

Item 03 – GRI Topic Standard Project for Labor – Labor Rights in Business Relationships exposure draft

For GSSB approval

Date	29 October 2025
Meeting	19 November 2025
Project	GRI Topic Standard Project for Labor
Description	This document sets out the exposure draft of the GRI Topic Standard for Labor Rights in Business Relationships, including the explanatory memorandum summarizing the objectives of the project and the significant proposals contained within the draft. These are submitted for GSSB approval for public exposure. If approved, the public comment period is proposed to commence in early December 2025 and run until early March 2026.

This document has been prepared by the GRI Standards Team and is made available to observers at meetings of the Global Sustainability Standards Board (GSSB). It does not represent an official position of the GSSB. Board positions are set out in the GRI Sustainability Reporting Standards. The GSSB is the independent standard setting body of GRI. For more information visit www.globalreporting.org.

Explanatory memorandum

This explanatory memorandum sets out the objectives for one of the exposure drafts of phase three of the Labor project, including the review of the [GRI 414: Supplier Social Assessment 2016](#), the significant proposals contained in the exposure draft, and a summary of the GSSB's involvement and views on the development of the draft.

Objectives for the project

The objective of the [labor project](#) is to review and revise all GRI labor-related Standards and incorporate new issues to reflect stakeholder expectations for reporting labor-related impacts. In line with the [GSSB Due Process Protocol](#), a multi-stakeholder [technical committee](#) was established in September 2022 to contribute to the review and content development.

Due to the focus on labor topics, a technical committee (TC) was formed with representation from workers, employers, and the International Labour Organization (ILO). Next to this tripartite technical committee, an [advisory group](#) (AG) was established with a broad stakeholder representation to advise and assist the technical committee during the process.

The aim is to align with internationally agreed best practices, the latest developments, and relevant authoritative intergovernmental instruments related to human rights and labor conditions such as International Labor Organization (ILO) Conventions and Recommendations; the United Nations (UN) Guiding Principles on Business and Human Rights (Guiding Principles, UNGPs) and the Organization for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises.

The project reviews the current contents of existing GRI labor-related disclosures, and it also includes new labor issues to reflect the stakeholders' expectations related to reporting impacts to provide decent work that contributes to sustainable development, poverty alleviation, and dignity to workers.

The revised labor disclosures will facilitate the organization to disclose its impacts regarding:

- How the organization manages labor impacts – with employees, workers who are not employees and whose work is controlled by the organization, and workers in business relationships – enhances accountability and trust with workers and other stakeholders.
- The implementation of international labor standards, including fundamental labor rights, by offering decent work and dignified working conditions, as well as the involvement of workers' representatives in developing and implementing policies.
- Its approach to human rights is to provide decent work in terms of decent remuneration and working time, employment conditions, skills, career development, and work-life balance, improving workers' satisfaction and talent retention.

The labor project is divided into three sets of thematic Standards to allow targeted messaging and stakeholder engagement during the public comment periods. This ensures the workload is manageable for stakeholders and GRI reporters worldwide reviewing the draft Standards during the public comment periods.

Phase 1 – Employment practices and conditions

This set of Standards asks how the organization manages its employment conditions and relationships. This includes working time, remuneration, employment practices such as recruitment, performance management and termination, data, and worker privacy, as well as how the organization responds to changes that substantially affect workers.

Set 1 comprises three Topic Standards and one Standard interpretation as follows:

- Employment
- Remuneration and Working Time
- Significant Changes for Workers
- Control of work Standard interpretation to GRI 2

This first phase of exposure drafts was made available for discussion and approval at the May 2024 meeting of the GSSB. The public comment period was from 10 June to 4 October 2024.

Phase 2 – Working life and career development

This set of Standards focuses on the equal treatment and the development of an organization's workers. It requests information on how the organization responds to the training and education programs and their effectiveness, family-related policies at the workplace, and measures to provide work-life balance and an inclusive and diverse environment.

Set 2 includes the following Topic Standards:

- Training and Education
- Working Parents and Caregivers

This second set of labor exposure drafts was made available for discussion and approval at the February 2025 meeting. The public comment period was from 25 February to 29 April 2025.

Phase 3 – Workers' rights and protection

This set of Standards focuses on four of the ILO's Fundamental Principles and Rights at Work. In addition, it has a specific Standard to target the labor rights and working conditions for workers in business relationships with a due diligence approach.

Set 3 is divided into two and includes the following Topic Standards:

Subset 3-1 focused on Inclusion and equal opportunities at work

- Diversity and Inclusion
- Non-discrimination and Equal Opportunity

This subset 3-1 of labor exposure drafts was made available for discussion and approval at the June 2025 meeting. The public comment period was from 01 July to 15 September 2025.

Subset 3-2 focused on Rights and protections at work

- Child Labor
- Forced Labor
- Freedom of Association and Collective Bargaining
- Labor Rights in Business Relationships

This subset 3-2 of the labor exposure drafts will be sent for discussion and approval by the GSSB on 19 November 2025. The public comment period is planned for early December 2025 until early March 2026.

For more information on the project, consult the [Project Proposal](#), the [technical committee](#), and [advisory group](#) biographies.

Summary of the proposals

The scope of the workers in this exposure draft is workers in business relationships. Workers in business relationships work for organizations other than the reporting organization but perform work for the organization, such as suppliers. The reporting organization does not control their work.

The exposure draft, which is a revision of the [GRI 414: Supplier Social Assessment 2016](#), includes both revised disclosures and new disclosures, in line with the project objectives set out above. Notable changes and inclusions in this exposure draft are summarized below.

Focus on business relationships and their workers: While the current *GRI 414* focuses solely on suppliers, the exposure draft expands to encompass business relationships, covering the entire value chain. This shift reflects the expectations highlighted in the UN Guiding Principles on Business and Human Rights, the ILO Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy, and the OECD Due Diligence Guidance for Responsible Business Conduct.

Disclosure LRBR-1: Management system. Under this topic management disclosure, organizations are expected to report whether they have a management system for addressing labor rights and working conditions in business relationships. Organizations shall describe the scope in terms of labor rights and working conditions, types of business relationships, policies, and regions. In addition, the disclosure covers key elements to increase accountability and transparency regarding human rights due diligence. Therefore, organizations are expected to report on:

- their engagement with workers of business relationships and other stakeholders to identify negative impacts;
- assessment process to identify business relationships at a higher risk of incidents;
- actions taken to identify and adjust procurement practices that contribute to negative impacts in business relationships;
- how organizations use or increase their leverage to motivate business relationships to prevent, mitigate, and remediate negative impacts;
- policy and process for terminating business relationships and responsible disengagement;
- how workers in business relationships can access effective grievance mechanisms, including incentives for the creation or improvement of operational-level grievance mechanisms in workplaces of business relationships.

Disclosure LRBR-2: Labor rights risk assessments. Building on GRI 414-1 and GRI 414-2, this disclosure deepens the reporting of labor rights risk assessments conducted on business relationships to identify actual and potential impacts. It introduces new reporting requirements to increase transparency, such as the total number of business relationships assessed for risks of incidents, the number and percentage of business relationships identified as at a higher risk of incidents, the types of business relationships, the labor rights and working conditions that are at higher risk. Additionally, the actions taken to prevent incidents in business relationships are identified as being at higher risk.

