



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

Comments to be received by 09 March 2026

This exposure draft of the GRI Labor Topic Standards is published for public comment by the [Global Sustainability Standards Board \(GSSB\)](#), the independent standard-setting body of GRI. This exposure draft is intended to replace GRI 414: Supplier Social Assessment 2016.

Any interested party can submit comments on this draft by 09 March 2026 via this [online survey](#).

As required by the [GSSB Due Process Protocol](#), only comments submitted in writing and in English will be considered. Comments will be published on the GRI website and considered a matter of public record. Instructions on how to submit comments are outlined on the first page of the online questionnaire.

An explanatory memorandum preceding the exposure draft summarizes the objectives of the project and the significant proposals contained within this exposure draft.

This draft is published for comment only and may change before official publication.

For more information, please visit the [GRI Standards webpage](#). For questions regarding the exposure draft or the public comment period, please send an email to labor@globalreporting.org

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 covers workers in business relationships. They work for entities other than the reporting organization, such as suppliers, sub-contractors or other entities in its value chain including those beyond the first tier, who perform work for the organization. The reporting organization does not control their work for entities other than the reporting organization, such as suppliers, sub-contractors or other entities in its value chain including those beyond the first tier, who perform work for the organization. The reporting organization does not control their work.

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 was approved 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.

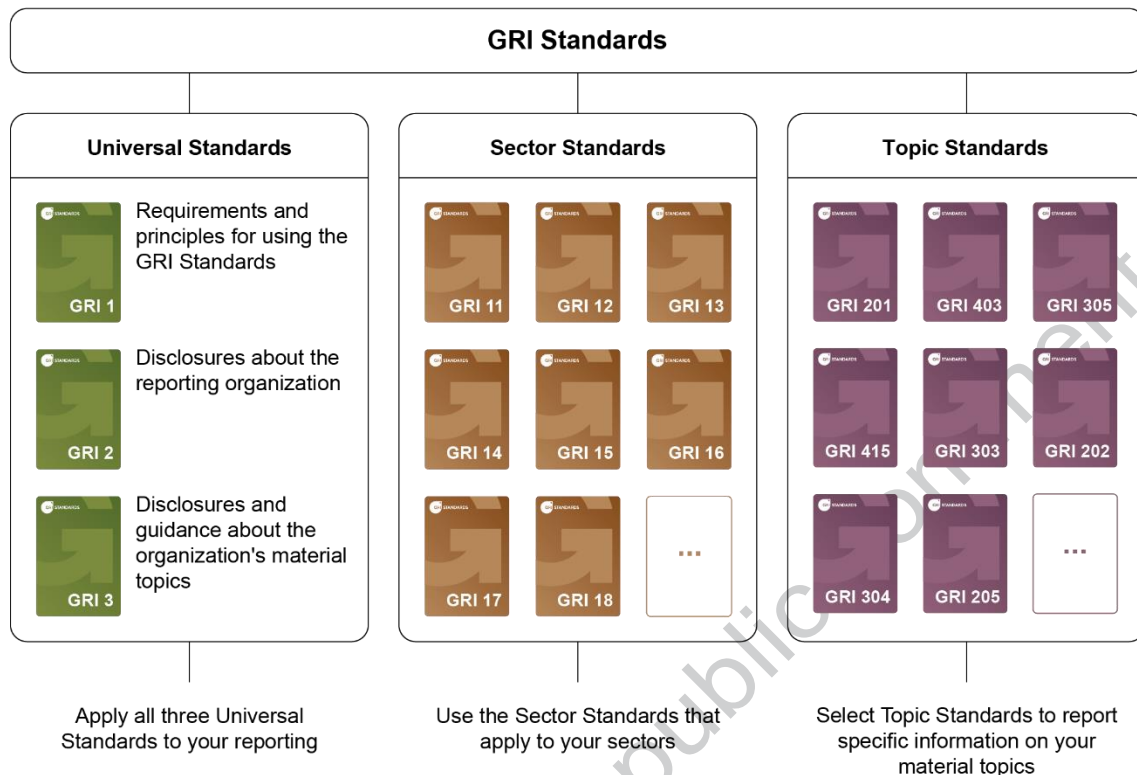
Sector Standards

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 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 1, FL 2, FL 4 and, FL 6 of [GRI FL: Forced Labor 202X](#)
- Disclosure CL 1, CL 2, CL 4 and, CL 6 of [GRI CL: Child Labor 202X](#)
- Disclosure FACB 1, FACB 2, FACB 4, and FACB 6 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 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 negative impacts on labor rights and working conditions, such as risk assessments, supplier feedback, feedback from workers, unions or other workers' organizations, 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 other worker representatives covering business relationships, or industry initiatives to address procurement-related labor impacts.

417 **Guidance to LRBR 1-d-ii**

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

422 **Guidance to LRBR 1-e**

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

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

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

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

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

437 **Guidance to LRBR 1-f**

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

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

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

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

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

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

460 **Guidance to LRBR 1-f-ii**

461 Potential negative impacts may include loss of employment for workers, reduction of wages and
462 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 describe the safeguards put in place to ensure 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. 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 | |

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

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

Guidance to LRBR 2-b

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

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

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

Guidance to LRBR 2-c

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

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

The percentage of business relationships in a region (e.g., Region A) identified as having a higher risk of incidents related to violations of labor rights and working conditions is calculated using the following 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 | = | $\frac{\text{Total number of business relationships in a region (e.g., Region A) at a higher risk of incidents related to violations of labor rights and working conditions}}{\text{Total number of business relationships in a region (e.g., Region A) assessed for risk of incidents related to violations of labor rights and working conditions}} \times 100$ |
|--|---|---|

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

Table 2. Template for presenting information on the total and percentage of business relationships at a higher risk of incidents related to violations of labor rights and working 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. 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.

