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

**For GSSB discussion**

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<td>23 March 2021</td>
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<tr>
<td>Project</td>
<td>GRI Universal Standards Project</td>
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<td>Description</td>
<td>This document presents the revised draft of GRI 102: About the Organization following the public comment feedback. Key changes are highlighted in comment boxes within the document. Minor editorial changes have not been highlighted, but a draft tracking all changes to the text has been included in the Annex. The public comments to this draft can be found here: <a href="https://www.globalreporting.org/media/50b65062/item-05-public-comments-to-revisions-gri-102-in-the-universal-standards-exposure-draft.pdf">https://www.globalreporting.org/media/50b65062/item-05-public-comments-to-revisions-gri-102-in-the-universal-standards-exposure-draft.pdf</a></td>
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This document has been prepared by the GRI Standards Division 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](http://www.globalreporting.org).
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Explanatory note

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

Section 2. Organizational details and reporting practices
- Expanded Disclosure REP-3 for organizations to report the publication date of reported information and retained the contact point for questions regarding the reported information, see lines 100-101.

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

Section 5. Strategy, policies, and practices
- Clarified in the introduction the difference between the disclosures in this section and the disclosures in GRI 103, see lines 473-478.
- Moved the requirement to report the date of approval of the policy commitments to the guidance section. This information is not essential, see lines 525-526.
- Revised requirement on compliance with laws and regulations. This is to capture instances that may not be significant in their monetary value but have a significant impact, see lines 875-881.

Additional revisions made in response to public comment feedback are explained in comment boxes.
Other editorial revisions have been made to the text to improve clarity and consistency with the GRI Style Guide and are explained in comment boxes.
Revised GRI 102: About the Organization

Section 1. Introduction
[under review]

Section 2. Organization and its reporting practices

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

Disclosure REP-1 Organizational details

Requirements
The organization shall:

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

Guidance

Guidance to REP-1-a
If the organization uses a commonly known trading name or business name that is different from its legal name, it should report this in addition to its legal name.

Guidance to REP-1-b
The nature of ownership and the legal form of the organization refers to whether it is publicly or privately owned, and whether it is an incorporated entity, a partnership, a sole proprietorship, or another type of entity such as a nonprofit, an association, or a charitable organization.

Guidance to REP-1-c
Headquarters are an organization’s global administrative center, the place from which it is controlled or directed.

Guidance to REP-1-d
The organization can report specific locations within countries where it has operations, e.g., regions, states, or cities, if this provides contextual information about the scale of its activity and about the impacts included in its sustainability reporting. If the organization has reported its countries of operation, it should report specific locations within these countries.
operation elsewhere, such as in its audited consolidated financial statements or financial information filed on public record, the organization can provide a link or reference to this information.

Disclosure REP-2 Organizational entities included in the sustainability reporting

Requirements

The organization shall:

a. list its entities that are included in its sustainability reporting;

b. if the organization has audited consolidated financial statements or financial information filed on public record, specify the differences between the list of entities included in its financial reporting and the list included in its sustainability reporting;

c. if the organization consists of multiple entities, explain the approach used for consolidating the information, including:

   i. whether the approach involves adjustments to information for minority interests;

   ii. how the approach takes into account mergers, acquisitions, and disposal of entities or parts of entities;

   iii. whether and how the approach differs across material topics.

Guidance

Guidance to REP-2-a

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

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

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

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

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

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

Guidance to REP-2-c

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

A minority interest is an ownership interest in an entity that is not controlled by the parent entity.
Disclosure REP-3 Reporting period and frequency

Requirements

The organization shall:

a. specify the reporting period for its sustainability reporting;

b. if the organization has audited consolidated financial statements or financial information filed on public record, specify the reporting period for its financial reporting, and if it does not align with the period for its sustainability reporting, explain the reason for this;

c. report the publication date and frequency of its sustainability reporting;

d. report the contact point for questions regarding the reported information.

Guidance

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

The reporting period refers to the time period covered by the reported information (e.g., the year ending 31 December 2021 or 1 July 2021 through 30 June 2022). The organization can specify the start and end dates of the reporting period in the introduction of its report. The organization should align the reporting period for its sustainability reporting with the reporting period for its other statutory and regulatory reporting, in particular, its financial reporting. See Section 5.1 of GRI 101: Using the GRI Standards for more information.

Guidance to REP-3-c

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

Disclosure REP-4 Restatements of information

Requirements

The organization shall:

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

Guidance

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

Guidance to REP-4-a

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

Examples of reasons for restatements of information include:

- a change of base periods or reporting periods;
- change in the nature of the business;
- change in measurement methods;
The organization can report the criteria it uses to determine when a change or error in previously reported information is considered significant enough to issue a restatement.

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

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

Disclosure REP-5 External assurance

Requirements

The organization shall:

a. describe its policy and practice for seeking external assurance, including whether and how the highest governance body and senior executives are involved;

b. if the organization’s sustainability reporting has been externally assured:
   i. provide a link or reference to the external assurance report(s) or assurance statement(s);
   ii. describe what has been assured and on what basis, including the assurance standards used, the level of assurance obtained, and the limitations of the assurance process;
   iii. describe the relationship between the organization and the assurance provider.

Guidance

Guidance to REP-5-b-ii

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

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

- the scope of information and processes covered;
- the assurance and reporting standards used;
- the responsibilities of the organization relative to the assurance provider;
- the level of assurance obtained;
- any limitations of the assurance process;
- the opinion or conclusions formally signed off by the assurance provider;
- a summary of the work performed; and
• information on the experience and qualifications of the assurance providers.

See Section 5.2 of GRI 101: Using the GRI Standards for more information on external assurance.

Guidance to REP-5-b-iii

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

See Section 5.2 of GRI 101: Using the GRI Standards for more information on working with assurance providers.

Commented [SD13]: Type of change: revision following public comment feedback. New guidance added.
Section 3. Activities and workers

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

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

Requirements

The organization shall:

a. report its sector;

b. describe its value chain, including:
   i. the organization’s activities, products, services, and markets;
   ii. characteristics of the entities upstream from the organization and their activities related to the organization’s products and services, i.e., its supply chain;
   iii. characteristics of the entities downstream from the organization and their activities related to the organization’s products and services;

c. report other relevant business relationships;

d. describe significant changes in ACT-1-a, ACT-1-b, and ACT-1-c compared to the previous reporting period.

