeholder interests can be negatively or positively affected by the organization's activities. Due  
 126 diligence focuses on identifying stakeholder interests that are or could be negatively affected by the  
 127 organization's activities.

128 Stakeholders may not have a direct relationship with the organization; for example, the workers in the  
 129 organization's supply chain can also be its stakeholders. The organization can also have an impact on  
 130 stakeholders, such as local communities, that live at a distance from the organization's operations.  
 131 Stakeholders might themselves be unaware that they are stakeholders of a particular organization,  
 132 especially if they have not yet been affected by its activities. The organization should identify the  
 133 interests of these and other stakeholders who are unable to articulate their views (e.g., future  
 134 generations).

135 Engaging with stakeholders helps the organization identify and manage its negative and positive  
 136 impacts. Not all stakeholders will be affected by all activities of the organization. The organization  
 137 needs to identify the stakeholders whose interests have to be taken into account in connection with a  
 138 specific activity (i.e., 'relevant stakeholders').

139 The organization may not be able to engage with all relevant stakeholders directly. In these cases, the  
 140 organization can engage with credible stakeholder representatives or proxy organizations (e.g., non-  
 141 governmental organizations, representative public bodies).

**Commented [SD8]: Type of change:** editorial revision.

Original wording: "Stakeholders are individuals or groups that have interests that are affected or could be affected by an organization's activities and decisions."

The term "decisions" has been removed for alignment with the *OECD Due Diligence Guidance for Responsible Business Conduct* and for consistency with the text of the GRI Standards.

**Commented [SD9]: Type of change:** revision following public comment feedback.

"and other investors" has been added

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

Nex text added to clarify the relationship between stakeholders and rightsholders, and between interests and rights.

**Commented [SD11]: Type of change:** revision following public comment feedback.

New text added.

**Commented [SD12]: Type of change:** editorial revision (change in location).

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

New text added to clarify more prominently the importance and role of stakeholder engagement in the process to identify an organization's most significant impacts.

<sup>1</sup> Organisation for Economic Co-operation and Development (OECD), *OECD Due Diligence Guidance for Responsible Business Conduct*, 2018.

142 In addition to engaging with stakeholders, the organization can also consult with experts of specific  
143 issues or contexts (e.g., academics, non-governmental organizations) for advice on identifying and  
144 managing its impacts.

145 Sometimes it is necessary to distinguish between stakeholders whose interests have been affected  
146 (i.e., 'affected stakeholders'), and those whose interests have not yet been affected but could  
147 potentially be affected (i.e., 'potentially affected stakeholders'). This distinction is important in due  
148 diligence. For example, if an organization's activity results in a safety hazard, workers who are injured  
149 because of the hazard are affected stakeholders, and workers who have not yet been injured but who  
150 are exposed to the hazard and could be injured are potentially affected stakeholders. The distinction  
151 between affected and potentially affected stakeholders helps identify which workers should receive  
152 remedy.

Commented [SD14]: Type of change: editorial revision (change in location).

## 153 Annex. Revisions with track changes

### 154 2. Key concepts ~~in the GRI Standards~~

155 This section explains concepts that lay the foundation for sustainability reporting. Understanding how  
156 these concepts are used in the GRI Standards is essential for those who collect and prepare  
157 information for reporting, as well as interpreting the for those who interpret information that is reported  
158 using the GRI Standards.

159 The key concepts covered in this section are: impact, material topic, due diligence, and stakeholder.  
160 The purpose of the Standards is to enable organizations to report on their most significant impacts on  
161 the economy, environment, and people, including impacts on human rights – in the GRI Standards  
162 these are referred to as material topics. Due diligence and stakeholder engagement help  
163 organizations identify their most significant impacts.

#### 164 2.1 Impact

165 In the GRI Standards, impact refers to the effect an organization has or could have on the economy,  
166 environment, or people, including on human rights, as a result of its activities or business  
167 relationships. These impacts can be actual or potential, negative or positive, short-term or long-term,  
168 intended or unintended, and reversible or irreversible. These impacts indicate the organization's  
169 contribution, negative or positive, to sustainable development.