Disclosure LRBR-3: Incidents of violations of labor rights in business relationships and actions taken. Organizations are expected to report the number of incidents related to violations of labor rights and affecting workers in business relationships, the type of incidents, and the number of workers affected by region. Additionally, the total number of business relationships, where incidents related to violations have been identified by region. The total number and percentage of business relationships where actions were taken and terminated due to these incidents. Finally, organizations must describe actions taken to address each type of incident, including remediation and prevention measures.

More extensive guidance throughout the draft is provided, including example templates for presenting information in the tables of Disclosures LRBR 2 and LRBR 3.

GSSB involvement and views on the development of this draft

The GSSB appointed one of its members as a GSSB sponsor and technical committee member for this project. The member left the GSSB at the end of last year and continued as a technical committee member, actively participating in the technical committee process and attending all meetings. Another technical committee member became a GSSB board member during the Standards development process, ensuring GSSB's close involvement.

The GSSB has been regularly updated on the progress of the labor project.

The exposure draft is scheduled for approval by the GSSB on 19 November 2025.

All GSSB meetings are recorded and made available on the [GSSB GRI YouTube channel](#).

Note on reading this document

This document includes generic text used in all GRI Standards. This text is highlighted in grey and cannot be changed – please do not comment on this text.

Underlined terms in the draft Standard indicate terms for which definitions have been provided. Most of these terms are already defined in the GRI Standards Glossary – these are highlighted in grey and cannot be changed. The proposed new definitions are not highlighted in grey and are open for review.

GRI LRBR: Labor Rights in Business Relationships 202X

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Introduction

GRI LRBR: Labor Rights in Business Relationships 202X contains disclosures for organizations to report information about their impacts related to labor rights and working conditions for workers in business relationships, and how they manage these impacts.

The Standard is structured as follows:

- [Section 1](#) contains one disclosure, which provides information about how the organization manages its impacts related to labor rights and working conditions for workers in business relationships.
- [Section 2](#) contains two disclosures, which provide information about the organization's impacts related to labor rights and working conditions for workers in business relationships.
- The [Glossary](#) contains defined terms with a specific meaning when used in the GRI Standards. The terms are underlined in the text of the GRI Standards and linked to the definitions.
- The [Bibliography](#) lists authoritative intergovernmental instruments and additional references used in developing this Standard.

The rest of the Introduction section provides a background on the topic, an overview of the system of GRI Standards and further information on using this Standard.

Background on the topic

This Standard addresses the topic of labor rights in business relationships, including working conditions.

Labor rights are a subset of human rights specifically related to work and the treatment of workers. They safeguard workers by ensuring the right to decent work, freedom of association and collective bargaining, freedom from discrimination, a safe and healthy working environment, and protection against child and forced labor. Working conditions refer to the practical aspects of a person's work – the actual environment and terms of work. For example, hours of work, remuneration and benefits.

Respecting labor rights is essential to ensuring safe, fair, and decent working conditions.

Under the *United Nations (UN) Guiding Principles on Business and Human Rights*, the *International Labour Organization (ILO) Tripartite Declaration of Principles Concerning Multinational Enterprises and Social Policy*, and the *Organisation for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises*, organizations have a responsibility to respect human rights throughout their business relationships and to conduct due diligence to ensure responsible supply chain management.

See references [\[3\]](#), [\[5\]](#) and [\[6\]](#) in the [Bibliography](#).

Labor rights due diligence is the process through which organizations identify, prevent, mitigate, and account for actual and potential negative impacts on workers in business relationships. This includes responding to retaliation against workers for exercising their right to organize a union or the implementation of measures to restrict collective bargaining. These are not only legal concerns, but also potential violations of the fundamental rights to which workers are entitled. Effective due diligence goes beyond monitoring negative impacts affecting workers' rights to ensuring workers have fair working conditions.

Workers in business relationships work for organizations other than the reporting organization but perform work for the organization, such as suppliers. The reporting organization does not control their work. See the [Control of Work Standard Interpretation to GRI 2: General Disclosures 2021](#) for more information.

System of GRI Standards

This Standard is part of the GRI Sustainability Reporting Standards (GRI Standards). The GRI Standards enable an organization to report information about its most significant impacts on the economy, environment, and people, including impacts on their human rights, and how it manages these impacts.

The GRI Standards are structured as a system of interrelated standards that are organized into three series: GRI Universal Standards, GRI Sector Standards, and GRI Topic Standards (see Figure 1 in this Standard).

Universal Standards: GRI 1, GRI 2 and GRI 3

GRI 1: Foundation 2021 specifies the requirements that the organization must comply with to report in accordance with the GRI Standards. The organization begins using the GRI Standards by consulting *GRI 1*.

GRI 2: General Disclosures 2021 contains disclosures that the organization uses to provide information about its reporting practices and other organizational details, such as its activities, governance, and policies.

GRI 3: Material Topics 2021 provides guidance on how to determine material topics. It also contains disclosures that the organization uses to report information about its process of determining material topics, its list of material topics, and how it manages each topic.

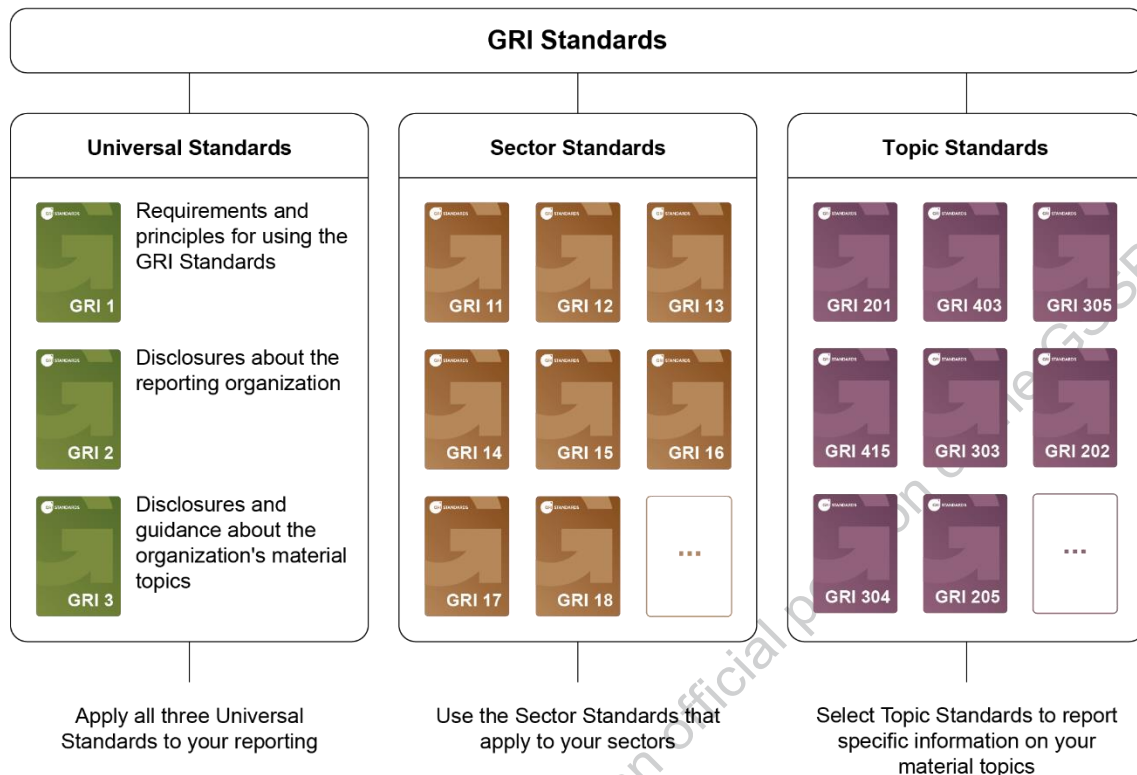
Sector Standards

The Sector Standards provide information for organizations about their likely material topics. The organization uses the Sector Standards that apply to its sectors when determining its material topics and when determining what to report for each material topic.