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

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

Exposure draft for public comment

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. 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 | | |
|-------|--|--|

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. 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 | = | $\frac{\text{Total number of business relationships where actions were taken in a region (e.g., Region A) to address incidents related to violations of labor rights and working conditions}}{\text{Total number of business relationships in a region (e.g., Region A) where incidents related to violations of labor rights and working conditions were identified}} \times 100$ |
|--|---|--|

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) | = | $\frac{\text{Total number of business relationships terminated in a region (e.g., Region A)}}{\text{Total number of business relationships where incidents related to violations of labor rights and working conditions have been identified in a region (e.g., Region A)}} \times 100$ |
|--|---|---|

See Table 7 for an example of how to present the information on LRBR 3-b-ii.

Table 7. 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

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

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

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

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

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

701 Examples of actions to remediate incidents include financial compensation, restoration of rights, and
702 implementation of grievance mechanisms in business relationships.

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

704 Examples of actions to prevent incidents include:

- 705 • engaging with local, national, or international trade unions to improve freedom of association;
- 706 • participating in enforceable labor rights agreements or global frameworks;
- 707 • maintain independent grievance mechanisms managed by expert assessors appointed by an
708 oversight committee, including local trade union and civil society representatives;
- 709 • requiring suppliers to introduce specific changes to their policies;
- 710 • setting up national monitoring committees with trade unions to oversee implementation and
711 raise 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.

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

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

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

due diligence

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

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

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

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

759 **employee**

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

762 **freedom of association**

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

765 **forced or compulsory labor**

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

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

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

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

774 **grievance**

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

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

780 **grievance mechanism**

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

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

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

786 **human rights**

787 rights inherent to all human beings, which include, at a minimum, the rights set out in the *United*
 788 *Nations (UN) International Bill of Human Rights* and the principles concerning fundamental rights set
 789 out in the *International Labour Organization (ILO) Declaration on Fundamental Principles and Rights*
 790 *at Work*

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

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

795 **impact**

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

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

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

802 **Indigenous Peoples**

803 Indigenous Peoples are generally identified as:

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

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

814 **local community**

815 individuals or groups of individuals living or working in areas that are affected or that could be affected
816 by the organization's activities

817 Note: The local community can range from those living adjacent to the organization's operations to
818 those living at a distance.

819 **material topics**

820 topics that represent the organization's most significant impacts on the economy, environment, and
821 people, including impacts on their human rights

822 Note: See [section 2.2 in GRI 1: Foundation 2021](#) and [section 1 in GRI 3: Material Topics 2021](#) for
823 more information on 'material topics'.

824 **mitigation**

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

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

828 Note: The mitigation of an actual negative impact refers to actions taken to reduce the severity of the
829 negative impact that has occurred, with any residual impact needing remediation. The mitigation of a
830 potential negative impact refers to actions taken to reduce the likelihood of the negative impact
831 occurring.

832 **remedy / remediation**

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

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

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

839 **remuneration**

840 basic salary plus additional amounts paid to a worker

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

844 **severity (of an impact)**

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

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

850 United Nations (UN), *The Corporate Responsibility to Respect Human Rights: An Interpretive Guide*,
851 2012; modified

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

853 **stakeholder**

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

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

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

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

862 **severity (of an impact)**

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

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

868 United Nations (UN), *The Corporate Responsibility to Respect Human Rights: An Interpretive Guide*,
869 2012; modified

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

871 **supplier**

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

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

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

878 **supply chain**

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

881 **sustainable development / sustainability**

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

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

885 Note: The terms 'sustainability' and 'sustainable development' are used interchangeably in the GRI

886 Standards.

887 **value chain**

888 range of activities carried out by the organization, and by entities upstream and downstream from the

889 organization, to bring the organization's products or services from their conception to their end use

890 Note 1: Entities upstream from the organization (e.g., suppliers) provide products or services that are

891 used in the development of the organization's own products or services. Entities downstream from the

892 organization (e.g., distributors, customers) receive products or services from the organization.

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

894 **vulnerable group**

895 group of individuals with a specific condition or characteristic (e.g., economic, physical, political,

896 social) that could experience negative impacts as a result of the organization's activities more

897 severely than the general population

898 Examples: children and youth; elderly persons; ex-combatants; HIV/AIDS-affected households;

899 human rights defenders; indigenous peoples; internally displaced persons; migrant workers and their

900 families; national or ethnic, religious and linguistic minorities; persons who might be discriminated

901 against based on their sexual orientation, gender identity, gender expression, or sex characteristics

902 (e.g., lesbian, gay, bisexual, transgender, intersex); persons with disabilities; refugees or returning

903 refugees; women

904 Note: Vulnerabilities and impacts can differ by gender.

905 **worker**

906 person that performs work for the organization

907 Examples: employees, agency workers, apprentices, contractors, home workers, interns, self-

908 employed persons, sub-contractors, volunteers, and persons working for organizations other than the

909 reporting organization, such as for suppliers

910 Note: In the GRI Standards, in some cases, it is specified whether a particular subset of workers is

911 required to be used.

912 **worker representative**

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

914 a trade union representative, namely, a representative designated or elected by trade unions or by

915 members of such unions; or

916 an elected representative, namely, a representative who is freely elected by the workers of the

917 undertaking in accordance with provisions of national laws, regulations, or collective agreements,

918 whose functions do not include activities which are recognized as the exclusive prerogative of trade

919 unions in the country concerned.

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

921 135)

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

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