170 The organization's impacts on the economy refer to the impacts on economic systems at local,  
171 national, and global levels. An organization can have an impact on the economy through, for example,  
172 its competition practices, its procurement practices, and its taxes and payments to governments. ~~its~~  
173 ~~procurement practices, or its competition practices.~~

174 The organization's impacts on the environment refer to the impacts on living organisms and non-living  
175 natural system elements, including air, land, ~~air~~, water, and ecosystems. An organization can have an  
176 impact on the environment through, for example, its use of ~~water~~, energy, land, water, and other  
177 natural resources.

178 The organization's impacts on people refer to the impacts on individuals and on groups, such as  
179 communities or society more generally. ~~Individuals or groups that have interests that are, or could be,~~  
180 ~~affected by the organization's activities and decisions are referred to as stakeholders (see Section 2.4~~  
181 ~~of this Standard).~~ An organization can have an impact on people through, for example, its  
182 employment practices (such as the wages it pays to employees), its supply chain (such as the  
183 working conditions of workers making the organization's products of suppliers), and its products and  
184 services (such as their safety or affordability). ~~The most acute impacts an organization can have on~~  
185 ~~people are those that negatively affect their human rights. Individuals or groups that have interests~~

186 [that are affected or could be affected by the organization's activities are referred to as stakeholders](#)  
187 [\(see Section 2.4 of this Standard\).](#)

## 188 2.2 Material topic

189 An organization [might](#) identify many impacts on which to report. When using the GRI Standards,  
190 the organization prioritizes reporting on those topics that [reflect](#) its most significant impacts  
191 on the economy, environment, and people, including impacts on human rights. In the GRI Standards,  
192 these are the organization's material topics.

193 Examples of [material](#) topics [could be](#) anti-corruption, [water and effluents](#), or occupational health  
194 and safety, [or water and effluents](#). A topic need not be limited to [one dimension](#), i.e., only [impacts on](#)  
195 the economy, or the environment, or people; it can cover impacts across all these three dimensions.  
196 For example, an organization might [identify](#) that 'water and effluents' [is](#) a material topic  
197 based on the impacts its water use has on [natural](#) ecosystems as well as on local communities'  
198 access to water. The GRI Standards group impacts [under](#) topics, like 'water and effluents', to help  
199 organizations report in a [more](#) cohesive way on multiple impacts that relate to the same topic.

200 [In order to prioritize its most significant impacts for reporting, the organization needs to assess the](#)  
201 [significance of the impacts. The significance of a negative impact is assessed based on its severity](#)  
202 [\(scale, scope, and irremediable character\) and likelihood. In the case of potential negative human](#)  
203 [rights impacts, the severity of the impact takes precedence over its likelihood. The significance of a](#)  
204 [positive impact is assessed based on its scale, scope, and likelihood. See Section 2 of GRI 103:](#)  
205 [Material Topics](#) for more information on assessing the significance of impacts.

206 [The process to determine material topics is informed by the organization's ongoing identification and](#)  
207 [assessment of impacts. The ongoing identification and assessment of impacts involves engaging with](#)  
208 [relevant stakeholders and experts and it is conducted independently of the sustainability reporting](#)  
209 [process. See Section 2 of GRI 103: Material Topics](#) for more information on determining material  
210 [topics.](#)

### 211 **Box 1. Reporting using different materiality perspectives**

212 [The GRI Standards focus on an organization's most significant impacts outward: on the economy,](#)  
213 [environment, and people, including impacts on human rights. These impacts can have negative or](#)  
214 [positive consequences for the organization itself \(such as operationally or reputationally, and](#)  
215 [therefore in many cases financially\). For example, an organization's high use of non-renewable](#)  
216 [energy contributes to climate change and could at the same time result in increased operating costs](#)  
217 [due to legislation that seeks to shift energy use toward renewable sources.](#)

218 [The outward impacts of an organization are therefore also important for those interested in the](#)  
219 [financial performance and long-term success of the organization. Understanding an organization's](#)  
220 [impacts outward is necessary in order to identify financially material risks, opportunities, and impacts](#)  
221 [for the organization.](#)