Topic Standards

The Topic Standards contain disclosures that the organization uses to report information about its impacts in relation to particular topics. The organization uses the Topic Standards according to the list of material topics it has determined using *GRI 3*.

Figure 1. GRI Standards: Universal, Sector and Topic Standards



Using this Standard

This Standard can be used by any organization – regardless of size, type, sector, geographic location, or reporting experience – to report information about its impacts related to labor rights for workers in business relationships.

In addition to this Standard, the following GRI Standards include disclosures on labor rights and working conditions in business relationships:

- [GRI NDEO: Non-discrimination and Equal Opportunity 202X](#)
- [GRI CL: Child Labor 202X](#)
- [GRI FL: Forced Labor and Modern Slavery 202X](#)
- [GRI FACB: Freedom of Association and Collective Bargaining 202X](#)
- [GRI 403: Occupational Health and Safety 2018](#)

Other GRI Standards that cover labor rights and working conditions include:

- [GRI REWO: Remuneration and Working Time 202X](#)
- [GRI EMPL: Employment 202X](#)
- [GRI SICH: Significant Changes for Workers 202X](#)
- [GRI PARE: Working Parents and Caregivers 202X](#)

An organization reporting in accordance with the GRI Standards is required to report the following disclosures if it has determined labor rights of workers in business relationships to be a material topic:

- [Disclosure 3-3 in GRI 3: Material Topics 2021.](#)

- Any disclosures from this Topic Standard that are relevant to the organization's impacts related to labor rights of workers in business relationships (Disclosure LRBR-1 through Disclosure LRBR-3).

See [Requirements 4 and 5 in GRI 1: Foundation 2021](#).

Reasons for omission are permitted for these disclosures.

If the organization cannot comply with a disclosure or with a requirement in a disclosure (e.g., because the required information is confidential or subject to legal prohibitions), the organization is required to specify the disclosure or the requirement it cannot comply with, and provide a reason for omission together with an explanation in the GRI content index. See [Requirement 6 in GRI 1](#) for more information on reasons for omission.

If the organization cannot report the required information about an item specified in a disclosure because the item (e.g., committee, policy, practice, process) does not exist, it can comply with the requirement by reporting this to be the case. The organization can explain the reasons for not having this item, or describe any plans to develop it. The disclosure does not require the organization to implement the item (e.g., developing a policy), but to report that the item does not exist.

If the organization intends to publish a standalone sustainability report, it does not need to repeat information that it has already reported publicly elsewhere, such as on web pages or in its annual report. In such a case, the organization can report a required disclosure by providing a reference in the GRI content index as to where this information can be found (e.g., by providing a link to the web page or citing the page in the annual report where the information has been published).

Requirements, guidance and defined terms

The following apply throughout this Standard:

Requirements are presented in **bold font** and indicated by the word 'shall'. An organization must comply with requirements to report in accordance with the GRI Standards.

Requirements may be accompanied by guidance.

Guidance includes background information, explanations, and examples to help the organization better understand the requirements. The organization is not required to comply with guidance.

The Standards may also include recommendations. These are cases where a particular course of action is encouraged but not required.

The word 'should' indicates a recommendation, and the word 'can' indicates a possibility or option.

Defined terms are underlined in the text of the GRI Standards and linked to their definitions in the [Glossary](#). The organization is required to apply the definitions in the Glossary.

1. Topic management disclosures

An organization reporting in accordance with the GRI Standards is required to report how it manages each of its material topics.

An organization that has determined labor rights for workers in business relationships to be a material topic is required to report how it manages the topic using [Disclosure 3-3 in GRI 3: Material Topics 2021](#). The organization is also required to report any disclosure from this section (Disclosure LRBR-1) that is relevant to its impacts related to labor rights for workers in business relationships.

This section is therefore designed to supplement – and not replace – Disclosure 3-3 in *GRI 3*.

Disclosure LRBR-1 Management system

REQUIREMENTS

The organization shall:

- a. report whether it has a management system for addressing labor rights and working conditions in business relationships, and if so, describe:
 - i. the labor rights and working conditions it covers, the type of business relationships included, the business relationships policies, and the regions covered;
- b. describe how it engages with workers in business relationships and other stakeholders to identify negative impacts on labor rights and working conditions;
- c. describe the assessment process to identify business relationships at a higher risk of incidents related to violations of labor rights and working conditions, including the criteria used;
- d. describe actions taken to identify and adjust procurement practices that contribute to negative impacts on labor rights and working conditions of workers in business relationships, including:
 - i. use of dialogue with business relationships to identify such practices;
 - ii. adjustments to payment policies and procedures;
- e. describe how it uses or increases its leverage, including through the use of incentives, to motivate its business relationships to prevent, mitigate, and remediate negative impacts on workers' labor rights and working conditions;
- f. describe the policy and process for terminating a business relationship and ensuring responsible disengagement, including:
 - i. attempts to prevent and mitigate negative impacts before termination;
 - ii. how it assesses if the termination could itself result in negative impacts;
- g. describe how workers in business relationships can access effective grievance mechanisms when their labor rights and working conditions are violated, including:
 - i. whether it requires or provides incentives for the creation or improvement of operational-level grievance mechanisms in the workplaces of business relationships, and if so, the incentives it provides.

GUIDANCE

According to the *ILO Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy*, organizations are expected to identify and address impacts that are related to internationally recognized human rights, at a minimum, those expressed in the *International Bill of Human Rights*, and the principles concerning fundamental rights set out in the *ILO Declaration on Fundamental Principles and Rights at Work*. The latter includes freedom of association and the effective recognition of the right to collective bargaining; the elimination of all forms of forced or compulsory labor; the effective abolition of child labor; the elimination of discrimination in respect of employment and occupation; and a safe and healthy working environment.

Examples of working conditions include remuneration and working time, social protection, employment agreements, training and development initiatives, work arrangements that comply with the national laws or collective bargaining agreements, and management of significant changes in a way that minimizes the impact of the changes on the workers.

See references [3], [8] and [9] in the [Bibliography](#).