Guidance

Guidance to ACT-1-a

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

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

Guidance to ACT-1-b

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

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

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

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

When describing the markets, the organization can:

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

Guidance to ACT-1-b-ii

The organization can describe:

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

Guidance to ACT-1-b-iii

The organization can describe:

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

Guidance to ACT-1-c

Other relevant business relationships include relationships that the organization has with entities that are not described as part of its value chain under ACT-1-b. These consist of business partners (e.g., joint ventures) and other entities directly linked to the organization’s operations, products, or services. When describing other relevant business relationships, the organization can report the types of entities, their activities, and their geographic location.

Guidance to ACT-1-d

ACT-1-d requires the organization to describe significant changes in its sector, value chain, and other business relationships compared to the previous reporting period. This information can help explain
variations in the organization’s impacts included in its sustainability reporting. Examples of significant changes that can be reported under this disclosure are changes in activities such as the opening, closing, or expansion of facilities, changes in the structure of the organization’s supply chain or in its relationships with suppliers, or changes in the locations of its suppliers.

Disclosure ACT-2 Employees

Requirements

The organization shall:

a. report the total number of employees, and a breakdown of this total by gender and by region;

b. report the total number of:

i. permanent employees, with a breakdown by gender and by region;

ii. temporary employees, with a breakdown by gender and by region;

iii. non-guaranteed hours employees, with a breakdown by gender and by region;

iv. full-time employees, with a breakdown by gender and by region;

v. part-time employees, with a breakdown by gender and by region;

c. provide contextual information to understand the data reported under ACT-2-a and ACT-2-b;

d. describe significant fluctuations in the number of employees during the reporting period and between reporting periods;

e. describe the assumptions and methodologies used to compile the data, including whether the number of employees are reported:

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

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

Guidance

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

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

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

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

Guidance to ACT-2-a

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

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

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

**Guidance to ACT-2-b**

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

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

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

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

**Guidance to ACT-2-c**

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

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

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

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

**Guidance to ACT-2-d**

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

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

If there are no significant fluctuations in the number of employees during the reporting period or between reporting periods, a brief statement of this fact is sufficient to comply with the requirement.
Guidance to ACT-2-e

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

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

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

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

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Disclosure ACT-3 Workers who are not employees

Requirements

The organization shall:

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

   i. the most common types of worker and their contractual relationship with the organization;
   
   ii. the work they perform;

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

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

   i. in head count, full-time equivalent (FTE), or using another methodology;
   
   ii. at the end of the reporting period, as an average across the reporting period, or using another methodology.

Guidance

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

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

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

See references 8, 20, 22, 23, 24, 26, and 31 in the Bibliography section.

Guidance to ACT-3-a

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

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

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

The following are examples of workers who are not employees whose work is controlled by the organization. These workers are included under this disclosure:
• Contractors hired by the organization to perform work at the organization’s workplace, in a public area (e.g., on a road, on the street), or directly at the workplace of the organization’s client;
• Workers of the organization’s supplier, where the organization instructs the supplier to use particular materials or work methods in manufacturing the products or delivering the services;
• Volunteers or interns performing work for the reporting organization.

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

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

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

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

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

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

ACT-3-a-ii requires the organization to describe the work performed by the most common types of worker. It is sufficient if the organization provides a general description. The organization is not required to report the type of worker, contractual relationship, and work performed for every worker who is not an employee.

Guidance to ACT-3-b

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

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

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

Guidance to ACT-3-c

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

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

Commented [SD22]: Type of change: editorial revision.
New guidance added.

Commented [SD23]: Type of change: editorial revision.
New guidance added.
these numbers in averages across the reporting period takes into account fluctuations during the
reporting period.

Section 4. Governance
[Under review]

Section 5. Strategy, policies, and practices

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

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

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

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

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

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

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

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

Requirements

The organization shall:

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

Guidance

 Guidance to SPP-1

The organization should describe:

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

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

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

Disclosure SPP-2 Policy commitments

Requirements

The organization shall:

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

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

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

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

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

Original wording: “internationally recognized instruments”

The term “authoritative intergovernmental instruments” is now used consistently throughout the GRI Standards.
iv. whether the commitments stipulate respecting human rights;
b. describe its specific policy commitment to respect human rights, including:
i. the internationally recognized human rights that the commitment covers;
ii. the categories of stakeholders, including at-risk or vulnerable groups, that the
    organization gives particular attention to in the commitment;
c. provide links to the policy commitments if publicly available, or, if the policy
    commitments are not publicly available, explain the reason for this;
d. report the level at which each of the policy commitments was approved within the
    organization, including whether this is the most senior level;
e. report the extent to which the policy commitments apply to the organization’s activities
    and to its business relationships;
f. describe how the policy commitments are communicated to workers, business partners,
    and other relevant parties.

Guidance

Background

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

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

Guidance to SPP-2-a

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

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

Guidance to SPP-2-a-i

See the Bibliography section for a list of authoritative intergovernmental instruments for responsible
business conduct.

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

Guidance to SPP-2-a-iii

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

The precautionary principle means taking early action to prevent and mitigate potential negative
impacts in situations where conclusive scientific understanding or evidence is lacking but there is
sufficient reason to expect serious or irreversible damage.

While the precautionary principle is most often associated with the protection of the environment, it
can be applied to other areas, such as health and safety. The organization can describe the areas
where it applies the precautionary principle.
The application of the precautionary principle can be reported under MT-3-d-i in GRI 103: Material Topics, as part of the organization’s actions to prevent or mitigate potential negative impacts for each material topic.

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

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

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

UN instruments elaborate further on the rights of indigenous peoples; women; national or ethnic, religious and linguistic minorities; children; persons with disabilities; and migrant workers and their families. There are also standards of international humanitarian law that apply in situations of armed conflict, such as the International Committee of the Red Cross (ICRC) Geneva Conventions of 1949.2

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

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

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

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

Categories of stakeholders that the organization gives particular attention to can include consumers, customers, employees, local communities, and workers. They can also include individuals belonging to groups or populations that are considered to be at risk or vulnerable, such as children; human rights defenders; indigenous peoples; migrant workers and their families; national or ethnic, religious and linguistic minorities; persons who might be discriminated against based on their sexual orientation, gender identity, gender expression, or sex characteristics; persons with disabilities; or women.1

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

**Guidance to SPP-2-d**

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

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

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Guidance to SPP-2-e

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

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

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

Guidance to SPP-2-f

The organization can report:

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

Disclosure SPP-3 Embedding the policy commitments

Requirements

The organization shall:

1. describe how the organization embeds each of its policy commitments for responsible business conduct throughout its activities and business relationships, including:
   - how it allocates responsibility to implement the commitments across different levels within the organization;
   - how it integrates the commitments into organizational strategies, operational policies, and operational procedures;
   - how it implements its commitments in its business relationships;
   - training that the organization provides on implementing the commitments.