222 [An organization may want to report on its impacts outward as well as the financially material risks,](#)  
223 [opportunities, and impacts it faces as a result of these outward impacts, in an annual report or an](#)  
224 [integrated report, for example. When doing so, it is important for the organization to report on all its](#)  
225 [material topics identified using the GRI Standards, in order to report in accordance with the GRI](#)  
226 [Standards. The material topics identified using the GRI Standards need to be prioritized in their own](#)  
227 [right and cannot be deprioritized on the basis that they are not financially material.](#)

### 228 **Box 1. Sustainability reporting and financial and value creation reporting**

229 [The GRI Standards enable organizations to report on the most significant impacts of their activities](#)  
230 [and business relationships on the economy, environment, and people, including impacts on human](#)  
231 [rights. These impacts are of primary importance to sustainable development and to organizations'](#)  
232 [stakeholders, and they form the focus of sustainability reporting.](#)

233 [The impacts of an organization's activities and business relationships on the economy, environment,](#)  
234 [and people can have negative and positive consequences for the organization itself. These](#)  
235 [consequences can be operational or reputational, and therefore in many cases financial. For](#)  
236 [example, an organization's high use of non-renewable energy contributes to climate change and](#)



237 [could, at the same time, result in increased operating costs for the organization due to legislation that](#)  
 238 [seeks to shift energy use toward renewable sources.](#)

239 [Even if not financially material at the time of reporting, the impacts of an organization's activities and](#)  
 240 [business relationships on the economy, environment, and people will eventually translate into](#)  
 241 [financially material issues. The impacts are therefore also important for those interested in the](#)  
 242 [financial performance and long-term success of the organization. Understanding these impacts is a](#)  
 243 [necessary first step in order to determine related financially material issues for the organization.](#)

244 [Sustainability reporting is therefore crucial for financial and value creation reporting. Information made](#)  
 245 [available through sustainability reporting provides input for identifying financial risks and opportunities](#)  
 246 [related to the organization's impacts and for financial valuation. This in turn helps in making financial](#)  
 247 [materiality judgments about what to recognize in financial statements.](#)

248 [While the impacts of an organization's activities and business relationships on the economy,](#)  
 249 [environment, and people may become financially material, sustainability reporting is also highly](#)  
 250 [relevant in its own right as a public interest activity. It is independent of the consideration of financial](#)  
 251 [implications. It is important for the organization to report on all the material topics that it has](#)  
 252 [determined using the GRI Standards. These material topics cannot be deprioritized on the basis that](#)  
 253 [they are not financially material.](#)

## 254 2.3 Due diligence

255 [In the GRI Standards, Due diligence](#) ~~is~~ [refers to](#) the process through which an organization identifies,  
 256 prevents, [mitigates](#), and accounts for how it addresses its actual and potential negative impacts on  
 257 the economy, environment, and people, including impacts on human rights. The organization should  
 258 address potential negative impacts through prevention or mitigation. It should address actual negative  
 259 impacts through [remediation](#), in cases where [the organization](#) identifies it has [caused](#) or [contributed](#)  
 260 to those impacts.

261 The way an organization is involved with negative impacts is important for determining how to  
 262 address the impacts:

- 263 • The organization should avoid causing or contributing to negative impacts through its own  
 264 activities, and [it should](#) address such impacts when they occur by providing for or cooperating  
 265 in their remediation through legitimate processes.
- 266 • In the case of negative impacts that are [directly linked](#) to the organization's operations,  
 267 [products](#), or [services](#) by its [business relationships](#), the organization should seek to prevent or  
 268 mitigate these impacts even if it has not contributed to them. The organization ~~does~~ not  
 269 [have a responsibility to provide](#) [responsible](#) for [providing](#) remediation ~~effor~~ these impacts, but  
 270 it can play a role in ~~doing so~~ [providing it](#).