For more information on the guidance for labor rights-related impacts, please refer to the guidance on the disclosures of the following GRI Standards:

- Disclosure FL x of [GRI FL: Forced Labor 202X](#)
- Disclosure CL x of [GRI CL: Child Labor 202X](#)
- Disclosure FACB x of [GRI FACB: Freedom of Association and Collective Bargaining 202X](#)
- Disclosure NDEO 1 of [GRI NDEO: Non-discrimination and Equal Opportunity 202X](#)
- Disclosures EMPL 1, EMPL 3, EMPL 4, and EMPL 6 of [GRI EMPL: Employment 202X](#)
- Disclosures SICH 1 of [GRI SICH: Significant Changes for Workers 202X](#)
- Disclosures REWO 1, REWO 2, REWO 3, REWO 5, REWO 6, and REWO 7 of [GRI REWO: Remuneration and Working Time 202X](#)
- [GRI 403: Occupational Health and Safety 2018](#)

See references [1], [3], [4] and [6] in the [Bibliography](#).

In the context of this disclosure, an ‘incident’ refers to a legal action or complaint registered arising from an event that has a negative impact on workers’ rights and well-being. The incident can be registered with the reporting organization, business relationships or competent authorities through a formal process or an instance of non-compliance identified through established procedures. Established procedures to identify instances of non-compliance can include management system audits, formal monitoring programs, or grievance mechanisms. These procedures are usually embedded in the organization’s management system in the form of a code of conduct.

Incidents related to violations of labor rights and working conditions have negative impacts on workers’ rights and well-being. For example, incidents can include excessive working hours without rest or adequate overtime payment, lack of proper safety equipment, coercion at work (e.g., debt bondage, restriction of movement, violence, threats or intimidation).

Guidance to LRBR 1-a

The organization should report whether it has a dedicated management system for labor rights and working conditions in business relationships, or whether these issues are addressed within an existing system that covers other impacts, such as human rights.

If the organization has a management system in place, it should report the intergovernmental authoritative instruments used to develop it, such as the *UN Guiding Principles on Business and Human Rights*, the *ILO Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy*, and the *OECD Due Diligence Guidance for Responsible Business Conduct*.

The organization can report the allocation of human and financial resources to implement its management system. For example, dedicated workers with expertise in human rights, social compliance, and supply chain management; training resources available for the organization and its business relationships; funds to conduct announced and unannounced audits; and technological resources to support business relationships in collecting and analyzing information.

See references [3], [4] and [6] in the [Bibliography](#).

Guidance to LRBR 1-a-i

Types of business relationships could include suppliers, franchisees, licensees, joint ventures, investors, clients, contractors, customers, consultants, financial, legal, and other advisers, and any other non-state or state entities linked to its business operations, products, or services.

A region can refer to a country or other geographic locations, such as a city or a world region.

Guidance to LRBR 1-b

Examples of engagement with workers in business relationships could be through interviews with worker representatives or direct interviews with a sample of workers conducted during on-site assessments. These engagements help monitor whether workers' rights are respected, including the right to freedom of association and collective bargaining.

The organization should describe how it engages with vulnerable groups, such as women workers, migrant workers, young workers, agency workers, part-time and seasonal workers, or workers with disabilities.

The organization should report whether worker representatives in its business relationships engage in regular dialogue with those business partners.

The organization should report engagement with other credible stakeholders, such as national or local non-governmental organizations working on labor rights or supply chains, or human rights defenders, institutions, or academics.

Guidance to LRBR 1-c

The organization should describe how the assessment process for business relationships is implemented in alignment with human rights due diligence, as outlined in authoritative instruments including the *UN Guiding Principles on Business and Human Rights*, the *ILO Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy*, the *OECD Due Diligence Guidance for Responsible Business Conduct*, and any sector-specific labor regulations.

The assessment process can be specified in pre-qualification requirements (before entering into a business relationship) or in contractual agreements, such as purchase, license, or franchise agreements.

Criteria that can be used to identify business relationships at higher risk of incidents related to labor rights and working conditions are:

- sector, such as products and their supply chains, services, and other activities;
- geographic locations, including governance, rule-of-law, legal frameworks, law enforcement, conflicts, or pervasive human rights impacts;
- business relationship-specific risk factors, such as known incidents in specific organizations;
- external alerts from workers' representatives, trade unions, or non-governmental organizations;
- incidents reported by the worker hotlines.

The organization can report the frequency of the assessment to identify business relationships at a higher risk of incidents. For example, every year or two, less frequently, or depending on the results of the assessment.

See references [3], [4] and [6] in the [Bibliography](#).

Guidance to LRBR 1-d

The description should include how the organization assesses its procurement practices for potential impacts on negative labor rights and working conditions, such as risk assessments, supplier feedback, union feedback, worker voice mechanisms, audits, or other impact assessments. The organization should list the procurement practices it assessed, such as short lead times, price pressures, last-minute order changes, payment terms, short-term contracts, or excessive quality demands, all of which may negatively impact labor and working conditions.

Guidance to LRBR 1-d-i

Examples of dialogue could be with suppliers, unions, and worker representatives covering business relationships, or industry initiatives to address procurement-related labor impacts.

Guidance to LRBR 1-d-ii

The organization should describe any measures it implemented to adjust its procurement practices to address impacts, such as changing lead times, revising payment schedules, lengthening contracts, improving forecasting, introducing fair pricing models, or integrating labor rights criteria into supplier contracts.

Guidance to LRBR 1-e

Leverage means that the organization has the ability to influence the business relationships to make improvements and address labor rights impacts.

The leverage could be economic, reputational, legal, or operational to enforce compliance or influence behavior to address non-compliance in business relationships.

Examples of how the organization uses or increases its leverage include:

- enforcing contractual requirements;
- implementing incentives such as future orders or long-term contracts;
- integrating improvement metrics into procurement strategies;
- providing training and support;
- collaborating with other actors to encourage business relationships to address negative labor impacts.

The organization should report whether it uses or increases leverage through cooperation with peer organizations, government agencies, civil society organizations, sector-specific organizations, country-level industry organizations, or multi-stakeholder initiatives.

Guidance to LRBR 1-f

According to the *OECD Guidelines for Multinational Enterprises*, when terminating a business relationship, organizations are expected to consider and address potential negative impacts of the decision. Before deciding on termination, organizations may consider continuing or temporarily suspending the business relationship while working to mitigate impacts. Termination as a last resort can be considered after mitigation efforts have failed, when mitigation is not possible, or when the severity of an impact justifies ending the relationship. The organization should report whether its code of conduct for business relationships and contractual clauses describes the possibility of termination if expectations regarding labor rights and working conditions are not met.

The organization can report whether it has zero-tolerance policies or thresholds for breaches of labor standards in business relationship contracts.

If termination is the most appropriate action, examples of responsible disengagement include:

- adhering to national laws;
- aligning with international labor standards;
- respecting collective bargaining agreements;
- having clear escalation procedures before a termination occurs;
- seeking meaningful consultation with relevant stakeholders;
- explaining the reasons for termination to the business relationships and trade unions (if those exist);
- providing sufficient prior notice, e.g., through warning letters or stop-work notices.

See references [4] and [7] in the [Bibliography](#).