Guidance

Background

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

Guidance to SPP-3-a-I

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

The organization can report:
the most senior level with oversight of, or accountability for, the implementation of the policy commitments;

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

Guidance to SPP-3-a-ii
The organization can describe:

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

Guidance to SPP-3-a-iii
The organization can describe:

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

Guidance to SPP-3-a-iv
The organization can report:

• the content of the training;
• to whom the training is provided, and whether it is mandatory;
• the form (e.g., in-person, online) and frequency of the training;
The organization can report whether the training covers how to implement the policy commitments in general or in specific situations (e.g., ensuring the commitment toward privacy when handling customers’ personal data, ensuring the policy commitments are considered in procurement practices).

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

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

**Requirements**

The organization shall:

a. describe its commitments to provide for or cooperate in the remediation of negative impacts that the organization identifies it has caused or contributed to;

b. describe its approach to identify and address grievances, including:

i. the grievance mechanisms that the organization has established or participates in;

ii. other processes by which the organization provides for or cooperates in the remediation of negative impacts that it identifies it has caused or contributed to;

c. describe how the stakeholders who are the intended users of the grievance mechanisms and other remediation processes are involved in the design, review, operation, and improvement of these mechanisms and processes;

d. describe how the organization tracks the effectiveness of the grievance mechanisms and other remediation processes, and report examples of their effectiveness, including stakeholder feedback.

**Guidance**

**Background**

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

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

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

Grievance mechanisms are distinct from whistleblowing mechanisms. Whistleblowing mechanisms enable individuals to raise concerns about wrongdoing or breaches of the law in the organization's operations or business relationships, regardless of whether the individuals themselves are harmed or not. Whistleblowing mechanisms are to be reported under Disclosure SPP-5.
Guidance to SPP-4

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

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

Guidance to SPP-4-b-i

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

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

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

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

The organization can describe:

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

Commented [SD40]: Type of change: revision following public comment feedback.
New guidance added.
• whether the organization provides a back-up process for workplaces of suppliers that do not have operational-level grievance mechanisms or where the existing grievance mechanisms in those workplaces result in unresolved issues.

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

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

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

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

**Guidance to SPP-4-c**

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

**Guidance to SPP-4-d**

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

The organization can report:

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

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

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

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

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

Original wording: "how the organization seeks to ensure that users are treated with respect and protected against reprisals (i.e., non-retaliation for raising complaints or concerns);"
Disclosure SPP-5 Mechanisms for seeking advice and raising concerns

Requirements

The organization shall:

a. describe the mechanisms for individuals to:

   i. seek advice on implementing the organization’s policies and practices for responsible business conduct;
   
   ii. raise concerns about the organization’s responsible business conduct.

Guidance

Background

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

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

Guidance to SPP-5

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

Guidance to SPP-5-a

The organization can report:

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

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

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

Commented [SD43]: Type of change: editorial revision.
Changes made for consistency with the corresponding guidance in Section 2 of GRI 103: Material Topics.
Original wording: “how the organization seeks to ensure that users are treated with respect and protected against reprisals (i.e., non-retaliation for reporting concerns)”
Disclosure SPP-6 Compliance with laws and regulations

Requirements

The organization shall:

a. report the total number of significant instances of non-compliance with laws or regulations during the reporting period, with a breakdown of this total by:
   i. instances for which fines were incurred and their monetary value;
   ii. instances for which non-monetary sanctions were incurred;

b. describe the significant instances of non-compliance;

c. describe how it has determined significant instances of non-compliance.

Guidance

Background

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

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

Laws and regulations include:

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

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

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

Non-compliance with laws and regulations can give insight into the ability of management to ensure that the organization conforms to certain performance parameters.
Guidance to SPP-6-a

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

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

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

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

Guidance to SPP-6-b

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

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

Guidance to SPP-6-c

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

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

Disclosure SPP-7 Membership associations

Requirements

The organization shall:

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

Guidance

Guidance to SPP-7

The organization could have a significant role in an association or advocacy organization when it holds a position in the governance body, participates in projects or committees, or provides substantive funding beyond routine membership dues. It could also apply when the organization views its membership as strategic to influencing the mission or objective of the association that is critical to the organization’s own activities.
Section 6. Stakeholder engagement

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

Disclosure SE-1 Approach to stakeholder engagement

Requirements

The organization shall:

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

Guidance

Guidance to SE-1

Stakeholders are individuals or groups that have interests that are affected or could be affected by the organization’s activities. For more information on stakeholders, see Section 2.4 in GRI 101: Using the GRI Standards.

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

Guidance to SE-1-a-i

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

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

Guidance to SE-1-a-ii

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

The organization can also report:

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

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

Original wording: "the type and frequency (e.g., annually, quarterly) of stakeholder engagement. For example, whether the engagements are ongoing (e.g., in the case of systemic issues) or whether they are specific engagements with particular groups or for particular operations or projects;"
Further information on stakeholder engagement undertaken for specific activities, such as setting up and operating grievance mechanisms and other remediation processes, or determining and managing material topics, is reported under other disclosures (SPP 4-d in this Standard, and MT-1-a-iii and MT-3-1 in GRI 103: Material Topics).

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

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

The organization can report:

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

**Disclosure SE-2 Collective bargaining agreements**

**Requirements**

The organization shall:

a. report the percentage of total employees covered by collective bargaining agreements;

b. for employees not covered by collective bargaining agreements, report whether it determines their working conditions and terms of employment based on collective bargaining agreements that cover its other employees or based on collective bargaining agreements from other organizations.

**Guidance**

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

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

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

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

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

See references 2, 3, 4, 5, 6, 9, 10, 21, 25, and 26 in the Bibliography section.

Guidance to SE-2-a

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

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

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

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

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

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

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

Guidance to SE-2-b

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

If all of the organization’s employees are covered by collective bargaining agreements, a brief statement of this fact is sufficient to comply with the requirement.
This section lists authoritative intergovernmental instruments and other sources used in developing this Standard, as well as additional resources that can be consulted by organizations.

**Authoritative instruments:**

2. International Labour Organization (ILO), Collective Agreements Recommendation, 1951 (No. 91).
15. United Nations (UN), International Bill of Human Rights:
   - 15.5 United Nations (UN), Second Optional Protocol to the International Covenant on Civil and Political Rights, aiming at the abolition of the death penalty, 1989.