271 If it is not feasible to address all identified impacts at once, the organization should prioritize the order  
 272 in which it addresses negative impacts based on their severity and likelihood. In the case of potential  
 273 negative human rights impacts, the severity of the impact takes precedence over its likelihood. [See](#)  
 274 [Section 2 of GRI 103: Material Topics for more information.](#)

275 Due diligence is elaborated by the *United Nations (UN) Guiding Principles on Business and Human*  
 276 *Rights*, the *Organisation for Economic Co-operation and Development (OECD) OECD Guidelines for*  
 277 *Multinational Enterprises*, and the *OECD Due Diligence Guidance for Responsible Business*  
 278 *Conduct*.

## 279 2.4 Stakeholder

280 Stakeholders are individuals or groups that have interests that are [affected](#) or could be affected by  
 281 an organization's activities ~~and decisions~~.<sup>2</sup> Common categories of stakeholders for organizations

<sup>2</sup> Organisation for Economic Co-operation and Development (OECD), *OECD Due Diligence Guidance for Responsible Business Conduct*, 2018.



282 ~~include~~ business partners, civil society organizations, consumers, customers, employees and  
283 other workers, governments, local communities, non-governmental organizations, shareholders and  
284 other investors, suppliers, trade unions, and vulnerable groups.

285 In the GRI Standards, an interest (or 'stake') is something of value to an individual or group ~~that~~,  
286 which can be affected by the activities ~~and decisions~~ of an organization. Stakeholders can have more  
287 than one interest. Not all interests are of equal importance and they do not all need to be treated  
288 equally. Human rights, for example, have a particular status compared to other interests, as they set a  
289 threshold in terms of the acuteness of impacts on people. The term 'rightsholders' is often used to  
290 refer to stakeholders whose individual human rights or collective rights (held by groups such as  
291 indigenous peoples) are or could be affected.

292 Stakeholder interests can be negatively or positively affected by the organization's activities ~~and~~  
293 decisions. Due diligence focuses on identifying ~~individuals or groups whose stakeholder~~ interests,  
294 such as their human rights, that are or could be negatively affected by the organization's activities ~~and~~  
295 decisions.

296 Stakeholders ~~do~~ may not ~~need to~~ have a direct relationship with the organization; for example, the  
297 workers in the organization's supply chain can also be its stakeholders. ~~The organization should also~~  
298 identify the interests of those who are unable to articulate their views (e.g., future generations). The  
299 organization can also have an impact on stakeholders, such as local communities, that live at a  
300 distance from the organization's operations. Stakeholders might themselves be unaware that they are  
301 stakeholders of a particular organization, especially if they have not yet been affected by its activities  
302 ~~and decisions~~. The organization should identify the interests of these and other stakeholders who are  
303 unable to articulate their views (e.g., future generations).

304 Engaging with stakeholders helps the organization identify and manage its negative and positive  
305 impacts. Not all ~~of an organization's~~ stakeholders will be affected by all activities ~~and decisions~~ of the  
306 organization. The organization needs to identify the stakeholders whose interests have to be taken  
307 into account in connection with a specific activity ~~or decision~~ (i.e., ~~the~~ 'relevant stakeholders').

308 The organization ~~might~~ may not be able to engage with all relevant stakeholders directly. In these  
309 cases, the organization can engage with credible stakeholder representatives or proxy organizations  
310 (e.g., non-governmental organizations, representative public bodies).

311 In addition to engaging with stakeholders, the organization can also consult with experts ~~on~~ specific  
312 issues or contexts (e.g., academics, non-governmental organizations, ~~academics~~) for advice, ~~such as~~  
313 ~~for~~ on identifying and managing its impacts.

314 Sometimes it is necessary to distinguish between stakeholders whose interests have been affected  
315 (i.e., 'affected stakeholders'), and those whose interests have not yet been affected but could  
316 potentially be affected (i.e., 'potentially affected stakeholders'). This distinction is important in due  
317 diligence. For example, if an organization's activity results in a safety hazard, workers who are injured  
318 because of the hazard are affected stakeholders, and workers who have not yet been injured but who  
319 are exposed to the hazard and could be injured are potentially affected stakeholders. The distinction  
320 between affected and potentially affected stakeholders helps identify which workers should receive  
321 remedy.

322 ~~These distinctions are important in due diligence. In the example of the safety hazard, identifying~~  
323 ~~workers who are injured is necessary to determine which workers should receive~~ remedy.