The organization may describe the criteria for re-entry into a business relationship following a termination.

Guidance to LRBR 1-f-ii

Potential negative impacts may include loss of employment for workers, reduction of wages and hours, or forced migration.

The organization should report whether it consults workers' representatives and other stakeholders to assess the impacts related to the termination and determine measures to prevent or mitigate negative impacts. The organization should report the timeframe and frequency with which it seeks consultations.

The organization should describe the steps it takes to mitigate negative impacts and provide, or cooperate in providing, remedies where termination may contribute to negative impacts.

Guidance to LRBR 1-g

Accessibility means that users are informed about grievance mechanisms and receive support if they face barriers to using them. This requirement covers mechanisms established by the reporting organization, its business relationships, and third parties. Therefore, the organization should report how the mechanisms operate and who administers them.

Grievances can be reported in multiple ways. These include filling out an online or paper-based form where the worker explains a grievance in detail, or reporting it in person or by telephone to a direct supervisor, human resources, senior management, or neutral welfare coordinator.

Examples of informing workers in business relationships about their right to access grievance mechanisms include:

- offering multiple access channels (e.g., website, workplace posters, mobile applications, hotlines);
- providing it in multiple languages, including providing assistance to workers who face barriers (e.g., language, literacy, costs, fear of retaliation);
- distributing manuals explaining worker rights and the process of reporting grievances;
- giving regular training on how to report grievances;
- working with worker representatives to provide peer-to-peer sessions;

The organization should report how it maintains confidentiality and protects workers in business relationships from reprisals. Examples include:

- allowing anonymous grievance reporting with the option to disclose their identity later if desired;
- involving worker representatives from the start to safeguard against retaliation;
- using an independent body to collect and resolve grievances.

See references [8] and [9] in the [Bibliography](#).

For more information on grievance mechanisms, see [Disclosure 2-25 in GRI 2: General Disclosures 2021](#).

Guidance to LRBR 1-g-i

Operational-level grievance mechanisms complement wider stakeholder engagement and collective bargaining processes, but they are not replacements for either. The organization should report how the mechanisms do not undermine the role of legitimate trade unions in addressing labor-related disputes, nor block access to judicial or other non-judicial grievance mechanisms.

Examples of incentives can include offering longer-term contracts, placing suppliers on preferred lists, reducing their audit costs, and providing access to training or expert consultation.

2. Topic disclosures

An organization reporting in accordance with the GRI Standards is required to report any disclosures from this section (Disclosure LRBR-2 through Disclosure LRBR-3) that are relevant to its impacts related to labor rights for workers in business relationships.

Disclosure LRBR-2 Labor rights risk assessments

REQUIREMENTS

The organization shall:

- a. for each region, report the percentage of new business relationships assessed for labor rights and working conditions;
- b. for each region, report the total number of business relationships assessed for risks of incidents related to violations of labor rights and working conditions;
- c. for each region, report the number and percentage of business relationships identified as at a higher risk of incidents related to violations of labor rights and working conditions;
- d. for each region, report the types of business relationships, and the labor rights and working conditions, that are at higher risk;
- e. describe the actions taken to prevent incidents related to violations of labor rights and working conditions in business relationships identified as at higher risk;
- f. report contextual information necessary to understand how the data has been compiled, including standards, methodologies, and assumptions used.

GUIDANCE

According to the *UN Guiding Principles on Business and Human Rights* and the *ILO Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy*, organizations are expected to conduct continuous assessments of their business relationships to identify actual and potential human rights impacts, including impacts on labor rights and working conditions.

See reference [6] in the [Bibliography](#).

See Guidance to LRBR 1-a for the definition of incidents.

Guidance to LRBR 2-a

According to the *UN Guiding Principles on Business and Human Rights*, organizations are expected to identify and address negative impacts when establishing new business relationships as early as possible.

The percentage of new business relationships assessed in a region (e.g., Region A) for labor rights and working conditions is calculated using the following formula:

Percentage of new business relationships in a region (e.g., Region A) assessed for labor rights and working conditions	=	Total number of new business relationships in a region (e.g., Region A) assessed for labor rights and working conditions	X 100
		Total number of new business relationships in a region (e.g., Region A)	

See Table 1 for an example of how to present the information on LRBR 2-a.

Table 1. Example template for presenting information on the percentage of new business relationships assessed for labor rights and working conditions for each region

	Percentage of new business relationships assessed for labor rights and working conditions
Region A	

Region B	
Region C	
Region D	

535 The organization should describe the assessment methods used to evaluate its business
536 relationships against the labor rights and working conditions practices before conducting business,
537 such as supplier self-assessments, third-party certifications, or due diligence checks against
538 watchlists.

539 See reference [6] in the [Bibliography](#).

540 **Guidance to LRBR 2-b**

541 In practice, determining the total number of business relationships can be challenging, particularly in
542 complex supply chains. For that reason, the requirement only covers the total number of business
543 relationships assessed for risks of incidents related to violations of labor rights and working
544 conditions.

545 The organization can report whether it is progressively increasing the total number of business
546 relationships assessed on labor rights and working conditions. For example, the number of
547 assessments may have increased compared to the previous year.

548 If the number of business relationships at risk includes those with already identified incidents (as per
549 LRBR 3), they remain at risk of further incidents, unless action is taken.

550 **Guidance to LRBR 2-c**

551 To identify business relationships at a higher risk of incidents related to violations of labor rights and
552 working conditions, the organization can implement a risk-based approach that prioritizes actions
553 based on the severity and likelihood of negative impacts.

554 When the organization has many business relationships, it should report how it identifies general
555 areas where the risk of negative impacts is most significant or due to operational contexts and
556 circumstances, and prioritize these. For example, impacts could be associated with specific raw
557 materials, processes, countries, regions, or types of workers.

558 The percentage of business relationships in a region (e.g., Region A) identified as having a higher risk
559 of incidents related to violations of labor rights and working conditions is calculated using the following
560 formula:

Percentage of business relationships in a region (e.g., Region A) at a higher risk of incidents related to violations of labor rights and working conditions	=	$\frac{\text{Total number of business relationships in a region (e.g., Region A) at a higher risk of incidents related to violations of labor rights and working conditions}}{\text{Total number of business relationships in a region (e.g., Region A) assessed for risk of incidents related to violations of labor rights and working conditions}} \times 100$
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561 See Table 2 for an example of how to present the information on LRBR 2-c.

562 **Table 2. Example template for presenting information on the total and percentage of business**
563 **relationships at a higher risk of incidents related to violations of labor rights and working**
564 **conditions for each region**

	Total business relationships identified at a higher risk of incidents	Percentage of business relationships identified at a higher risk of incidents
Region A		
Region B		

Region C		
Region D		

The organization may classify business relationships at higher risk due to their position in the value chain. The organization can report how many of its upstream and downstream business relationships are considered higher risk.

Guidance to LRBR 2-d

See Table 3 for an example of how to present the information on LRBR 2-d.