**Other sources:**


**Further resources:**


Section 2. Organizational details and its reporting practices

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

Disclosure REP-1 Organizational details

Requirements

The organization shall:

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

Guidance

Guidance to REP-1-a

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

Guidance to REP-1-b

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

Guidance to REP-1-c

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

Guidance to REP-1-d

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

Disclosure REP-2 Organization’s Organizational entities included in its sustainability reporting

Requirements
The organization shall:

a. list its entities that are included in its sustainability reporting;

b. if the organization has audited consolidated financial statements or financial information filed on public record, specify the differences between the list of entities included in its financial reporting and the list included in its sustainability reporting;

c. if the organization consists of multiple entities that form a consolidated group, explain the approach used for consolidating the information, including:

i. whether the approach involves adjustments to information for minority interests in the case of entities that are not wholly owned;

ii. how the approach takes into account mergers, acquisitions, and disposal of entities or parts of entities;

iii. whether and, if so, how the approach differs across material topics.

Guidance

Guidance to REP-2-a

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

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

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

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

The organization can provide a reference or link to the list of entities included in its audited consolidated financial statements or financial information filed on public record and specify which are included in the organization’s financial reporting.

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

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

Guidance to REP-2-c

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

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

Disclosure REP-3 Reporting period and frequency

Requirements
The organization shall:

a. specify the reporting period for its sustainability reporting;

b. if the organization has audited consolidated financial statements or financial information filed on public record, specify the reporting period for its financial reporting, and explain if it does not align with the period for its sustainability reporting;

c. report the frequency of its sustainability reporting;

d. report the contact point for questions regarding the reported information.

Guidance

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

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

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

Guidance to REP-3-c

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

Disclosure REP-4 Restatements of information

Requirements

The organization shall:

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

Guidance

Background

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

Guidance to REP-4-a

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

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

Examples of reasons for restatements of information can include:
errors made in previous reporting periods;
• disposals, mergers, or acquisitions;
• a change of base periods or reporting periods;
• change in the nature of the business;
• change in measurement methods;
• disposals, mergers, or acquisitions;
• errors made in previous reporting periods.

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

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

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

Disclosure REP-5 External assurance

Requirements

The organization shall:

a. describe its policy and practice with regard to seeking external assurance, including whether and how the highest governance body and senior executives are involved;

b. if the organization’s sustainability reporting has been externally assured:
   i. provide a link or reference to the external assurance report(s), or assurance statement(s) conclusions, or opinions;
   ii. describe what has and what has not been assured and on what basis, including the assurance standards used, the level of assurance obtained, and the limitations of the assurance process;
   iii. describe the relationship between the organization and the assurance provider.

Guidance

Guidance to REP-5-b-ii

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

If this is not the case, the organization is required to report a summary, in accessible language, reflecting the key elements covered in the external assurance report, including:
If the assurance reports or statements include a description of what has been assured, and on what basis, then a link to this information is sufficient to meet the requirement.

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

- the scope of information and processes covered;
- assurance and reporting standards used;
- the responsibilities of the organization relative to the assurance provider;
- the level of assurance obtained;
- any limitations of the assurance process;
- the opinion or conclusions formally signed off by the assurance provider;
- a summary of the work performed; and
- information on the experience and qualifications of the assurance providers.

See Section 5.2 of GRI 101: Using the GRI Standards for more information on external assurance.

Guidance to REP-5-b-iii

An assurance provider conducting external assurance needs to demonstrate independence from the organization in order to reach and publish objective and impartial conclusions about the organization’s sustainability reporting. See Section 5.2 of GRI 101: Using the GRI Standards for more information on working with assurance providers.
Section 3. Organizational Activities and workers

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

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

Requirements

The organization shall:

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

Guidance

Guidance to ACT-1-a

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

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

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

Guidance to ACT-1-b

The organization’s value chain includes the organization’s own activities, as well as activities carried out by entities upstream and downstream from the organization in relation to the organization’s products and services. Entities upstream from the organization are those that supply products or services that are used in the development of contribute to the organization’s own products or services. Entities downstream from the organization receive products or services from the organization. Entities in the value chain include entities beyond the first tier, both upstream and downstream.
The information required in ACT-1-b provides contextual information to understand the organization’s impacts across its value chain, including through the use of its products and services. The information required in ACT-1-b helps to understand the impacts that occur across the organization’s value chain, including through the use of its products and services. Describing the markets served provides further information on the groups of customers targeted by the organization’s products and services.

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

ACT-1-b-i does not require a detailed description of each activity of the organization. Instead, the organization should provide a high-level overview of all its activities. The organization should report its total number of operations, explaining more about what comprises activities here that we want reporting on. The organization should also explain how it defines the term “operation.” For example, whether “operation” refers to a single location used by the organization for the production, storage, and/or distribution of its products and services or for administrative purposes. When describing its main activities, the organization should report the total number of operations. The organization should also report the definition used for “operation.” For example, whether “operation” refers to a single location used by the organization for the production, storage, and/or distribution of its products and services or for administrative purposes.

When describing the markets served, the organization can:

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

When describing its main activities, the organization should:

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

When describing its products and services, the organization should:

- describe report if any of its products or services are banned in certain markets it sells products and services that are banned in certain markets or are the subject of stakeholder concerns or public debate, and how the organization has responded to these concerns.

When describing the markets served, the organization can:

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

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

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

- specify the types of suppliers upstream (e.g., brokers, contractors, wholesalers, brokers);
- report the estimated number of suppliers throughout its supply chain (i.e., in the first tier, second tier, etc.);
- report the types of activities of its suppliers (e.g., manufacturing of the organization’s products, provision of services);
- specify the nature of the business relationship with its suppliers (e.g., long-term or short-term, contractual or non-contractual, project-based or event-based relationship);
- specify the geographic locations of its suppliers.

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

- specify the types of customers and beneficiaries (e.g., end consumers, other businesses, recipients of the products or services from a social enterprise or a nonprofit organization);
• report the estimated number of downstream entities (i.e., in the first tier, second tier, etc.);

• report the types of activities of these downstream entities (e.g., wholesalers, manufacturers, retailers);

• specify the nature of the downstream entities (e.g., long-term or short-term contract, project-based or event-based relationship);

• specify the geographic locations of the downstream entities.

Guidance to ACT-1-c

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

When describing other relevant business relationships, the organization can specify the types of entities, their activities related to the organization’s products and services, and their geographic location.

Guidance to ACT-1-d

The organization shall:

a. report the total number of employees, and provide a breakdown of this total by gender and by region;

b. report the total number of:

i. employment contract (permanent employees), with a breakdown by gender and by region;

ii. temporary employees, with a breakdown by gender and by region;

iii. non-guaranteed hours employees, with a breakdown by gender and by region;

iv. employment contract (permanent employees and temporary employees), by region;

v. employment type (full-time employees), with a breakdown by gender and by region;

vi. part-time employees, with a breakdown by gender and by region.

vii. employment type (full-time employees, part-time employees employees), by region;
d. provide contextual information to understand the data reported under ACT-2-a and ACT-2-b:

1. report the total number of workers who are not employees and whose work is controlled by the organization, including:
   a. the most common types of worker and their contractual relationship with the organization;
   b. the work they perform;

2. Describe significant fluctuations in the number of employees and workers who are not employees during the reporting period and between reporting periods;

3. Describe the assumptions and methodologies used to compile the data, including whether the number of employees and workers who are not employees are reported:
   a. in head count, full-time equivalent (FTE), or using another methodology;
   b. at the end of the reporting period, as an average across the reporting period, or using another methodology.

Guidance

Background

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

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

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

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

Guidance to ACT-2-a

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

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

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

Guidance to ACT-2-b

The definitions of permanent, temporary and non-guaranteed hours identify the full-time, and part-time employees. Employment contract and employment type differ between countries. For example, the national legislations vary in their definitions of a full-time contract. If the organization has employees in more than one country, it should use the definitions under as per the national laws of the countries where the employees are located to first calculate country-level data. The country-level data should be used as what constitutes an employment contract and...
employment type varies between countries. For example, the national legislations vary in their
definitions of a full-time contract. If the organization has employees in more than one country, it
should be added up the country-level data to calculate the total numbers, disregarding differences in
national legal definitions.

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

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

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

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

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

Guidance to ACT-2-c

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

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

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

The organization can explain how it defines full-time employment. If the organization has employees
in more than one country, it can report the definitions of full-time employment it uses in the different
regions. The organization can also explain how full-time employment is defined and whether the same
definition applies globally. Similarly, the organization can explain the reasons for part-time
employment. Examples of such reasons could be to accommodate employees’ requests to work
reduced hours, or because the organization is unable to provide full-time employment to all
employees.

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

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

Guidance to ACT-2-c

Workers who are not employees are those who perform work for the organization but are not in an
employment relationship with the organization (e.g., agency workers, contractors, self-employed
persons, volunteers). ACT-2-c provides an understanding of how much the organization relies on
workers who are not employees to perform its work compared to employees.
Control of work implies that the organization directs the work performed or has control over the means or methods for performing the work. The organization might have sole control of the work or share control with one or more organizations (e.g., suppliers, customers, or other business partners, such as in joint ventures).

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

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

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

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

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

Guidance to ACT-2-d

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

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

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

Guidance to ACT-2-ee

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

The organization can report the number of employees by employment contract (permanent and temporary and non-guaranteed hours employees) in head count or full-time equivalent (FTE).

Reporting these numbers in FTE gives insight into the hours worked.

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

Reporting the number of employees and workers who are not employees at the end of the reporting period provides information for that point in time, without capturing any fluctuations during the reporting period. Reporting these numbers in averages across the reporting period takes into account fluctuations during the reporting period.
Table 1  *Example template for presenting information* on employees by gender

<table>
<thead>
<tr>
<th>Reporting period</th>
<th>Number of employees [head count]</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>[Number]</td>
</tr>
<tr>
<td>Female</td>
<td>[Number]</td>
</tr>
<tr>
<td>Male</td>
<td>[Number]</td>
</tr>
<tr>
<td>Other gender category*</td>
<td>[Number]</td>
</tr>
<tr>
<td>Not disclosed</td>
<td>[Number]</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Number of permanent employees [head count / FTE]</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
</tr>
<tr>
<td>Female</td>
</tr>
<tr>
<td>Male</td>
</tr>
<tr>
<td>Other gender category*</td>
</tr>
<tr>
<td>Not disclosed</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Number of temporary employees [head count / FTE]</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
</tr>
<tr>
<td>Female</td>
</tr>
<tr>
<td>Male</td>
</tr>
<tr>
<td>Other gender category*</td>
</tr>
<tr>
<td>Not disclosed</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Number of non-guaranteed hours employees [head count / FTE]</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
</tr>
<tr>
<td>Female</td>
</tr>
<tr>
<td>Male</td>
</tr>
<tr>
<td>Other gender category*</td>
</tr>
<tr>
<td>Not disclosed</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Number of full-time employees [head count]</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
</tr>
<tr>
<td>Female</td>
</tr>
</tbody>
</table>
Table 2 Example template for presenting information on employees by region

<table>
<thead>
<tr>
<th>Reporting period</th>
<th>Number of employees [head count]</th>
<th>Male</th>
<th>[Number]</th>
<th>1580</th>
<th>1581</th>
</tr>
</thead>
<tbody>
<tr>
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<td>Other gender category*</td>
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<tr>
<td></td>
<td>Not disclosed</td>
<td>[Number]</td>
<td></td>
<td>1582</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Number of part-time employees [head count]</td>
<td>Total</td>
<td>[Number]</td>
<td>1583</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Female</td>
<td>[Number]</td>
<td>1584</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Male</td>
<td>[Number]</td>
<td>1585</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Other gender category*</td>
<td>[Number]</td>
<td></td>
<td>1586</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Not disclosed</td>
<td>[Number]</td>
<td>1587</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Number of permanent employees [head count / FTE]</td>
<td>Total</td>
<td>[Number]</td>
<td>1588</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Region A</td>
<td>[Number]</td>
<td>1589</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Region B</td>
<td>[Number]</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Number of temporary employees [head count / FTE]</td>
<td>Total</td>
<td>[Number]</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Region A</td>
<td>[Number]</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Region B</td>
<td>[Number]</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Number of non-guaranteed hours employees [head count / FTE]</td>
<td>Total</td>
<td>[Number]</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Region A</td>
<td>[Number]</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Region B</td>
<td>[Number]</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Number of full-time employees [head count]</td>
<td>Total</td>
<td>[Number]</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Region A</td>
<td>[Number]</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Number of part-time employees [head count]</td>
<td>Total</td>
<td>[Number]</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Region A</td>
<td>[Number]</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

* as specified by the employees
Disclosure ACT-3 Workers who are not employees

Requirements

The organization shall:

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

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

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

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

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

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

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

xvii. the most common types of worker and their contractual relationship with the organization;

ix. the work they perform;

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

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

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

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

Guidance

Background

This disclosure provides information about the number of employees and other workers who are not employees that and outward whose perform work for their controlled by the organization. The information is important in order to understand how many workers in total perform work for the organization. It is important to know the number of workers who are not employees in addition to the number of employees. This disclosure provides an understanding of how much the organization relies on workers who are not employees to perform its work compared to employees.
This disclosure, together with Disclosure ACT-2 on employees, gives insight into the organization’s approach to employment, as well as the scope and nature of impacts created by labor issues arising from its employment practices. It also provides contextual information that helps to understand the information reported in other disclosures, and serves as the basis for calculation in several disclosures, such as the disclosure on the percentage of employees covered by collective bargaining agreements.