Table 3. Example template for presenting information on the types of business relationships and the labor rights and working conditions at higher risk for each region

	Types of business relationships at higher risk	Labor rights and working conditions at higher risk
Region A		
Region B		
Region C		
Region D		

For example, the organization can report that they identified five regions in their value chain at higher risk of labor rights impacts. Across these regions, the organization assessed a total of 148 businesses, of which 100 were identified as being at a higher risk. For Region A, the types of business relationships are key suppliers, logistics partners, and labor recruitment agencies. Types of incidents affecting labor rights and working conditions include unpaid overtime, unsafe working conditions, restrictions on freedom of association, and gender discrimination.

Guidance to LRBR 2-f

The organization can describe its approach to collecting data about labor rights and working conditions from business relationships, including:

- use and scope of primary data;
- use of third-party data;
- methods to address data gaps, including proxies or estimates.

When using estimates, the organization should report whether it uses external sources and how it arrives at the result. In addition, the organization should report the limitations in reaching the estimation.

The organization can describe how it ensures the quality and reliability of its information.

The methods for assessing and identifying business relationships at higher risk of incidents related to violations of labor rights and working conditions can include quantitative and qualitative information. For example, questionnaires, human rights impact assessments, surveys, social auditing, certification systems, or other assessments, such as contractual reviews, two-way engagement, results of supply chain mapping, or grievance mechanisms.

The organization should consider the labor rights and working conditions covered by the management system, which are reported under LRBR 1-a-i.

The organization can report the sources used to assess and identify business relationships at higher risk of incidents related to labor rights and working conditions, for example, global and local unions, workers, civil society organizations, academic and media reports, and third-party data providers.

Disclosure LRBR-3 Incidents related to violations of labor rights

REQUIREMENTS

The organization shall:

- a. report the total number of incidents related to violations of labor rights and affecting workers in business relationships, and a breakdown of this total by region;
- b. for each region, report the type of incidents related to violations of labor rights and affecting workers in business relationships;
- c. for each region, report the number of workers in business relationships affected;
- d. for each region, report the total number of business relationships where incidents related to violations of labor rights and working conditions have been identified, and report:
 - i. the total number and percentage of business relationships where actions were taken to address the incidents;
 - ii. the total number and percentage of business relationships terminated due to the incidents, with reasons why;
- e. for each region, describe the actions taken or planned to address each type of incident related to labor rights and working conditions affecting workers in business relationships, including:
 - i. providing for or cooperating in the remediation;
 - ii. preventing future incidents;
- f. report contextual information necessary to understand how the data has been compiled, including standards, methodologies, and assumptions used;

GUIDANCE

See Guidance to LRBR 1-a for the definition of incidents.

The organization can report the status of the incident. For example, if a case is still open, in the process of being resolved, or closed.

The organization can report how long it takes to resolve the incident, and whether the workers affected are satisfied with the resolution.

Guidance to LRBR 3-a

Types of incidents can refer to specific labor rights and working conditions, such as forced labor or occupational health and safety, or to specific issues (e.g., debt bondage, fire safety).

See Table 4 for an example of how to present information on LRBR 3-a, LRBR 3-b, LRBR 3-c, and 3-d.

Table 4. Example template for presenting information on incidents and actions taken related to violations of labor rights and working conditions of workers in business relationships

Region	Number of incidents	Type of incidents	Number of workers affected	Remediation actions taken	Preventive actions taken
Region A					
Region B					
Region C					
Region D					

Total		
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Guidance to LRBR 3-a-i

The organization should first report the number of incidents in a more general or aggregated manner by themes (e.g., discrimination, forced labor, lack of freedom of association). Then, using other GRI Standards related to business relationships, e.g., Disclosure NDEO 4 of [GRI NDEO: Non-discrimination and Equal Opportunity 202X](#), the organization reports the specific types of incidents associated with discrimination (e.g., racial discrimination, sexual harassment, violence).

Guidance to LRBR 3-a-ii

When the number of affected workers is unknown, the organization can provide an estimate. When using estimates, an organization should report how it arrives at the result and whether it uses external sources. For example, the current estimate for workers in business relationships affected by incidents on labor rights and working conditions numbers 100.

If it is not possible to estimate the number of affected workers in business relationships, the organization should describe the actions taken to obtain a figure.

The organization may also report demographic characteristics of affected workers in business relationships, such as average age and gender.

Guidance to LRBR 3-b

See Table 5 for an example of how to present the information on LRBR 3-b-i.

Table 5. Example template for presenting information on the total number of business relationships where incidents related to violations of labor rights and working conditions have been identified for each region

	Total number of business relationships where incidents related to violations of labor rights and working conditions have been identified
Region A	
Region B	
Region C	
Region D	

The organization should describe how it identifies the root causes of incidents and how it engages with business relationships to address the resulting impacts.

Guidance to LRBR 3-b-i

The percentage of business relationships in a region (e.g., Region A) where actions were taken to address incidents related to violations of labor rights and working conditions is calculated using the following formula:

Percentage of business relationships where actions were taken in a region (e.g., Region A) to address incidents related to violations of labor rights and working conditions	=	$\frac{\text{Total number of business relationships where actions were taken in a region (e.g., Region A) to address incidents related to violations of labor rights and working conditions}}{\text{Total number of business relationships in a region (e.g., Region A) where incidents related to violations of labor rights and working conditions were identified}} \times 100$
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See Table 6 for an example of how to present the information on LRBR 3-b-i.

Table 6. Example template for presenting information on the total number and percentage of business relationships where actions were taken to address incidents related to violations of labor rights and working conditions by region

	Total number of business relationships where actions were taken	Percentage of business relationships where actions were taken
Region A		
Region B		
Region C		
Region D		

Guidance to LRBR 3-b-ii

The percentage of business relationships terminated in a region due to incidents related to violations of labor rights and working conditions is calculated using the following formula:

Percentage of business relationships terminated in a region (e.g., Region A)	=	$\frac{\text{Total number of business relationships terminated in a region (e.g., Region A)}}{\text{Total number of business relationships where incidents related to violations of labor rights and working conditions have been identified in a region (e.g., Region A)}} \times 100$
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See Table 7 for an example of how to present the information on LRBR 3-b-ii.

Table 7. Example template for presenting information on the total number and percentage of business relationships terminated due to incidents related to violations of labor rights and working conditions by region

	Total number of business relationships terminated	Percentage of business relationships terminated
Region A		
Region B		
Region C		
Region D		

The organization can provide a breakdown of the total number of business relationships terminated by type of incident. For example, the organization can report that ten terminations of business relationships were due to persistent wage underpayment and unpaid overtime of workers.

For every termination reported, the organization should report whether it attempted to engage with a business relationship or implement a remediation action beforehand. For example, the organization can report that a business relationship consistently violated occupational health and safety standards despite several attempts to engage with the business relationship to introduce an action plan.

The organization can also report the percentage of business relationships that were terminated after attempts to address the incident, as well as the percentage of terminated business relationships that underwent follow-up monitoring. Follow-up monitoring refers to the activities carried out to verify the implementation of the actions after the termination.

Guidance to LRBR 3-c

According to the *UN Guiding Principles on Business and Human Rights*, organizations are expected to provide for or cooperate in the remediation of negative impacts that they have caused or contributed to. When negative impacts are directly linked to organizations' business relationships, including through their operations, products, or services, organizations are not responsible for providing for or cooperating in the remediation of these impacts. However, they can play a role in

688 doing so. The organization should report how it engages affected workers as part of the remediation
689 process.

690 The organization can report whether its contracts with business relationships include clauses that
691 ensure specific remediation actions for affected workers, instead of leaving it to the business
692 relationships to decide via their contract terms.

693 If suppliers are a key business relationship, the organization is encouraged to report remediation
694 actions that extend beyond first-tier suppliers. It can describe how it engages with second-tier
695 suppliers and beyond to address incidents.

696 See reference [6] in the [Bibliography](#).

697 **Guidance to LRBR 3-c-i**

698 Examples of actions to remediate incidents are financial compensation, restoration of rights, and
699 implementation of grievance mechanisms in business relationships.

700 **Guidance to LRBR 3-c-ii**

701 Examples of actions to prevent incidents:

- 702 • engage with local, national, or international trade unions to improve freedom of association;
- 703 • participate in enforceable labor rights agreements or global frameworks;
- 704 • maintain independent grievance mechanisms managed by expert assessors appointed by an
705 oversight committee, including local trade union and civil society representatives;
- 706 • require suppliers to introduce specific changes to their policies;
- 707 • set up national monitoring committees with trade unions to oversee implementation and raise
708 concerns.

Glossary

This glossary provides definitions for terms used in this Standard. The organization is required to apply these definitions when using the GRI Standards.

The definitions included in this glossary may contain terms that are further defined in the complete [GRI Standards Glossary](#). All defined terms are underlined. If a term is not defined in this glossary or in the complete *GRI Standards Glossary*, definitions that are commonly used and understood apply.

basic salary

fixed, minimum amount paid to an employee for performing his or her duties

Note: Basic salary excludes any additional remuneration, such as payments for overtime working or bonuses.

business partner

entity with which the organization has some form of direct and formal engagement for the purpose of meeting its business objectives

Source: Shift and Mazars LLP, *UN Guiding Principles Reporting Framework*, 2015; modified

Examples: affiliates, business-to-business customers, clients, first-tier suppliers, franchisees, joint venture partners, investee companies in which the organization has a shareholding position

Note: Business partners do not include subsidiaries and affiliates that the organization controls.

business relationships

relationships that the organization has with business partners, with entities in its value chain including those beyond the first tier, and with any other entities directly linked to its operations, products, or services

Source: United Nations (UN), *Guiding Principles on Business and Human Rights: Implementing the United Nations "Protect, Respect and Remedy" Framework*, 2011; modified

Note: Examples of other entities directly linked to the organization's operations, products, or services are a non-governmental organization with which the organization delivers support to a local community or state security forces that protect the organization's facilities.

child

person under the age of 15 years, or under the age of completion of compulsory schooling, whichever is higher

Note 1: Exceptions can occur in certain countries where economies and educational facilities are insufficiently developed, and a minimum age of 14 years applies. These countries of exception are specified by the International Labour Organization (ILO) in response to a special application by the country concerned and in consultation with representative organizations of employers and workers.

Note 2: The ILO *Minimum Age Convention*, 1973, (No. 138), refers to both child labor and young workers.

collective bargaining

all negotiations that take place between one or more employers or employers' organizations, on the one hand, and one or more workers' organizations (e.g., trade unions), on the other, for determining working conditions and terms of employment or for regulating relations between employers and workers

Source: International Labour Organization (ILO), *Collective Bargaining Convention*, 1981 (No. 154); modified

discrimination

752 act and result of treating persons unequally by imposing unequal burdens or denying benefits instead
753 of treating each person fairly on the basis of individual merit

754 Note: Discrimination can also include harassment, defined as a course of comments or actions that
755 are unwelcome, or should reasonably be known to be unwelcome, to the person towards whom they
756 are addressed.

757 **due diligence**

758 process to identify, prevent, mitigate, and account for how the organization addresses its actual and
759 potential negative impacts

760 Source: Organisation for Economic Co-operation and Development (OECD), OECD Guidelines for
761 Multinational Enterprises, 2011; modified

762 United Nations (UN), Guiding Principles on Business and Human Rights: Implementing the United
763 Nations “Protect, Respect and Remedy” Framework, 2011; modified

764 Note: See section 2.3 in GRI 1: Foundation 2021 for more information on ‘due diligence’.

765 **employee**

766 individual who is in an employment relationship with the organization according to national law or
767 practice

768 **freedom of association**

769 right of employers and workers to form, to join and to run their own organizations without prior
770 authorization or interference by the state or any other entity

771 **forced or compulsory labor**

772 all work and service that is exacted from any person under the menace of any penalty and for which
773 the said person has not offered herself or himself voluntarily

774 Source: International Labour Organization (ILO), Forced Labour Convention, 1930 (No. 29); modified

775 Note 1: The most extreme examples of forced or compulsory labor are slave labor and bonded labor,
776 but debts can also be used as a means of maintaining workers in a state of forced labor.

777 Note 2: Indicators of forced labor include withholding identity papers, requiring compulsory deposits,
778 and compelling workers, under threat of firing, to work extra hours to which they have not previously
779 agreed.

780 **grievance**

781 perceived injustice evoking an individual's or a group's sense of entitlement, which may be based on
782 law, contract, explicit or implicit promises, customary practice, or general notions of fairness of
783 aggrieved communities

784 Source: United Nations (UN), *Guiding Principles on Business and Human Rights: Implementing the*
785 *United Nations “Protect, Respect and Remedy” Framework*, 2011

786 **grievance mechanism**

787 routinized process through which grievances can be raised and remedy can be sought

788 Source: United Nations (UN), *Guiding Principles on Business and Human Rights: Implementing the*
789 *United Nations “Protect, Respect and Remedy” Framework*, 2011; modified

790 Note: See [Guidance to Disclosure 2-25 in GRI 2: General Disclosures 2021](#) for more information on
791 ‘grievance mechanism’.

792 **human rights**

793 rights inherent to all human beings, which include, at a minimum, the rights set out in the *United*
794 *Nations (UN) International Bill of Human Rights* and the principles concerning fundamental rights set

795 out in the *International Labour Organization (ILO) Declaration on Fundamental Principles and Rights*
796 *at Work*

797 Source: United Nations (UN), *Guiding Principles on Business and Human Rights: Implementing the*
798 *United Nations “Protect, Respect and Remedy” Framework*, 2011; modified

799 Note: See [Guidance to 2-23-b-i in GRI 2: General Disclosures 2021](#) for more information on ‘human
800 rights’.

801 **impact**

802 effect the organization has or could have on the economy, environment, and people, including on their
803 human rights, which in turn can indicate its contribution (negative or positive) to sustainable
804 development

805 Note 1: Impacts can be actual or potential, negative or positive, short-term or long-term, intended or
806 unintended, and reversible or irreversible.