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

See references 8, 20, 226, 237, 24-8, 26, 16, 22, 25, and 31-27 in the References-Bibliography section.

**Guidance to ACT-3-e2-c**

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

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

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

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

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

- Contractors hired by the organization to perform work at the organization’s workplace, in a public area (e.g., on a road, on the street), or directly at the workplace of the organization’s client.
- Workers of the organization’s supplier, where the organization instructs the supplier to use particular materials or work methods in manufacturing the products or delivering the services.
- Volunteers or interns performing work for the reporting organization.
- Workers of an equipment supplier to the organization who perform regular maintenance on the supplier’s equipment (e.g., photocopy machines at the organization’s workplace) as stipulated in the contract between the equipment supplier and the organization.
- Workers of a supplier contracted by the organization who work using the supplier’s work methods, such as when the organization sources products from a supplier, and these are standard products of the supplier.

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

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

**Guidance to ACT-3-e2-c-i and ACT-3-e2-c-ii**

ACT-3-e2-c-i requires the organization to report the most common types of worker who are not employees. The organization can use the following categories to report the types of worker: agency
The organization is also required to report its contractual relationship with the most common types of worker, i.e., whether it engages them directly or if it engages them indirectly through a third party, and in the latter case, who this third party is (e.g., employment agency, sub-contractor).

ACT-32-ac-ii requires the organization to describe the work performed by the most common types of worker. It is sufficient if the organization provides a general description. The organization is not required to report the type of worker, contractual relationship, and work performed for every worker who is not an employee.

**Guidance to ACT-32-bd**

It is up to the organization to determine which individuals are required to describe all fluctuations in the number of employees and workers it considers significant to report under this disclosure. The organization should report its threshold for identifying significant fluctuations, i.e., whether the numbers have increased or decreased during the reporting period or in comparison to the previous reporting period. It can also include the reasons for the fluctuations, e.g., an increase in workers who are not employees during the reporting period could be due to a seasonal event taking place, or a decrease in the number of employees workers who are not employees in comparison to the previous reporting period could be due to the completion of a temporary project.

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

**Guidance to ACT-32-ce**

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

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

**Section 5. Responsible business conduct**

**Strategy, policies, and practices**

The disclosures in this section provide an overview of the organization’s sustainable development strategy and its policies and practices for responsible business conduct. The disclosures are based on expectations for businesses contained in internationally recognized authoritative intergovernmental...
Expectations for responsible business conduct include complying with laws and regulations; respecting all internationally recognized human rights, including the rights of workers; and protecting the environment and public health and safety. The expectations also regard combating bribery, bribery solicitation, extortion, and other forms of corruption; and adhering to good tax practices, as well as, in addition, they include conducting due diligence in order to identify, prevent, mitigate, and account for how an organization addresses its negative impacts on the economy, environment, and people.

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

Disclosure SPPBC-1 Statement on sustainable development strategy

Requirements

The organization shall:

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

Guidance

Guidance to SPPBC-1

The organization should describe a statement that should include:

- the short, medium and long-term vision and strategy for the short-term, medium-term, and long-term, with respect to managing the organization’s impacts on the economy, environment, and people, including impacts on human rights, across its activities and business relationships – including impacts on human rights;
- how the organization’s purpose, business strategy and business model are designed or changed to avoid negative impacts and achieve positive impacts on the economy, environment, and people changes in the business model to address impacts to sustainable development;
- its short-term and medium-term strategic priorities for contributing to sustainable development, including the relation to and observance of internationally recognized standards and agreements;

These instruments include the International Labour Organization (ILO) Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy; the Organization for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises and OECD Due Diligence Guidance for Responsible Business Conduct; and the United Nations (UN) Guiding Principles on Business and Human Rights. These instruments in turn are based on international legal instruments, such as the UN International Bill of Human Rights and the ILO conventions.
• the broader trends (e.g., macroeconomic, social or political) affecting the organization and its strategy for contributing to sustainable development;

• the key events, achievements, and failures with respect to the organization’s contributions to sustainable development during the reporting period;

• a view of performance against goals and targets for the organization’s material topics for contributing to sustainable development during the reporting period;

• the organization’s main challenges, and goals and targets regarding its contribution to sustainable development specified for both the next year and for the coming three to five years with respect to its contribution to sustainable development;

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

• the country where the organization is incorporated or registered;

• a stock exchange where the organization trades its securities on;

• the nature and type of the organization (e.g., charity, incorporated company, mutual organization).

Disclosure RBCSPP-2 Policy commitments

Requirements

The organization shall:

a. describe its policy commitments for responsible business conduct, including:

i. the internationally recognized authoritative intergovernmental instruments that the commitments reference;

ii. whether the commitments stipulate conducting due diligence;

iii. whether the commitments stipulate applying the precautionary principle;

iv. whether the commitments stipulate respecting human rights;

b. describe its specific policy commitment to respect human rights, including:

i. the internationally recognized human rights that the commitment covers;

ii. the categories of stakeholders, including at-risk or vulnerable groups, that the organization gives particular attention to in the commitment;

c. provide links to the policy commitments if publicly available, or, if the policy commitments are not publicly available, explain the reason for this;

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

e. report whether the extent to which the policy commitments apply solely to the organization’s own activities or whether they also stipulate the organization’s expectations of those with which it has and to its business relationships, and, if so, describe what those expectations are;

f. describe how the policy commitments are communicated to workers, business partners, and other relevant parties;

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

Background

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


Guidance to RBCSPP-2-a

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

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

Guidance to RBCSPP-2-a-1

The introduction to this section provides examples of internationally recognized authoritative intergovernmental instruments for responsible business conduct.

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

Guidance to RBCSPP-2-a-iii

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

Applying the precautionary principle means taking early action to prevent and mitigate potential negative impacts in situations where conclusive scientific understanding or evidence is lacking but there is sufficient reason to expect serious or irreversible damage, in advance of complete scientific understanding or evidence, to prevent and mitigate potential negative impacts on people’s health and the environment.

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

Guidance to RBCSPP-2-b-i

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

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

UN instruments elaborate further on the rights of indigenous peoples; women; national or ethnic, religious and linguistic minorities; children; persons with disabilities; and migrant workers and their
1840 families. There are also standards of international humanitarian law that apply in situations of armed
1841 conflict, such as the International Committee of the Red Cross (ICRC) Geneva Conventions of 1949.6
1842 At the regional level, binding treaties as well as non-binding instruments provide region-specific
1843 frameworks for human rights.7
1844 If the policy commitment covers all internationally recognized human rights, a brief statement of this
1845 fact is sufficient to meet the requirement. The organization can also state if the policy commitment
1846 references certain rights that require particular attention. For example, it can state that its policy
1847 commitment covers all internationally recognized human rights, and also references the rights to
1848 privacy and freedom of expression in particular because the organization has identified that its
1849 activities have an impact on these rights.
1850 If the policy commitment covers only some internationally recognized human rights, the
1851 organization is required to state the rights that are covered. In addition, it can explain why the policy
1852 commitment is limited to these rights.
1853 Guidance to RBCSPP-2-b-ii
1854 Categories of stakeholders that the organization gives particular attention to can include consumers,
1855 customers, employees, local communities, and workers, among others. They can also include
1856 individuals belonging to groups or populations that are considered to be at risk of vulnerability or at risk,
1857 such as women; children; human rights defenders; indigenous peoples; migrant workers and their
1858 families; national or ethnic, religious and linguistic minorities; persons who might be discriminated
1859 against based on their sexual orientation, gender identity, gender expression, or sex characteristics
1860 (e.g., lesbian, gay, bisexual, transgender, intersex); indigenous peoples, national or ethnic, religious
1861 and linguistic minorities; children; persons with disabilities; migrant workers and their families; and/or
1862 human rights defenders; persons with disabilities; or women.
1863 For example, a bank might give particular attention in its policy commitment to avoid discriminating
1864 against specific categories of customers, or a mining company might give particular attention to avoid
1865 infringing on the rights of indigenous peoples.
1866 Guidance to RBCSPP-2-d
1867 The most senior level in an organization can differ between organizations. For example, the most senior level in
1868 an organization could be the highest governance body (e.g., the board), or it could be the most
1869 senior executive (e.g., chief executive officer).
1870 The organization can also report the dates of approval and adoption of the policy commitments and
1871 different from the date of their approval, and how frequently the commitments are reviewed.
1872 Guidance to RBCSPP-2-e
1873 If the policy commitments apply to all of the organization’s own activities and business relationships
1874 equally, a brief statement of this fact is sufficient to meet the requirement.
1875 If the policy commitments apply to only some of the organization’s own activities (e.g., they apply only
1876 to entities located in certain countries, or to certain subsidiaries), the organization can report
1877 which of its activities the commitments apply to and it can additionally explain why the commitments
1878 are limited to these activities.
1879 If the policy commitments stipulate expectations for only some of the organization’s business
1880 relationships, the organization can report which types of business relationships the
1881 commitments apply to (e.g., distributors, franchisees, joint ventures, suppliers), and it can additionally
1882 explain why the expectations are limited to these business relationships.

6 See the Office of the United Nations High Commissioner for Human Rights’ non-exhaustive list of universal
May 2020.
7 See the Office of the United Nations High Commissioner for Human Rights’ list of regional human rights
When describing the organization’s expectations of those with which it has business relationships, the organization can also explain whether the business relationships are obligated to abide by the policy commitments or are encouraged (but not obligated) to do so.

**Guidance to RBCSPP-2-1**

The organization can report:

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

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

**Requirements**

The organization shall:

a. describe how the organization embeds each of its policy commitments for responsible business conduct throughout its activities and business relationships, including:

i. how the organization allocates responsibility for implementing the commitments across different levels within the organization;
ii. how the organization integrates the commitments into organizational strategies, and operational policies, and operational procedures;
iii. how the organization works with those with which it implements its commitments in its business relationships, to implement the commitments;
iv. training that the organization provides on implementing the commitments.

**Guidance**

**Background**

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

**Guidance to RBCSPP-3-a-1**

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

The organization can report:

- the most senior level with oversight of, or accountability for, the implementation of the policy commitments;
- the functions in the organization with day-to-day responsibility for implementing each of the policy commitments (e.g., human resources with the responsibility for implementing the commitment to respect the rights of workers), including:
- their reporting lines to senior decision-making levels, and;
- the reason for allocating the responsibility to them;
• whether responsible business conduct is formally discussed at meetings of the highest governance body or senior executives and, if so, which topics are discussed;

• whether there are other formal or systematic means for discussions about responsible business conduct between different levels or functions in the organization (e.g., a cross-functional working group).

Guidance to **RBCSPP-3-a-ii**

The organization can describe:

- how it aligns the policy commitments with its:
  - broader risk management systems and management policies;
  - environmental, socioeconomic, and social human rights impact or risk assessments, and other due diligence processes;
  - policies and procedures that set financial and other performance incentives for management or workers;
- how it applies the policy commitments when making decisions, such as about its sourcing and operating locations;
- the systems (e.g., internal audit) it uses for monitoring compliance with the policy commitments across throughout its activities (across functions and geographic locations) and throughout its business relationships.

Guidance to **RBCSPP-3-a-iii**

The organization can describe:

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

Guidance to **RBCSPP-3-a-iv**

The organization can report:

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

The organization can report whether the training covers how to implement the policy commitments in general or in specific situations (e.g., ensuring the commitment toward privacy when handling customers’ personal data, ensuring the policy commitments are considered in procurement practices).

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

**Disclosure RBCSPP-4 Grievance mechanisms and other remediation processes**

**Requirements**

The organization shall:

a. describe its commitments to provide for or cooperate in the remediation of negative impacts that the organization identifies it has caused or contributed to;

b. describe its approach to identify and address grievances, including:
   i. the grievance mechanisms that the organization has established or participates in;
   ii. other processes by which the organization provides for or cooperates in the remediation of negative impacts that it identifies it has caused or contributed to;

c. describe how the stakeholders who are the intended users of the grievance mechanisms and other remediation processes are involved in the design, review, operation, and improvement of these mechanisms and processes;

d. describe how the organization tracks the effectiveness of the grievance mechanisms and other remediation processes, and provide examples of their effectiveness, including stakeholder feedback.

**Guidance**

**Background**

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

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

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

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

**Guidance to RBCSPP-4**

This disclosure covers the operation of grievance mechanisms and other remediation processes that the organization has established or participates in to enable stakeholders to raise concerns about the organization's actual and potential negative impacts on them. The actions taken to provide for or
The organization can describe:
• how the organization has provided for or cooperated in the remediation of actual negative impacts for material topics, as well as environmental remediation processes, are to be reported under MT 3-d ili in GRI 103: Material Topics.
• whether grievances are communicated to the highest governance body;
• whether grievances are treated confidentially;
• whether the mechanisms can be used by stakeholders anonymously through representation by a third party;

Guidance to RBCSP4-4-b-1

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

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

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

Guidance to RBCSP4-4-b-1

Operational-level grievance mechanisms are administered by the organization either alone or in collaboration with other parties and are directly accessible by the organization’s stakeholders. They allow for grievances to be identified and addressed early and directly, thereby preventing both harm and grievances from escalating.