807 Note 2: See [section 2.1 in GRI 1: Foundation 2021](#) for more information on ‘impact’.

808 **Indigenous Peoples**

809 Indigenous Peoples are generally identified as:

- 810 • tribal peoples in independent countries whose social, cultural and economic conditions
811 distinguish them from other sections of the national community, and whose status is regulated
812 wholly or partially by their own customs or traditions or by special laws or regulations;
- 813 • peoples in independent countries who are regarded as indigenous on account of their descent
814 from the populations which inhabited the country, or a geographical region to which the
815 country belongs, at the time of conquest or colonization or the establishment of present state
816 boundaries and who, irrespective of their legal status, retain some or all of their own social,
817 economic, cultural and political institutions.

818 Source: International Labour Organization (ILO), *Indigenous and Tribal Peoples Convention*, 1989
819 (No. 169)

820 **local community**

821 individuals or groups of individuals living or working in areas that are affected or that could be affected
822 by the organization’s activities

823 Note: The local community can range from those living adjacent to the organization’s operations to
824 those living at a distance.

825 **material topics**

826 topics that represent the organization’s most significant impacts on the economy, environment, and
827 people, including impacts on their human rights

828 Note: See [section 2.2 in GRI 1: Foundation 2021](#) and [section 1 in GRI 3: Material Topics 2021](#) for
829 more information on ‘material topics’.

830 **mitigation**

831 action(s) taken to reduce the extent of a negative impact

832 Source: United Nations (UN), *The Corporate Responsibility to Respect Human Rights: An Interpretive*
833 *Guide*, 2012; modified

834 Note: The mitigation of an actual negative impact refers to actions taken to reduce the severity of the
835 negative impact that has occurred, with any residual impact needing remediation. The mitigation of a
836 potential negative impact refers to actions taken to reduce the likelihood of the negative impact
837 occurring.

838 **remedy / remediation**

839 means to counteract or make good a negative impact or provision of remedy

840 Source: United Nations (UN), *The Corporate Responsibility to Respect Human Rights: An Interpretive*
841 *Guide*, 2012; modified

842 Examples: apologies, financial or non-financial compensation, prevention of harm through injunctions
843 or guarantees of non-repetition, punitive sanctions (whether criminal or administrative, such as fines),
844 restitution, restoration, rehabilitation.

845 **remuneration**

846 basic salary plus additional amounts paid to a worker

847 Note: Examples of additional amounts paid to a worker can include those based on years of service,
848 bonuses including cash and equity such as stocks and shares, benefit payments, overtime, time
849 owed, and any additional allowances, such as transportation, living and childcare allowances.

850 **severity (of an impact)**

851 The severity of an actual or potential negative impact is determined by its scale (i.e., how grave the
852 impact is), scope (i.e., how widespread the impact is), and irremediable character (how hard it is to
853 counteract or make good the resulting harm).

854 Source: Organisation for Economic Co-operation and Development (OECD), *OECD Due Diligence*
855 *Guidance for Responsible Business Conduct*, 2018; modified

856 United Nations (UN), *The Corporate Responsibility to Respect Human Rights: An Interpretive Guide*,
857 2012; modified

858 Note: See [section 1 in GRI 3: Material Topics 2021](#) for more information on 'severity'.

859 **stakeholder**

860 individual or group that has an interest that is affected or could be affected by the organization's
861 activities

862 Source: Organisation for Economic Co-operation and Development (OECD), *OECD Due Diligence*
863 *Guidance for Responsible Business Conduct*, 2018; modified

864 Examples: business partners, civil society organizations, consumers, customers, employees and
865 other workers, governments, local communities, non-governmental organizations, shareholders and
866 other investors, suppliers, trade unions, vulnerable groups

867 Note: See [section 2.4 in GRI 1: Foundation 2021](#) for more information on 'stakeholder'.

868 **severity (of an impact)**

869 The severity of an actual or potential negative impact is determined by its scale (i.e., how grave the
870 impact is), scope (i.e., how widespread the impact is), and irremediable character (how hard it is to
871 counteract or make good the resulting harm).

872 Source: Organisation for Economic Co-operation and Development (OECD), *OECD Due Diligence*
873 *Guidance for Responsible Business Conduct*, 2018; modified

874 United Nations (UN), *The Corporate Responsibility to Respect Human Rights: An Interpretive Guide*,
875 2012; modified

876 Note: See [section 1 in GRI 3: Material Topics 2021](#) for more information on 'severity'.

877 **supplier**

878 entity upstream from the organization (i.e., in the organization's supply chain), which provides a
879 product or service that is used in the development of the organization's own products or services

880 Examples: brokers, consultants, contractors, distributors, franchisees, home workers, independent
881 contractors, licensees, manufacturers, primary producers, sub-contractors, wholesalers

882 Note: A supplier can have a direct business relationship with the organization (often referred to as a
883 first-tier supplier) or an indirect business relationship.

884 **supply chain**

885 range of activities carried out by entities upstream from the organization, which provide products or
886 services that are used in the development of the organization's own products or services

887 **sustainable development / sustainability**

888 development that meets the needs of the present without compromising the ability of future
889 generations to meet their own needs

890 Source: World Commission on Environment and Development, *Our Common Future*, 1987

891 Note: The terms 'sustainability' and 'sustainable development' are used interchangeably in the GRI
892 Standards.

893 **value chain**

894 range of activities carried out by the organization, and by entities upstream and downstream from the
895 organization, to bring the organization's products or services from their conception to their end use

896 Note 1: Entities upstream from the organization (e.g., suppliers) provide products or services that are
897 used in the development of the organization's own products or services. Entities downstream from the
898 organization (e.g., distributors, customers) receive products or services from the organization.

899 Note 2: The value chain includes the supply chain.

900 **vulnerable group**

901 group of individuals with a specific condition or characteristic (e.g., economic, physical, political,
902 social) that could experience negative impacts as a result of the organization's activities more
903 severely than the general population

904 Examples: children and youth; elderly persons; ex-combatants; HIV/AIDS-affected households;
905 human rights defenders; indigenous peoples; internally displaced persons; migrant workers and their
906 families; national or ethnic, religious and linguistic minorities; persons who might be discriminated
907 against based on their sexual orientation, gender identity, gender expression, or sex characteristics
908 (e.g., lesbian, gay, bisexual, transgender, intersex); persons with disabilities; refugees or returning
909 refugees; women

910 Note: Vulnerabilities and impacts can differ by gender.

911 **worker**

912 person that performs work for the organization

913 Examples: employees, agency workers, apprentices, contractors, home workers, interns, self-
914 employed persons, sub-contractors, volunteers, and persons working for organizations other than the
915 reporting organization, such as for suppliers

916 Note: In the GRI Standards, in some cases, it is specified whether a particular subset of workers is
917 required to be used.

918 **worker representative**

919 person who is recognized as such under national law or practice, whether they are:

920 a trade union representative, namely, a representative designated or elected by trade unions or by
921 members of such unions; or

922 an elected representative, namely, a representative who is freely elected by the workers of the
923 undertaking in accordance with provisions of national laws, regulations, or collective agreements,
924 whose functions do not include activities which are recognized as the exclusive prerogative of trade
925 unions in the country concerned.

926 Source: International Labour Organization (ILO), Workers' Representatives Convention, 1971 (No.
927 135)

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This section lists authoritative intergovernmental instruments and additional references used in developing this Standard.

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