They also provide important feedback on the effectiveness of the organization’s due diligence from those who are directly affected.

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

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

**Guidance to RBCSPPP-4-b-ii**

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

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

See Guidance to RBCSPPP-4-b-i for more information on how to report on other remediation processes.

**Guidance to RBCSPPP-4-c**

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

**Guidance to RBCSPPP-4-d**

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

The organization can report:

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

Quantitative information, such as the number of grievances, is unlikely to be sufficient on its own. For example, a low number of grievances could indicate that few incidents have occurred, but it could also signal that the mechanisms are not trusted by their intended users. For this reason, contextual information should be provided to aid in understanding and interpreting the quantitative information.
Disclosure SPPRBC-5 Mechanisms for seeking advice and raising concerns

Requirements

The organization shall:

a. describe the mechanisms for individuals to:

i. seek advice on implementing the organization’s policies and practices for responsible business conduct;

ii. raise concerns about the organization’s responsible business conduct.

Guidance

Background

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

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

Guidance to SPPRBC-5

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

Guidance to SPPRBC-5-a

The organization can report:

• who the intended users of the mechanisms are;

• how the mechanisms operate and which level or function in the organization is assigned responsibility for them;

• whether the mechanisms are operated independently of the organization (e.g., by a third party);

• the process through which concerns are investigated;

• whether requests for advice and concerns raised are treated confidentially;

• whether the mechanisms can be used anonymously.

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

• whether and how the intended users are informed about the mechanisms and trained on how to use them;

• the accessibility of the mechanisms, such as the total number of hours per day or days per week that they are available, and their availability in different languages;
• how the organization seeks to ensure it respects users’ human rights are treated with respect and protects them against reprisals (i.e., non-retribution for reporting concerns);
• how satisfied users are with the mechanisms or-and with the resulting outcomes;
• the number and types of requests for advice received during the reporting period, and the percentage of requests that were answered;
• the number and types of concerns raised during the reporting period, and the percentage of concerns that were addressed and resolved or found to be unsubstantiated.

Disclosure RBCSPP-6 Compliance with laws and regulations

Requirements

The organization shall:

a. report the total number of significant instances of non-compliance with laws or regulations for which significant fines or non-monetary sanctions were incurred during the reporting period, with a breakdown of this total by including:
   i. total monetary value of the significant fines incurred;
   ii. instances for which total number of significant fines were incurred and their monetary value;
   iii. instances for which and total number of non-monetary sanctions were incurred;
   iv. the nature of each instance of non-compliance for which a significant fine or non-monetary sanction was incurred;

b. describe the significant instances of non-compliance;

c. describe how it has determined significant instances of non-compliance.

Guidance

Background

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

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

Laws and regulations include:

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

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

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

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

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

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

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

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

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

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

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

When describing how the organization has determined significant instances of non-compliance, it can include:
• the severity of the impact that resulting from the instance resulted in;

• external benchmarks used in its sector to determine significant instances of non-compliance.

Disclosure **SPPRBC-7 Membership associations**

Requirements

The organization shall:

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

Guidance

**Guidance to SPPRBC-7**

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

**Section 6. Stakeholder engagement**

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

Disclosure **SE-1 Approach to stakeholder engagement**

Requirements

The organization shall:

- describe its approach to engaging with stakeholders, including:
  - the categories of stakeholders it engages with, and how they are identified;
  - the purpose of the stakeholder engagement;
  - how the organization seeks to ensure meaningful engagement with stakeholders.

Guidance

**Guidance to SE-1**

Stakeholders are individuals or groups who have interests that are affected or could be affected by the organization’s activities and decisions. For more information on stakeholders, see Section 2.4 in GRI 101: Using the GRI Standards.

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

**Guidance to SE-1-a-i**
Common categories of stakeholders for organizations include business partners, civil society organizations, consumers, customers, employees and other workers, governments, local communities, non-governmental organizations, shareholders and other investors, suppliers, trade unions, and vulnerable groups.

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

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

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

The organization can add additional report:

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

Further information on stakeholder engagement undertaken for specific activities, for example, for the setup and operation, of grievance mechanisms and other remediation processes, or for the identification, determination, and management of material topics and related impacts, is reported under other disclosures (RBCSPP-4-d in this Standard, and MT-1-a-iii and MT-3-a in GRI 103: Material Topics).

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

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

The organization can report:

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

Disclosure SE-2 Collective bargaining agreements

Requirements

The organization shall:

- report the percentage of total employees covered by collective bargaining agreements;
- for employees not covered by collective bargaining agreements, report whether it determines their working conditions and terms of employment based on its existing collective bargaining agreements that cover with the other employees or based on collective bargaining agreements from other organizations.

Guidance

Background

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

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

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

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

See references 1, 2, 3, 4, 5, 6, 9, 10, 21, 24, and 26 in the References Bibliography section.

Guidance to SE-2-a

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

This requirement does not ask for the percentage of employees belonging to trade unions, which might be a different number. The percentage of employees covered by collective bargaining agreements can be higher than the percentage of unionized employees when an organization is required to apply the collective bargaining agreements to both union and non-union members.

Alternatively, the percentage of employees covered by collective bargaining agreements can be lower than the percentage of unionized employees. This applies when there are no collective bargaining agreements available or when the collective bargaining agreements do not cover all unionized employees.

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

\[
\text{Percentage} = \left( \frac{\text{Number of employees covered by collective bargaining agreements}}{\text{Total number of employees reported under Disclosure ACT-2}} \right) \times 100
\]

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

Employees who are represented by a works council are not included under SE-2-a, unless the works council engages in collective bargaining that results in a collective bargaining agreement. If none of the organization’s employees are covered by collective bargaining agreements, a brief statement of this fact is sufficient to meet the requirement. The organization can additionally also report the percentage of employees covered by collective bargaining agreements per region or country, or provide comparisons with industry benchmarks.

**Guidance to SE-2-b**

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

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

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

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

**References Bibliography**

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

**Authoritative Intergovernmental Instruments:**

2. International Labour Organization (ILO), Collective Agreements Recommendation, 1951 (No. 91).


10. International Labour Organization (ILO), Workers' Representatives Convention, 1971 (No. 135).


Other relevant references:


Further resources:


